

**The Effects of Corporate Social Responsibility on Organizational  
Performance in Ethiopia (A Case of Dangote Cement Factory)**

*A Thesis Submitted to the school of graduate studies of Jimma university in Partial  
Fulfillment of the Requirements for the Award of the Degree of Master of Business  
Administration (MBA).*

**By**

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**JIMMA UNIVERSITY**

**COLLEGE OF BUSINESS & ECONOMICS**

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**JIMMA UNIVERSITY**

***Business and economics college***

***Department of management***

***JULY, 2020***

***JIMMA, ETHIOPIA***

**APPROVAL SHEET OF THESIS**

I hereby certify that I have read and evaluated this Thesis entitled: “The Effect of Corporate Social Responsibility on Organizational Performance: (A Case of Dangote Cement Factory)”, prepared under my guidance by Abebe Ayalew. I recommend that it be submitted as fulfilling the Thesis requirement.

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As a member of the Board of Examiners of the MBA Thesis Open Defense Examination, we certify that we have read, and evaluated the thesis prepared by Abebe Ayalew and examined the candidate. We recommended that the thesis be accepted as fulfilling the thesis requirements for the Degree of Master of Business Administration. Final approval and acceptance of the thesis is contingent upon the submission of its final copy to the Council of Graduate Studies (CGS) through the candidate’s department or school graduate committee (DGC or SGS).

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**DECLARATION**

I hereby declare that this thesis entitled “The Effects of Corporate Social Responsibility on Organizational Performance” was carried out in accordance with regulations of the University and was prepared by me, with the guidance of my advisors. The study has not been previously submitted for any degree at any higher institution. The work contained herein is my own except where explicitly stated otherwise in the text, and that this work.

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**Signature, Date**

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**Name of Co-advisor:**

**Signature, Date**

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## **DEDICATION**

I would like to dedicate this paper to all my families particularly, to my mother Amaz kebede since she gave me her golden family time.

## **AKNOWLEDGMENTS**

First of all, I would like to thank my almighty God, from the depth of my heart for helping me from the beginning up to the end. Next, I would like to express my heart felt appreciation and gratitude to my genuine advisors, my main advisor Assistant Professor Mr. Wondesen Seyoum and my co-advisor Mr. Frew Mulatu, for their excellent scientific guidance, patience, kindness, right encouragement from the beginning of this thesis and special help on preparing this document. Thank you my advisors for your unreserved, wonderful and precious knowledge sharing that would be indispensable to my life by providing a constructive suggestion, ideas, comments and continuous evaluation which made this work relevant and better.

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## **LIST OF ACCRONYMS AND ABRIVATIONS**

CSR.....	Corporate social responsibility
PDIA.....	pre-decision consequence of information asymmetry
PCIA .....	post-decision consequence of information asymmetry.
NGOs.....	Non-government organizations
GIS.....	Geographic information system

## ABSTRACT

*Corporate social responsibility is an overbearing concept that is progressively being considered and reformed worldwide. All over the world, CSR has become more and more common in the business community. The studies on CSR have discovered conflicting result that is some studies discloses CSR to have a positive effect while others have publicized to have a negative effect. This leads towards of information asymmetry The objective of this study was to examine the effects of corporate social responsibility(CSR) on organizational performance in Ethiopia, the case of Dangote cement factory located at Adabarga. The researcher used descriptive and explanatory research design. The target population of the study was the current permanent employees of Dangote cement factory from management and non-managements positions with the sample size of 179 employees from which 166 questionnaires are valid by using Yemane formula to decide the sample size through probability and non-probability sampling techniques. The collected data were presented and analyzed by using SPSS (version 20) statistical software and multiple linear Regression Analysis was also used to test the hypotheses of the study and the model results like the values of R, R-square and Adjusted R-square shows that, CSR has significant effects on organizational performances of the Dangote cement factory. The ANOVA table also shows that the overall model was statistically significant and the coefficient table shows that independent variable has significant effect on dependent variable, which is CSR have significant effect on organizational performance. This means that the most significant variable is ethical activities followed by legal activities among the three independent variables. It was concluded that for the existence of business industries in Ethiopia, community relation is key to ensuring conducive atmosphere for business to succeed. The study was recommended among others the management of the company should pay more attention to corporate social responsibility as it will improve their image and ensure their survival in the industry.*

**Keywords:** *Corporate social responsibility, Organizational performance, Philanthropic activities, Ethical activities, Legal actives.*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Back ground of the study

Corporate Social Responsibility (CSR) has become an emerging issue in the recent business world. It is a known fact that the key reason for a firm 's existence is that of profit intensification. In a bid to achieve this goal, firm 's processes have been able to avoid leading to the degeneration of the environment within and around it. Corporate social responsibility is an imperative concept that is gradually being considered and reformed worldwide. All over the world, CSR has become more and more common in the business municipal. Mean that the concept of CSR is being argued globally. Nowadays, CSR has become a necessity of the modern business. It links the organization with its social environment where the interaction is required between them (Adegbie & Ogan, 2020; Samer et al., 2018; Tsegaw, 2018).

Corporate Social Responsibility is the set of principles which is used by organizations to make a positive contribution to the society. It is agreeable that a firm's ability to flavor CSR towards improved business performance based on employee commitment and its performance. Hence, it could be a good idea to engage in CSR for employees given that they are an important pillar in every business. Considered as the immediate internal stakeholders and employees are a crucial component of the target group for most CSR outline (Mensah et al., 2017). By any count, the world is altering faster than ever earlier. Human numbers are growing faster, and the impressions of organizational activities are being felt in more and more ways. This change has philosophical inferences for business, and means that the world of corporate social responsibility (CSR) at the vanguard of this change (Ruhama.T, 2019).

In the African context, none-profit organizations and public snooping entities such as banks and registered companies, have been noted to be involved greatly in community-based CSR activities for sustainability motives. The terms of CSR in Africa are provoked by legislated demands regularly omitted, while arguments anger about fitting business obligations towards workers. However, when come to CSR in Africa, it needs more mobilization program in every angle at large besides of CSR has acquired great importance in the developing countries (Fatemi et al., 2015).

Ethiopia is one of the developing countries where the attitude of corporate social responsibility is not well developed and also the governance system takes the form of simple control and decision making rather than inspiring their development and implementation of a well-developed ethical code of conduct. In Ethiopia there is a lack of research work in CSR concept and practices. Businesses operating in the country are expected to integrate social demands (integrative approach) along with ethical considerations (ethical approach) in order to generate a positive impact on society. Corporate social responsibility (CSR) in Ethiopia has become a significant feature of managing businesses which implies all the appropriate social, environmental and economic actions that a firm must incorporate to satisfy the concerns of stakeholders and the financial requirements of shareholders (Eyasu & Endale, 2020; TF, 2015; Workeferahu, 2017).

In fact, there has been a lack of absolute definition among researchers and experts of CSR in terms of the nature and scope of what constitutes the CSR of organizations or companies. This is because the scope of social responsibilities and the expected contributions of businesses are progressively changed and extended (Samer et al.2018).

Studies in the past have uncovered conflicting results when looking at the effects of CSR on a firm's performance. Some studies have discovered CSR to have a positive effect while others have publicized to have a negative effect. This leads towards of information asymmetry which consists of adverse selection or the pre-decision consequence of information asymmetry (PDIA) and moral hazard or the post-decision consequence of information asymmetry(PCIA). In addition, most of the previous studies were conducted in overseas countries, indicating scarcity of studies in African economies and also previous researchers focused more on profitability whereas organizational performance goes beyond profitability. This implies that this area is pierced with inconclusiveness, and this breach motivates the researcher to conduct the study for further creating awareness about CSR which plays a significant role and its effects in line with organizational performances.

## **1.2. Problem Statement**

The concept of corporate social responsibility (CSR) is not new. Discussion about it initiated since the 1950s and it has been exposed to a lot of debate, comment, and research. In spite of the seeming endless discussion about it, it has seen a lot of development in both academic and practitioner communities all over the world (Carroll & Shabana, 2010). In this current business atmosphere, the attention of every organization is to develop a good and permanent relationship with customers, employees and society at large which will certify long-term business sustainability. Hence some organizations have understood and comprised CSR as a means of improving their performance. Others however, do not buy the idea behind CSR and they see it as having a negative influence on organizational performance. To them, CSR drains the company's financial resources and simply they refuse to involve in CSR.

Several studies have been carried out on CSR and firm's performances. Studies in the past have revealed incompatible results when observing at the effects of CSR on a firm's performance. Some studies have exposed CSR to have a positive effect while others have shown to have a negative effect. For example, the finding of (Tamayo, 2013) showed that the relation between CSR and organizational performance is either negative or insignificant for firms with low customer awareness. The authors believe that CSR philosophies do not make firms profitable and how market works rather CSR was a waste of time and money. On other hand earlier studies such as (Ahmad et al, ; Omoro, Kinyua, 2014) shown that CSR has no effects on financial performance of firms. Bedada et al., (2011) and Degaga et al., (2019) had also studied on CSR. The finding of these authors only displays the challenges of implementing CSR and without doubt they said that because Ethiopia is one of the developing country, the mindset of companies' social obligation isn't gleaming advanced. On the other hand, the findings of (Hafiz at al, 2019; Kesto, 2017) disclosed that except one firm, almost all firms considered for study did not have a standardized written guideline for how to discharge their CSR activities.

Dangote cement factory have also engaged in CSR activities to improve its performances. But, it is not clear which types of corporate social responsibility CSR have the greatest effects on organizational performance. There is lack of standardized documents and information asymmetry which might be a causes for adverse selection and moral hazard in Dangote cement factory. Hence there is no proper demarcations available about CSR and none of the above



studies had proved to be prominent effects of CSR on organizational performances. Hence, there is a significant gap about CSR and its effects organization performances of Dangote cement factory. Therefore, this study aims to investigate how CSR practices clearly affects organizational performances in Dangote cement factory and tried to contribute towards filling the knowledge gap regarding the awareness of corporate social responsibility. Furthermore, the findings of this research will contributes deep understanding about CSR to others organizations whether the company realize any benefits from the much they spend

### **1.3. Research hypothesis**

- ✓ Ho: Philanthropic activity has no significant effects on organizational performances of Dangote cement factory
- ✓ H1: Philanthropic activity has significant effects on organizational performances of Dangote cement factory.
- ✓ Ho: Ethical activity has no significant effects on organizational performances of Dangote cement factory.
- ✓ H1: Ethical activity has significant effects on organizational performances of Dangote cement factory.
- ✓ Ho: Legal activity has no significant effects on organizational performances of Dangote cement factory.
- ✓ H1: Legal activity has significant effects on organizational performances of Dangote cement factory

### **1.4. Objectives of the study**

The general objective of this study was to examine the effect of corporate social responsibility on organizational performance: (A case of Dangote cement factory). In line with the following specific objectives:

- ✓ To examine the effects of philanthropic activities on organizational performances of Dangote cement factory.
- ✓ To examine the effects of ethical activities on organizational performances of Dangote cement factory.
- ✓ To examine the effects of legal activities on organizational performances of Dangote cement factory.

### **1.5. Significance of the Study**

After it is completed, this thesis will have different benefits for the following Organizations and individuals.

For Shareholders and Company's management; It helps the investors to identify and understand how senior management takes into consideration the interests of consumers, regulators, employees and other important groups that are affected by the company's activities.

For General public: The general public will be knowledgeable of the various approaches in which an entity can undertake social and environmental activities aimed at improving on the quality of life in the community, workplace, market place and generally giving back to society.

Expected contribution to knowledge; It will help other Researchers who want to do their Research on this title and related titles as an input for further investigation. In general, this study will provide some insight as source of knowledge for future references by people who will have interest to gain insight about CSR and will have a baseline data to compare against similar studies to be made in the future in survey area.

### **1.6. Scope of the study**

Geographically the study focused only on Dangote cement factory. The study was not intended to undertaken as Ethiopian, and even not at all cement factories in Ethiopia because of time and budget constraints. Contextually the study was focused only on Effects of CSR practices on organizational performances. Mean that, even though there are so many factors which can affect organizational performances, the study was limited to organizational performances in terms of profitability, employees' retention, customer retention and corporate company's image because of time and resource constraint.

### **1.7. Limitation of the study**

While doing this research; the researcher was exposed for different challenges such as difficulty in collecting data due to Covid 19 and the researcher able to collect data through self-preventive. Some respondents were not willing to fill the questionnaire to the researcher. Some respondents refused to fill all questionnaires to the researcher and Unwillingness of the Manager to fill interview question and also to give the necessary documents and reports. But the researcher was able to pass all this challenges by using different mechanism and very huge patient.

## **1.8. Organization of the paper**

This research has five chapters; chapter one includes; background of the study, back of the organizations, statements of the problem, research objectives, Hypothesis, significances of the study, scope of the study, limitations of the study and organization of the paper. Chapter two includes Literature review which contains discussion of dependent variable and independent variable. Chapter three begins with description of the research area, research design, Variables of the study, target population, sampling techniques, sample size, source of data, plot of the study, reliability and validity, data collection instruments, data collection procedures, model specification and data analysis techniques. Chapter four includes data analysis, discussions and interpretation. Chapter five includes Summary, Conclusion, and Recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Overview**

This chapter presents the components and different definitions of the corporate social responsibility and organizational performance concept. Further, the relationship and the gaps between these concepts will be identified and described. Finally, the theoretical framework that the research problem was derived from would be presented. The chapter would give an understanding of what is going to be investigated.

#### **2.2. Theoretical Literature Review**

##### **2.2.1. Concept and Definition of Corporate Social Responsibility (CRS)**

The concept of Corporate Social Responsibility (CSR) is defined differently by different scholars, researchers, Working groups, business executives and other institutions. Corporate social responsibility can also be defined as the sense of responsibility of the organization towards social environment and community. It helps to understand that what actually company is doing with their profits and how they are affecting the society. As with the growing factor in the economy and advancement in business strategies the organizations are not only accountable to share holder but also to the stake holders such as supplier consumer employees and community, etc. It is basically a partnership between the business corporations and socially active groups for the purpose of society development and community growth (Siddiq & Javed, 2014).

The emerging perspective on corporate social responsibility is not to emphasis on shareholder perspective by maximization of profit but is to focus on stake holders view point (employees, customer, supplier, management and community) and for their welfare. In real sense the corporate socially responsibility is the coalition of business operation with social standards.

Now a day the business corporations and organizations are more interactive with the societies than ever before. Corporate social responsibility is an integral part of the business corporations as it not only provides support to beat the business competitor but also provide help to grow the business in the society. So by focusing on the financial success and community growth, the company can increase it performance rapidly as compare to their competitors (Siddiq & Javed, 2014)

In fact, there has been a lack of absolute definition among researchers and experts of CSR in terms of the nature and scope of what constitutes the CSR of organizations or companies. The broadest definition of corporate social responsibility is concerned with what is or should be – the relationship between corporations, governments of countries and individual citizens. More locally the definition is concerned with the relation between a corporation and the local society in which it resides or operates. Corporate social responsibility has become a subject of increasing significance in businesses and national and International business laws concerning the safety, security and well-being of a society at large and of course for the protection and development of the natural environment.

Social responsibility has for long time been defined and conceptualized in many ways by different writers, nevertheless, researchers do not share a common definition or core principles of what being socially responsible consists of. Despite the growth of CSR practices, there is no single accepted method to measure CSR. Specialists have proposed many theories on CSR (Nasieku & Olubunmi, 2014). Nowadays, no analysis of corporate governance structures would be complete without taking into consideration of the pressures on companies to be seen as responsible corporate citizens in terms of their contribution towards their employees, consumers, competitors, community, environment and the society at large (Williams, 2016).

### **2.3. CSR Practices from the perspective of Developing Countries**

Corporate Social Responsibility concept emphasizes community participation by business enterprises. It proposes that a private firm has responsibilities to society that extend beyond making a profit. It is the obligation of the firm's decision makers to make decisions and act in ways that recognize the relationship between the business and society. It is therefore important for a business to continue in its commitment to behave ethically and contribute to economic development while improving the quality of life of the workforce and the surrounding community at large. This can be achieved through the various CSR activities that the business chooses to engage in for the benefit of its stakeholders. This means, firms can discharge CSR in different ways such as through paying standard salaries and providing securities to employees, contributing financial and non-financial resources to the community at the time of disasters, and providing educational and health services to the society if needed and possible (Kesto, 2017).

Nowadays, as a new phenomenon governance and corporate social responsibility are well established in the developed world than that of the developing one in which unlike the developed countries the concept of new governance is not practiced in most of developing countries rather it takes the old traditional focus of owner manager relationship. In addition, it is not common to find a specific form of corporate social responsibility practices in the developing world otherwise it could be seen from business perspectives (Bedada et al. , 2011).

In the African context, not-for-profit organizations and public interest entities such as banks and listed companies, have been noted to be involved greatly in community-based CSR activities for sustainability reasons. Most of these organizations are subsidiaries of Multinational Companies ascribing to and complying with the standards set by the corresponding global offices based in developed countries (Jamali et al., 2017). In addition, unlike in developed countries, regulatory agencies in Africa do not provide adequate capacity, if any, towards the implementation and monitoring of CSR activities by organizations (Jamali et al., 2017). Therefore, further research is needed to uncover the underlying motivation for the involvement of companies in CSR in developing countries.

In describing the significance on integrating social and environmental issues in business operations, concern for social development and environmental issues is important for sustainable development to restore and protect the environment and conserve it for future generation. But, the big challenge for developing countries is that the industry environment is not the same as in developed countries and major issues affecting CSR practices also vary widely according to the local environment. (Deyassa, 2016).

#### **2.4. CSR in Ethiopia**

Around greater worldwide organizations have presented corporate social duty (CSR) plans; all things considered, most extreme Ethiopian foundations don't practice CSR. Close-by are endeavors to improve CSR designs by the office for International Development, and others (Getachew, 2019). Like many other developing countries, CSR practices in Ethiopia are guided by five recognized domains: economical, legal, ethical, philanthropic, and environmental. Here, philanthropy gets the main attention from the corporate bodies. Nevertheless, CSR practices in Ethiopia are still in infancy.

There has been an increasing pressure on the national and multinational corporations in Ethiopia to consider the rigorous incorporation of CSR in their actions. A number of corporations are now following an increased commitment to CSR beyond just profit making and compliance with regulation (Solomon & A, 2017)

Results from a study (Deyassa, 2016) indicate that certain actors alone will not attain poverty eradication and sustainable development through CSR in Ethiopia. All actors should have the CSR concept and enhance their concentration to the potential contribution of the international and national sector and have their CSR policy and strategies. Because currently the concept of CSR is used as shorthand for businesses contribution to sustainable development and a number of core development issues are already central to the international CSR agenda in different countries.

The study by (Deyassa, 2016) indicates the fact that companies and organizations in Ethiopia understand CSR practices mainly as corporate charity primarily aimed at addressing socio-economic development challenges. In addition, he noted; what can be learnt from Ethiopia is that, it is important to be aware of differences in sympathetic and usage of CSR definitions and concepts among stakeholders. What is regarded as a philanthropic motive in Ethiopian companies and organizations is typically a business motive.

According to (Deyassa, 2016) CSR from Ethiopian perspective can be viewed as two fold. Firstly, there is the current development of certain formal CSR activities made by international companies and non-governmental organizations (NGOs). These initiatives are mainly philanthropic practices and the understanding to a large extent imported from the developed countries.

The proper CSR agenda is very much in accordance with the CSR practices in the western countries even if adapted to the socio economic desires in the Ethiopian society. Secondly, the existence of some informal CSR activities that are closely linked to cultural Ethiopian traits found in national companies and organizations of Ethiopia. Further (Deyassa, 2016) argued, Despite the fact that the concept of CSR is new in Ethiopia its functioning has already started in multinational companies and NGOs formally and a very few in national companies informally.

## **2.5. The Dimensions of CSR**

### **2.5.1. Philanthropic responsibilities**

An important aspect of the business–community relationship is corporate philanthropy, or corporate giving. Every year, businesses around the world give generously to their communities through various kinds of philanthropic contributions to nonprofit organizations. Typically, gifts by corporations and their foundations take one of three forms: charitable donations (gifts of money), in-kind contributions (gifts of products or services), and volunteer employee service (gifts of time). philanthropic responsibilities include financial and non-financial assistance to improve the community. hat businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill (Moharana, 2013).

The distinguishing feature between philanthropy and ethical responsibilities is that the former are not expected in an ethical or moral sense. Communities desire firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level (Getachew, 2019; Mekonnen, 2018).

It covers the activities of the company that shows the company is like a good citizen. Among cases where companies can have a share in include participation in supporting the arts, education and other sectors that can enhance the quality of life in society (Kesto, 2017; Solomon & A, 2017)

The philanthropic responsibility is the highest level of CSR and it is measured in terms of various practices which include charitable donations to the society, assistant provided to employees, voluntary participants in charitable activities provided by the community and assistance provided by the firm to the projects that enhances the quality of life (Adegbie & Ogan, 2020). The philanthropic responsibility in this study will cover donation and other related cost/expenses as well as employee welfare and other related expenses.

### **2.5.2. Ethical activities**

Globalization has greatly increased pressure on companies to implement CSR initiatives. Business ethics, which includes strong CSR initiatives, is becoming a far more sophisticated issue in our society today. Talking about ethics is a crucial to the development of business success so now a day ethics got huge attention and numbers of books published in last 2 decades. In general, it is said that a company needs to be responsible for all the action they do, ethically



and socially (Chemwile & A, 2017; Siddiq & Javed, 2014). The expectations of the public of companies' social contributions are rising, while the perceived performance of companies on social goals is progressively declining. Despite this, society and business share tacit knowledge that is a part of humanity and this leads to the creation of a moral fabric. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (Mekonnen, 2018)

In one sense, changing ethics or values precede the establishment of law because they become the driving force behind the very creation of laws or regulations. For example, the environmental, civil rights, and consumer movements reflected basic alterations in societal values and thus may be seen as ethical bellwethers foreshadowing and resulting in the later legislation. In another sense, ethical responsibilities may be seen as embracing newly emerging values and norms society expects business to meet, even though such values and norms may reflect a higher standard of Performance than that currently required by law. (Mekonnen, 2018).

Ethical responsibilities in this sense are often ill defined or continually under public debate as to their legitimacy, and thus are frequently difficult for business to deal with. Superimposed on these ethical expectations emanating from societal groups are the implied levels of ethical performance suggested by a consideration of the great ethical principles of moral philosophy. This would include such principles as justice, rights, and utilitarianism. The business ethics movement of the past decade has firmly established an ethical responsibility as a legitimate CSR component. (Mekonnen, 2018; Nasieku & Olubunmi, 2014)

Ethical responsibility takes one step further in which it goes beyond economic and legal responsibilities. Ethical responsibility includes meeting the social expectations that are not documented by law (e.g. doing what is right, just, and fair, respecting the rights of individuals in the society) (Tuan, 2012). Carroll & Shabana,(2010) defined ethical responsibility as the voluntary actions taken by firms to promote and achieve the goals for the society the go beyond economic and legal responsibility.

### **2.5.3. Legal activities**

Legal activity including performing in a manner consistent with expectations of government and law, comply with various federal, state, and local regulations, to be a law-abiding corporate

citizen, successfully meet all legal obligations, and offer goods and services that at least meet minimal legal requirements. The challenge of legal aspect, on the other hand, requires that businesses should be complied and legally agreed with the frameworks of the host country. Hence, the expectation that companies should act responsibly i.e. 'do the right and required things', for instance; hiring, protect environment from pollution, etc. Tax laws acts as a motivating tool toward a firm acting in a socially responsible manner. Deductions allowable from the taxable income on philanthropic responsibilities encourage many firms to engage in CSR since that income will not attract any tax. Researchers have tried to investigate the effect of tax law deductions on corporate philanthropy (Cherobon, 2014).

Society has not only sanctioned business to operate according to the profit motive; at the same time business is expected to comply with the laws and regulations promulgated by federal, state, and local governments as the ground rules under which business must operate. As a partial fulfillment of the "social contract" between business and society, firms are expected to pursue their economic missions within the framework of the law. Legal responsibilities reflect a view Philanthropic Responsibility of "codified ethics" in the sense that they embody basic notions of fair operations as established by our lawmakers. (Mekonnen, 2018).

According to study of (Moharana, 2013) brought idea of CSR is a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. Organizations need to be compelled to honor their environmental responsibilities since their primary preoccupation of creating economic value invariably leads to social costs or external costs necessary for creating environmental value but not borne by producers.

The impacts of business products or their operations on the environment, the nature of its emissions and waste, and how it is dealing with them demand the environmental measures. All mankind is involved with the environment. Everybody has used a lot of natural resources in the whole life. Unfortunately, nowadays our environment is destroyed by people or corporations that might not care about it. This results many impacts on our planet such as increasing pollution around the world, wastes water, climate change etc. because we didn't care about the environment enough the practice of Corporate Social Responsibility (CSR) among private corporations is spreading worldwide. (Carroll, 2016) indicated that the majority of the world's population lives in developing countries and each country's experience its own unique social,

political and environmental issues. as society expect business to make a profit (as an incentive and reward) for its efficiency and effectiveness, society also expects business to obey the law. The law, in its most rudimentary form, represents the basic rules of the game by which business is expected to function (Kesto, 2017)

As a result of rapid industrial development, policies are pursued that aim to attract greater foreign investment, and the investors are often keen to start benefitting from fiscal incentives and cheap labor. While these strategies make economic sense, they have adverse social and environmental effects, including the use of child labor, low or unpaid wages, unequal career opportunities, occupational health and safety concerns, and increased pollution (Carroll, 2016). The legal responsibility as meeting the firm's economic responsibility within the restrictions defined by the legal system of a particular country. Moreover, Carroll & Shabana, (2010) defined this responsibility as the positive and negative compulsions defined by the law of a country on firms. In fact, Legal responsibility may include obeying such legal requirements as the tax law, the employees' safety, or the environmental standards.

## **2.6. Organizational performances**

Performance has been viewed from various perspectives depending on the objectives and expectations of the users of information generated. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). (Chemwile & A, 2017). Corporate social responsibility effects the performance of the organization in different ways. It helps to increase the financial performance of the company so that company will grow rapidly and gain maximum revenue in the market. If a company will follow CSR and try to satisfy their stakeholders, then it will definitely able to beat competitors. From last few decades there is a rapid growth in the corporate social responsibilities issues and activities (Siddiq & Javed, 2014)

The corporate social responsibility to employees should go beyond the terms and conditions that are contained in the firm's formal document of employment. There is the need for firms to provide employees with quality life at work place, taking care of personnel welfare and safety, developing their skills and motivating them for work well done, irrespective of the gender, age, religion, status, etc. It is important to note that the moment any firm can fulfill its own part of the

obligation, the employees will be left with no choice than to give their best which will in turn affect the firm's output, leading to an increase in its profit (Elifneh, n.d.; Serieke & Ph, 2018)

Generally, performance is also used as a general measure of a firm's overall health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. Notwithstanding the perspective/definition of performance, something is common to all the perspectives/definition (Adegbe & Ogan, 2020; Eyasu & Endale, 2020).

## **2.7. Empirical Review**

Some studies have been carried out on CSR and firm value. Among such study, (Tamayo, 2013) investigated the role of customer awareness with respect to the impact of CSR on firm value. The study showed that CSR and firm value are positively related for firms with high customer awareness, as proxy by advertising expenditures. The relation is either negative or insignificant for firms with low customer awareness.

In addition, the authors, Serves and Tamayo, found that the effect of awareness on the CSR–value relation is reversed for firms with a poor prior reputation as corporate citizens. This evidence is consistent with the view that CSR activities can add value to the firm but only under certain conditions. In the work, awareness is just a by-product of firm advertising (Tamayo, 2013).

Despite worldwide discussion on the need and benefits for CSR, there are opposing views to the pursuit of CSR activities by companies as revealed by the studies reviewed the result of (Nasieku & Olubunmi, 2014) views that the only social responsibility of business is to use its resources and engage in activities designed to increase profits. On the other hand, others are of the opinion that firms who perform CSR know how the market works.

Performance has been viewed from various perspectives depending on the objectives and expectations of the users of information generated The study finds that firms with better CSR scores exhibit cheaper equity financing. In particular, the findings suggest that investment in improving responsible employee relations, environmental policies, and product strategies contributes substantially to reducing firms' cost of equity.

These findings support arguments in the literature that firms with socially responsible practices have higher valuation and lower risk (Chemwile & A, 2017; Elifneh, n.d.; Eyasu & Endale, 2020; Siddiq & Javed, 2014).

(Yu, 2015) examined the impact of CSR on employees' performance. The study revealed that there is a positive significant relationship between CSR and employee performance. This leads to CSR has significant effects on organizational performances. This indicates that employees that work in a socially responsible firm will exhibit better operating performance in terms of sales per employee and net income per employee than their peers who work in less socially responsible firms.

(Radwan & Radwan, 2015) in investigating the impact of CSR on Employees in the Hotel Sector in Egypt, revealed that internal CSR variables have a significant positive relationship with employees' organizational performances (Radwan & Radwan, 2015). This implies that any increase and/or positive change to the tested internal CSR variables, the employees' organizational performances will be increased. (Radwan & Radwan, 2015) concluded that internal CSR could be used as an important driver for enhancing employee job engagement and organizational performances.

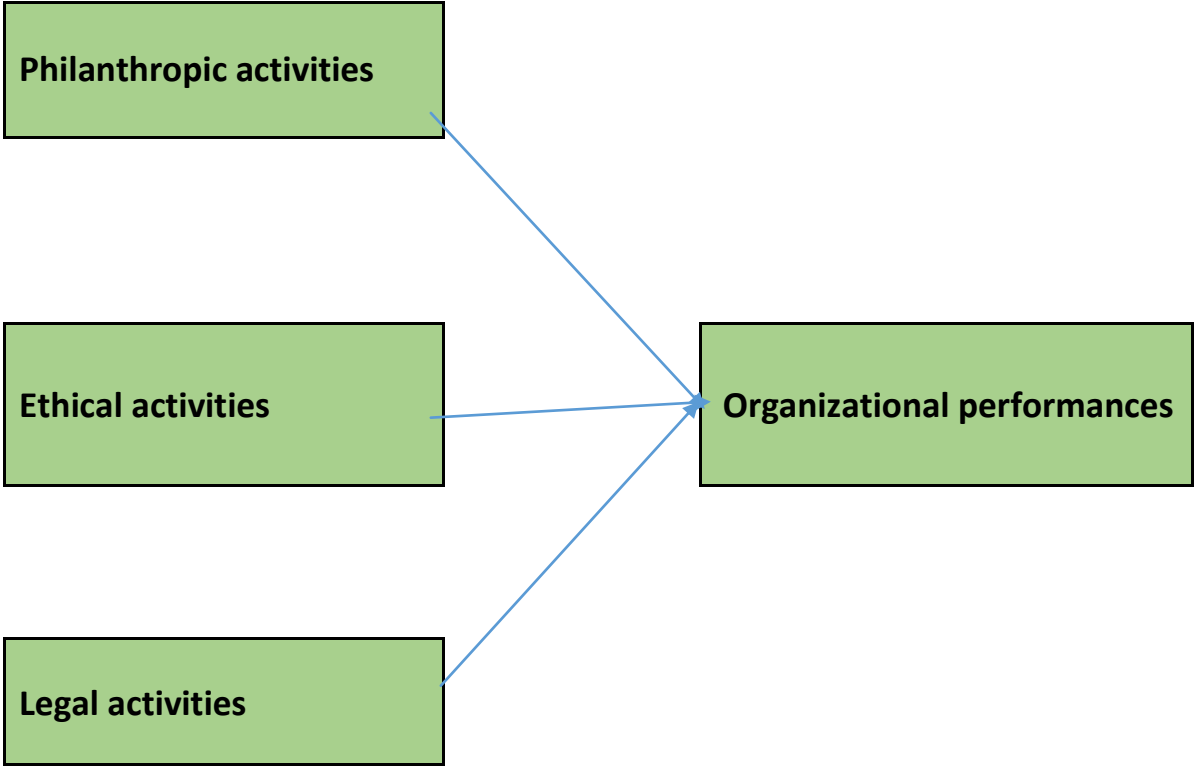
(Madichie et al., 2018) examined the effect of CSR on the performance of quoted oil and gas firms in Nigeria from 2012 to 2016. The study revealed that CSR has a positive and significant impact on the performance of Oil and Gas firms examined. The study concluded that firms that are socially responsible continue to flourish, partly as a result of CSR activities yielding its return. in assessing the impact of CSR on profitability of Nigerian manufacturing firms, revealed that CSR has positive and significant impact on net profit of manufacturing firms in Nigeria. This result implies that as the firms add to the welfare of the society, it affects the returns of the firms in terms of profit positively (Madichie et al., 2018).

(Tehrani, 2014) carried out an investigation on effect of corporate social responsibility of U.S. manufacturing firms in California. Their study covered 5 manufacturing firms in California, U.S.A and the ordinary least square was used to analyze the data collected from the respondents (management, staff, customers and host communities of the firms). The result revealed that there is a positive relation between corporate social responsibility and organizational performance. The

study recommended that manufacturing firms in California, USA, should embark more on CSR as it positively influences their performances.

**2.8. Conceptual frame work**

the conceptual framework of this research would be presented in the following figure.



*Figure 2 1; Dependent variable and Independent variables conceptual frame work*

Source: Researcher’s Own Imagination: 2020

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter deals with procedures and techniques, which were used in carrying out the study on “Effects of corporate social responsibility on organizational performance in Ethiopia in the case of Dangote cement factory”. The chapter begins with description of the research area, research design, Variables of the study, target population, sampling techniques, sample size, source of data, plot of the study, reliability and validity, data collection instruments, data collection procedures, model specification and data analysis techniques.

#### **3.2. Description of the study area**

The study was conducted on Dangote Cement factory which located in Ethiopia, Oromia Regional State, West Shoa Zone of Ada’a Berga District or wereda. Geographically, the district is located at 64 kms North west of Addis Ababa on the road of Mugger Cement Enterprise at 9° 12’ to 9° 37’ N latitude and 38° 17’ to 38° 36’ E longitude. In Ethiopia Dangote Cement is the largest plant capable of producing high-quality cements to meet market needs since May 2015.

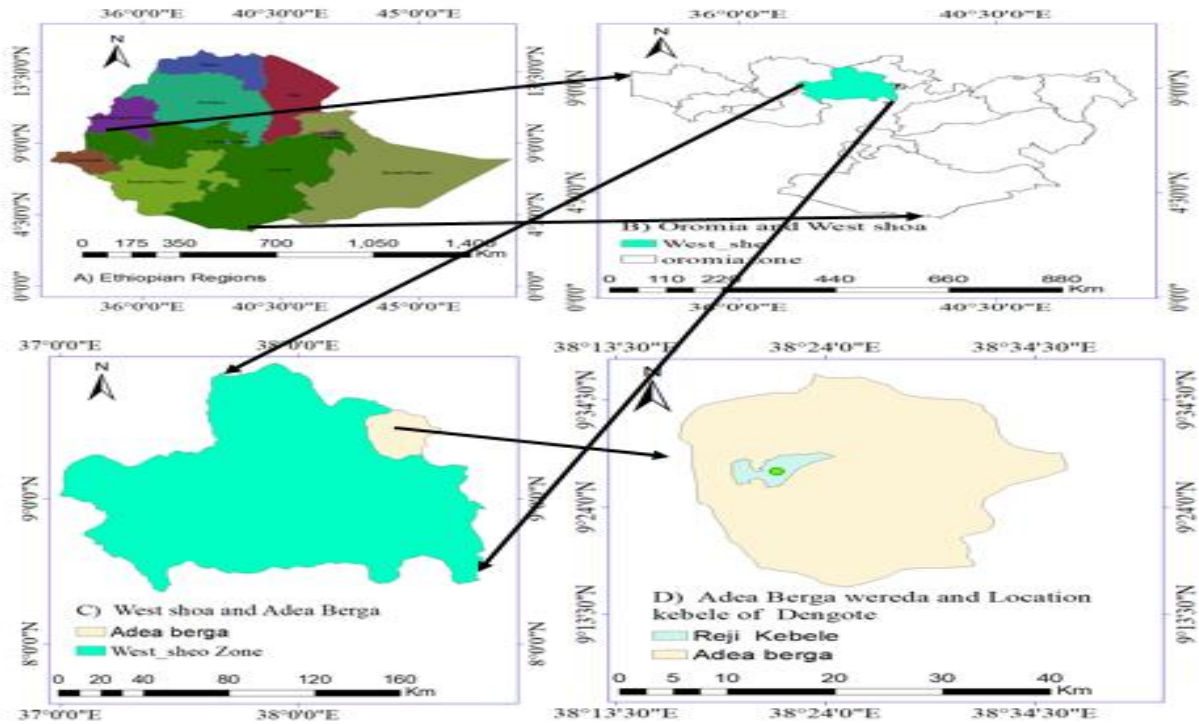


Figure 3 1; Location map of Dangote cement factory

Source: Administrative map of Ethiopia GIS

### 3.3. Research Design

Kothari, (2018) suggest that research design expresses both the structure of the research problem, the framework, organization or configuration of the relationship among variables of a study and the plan of investigation used to obtain empirical evidence on those relationships. Accordingly, to address the research problem and to achieve the stated objectives, researcher was used descriptive research design and exploratory research design. Descriptive research design was used to describe aspects of CSR practices that had taken by the Dangote cement factory and its implementation to improve the performance of the organizations in-terms of graph, tables, frequencies, percent and inferential statistics. In this study the researcher was also used explanatory research design to examine the effects of independent variables on dependent variable. Means that, the reason that researcher was used explanatory research design is that, there is cause and effect relationship between dependent variable (organizational performance) and independent variables (philanthropic activities, ethical activities and legal activities).



### **3.4. Variables of the study**

The study had both dependent and independent variables. There is one dependent variable that is organizational performance and three independent variables under CSR feature that are philanthropic activities, ethical activities, and Legal responsibilities. Firms performance serves as the dependent variable. Philanthropic responsibilities involve corporation's readiness to improve the quality of living for their stakeholders (i.e. employees, local community, and society at large) through charitable, donations and organizational provision.

Ethical responsibilities refer to corporation's responsibilities which are not covered by legal or economical necessities, but instead by what could be considered as „right“ or „fair“ in the eyes of society. The legal framework certainly nurtures society's ethical view and all companies attempting to be socially responsible are therefore required by society to follow the law. It is a demands that companies act in accordance with existing legislation and regulatory requirements (Adegbe & Ogan, 2020; Moharana, 2013).

### **3.5. Population**

Kothari, (2018) suggests that a target population is a group of people, events or items that the researcher wishes to investigate. Accordingly, related to this study, the target population is the current permanent employees of Dangote cement factory from management and non-managements positions those have more than diploma certificate with having more than 3 years working experiences in the current organizations. As per the information obtained from official sources, currently there are 325 permanent employees having more than diploma or TVET certificate with more than 3 years' relevant experiences in the current organizations.

### **3.6. Sampling Technique**

(Saunders et al., 2016) posit that a sampling frame has properties that the researcher can identify every single element and include any in the samples. The study was used both probability and nonprobability sampling techniques as sampling methods of the study. With regard to the former one, a simple random sampling technique would have used in order to avoid the biasness while distributed the questionnaires and purposive sampling techniques was used to obtain deep information from the company's top managements by interviewing them.

### 3.7. The Sample Size

From the total population of 325 company’s permanent employees, 179 employees would be selected as sample size. The sample size was determined by using statistical formula proposed by (Yamane, 1967) taking it applicability in finite and infinite population characteristics. The conventional confidence levels of 95 percent were used to ensure a more accurate result and margin of error is 5 percent (0.05). Yamane’s sample formula for calculations of sample sizes would be the following.

$$n = \frac{N}{1+(N)e^2}$$

Where; N = Total population

n = sample size

e = level of precision

Where: n = number of samples N = total population e = margin of error.

Source: Yamane’s formula 1967.

$$\text{Thus } n = \frac{325}{1+(325)0.05^2} = 179$$

So the sample of the study would be 179 of employees

### 3.8. Source of Data

Data can be defined as the quantitative or qualitative values of a variable. Data can be numbers, images, words, figures, facts or ideas. It can be classified as primary and secondary data. Accordingly, the study was used both primary and secondary data sources. The primary data was collected directly from the employees of Dangote cement factory. Primary data would have collected through the designed closed-ended questionnaires. In addition to this, the researcher was conduct interview with the company’s top manager to collect relevant data. The Researcher was also used secondary sources data such as Documents like report of the company and any documents related to the title which is taken from Dangote cement factory and different written materials, which are published and unpublished related to CSR.

Table 3 1:respondents levels of education with their relevant experiences.

<b>Respondent’s Level of education</b>	<b>Target Population</b>	<b>Sample Size</b>
Diploma with > 3years experiences	72	37

First degree with > 3 years experiences	167	78
Above degree with > 3 years experiences	86	64
Total	325	166

### **3.9. Pilot Study**

Pilot studies are instrumental in the framing of questions, collection of background information, refinement of a research approach or tailoring of efficient research instruments (Saunders et al., 2016; Solomon & A, 2017). Kothari,( 2018) further avers that pretesting of questionnaires and interview assist in identifying vague questions, getting suggestions, identifying deficiencies and helping to identify suitable data analysis methods for the study. Therefore, the results from the pilot study enabled the researcher to check and validate of the research tools for the actual research. Accordingly, the researcher discovered that the framed questionnaires are without doubt which ensured that results obtained in the pilot study was replicated in a consistent manner throughout the period of data collection.

### **3.10. Reliability and Validity**

Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability. Cronbach's alpha is an index of reliability accounted for the true score of the underlying construct- the hypothetical variable that is being measured. Alpha coefficient ranges in value from 0 to 1 and are used to describe the reliability of factors extracted from dichotomous and/or multi formatted questionnaires or scales. The higher the scale, the more reliable it is regarded (Saunders et al., 2016). Therefore, reliability of the questionnaire in this study was ascertained by Cronbach Alpha statistics.

### **3.11. Data Collection Instruments**

The researcher used two of the basic data collecting instruments appropriate for the study which are questionnaire and interview. Primary data was collected from employees including managements and non- management of the company through questionnaires and interview. The interview guide would be contained structured and semi-structured questions. Interview would be used to collect data from managers that officially working in the sector.

### **3.12. Procedures of Data Collection**

The data collection procedure consisted of the following three steps. First, permission for cooperation to provide the necessary information for the study was obtained from Dangote

cement factory. Second, the constructed questionnaire was distributed for the selected sample respondents and administered. Finally, the distributed questionnaire was collected and interviews were administered, that was the end of data collection process.

### **3.13. Model Specification**

Multiple regression analysis was used to conduct study in order to assess the effect of CSR activities on organizational performance because it is used to predict the value of a variable based on the value of two or more other variables. Saunders et al., (2016) averred that multiple regression analysis as a statistical technique which focuses upon and brings out in bold relief, the structure of simultaneous relationships among three or more phenomena. A multiple linear regression model was used in determining effects of the three variables that are categorized as independent variables on the dependent variable as indicated below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where:

Y= dependent variable (Organization Performance in Dangote cement factory)

$\beta_0$  =is the Intercept.

X1= philanthropic activities

X2 =ethical activities, and

X3 = legal activities and

$\varepsilon$  = is the Error term.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1. Introduction**

This chapter deals with presentation, interpretation and analysis of the data used for the study. The data were collected through questionnaires and interviews. As the theoretical framework disclosed, some of the magnitudes of corporate social responsibilities are Philanthropic activities, Ethical activities, and legal activities. The study took these magnitudes as variables of study and their effects on organizational performances in Dangote cement factory. Descriptive statistical analysis such as percentages and frequencies were calculated to present the general information about respondents and corresponding CSR in the organizations.

In order to assess the effects of CSR on organizational performance, multiple regression analysis was conducted. A total of 179 questionnaires were distributed and 170 questionnaires were returned. Among 170 questionnaires returned back 4 of them were discarded because they were not fully completed. After removing incomplete questionnaires and missing questionnaires, 166 complete questionnaires were useable (93% effective response rate) were available for analysis. The collected data were presented and analyzed by using SPSS (version 20) statistical software and multiple Regression Analysis was also used to test the hypotheses of the study and the effects of the independent variables on dependent variable.

#### 4.2. Validity and reliability

To measure the consistency of the scores obtained, the study used Cronbach’s alpha (a measure of the internal consistency of the questionnaire items) by using data from all the respondents and Separate reliability tests for each of the variables were computed. Cronbach alpha measures the extent to which item responses obtained at the same time correlate highly with each other and the widely accepted social science cut off is that alpha should be greater than 0.70 for a set of items to be considered a scale (Field, 2009). Accordingly, the Cronbach’s alpha test was carried out by using SPSS and the results are presented as follows:

Table 4 1; Reliability Statistic

<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.964	0.974	4

The above Table 4.1 Shows the Cronbach’s alpha reliability statistics value of the scale for all predictor and outcome variables. The calculated coefficient alpha for this study was found to be 0.964 for all variables, which is greater than the required threshold of 0.70 confirming the variables to be internally consistent. Accordingly, all variables result above suggested threshold of reliability test is > 0.7 which is statistically significant and the data are reliable. Additionally, it can be seen that all of the four items contribute positively to yield the highest Cronbach’s alpha for the instrument. The total item result is shown below.

Table 4 2; Item-total statistics for Cronbach’s alpha

<b>Item-Total Statistics</b>
------------------------------

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Philanthropic	12.8807	3.588	0.974	0.954	0.935
Ethical	13.191	3.418	0.985	0.983	0.935
Legal	12.8855	3.966	0.957	0.969	0.939
Performance	12.7151	5.142	0.85	0.779	0.987

The results in the table below also shows that, the inter item correlation which gives the correlation coefficients for items in the study's scale. Therefore, the study was need to use the inter item correlation table to check and see if the items interrelate well where the inter item correlation must be greater than 0.3 (Field, 2009) From the result of this study, the correlation between items for all variables are well above 0.3 which is encouraging and the results was presented in the following table.

Table 4 3; Inter-Item Correlation Matrix

	Philanthropic	Ethical	Legal	Performance
Philanthropic	1	0.974	0.951	0.866
Ethical	0.974	1	0.982	0.851
Legal	0.951	0.982	1	0.8
Performance	0.866	0.851	0.8	1

### 4.3. Demographic Information of Respondents

This subdivision encompasses parts that capture and summarize demographic characteristics of respondents for this study. The table below shows the frequency of total respondents in accordance with their demographic information and all the 166 respondents were found to provide the information and there are no missing values was found. The General Information of respondents that were considered in the study was the respondent's Age, gender, educational qualification, position of the employees, and their experience in the organization. Each of respondent's demographic information would discussed below.

### 4.3.1. Respondents gender

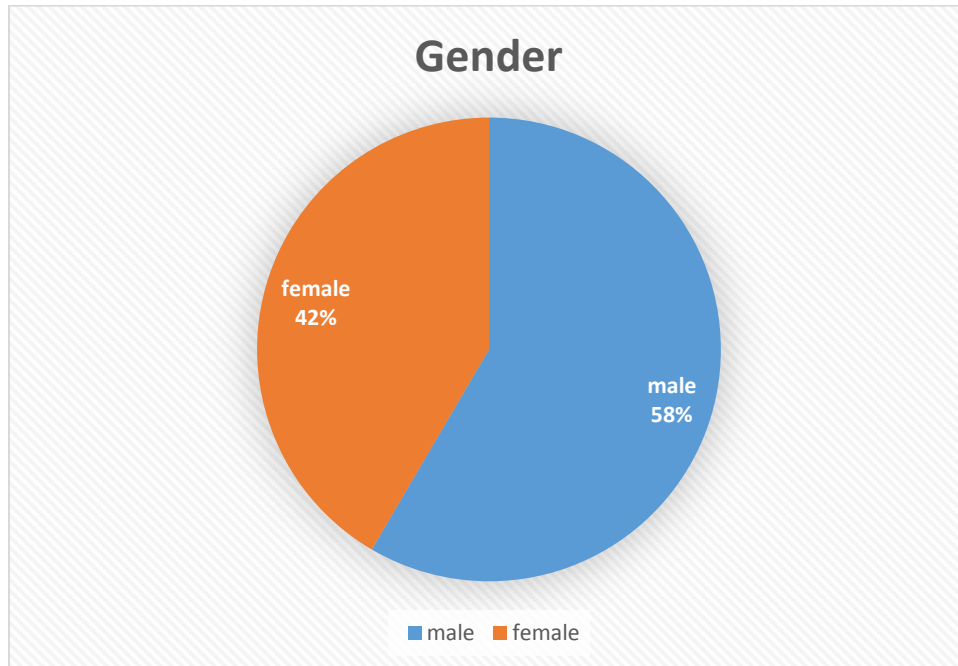


Figure4 1; Respondents gender

(Source: Researcher's Survey, 2020)

The respondents were asked to indicate their gender. The results presented in above figure shows that 58 % of the respondents were male while the rest 42 % of the respondents were female. This indicated that among the total number of respondents, the majority of the respondents were male. The findings of this study were majorly influenced by the views and opinions of the male gender.

### 4.3.2. Respondents Age

Table 4 4; Frequency table of Respondents' Age

	Age	Frequency	Percent	Cumulative	Percent
Valid	18-30	56	33.7	33.7	
	31-40	49	29.5	63.3	
	41-50	40	24.1	87.3	
	Above51	21	12.7	100	
Total		166	100		

(Source: Researcher's Survey, 2020)

The respondents were also asked to indicate their Age. The results presented in the above table shows that 33.7 % of the respondents were 18-30 years old, 29.5% of the respondents were 31-40 years old, 24.1% of the respondent were 41-50 years old and the rest 12.7 % of the respondents were above 51 years old. This implies that the majority of the respondents are relatively young. This meant that majority of the respondents were between 18-30 years old and their responses may have been subject to the views and opinions shared by this age bracket.

### 4.3.3. Educational Qualification of respondents

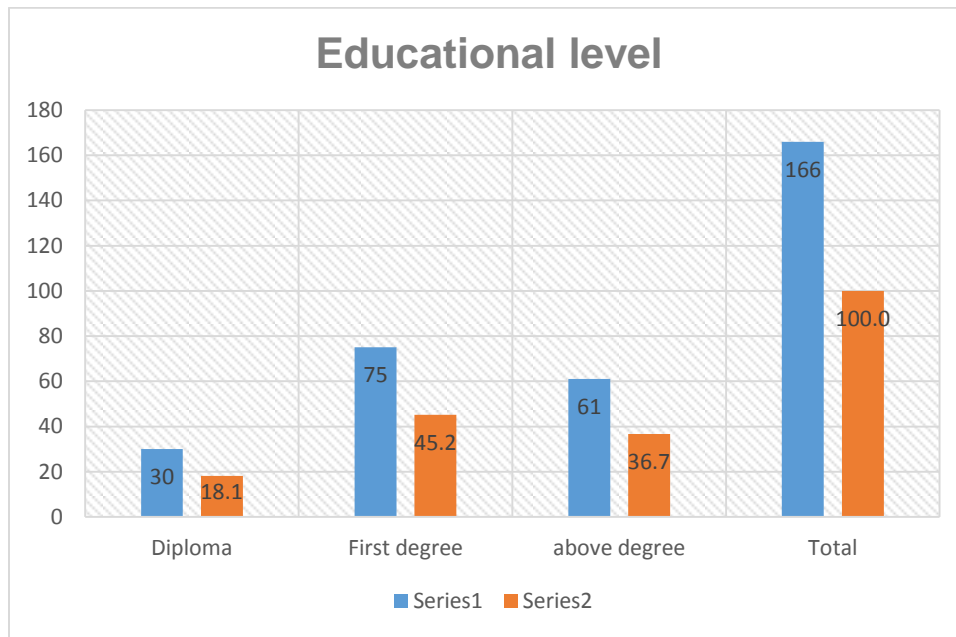


Figure4 2; Respondents level of educations

(Source: Researcher’s Survey, 2020)

Concerning to the educational qualification, the information in the above figure reveals that about 18.1 % of respondents are diploma holders, 45.2% of respondents are degree holders and the rest 36.7% of respondents are above Degree. The researcher found that a majority of the respondents are first degree holders. This means that majority of the respondents have an undergraduate degree and their responses may have been subject to the views and opinions shared by staff within this educational range.

### 4.3.4. Work experience of respondents

Table 4 6; Frequency table of Respondents Work experience



	<b>Respondent's work experiences</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid	3-5 years	55	33.1	33.1
	5-7 years	60	36.1	69.3
	7-9 years	30	18.1	87.3
	Above 10 years	21	12.7	100
	Total	166	100	

(Source: Researcher's Survey, 2020)

Respondents were also asked to indicate their work experience in current organization, As the result shows in the above Table, 33.1% of the respondents had 3-5 years of work experience, 36.1% of the respondents had 5-7 years of work experience, and 18.1% of the respondents had 7-9 years of work experience while 12.7% of the respondents had more than 10 years of work experience in in current organization. From this, the researcher can conclude that, most respondents had 5-7 years' work experiences. The result indicates almost all of the respondents had sound knowledge and experience in the factory of their corresponding organizations so that they give rigorous and reliable information to the research questionnaires.

#### **4.4. Effects of CSR activities**

##### **4.4.1. Effects of Philanthropic Activities.**

The study required to found the effects of philanthropic activities on organizational performance in Dangote cement factory. The findings of the study were discussed below.

Table 4 5; Effects of philanthropic activities on organizational performance

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>

Any donation, Financial aid and training support given by your organization to local community increase your organizational performances.	166	3.9277	1.38637
Your company's educational support like supports for private and public educational institutions and scholarship for individual or group have inspiration for your employees to improve their performance.	166	4.5	0.50151
The participation of your company's managers and employees in charitable activities of their local communities increase good will of the factory	166	4.512	0.85094
The support of your company for physically and mentally handicapped peoples has advantages to improve its performances such as retaining employees and improve company's corporate image.	166	4.4337	0.61679
Valid N (listwise)	166		

(Source: Researcher's Survey, 2020)

The respondents' views on the effects of philanthropic activities on organizational performance in Dangote cement factory had various agreeing on table above. For the case of donation, Financial aid and training support given to local community, a mean of 3.9277 and std. deviation of 1.38637, for the case of educational support like supports for private and public educational institutions and scholarship for individual or group, a mean of 4.5000 and std. deviation of 0.50151. For the case of managers and employees participate in charitable activities of their local communities, a mean of 4.5120 and standard deviation of 0.85094.

For the case of supporting physically and mentally handicapped peoples, a mean of 4.4337 and standard deviation of 0.61679. The finding in the above results shows that most of the respondents do support that philanthropic activities. Hence, the majority of respondents strongly agree that encouraging philanthropy can be better through educational support like supports for private, public educational institutions and scholarship for individual or group and through facilitates for managers and employees to participate in charitable activities. These findings relate with the findings of Jemal (2018) which argues that corporate philanthropy is a potential source of other-oriented, extrinsic value since it entails benefits of supporting others in the need of promoting firm's performances.

#### **4.4.2. Effects of Ethical activities**

The study required to found the effects of ethical activities on organizational performance in Dangote cement factory. The findings of the study were discussed below.

Table 4 6: Effects of ethical activities on organizational performance

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Your company doesn't compromises ethical norms of society to achieve its corporate goal.	166	3.1325	1.23358
Your company's operating business within ethical standard of the society and prevents unethical behaviors in order to achieve organizational goals has encouragements for retaining employees and customers.	166	4.1687	0.80633
The company's work with obligation to avoid harm, and to do what is right, has just enable the organization in order to become socially responsible factory.	166	4.3313	1.11403
The firm strives to deliver high value and quality products that meet and/or exceeds customers' expectations has effects on customer retain.	166	4.5	0.50151
Valid N (listwise)	166		

(Source: Researcher's Survey, 2020)

The respondents' views on the effects of ethical activities on organizational performance in Dangote cement factory had varied agreeing on table above: For the case of ethical norms of society in a fair of objective manner a mean of 3.1325 and std. deviation of 1.23358, for the case of company operating business within ethical standard of the society and prevents unethical behaviors a mean of 4.1687 and std. deviation of 0.80633 and for the case of company's obligation to avoid harm, a mean of 4.3313 and std. deviation of 1.11403. for the case of delivering high value and quality products that meet and/or exceeds customers' expectations a mean of 4.5000 and 0.50151.

From the above result the researcher found that, the majority of the respondents strongly agreed that ethical responsibilities have positive effects on organization performance in a case of Dangote cement factory. Hence the researcher found that there is a growing public interest on this subject, since the recognition that the lack of ethics often declines performance and capabilities in many organizations. Therefore, the researcher conclude that ethical obedience mechanism helps to develop and build corporate status and so contribute to corporate stability and growth since they instill confidence both inside and outside of the organization. This is supported by Peterson (2002) who had studied the relationship between unethical behavior and the nine dimensions of the ethical climate survey.

#### 4.4.3. Effects of Legal activities

The study required to establish the effects of legal activities on organizational performance in Dangote cement factory. The findings of the study were discussed below.

Table 4 7: Effects of legal activities on organizational performance

#### Descriptive Statistics

	N	Mean	Std. Deviation
Your company's equal opportunities assured for all workers without bias either directly or indirectly in any labor practice has important role for employees retention,	166	4.3012	0.75855
The distribution of Rights and obligations for both employers and employees have play a key role to motivate employees and bringing efficiency to increase the company's profitability.	166	4.5843	0.49433
Promotion of people based on their credential not discriminated in terms of race, gender, religion and ethnicity has a great role to improve overall organizational activities.	166	4.3313	1.11403
Your company obeys with the environmental laws, rules and regulations to promote environmental protection has key role for the company's performances.	166	4.6687	0.47211
The protection of customer right when they have grievance on Products and services offers within the company has a great part for customer retention.	166	3.8072	1.03815
Valid N (listwise)	166		

(Source: Researcher's Survey, 2020)

The respondents' views on the effects of legal activities on organizational performance in Dangote cement factory had varied agreeing on table above: For the case of equal opportunities assured for all workers a mean of 4.3012 and std. deviation of 0.75855, for the case of distribution of Rights and obligations for both employers and employees a mean of 4.5843 and std. deviation of 0.49433, For the case of Promotion of people based on their credential not discriminated in terms of race, gender, religion and ethnicity a means 4.3313 and deviation of 1.11403, for the case of obeys with the environmental laws, rules and regulations to promote environmental protection a mean of 4.6687 and std. deviation of 0.47211, and for the case of protection of customer right when they have grievance on Products and services a mean of 3.8072 and std. deviation of 1.03815.

From these result the researcher found that, majority of the respondents strongly agreed that, legal responsibilities have fruitful effects on organization performance for example the society has not only certified businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. Hence, the researcher concludes that, businesses organizations are expected and required to comply with the laws and regulations as a condition of operating. This result also supported by the results of Peterson (2002) who illustrates the manner in which the social contract has been conducted, particularly on behalf of corporations during the past that makes the issue of corporate social responsibility so prominent and important nowadays.

#### **4.5. Multiple Regression Analysis**

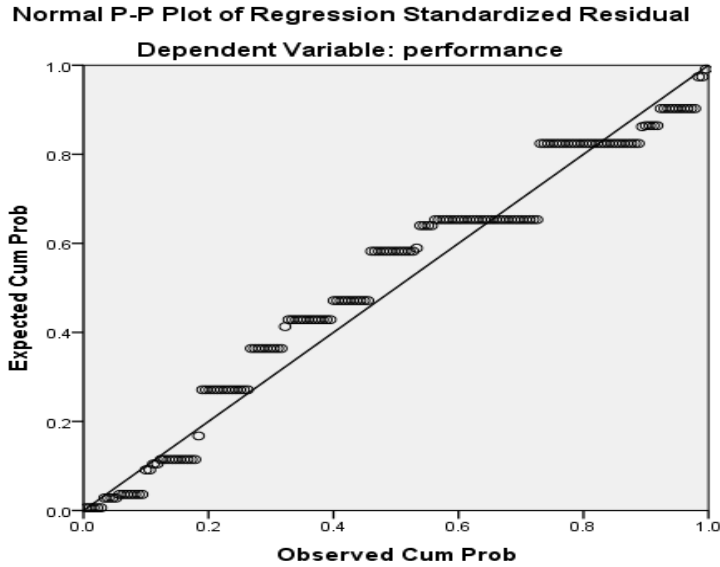
The researcher was used multiple linear regression analysis so as to evaluate the effects of corporate social responsibility on organizational performances of Dangote cement factory. The researcher had applied the statistical package SPSS version 20 and compute the measurements of the multiple linear regressions for the study as presented below.

##### **4.5.1 Straightforward Assumptions for Multiple Linear Regression Analysis**

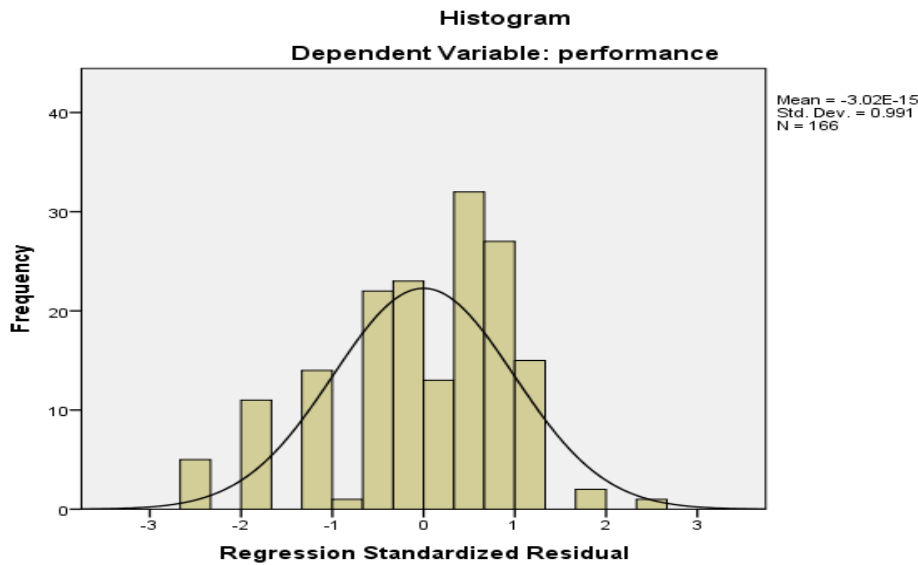
There are several assumptions that are compulsory to provide valid results in multiple linear regression. Before running the analysis, let's test some of the basic assumption of multiple liner regression which commonly advanced as follow: -

Assumption 1. The relationship between the predictors and the outcome variable should be linear.

Organizational performance is supposed to be linearly related with CSR elements; mean that, the dependent variable (Organizational performance) is assumed to be affected with changes in CSR elements (the independent variables). The association between the two variables should be linear. This means that, at a scatter plot of scores should be a straight line, not a curve (Field, 2009). The scatter plots of this study show that there is virtually linear relationship between the variables. The plots do not show any evidence of non-linearity; therefore, the assumption of linearity is satisfied.



Assumption 2. The errors should be normally distributed strictly normality is necessary only for the t-tests to be valid, estimation of the coefficients (errors are identically and independently distributed).



The above histogram displays the parameter of testing the normal distribution of the data through kurtosis and Skewness where, kurtosis is a measure shape of the curve that how pick or flat our distribution and the suggested standard error should not exceed 0.3 and in our case the kurtosis value is not exceeds 0.3. On the other hand, skewness quantity symmetry of distribution hence in

perfect dispersal skewness coefficient will be equal to zero and negative values with less than negative, one means that study had skewed data.

Assumption 3. There should not be Multi-collinearity or no perfect correlation between independent variables.

According to different literature, collinearity is relatively easy to detect by calculating the tolerance or VIF (Variance Inflation Factor). A tolerance of below 0.10 indicates that (multi) collinearity is a problem. The VIF is just the reciprocal value of the tolerance. Thus, VIF values above ten indicate collinearity issues. According to this measurement none of the variables tolerance level is below 0.10 and their VIF above ten. So, there is no a multi-collinearity problem with the variable. Below Table 4.8 shows there is no multi-collinearity exist.

Table 4.8: check for carnalities

<b>Collinearity Coefficients</b>		
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Philanthropic	.071	1.737
Ethical	.089	1.864
Legal	.085	1.238

a. Dependent Variable: performance

Assumption 4. Assumption of No auto correlation. Regression analysis is based on uncorrelated error/residual terms for any two or more observations (Kothari, 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test number can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation.

As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Hailegebriel, 2018). In this study the Durbin-was ton value was 1.830, which is very close to 2, therefore it can be confirmed that the assumption of independent error has almost certainly been met.

#### 4.6. Multiple linear regression and partial correlation

Analysis According to different scholar regression analysis is one of the most frequently used tools in market research that allows to analyze relationships between independent and dependent variable. More specifically the regression model presents how much of the variance in the measure of brand equity is explained by the underlying variables of corporate social responsibility model.

Table 4 8; model summary

<b>Model Summary<sup>b</sup></b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change	Durbin-Watson
1	.883 <sup>a</sup>	.779	.775	.21339	.000	1.830

a. Predictors: (Constant), legal, philanthropic, ethical

b. Dependent Variable: performance

R-value of model summary represent Multiple correlation and is 0.883 (the R-column) which indicates the high degree of correlation among the Independent variables (Legal, Philanthropic, Ethical) and Dependent variable (Organizational Performance). That is 88.3% indicates that there is strong relationship between the dependent variable (Organizational Performance) and independent variables (Legal, Philanthropic, Ethical).

R-square (R-square column) indicates how much the total variation in the dependent variable (Organizational Performance) can be explained by the independent variables (Legal activities, Philanthropic activities, and Ethical activities), in this case the value of R-square is 77.9%. which is very strength. This means that about 88% variance in the data can be explained by the variables; this amount is considerably huge amount.

Adjusted R-square indicates that percentage of variance in the dependent variable or outcome variable explained by the independent variable or predictor variable. In this case, 77.5% of the variance in organizational performance can be explained by Legal activities, Philanthropic activities, and Ethical activities. The three independent variables that were studied had explain 77.5% of variance to investigate the effects of corporate social responsibility on organization



performance in Dangote cement factory. This means that other factors not studied in this research contribute about 22.5% of variance in the dependent variable. Therefore, further research should be conducted to investigate the effects of corporate social responsibility on organization performance in Dangote cement factory.

ANOVA shows how well the regression equation fits the data, that is predicts the dependent variable and is shown below:

Table 4 9: ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.985	3	8.662	190.225	.000 <sup>b</sup>
	Residual	7.376	162	0.046		
	Total	33.361	165			

a. Dependent Variable: performance  
b. Predictors: (Constant), legal, philanthropic, ethical

The last column in the above table (ANOVA-table) shows the goodness fit of the model. From the result of F-test, it is known that the F Statistics is 190.225 and p-value or the Sig. value is 0.000 which less than 5%. Thus  $F(3,162) = 190.225$ ,  $P < 0.05$ ,  $R = 0.779$ . This indicates that the overall regression model statistically significant to predicts the outcome variable, that is it is good fit for the data.

To predict dependent variable as well as to determine whether independent variables had statistically contributed or significantly contributed to the model (by looking at the sig. column), Furthermore e the “B” Column under the unstandardized coefficients column shown in the table below.

Table 4 10: Regression analysis

Coefficients <sup>a</sup>					
Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	2.983	.169		17.639	.000
Philanthropic	.365	.095	.633	3.860	.000
Ethical	.603	.147	1.099	4.091	.000
Legal	.574	.128	.881	4.488	.000

a. Dependent Variable: performance

The unstandardized coefficient refers to the direction of the relationship and the amount of change that the different independent variables contribute to organizational performances given that one unit change in the value of the independent variable. The regression coefficients are shown in the above table indicate that, the intercept, 29.83% is representing the estimated average value of organizational performance when Philanthropic activities, ethical activities, and legal activities of the firm are zero. Thus a firm with no Philanthropic activities, ethical activities, and legal activities will have severe influence on the performance of the firm.

The slop of independent variables which is listed in beta value also displays useful predictive information about the implication. The slop of Philanthropic activities, ethical activities, and legal activities of the firm are 0.633, 1.099, and 0.881 respectively, means that firm's performance changes or increased by 0.633, 1.099, and 0.881 respectively for the three independent variables. This result is also supported by (Alam & Rubel, 2014; Bhattacharya, 2001; Chernev, 2015) . Using the regression coefficients for independent variables and the constant term given under the column labeled B, the researcher constructs the regression equation for predicting firm performance as the following:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$  was interpreted to mean,  
 Y= Organization Performance in Dangote cement factory  
 X1= philanthropic activities  
 X2 =ethical activities, and  
 X3 = legal activities.

Therefore,  $Y = 2.983 + 0.365X_1 + 0.603X_2 + 0.574X_3$

According to the above equation, taking all factors (Philanthropic activities, ethical activities, and legal activities) remain constant at zero, overall organizational performance in the firms will be 2.983. The findings also show that a percentage increase in philanthropic activities will lead to a 36.5% increase in organization performance of the firms; a percentage increase ethical activities will lead to a 60.3% increase in organization performance of the firms; and a percentage increase in legal activities will lead to a 57.4% increase in organization performance of the firms. This means that, the most significant variable is ethical activities followed by legal activities among the three independent variables.

#### **4.7. Discussions of the Main Findings**

This section presents the findings of the study in line with the objectives of the study based on the analysis made and the results of this research also be further explained. The main objective of this study is to examine the effects of CSR practices on organizational performances in Dangote cement factory. To this end, it is compulsory to know how much the CSR initiatives of the Dangote cement factory known or observed by the respondents. Among employee's responses many of them believe that Dangote cement factory take part in CSR practices out of genuine interest to contribute for the wellbeing of the society with respect to maximizing profit. The empirical findings are also combined with the theory in order to provide a wider standpoint.

The result indicates that, little is known about demographic profile of Dangote cement factory that was analyzed through descriptive statistics. Accordingly, regarding "sex" of the respondents, the study can conclude that most of the respondents (58%) were males. The Dangote cement factory seems like dominated by males and Most of the age dispersal of respondents in the factory are ranging in 18-30 which are too youngster. In addition, all of the respondents was educated and also they are working in the factory for more than three years. Therefore, it was not much easy to get experienced professional employees in the organization to implement CSR operations.

The result also climaxes about CSR undertaken by Dangote cement factory through descriptive statistics. Accordingly, it was found that the majority of the respondents believed Dangote cement factory strongly encourages employees to actively participate in Corporate Social Responsibility. The researcher also found that the company pays attention to philanthropic

issues, ethical issues, and legal issue as CSR to link it with its business performance. In other ways the majority of respondents believed that the company's level of awareness about CRS is high relative to other company. Hence, the researcher can conclude that the majority of the respondents believe that CSR had positive effects on organizational performance.

Regarding the interview questions designed to assess the prior knowledge of the organizations, the manager of Dangote cement factory suggested that, the organization did not seem to be as active in practice of CSR. As the factory manager's sayings after some briefings given by the interviewer, now a day the issue related to CSR with respect to quality of the product/service were more commonly heard in the community than others suggesting that these topics might be seen as very relevant and should be given high priority for employment because they remember the existence of varying levels of impacts directly or indirectly affected their organization performance.

The researcher also analyzes effects of philanthropic activities as CSR on organizational performances of Dangote cements factory through descriptive analysis. The finding shows that most of the respondents do support that philanthropic activities. Mean that philanthropy can be better through educational support like supports for private, public educational institutions and scholarship for individual or group and through facilitates for managers and employees to participate in charitable activities. These findings relate with the findings of Jemal (2018).

The researcher also analyzes effects of ethical activities as CSR on organizational performances of Dangote cements factory through descriptive analysis. From the findings it can be noted that majority of the respondents strongly agreed that ethical responsibilities has positive effects on organization performance in that the present context the subject of organizational ethics has assumed a particular importance. This result is also supported by Peterson (2002). The researcher also analyzes effects of legal activities as CSR on organizational performances of Dangote cements factory through descriptive analysis.

From the findings it can be noted that majority of the respondents strongly agreed that legal responsibilities has positive effects on organization performance for example the society has not only certified businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. Businesses are expected and

required to comply with these laws and regulations as a condition of operating. This result also supported by Peterson (2002).

The factory participates in various CSR activities, to conducts its business responsibly and dedicates large amount of money for the cause. From analysis of variables through the use of multiple regression, it would be logical to deduct that other things being constant, there is the influence of CSR for the accomplishment of the company's Targets Performance. The regression analysis further strengthens this claim.

Accordingly, the coefficient of philanthropically Responsibility was 0.365, which indicates that keeping other factors constant, a unit change in philanthropic responsibility causes a 36.5% increase in organizational performances of Dangote cement factory and the effects of independent factor (Philanthropic Responsibility) whose t-statistic value was found to be 3.860 at p-value of 0.000 with that of the dependent variable (organizational performance) is found to be positive and statistically significant, which leads to the acceptance of H1. Also this result is supported by (Alam & Rubel, 2014; Bhattacharya, 2001).

On other hand, Ethical Responsibility has a positive relationship with the dependent variable (organizational performances). The value of the coefficient for Ethical Responsibility was 0.603 and its significant level was 0.000 which is less than 0.05. This result indicates the value of b is positive and shows it Ethical Responsibility by Dangote cement factory has positive relationship with dependent variables and statistically significant effects on organizational performances. Also this result is supported by (Alam & Rubel, 2014; Bhattacharya, 2001 and Chernev, 2015) .

The coefficient of legal activities was also computed to be 0.574, which means that a unit change in legal activities has the influence to increase organizational performances by 57.4% assuming all other variables constant. The calculated t-statistic value of this independent variable is 4.488 at p-value of 0.000, which proves a positive and significant relationship with the dependent variable, (organizational performances). Also this result is supported by (Alam & Rubel, 2014; Bhattacharya, 2001; Solomon & A, 2017).

The regression estimates also showed an adjusted R<sup>2</sup> value of 0.775 indicating that about 77.5% of organizational performance of the firms under consideration was explained by independent variable while the remaining 22.5% variation in the organizational performance of the firms were

caused by other factors not included in the model. This shows that the model has a good fitness of the regression line. The computed F-statistic showed a value of 190.225 while the p-value was 0.000 which is less than the critical value of 0.05; as a result, the null hypothesis is rejected while the alternate hypothesis is accepted. This indicates that CSR has a significant effect on organizational performances the firms. This result is consistent with the postulation of the stakeholder theory and also in line with the result of previous studies such as (Radwan & Radwan, 2015; Yu, 2015) which found that there is a significant relationship between CSR and employees' performance mean that CSR has a positive and significant impact on profitability. In general, based on the findings of this study the researcher tried to encounter the major aim of investigating how corporate social responsibility feature would have the effect on organizational performances of the Dangote cement factory.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS OF THE FINDING

#### 5.1. Summary

This thesis aimed to investigate the effects of corporate social responsibility practice on organizational performance in Dangote cement factory. To accomplish the thesis, the researcher was used both primary and secondary sources to collect data. The primary sources of data were the current permanent employees working in Dangote cement factory and secondary sources include factory's report, from which the researcher has got various information about the company different materials that is published or unpublished material related to CSR.

The study was used both probability and nonprobability sampling techniques as sampling methods of the study. With regard to probability sampling the researcher was used a simple random sampling technique in order to avoid the biasness while distributed the questionnaires and purposive sampling techniques was used for interview to collect real information from the manager because of the manager has more information about the company.

In order to assess the effects of CSR on organizational performance, the number of respondents included in the sample size was 179 employees and the returned questionnaires was 170. Among 170 questionnaires returned back, 4 of them were discarded because they were not fully completed. After removing incomplete questionnaires and missing questionnaires, 166 representing complete (93% effective response rate) were available for analysis. The collected data were presented and analyzed by using SPSS (version 20) statistical software and Regression Analysis was also used to test the hypotheses of the study and the effects of the independent variables on dependent variable.

To evaluate the effects CSR, the research was used multiple linear regression analysis because it is a statistical tool for the investigation of relationship between variables. R-value of model summary represent Multiple correlation and is 0.883 (the R-column) which indicates the high degree of correlation among Independent variables (Legal, Philanthropic, Ethical) and Dependent variable (Performance of Organization). R-square (R-column) indicates how much the total variation in the dependent variable (Performance of Organization) can be explained by the independent variables (Legal activities, Philanthropic activities, and Ethical activities).

Adjusted R-square indicates that percentage of variance in the dependent variable or outcome variable explained by the independent variable or predictor variable. In this case, 77.5% of the variance in organizational performance can be explained by Legal activities, Philanthropic activities, and Ethical activities. The ANOVA indicates that the overall regression model statistically significantly predicts the outcome variable that is it is good fit for the data. The coefficient table shows that independent variable has significance effect on dependent variable, which is CSR has significant effect on organizational performances.



## 5.2. Conclusions

This study proposed to find out the effects of CSR activities on organizational performance in Dangote cement factory. It contributes to the knowledge on the effects of CSR activities on organizational performance, which has only occasionally been addressed in prior research and to the best of researcher's knowledge has not been analyzed in such as inclusive manner, and covering all the three independent variables of CSR activities included in this study. From the finding of the study, the researcher can conclude that Dangote cement factory had undertaken different aspects of CSR in order to enhance its performances, hence the factory pay attention for philanthropic, ethical and legal activities as CSR. According to the respondents' view of point, the factory knows as CSR have positive effects on its performances. However, the factory has lack of awareness on which CSR has significantly affect the organizations performances.

The researchers found out that, CSR had a positive effect on a factory for continual growth. This was attributed to the fact that CSR activities creates a platform for factory to improve on their corporate image, employees' retentions, customers' retentions and profitability of the firm. The Finding also provided enough evidence that CSR is more important as a direct factor that influence on firm performance. Therefore, it can be concluded that, emphasis on implementation of corporate social responsibility activities is very important and ensuring continuous organization performance of firms which enhances service delivery to the organization, employees, customers and its community. It can be also concluded that corporate social responsibility activities in firms cannot operate in isolation from other elements of the business.

CSR activities have positive effects of reducing agency costs by eliminating the information asymmetry between internal and external stakeholders. Company can basically improve its social responsibilities with public declaration of proper financial reports and investment risks. Corporate governance is a key element of the internal control system, which is also critical to provide timely and reliable corporate financial information for outside investors to accurately judge the bankruptcy risk of the company. Both of them help to reduce agency costs and minimize the unfavorable side effect of information asymmetry. The corporate social responsibility and the business ethics are of great importance and significance to a company. Therefore, the study was concluded that for the existence of business industries in Ethiopia, community relation is key to ensuring conducive atmosphere for business to flourish.

### **5.3. Recommendations**

Based on the findings and discussion results in chapter four, this study proposes the following recommendations.

- The study recommends that; Dangote cement manufacturing company should engage in a number of CSR activities as this increases their customer base to ensure that the company's financial performance also improves. Moreover, by engaging in CSR activities a firm's visibility and publicity increases. The company should participate in activities such as: donation, charity, employee's scholarship and other activities of society through the initiation of socially sustainable projects.
- Since the unethical behaviors of the companies have great influence on the interests of the employees, the shareholders, the feasibility of the company, as well as the reputation of the company, the company should take the corporate social responsibility and adhere to the business ethics.
- Further, from a policy perspective, the researcher recommends that the Dangote the cement manufacturing company should compel to disclose their CSR information publicly in details on specific time frame. This can be achieved if the factory imposes stronger rules and regulations to assert its position on the same. On the other hand, the government should use regulations to push the cement manufacturing companies to disclose their CSR information.

#### **5.4. Suggestions for Further Research**

This study dealt with developing an insight about the effects of CSR in Ethiopia. A study will provide an opportunity for government agencies; private organizations and non-government organizations to enlarge the knowledge and thoughtful of CSR in a wider context. The author takes into account that this study needs to be broadened. This research was based on the context of Dangote cement factory. Therefore, it provides room for investigation on other sectors of the economy to see whether a positive relation exist between CSR and firm performance. Future research should also encompass its theoretical framework and take other major variables into the study to boost CSR awareness in organization which in turn recall firm performance. Further research could be done on other firms other than Dangote cement factory with the aim of connecting CSR to the value of the company.

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## APPENDICES I

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**Business and Economics**  
**Department of management {MBA regular}**

### **Dear respondent!**

I am Abebe Ayalew a graduate student at Jimma university. I am conducting a research on *“Effects of Corporate Social Responsibility Practices on organizational performances in the Case of Dangote Cement Factory.”* for partial fulfillment of Master of Business administration (MBA).

This questionnaire has been prepared to collect data for conducting a thesis research entitled *“Effects of Corporate Social Responsibility Practices on organizational performances: Case of Dangote Cement Factory”*.

Therefore, since you are selected as one of the respondents, you are kindly requested to fill the questionnaire frankly based on the given instruction in each part. The information you provide shall be used as primary data for this research which only services for academic purpose. Therefore, your genuine, honesty, and prompt response is a valuable input for quality and successful completion of the study. On other hand the researcher confirms the confidentiality of information from the respondent will be kept well because of the information you give will only be used for the purpose of this study.

Thank you for your co-operation filling the questionnaire taking your precious time.

Yours faithful

Abebe Ayalew

Phone number: 0967401874

### **General Instruction**

1. There is no need of writing your name on the sheet
2. Please feel free and attempt all questions
3. Please read the instruction provided for each section

**Section 1; General information of Respondents**

This section of the questionnaire refers to general information about the respondents. The information will allow us to compare groups of respondents. Please put a **tick (√) mark** where appropriate (**Please tick one box for each row**)

<b>1.</b>	Sex	Male <input type="checkbox"/>	Female <input type="checkbox"/>		
<b>2.</b>	Age	18-30 <input type="checkbox"/>	31-40 <input type="checkbox"/>	41-50 <input type="checkbox"/>	Above 51 <input type="checkbox"/>
<b>3.</b>	Education level	Diploma <input type="checkbox"/>	First degree <input type="checkbox"/>	above degree <input type="checkbox"/>	
<b>4.</b>	Work experience	2-3 years <input type="checkbox"/>	3-5 years <input type="checkbox"/>	5-9 years <input type="checkbox"/>	Above 10 years <input type="checkbox"/>

**Section 2; Core subjects of CSR:** Based on how your organization understands and implements corporate social responsibility (CSR), in terms of the following core subjects to what extent do you agree with the following statements? Please put a **tick (√)** a score of your choice, on a scale of **1 to 5**, where **1 represents “strongly disagree” 2 represent “disagree” 3 represent “neutral” 4 represent “agree” and 5 represents “strongly agree”**

1 = strongly disagree, 2= Disagree, 3=Neutral, 4= Agree 5 = strongly agree).						
<b>ASPECTS OF CSR AND LEVEL OF AWARENESS</b>		1	2	3	4	5
1.	Dangote cement factory strongly encourages employees to actively participate in Corporate Social Responsibility initiatives.					
2.	The company pay attention to philanthropic issues, ethical issues, and legal issue throughout the organization in order to integrated it with its business performances.					
3.	Your company’s level of awareness about corporate social responsibility is high relative to other company.					
4.	The factory believe that corporate social responsibility doesn’t have any influence on organizational performance and company has forced to undertake corporate social responsibility.					



1 = strongly disagree, 2= Disagree, 3=Neutral, 4= Agree 5 = strongly agree).					
PHILANTHROPIC	1	2	3	4	5
1. Financial aid and training support given by your organization to local community increase your organizational performances.					
2. Any donations your company offer for local community have effect on your organization's performance.					
3. Your company's educational support like supports for private and public educational institutions and scholarship for individual or group have inspiration for your organizational performance.					
4. The participation of your company's managers and employees in charitable activities of their local communities increase good will of the factory					
5. The support of your company for physically and mentally handicapped peoples or organizational charity has advantages to improve its performances.					

1 = strongly disagree, 2= Disagree, 3=Neutral, 4= Agree 5 = strongly agree.					
ETHICAL	1	2	3	4	5
1. Your company doesn't compromises ethical norms of society to achieve its corporate goal.					
2. Your company's operating business within ethical standard of the society and prevents unethical behaviors in order to achieve organizational goals has encouragements for retaining employees and customers.					
3. The company's work with obligation to avoid harm, and to do what is right, has just enable the organization in order to become socially responsible factory.					
4. The firm strives to deliver high value and quality products that meet and/or exceeds customers' expectations has effects on customer retain.					

1 = strongly disagree, 2= Disagree, 3=Neutral, 4= Agree 5 = strongly agree.

LEGAL	1	2	3	4	5
1. The company follows all the terms and conditions of the staff like renews its licenses and certificates each and every financial year					
2. Your company's equal opportunities assured for all workers without bias either directly or indirectly in any labor practice has important role for employees retention,					
3. The distribution of Rights and obligations for both employers and employees have effects on the interest of both employees and organization's performance.					
4. Promotion of people based on their credential not discriminated in terms of race, gender, religion and ethnicity has a great role to improve organizational performances.					
5. Your company obeys with the environmental laws, rules and regulations to promote environmental protection has affects the company's performances.					
6. The protection of customer right when they have grievance on Products and services offers within the company has a role for customer retention.					

1 = strongly disagree, 2= Disagree, 3=Neutral, 4= Agree 5 = strongly agree.

Over all Effects of CSR on organizational performances	1	2	3	4	5
1. Any practices of CSR in your company has play vital role to lower employees absenteeism and to retain talented employees with the company.					
2. your company's performs of CSR has play key roles to attract new consumers and to retain the existing customers.					
3. Implementation of CSR in your company increases operational efficiency, corporate image or goodwill and firm's profitability.					
4. your company Believe that philanthropic, ethical, legal and environmental protection activities increases overall organizational performances.					

## **APPENDIX-2**

### **Guiding questions for Interviews**

My name is Abebe Ayalew a postgraduate student in the Department of Management. I am conducting my MBA Research on “effects of Corporate Social Responsibility (CSR) activities /practices/ on organizational performances” specifically on the Dangote cement factory. I am collecting data and relevant information that will help me to have a better understanding on the issue under study. Therefore, genuine information is highly appreciated and valuable for the success of the study. So that, I would like to assure you that confidentiality for your comments will be respected and can be used only for this research purpose.

### **In-Depth Interview Guide Managers Interviews Schedule**

#### **I. Respondent’s Demographic Profile**

Name of the factory\_\_\_\_\_

Gender \_\_\_\_\_

Age \_\_\_\_\_

Position \_\_\_\_\_

Completed/ongoing educational attainment\_\_\_\_\_

Years of service at present work\_\_\_\_\_

#### **II. Guided interview questions**

1. What is CSR for you?
2. What specific activities are carried out by the company within CSR?
3. What are the effects of implementing CSR on over all company’s performances?
4. How will you rate the Dangote cement factory’s contribution to CSR in your community?
5. What will you recommend that should be done to improve the practices of Corporate Social Responsibility?

**Thank you for your cooperation!**