

Corporate Social Responsibility Practices, Benefits and Challenges: The Case of Ethiochicken



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DECLARATION

I declare that the research Report entitled

“Corporate Social Responsibility Practices, Benefits and Challenges: The Case of Ethiochicken”

submitted to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Date: _____

CERTIFICATE

We certify that the Research Report entitled

“Corporate Social Responsibility Practices, Benefits and Challenges: The Case of Ethiochicken” was done by Mr. **Tinsaye Tefera** for the partial fulfilment of master’s degree under our Supervision.

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ACRONYMS

CSR	Corporate social reasonability
EIA	Environmental impact assessment
EHSS	Environment health, safety and social
ILO	International Labour Organization
ISO	International standard organization
MNCs	Multinational Corporations
NGO	Nongovernmental organization
OECD	Organization to Economic Co-operation and Development
SPSS	Statistical Package for the Social Sciences
UN	United nations

ABSTRACT

Corporate Social Responsibility (CSR) has gradually become a leading issue in business. But the issue of Cooperate social responsibility is the least studied subject in developing countries. The purpose of this study was to assess the benefits and challenge of corporate social responsblity implementation in Ethiochicken. To address the objectives, case study research design was employed, and both primary and secondary data collection methods were used. Data collected from 110 respondents through questionnaires and structured interviews. Simple random Sampling was employed to select the sample. The quantitative data were analysed through descriptive statistics with SPSS Version 20. The finding shows stakeholders' perceptions on components of CSR include economic, ethical, legal, and philanthropic responsibilities agreed that items listed are important aspects to business organizations socially responsible activities. The results of the research showed that there was moderately implemented corporate social responsibility, there were success stories, On the other side there had been challenges due to lack of institution assistant, lack of adequate knowledge, lack of financing due to high cost and difficulties to obtain information about corporate social responsibility implementations such as guidelines and standard metrics and there is lack of awareness about the concept of Corporate Social Responsibility. The study recommended continuous dialogue with the stakeholders, allocate enough budget for corporate social responsibility projects, prepare policies and rules to controller corporate social responsibility implementation and offer staff capacity building to the employee would help to overcome the challenges.

Key Words: *Corporate social responsibility, Benefits, challenges,*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Businesses have traditionally defined themselves purely as economic entities maximizing returns for their owners. Today, however, business organizations are being called upon to play a broader role in society. The need for companies to redefine themselves as economic and social entities is embodied in the concept of corporate social responsibility whereby companies are increasingly being called upon to be good corporate citizens in the communities in which they conduct their business operations (Hopkins 2007).

Rupp et.al (2006) argue that while there is no common definition of corporate social responsibility (CSR), it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. "People" constitute the company's stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community. Albareda, Lozano & Ysa (2007) state that increasingly, stakeholders expect that companies should be more environmentally and socially responsible in conducting their business. In the business community, CSR is alternatively referred to as "corporate citizenship," which essentially means that a company should be a "good neighbour" within its host community (Donaldson & Preston, 1995).

The concept of Corporate Social Responsibility (CSR) has a long and varied history. It is possible to trace evidences of the business community's concern for society for centuries (Carroll, 1999). During this long period, there have been different names as well as different definitions used. A survey of CSR education in Europe, which found 50 different labels for CSR modules, 40 different labels for CSR programs and numerous CSR synonyms, the most popular of which business ethics, corporate citizenship, sustainability or sustainable development, corporate environmental management, business & society, business & governance, business & globalization, and stakeholder management (Visser, 2006b), can be taken as an evidence for that.

From the different definitions given for the term, the one given by the World Business Council for Sustainable Development (WBCSD), will be used for this study. It defined Corporate Social Responsibility (CSR) as the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development (WBI, 2003).

The development of corporate social responsibility literature in the developed and developing countries has a big difference. For example, Bilal (2001) indicated that most of CSR studies conducted so far have been in the context of developed countries such as Western Europe, U.S., Australia, and that we still know very little about practices in ex-colonial, smaller, and emerging countries. As an evidence for this, a review of the CSR literature on Africa between

1995 and 2005 by Visser (2006a) (as cited in Visser, n.d.) found that only 12 of Africa's 53 countries have had research published in core CSR journals, with 57% of all articles focused on South Africa and 16% on Nigeria.

Although broad emphasis is given for the theory and practice of CSR, a universal definition of CSR is not developed yet. European Commission 2002 defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders in voluntary basis". Ziek, (2009) argued that, CSR represents an organization's commitment to economic, legal and ethical responsibilities. This indicates that the definitions and the concepts of CSR are developing. However, many scholars on the are

agree that CSR is a business approach which guides companies to run their business in a way that is morally acceptable, society friendly and developmental oriented.

Different approaches have been developed by companies to harmonize societal needs, the natural environment, and business interests under their operation. The extent (how well, how often and how deep) in which organizations perform their social responsibilities determines their business reputation and worldwide acceptance. It is possible to rate CSR performance of companies under three groupings. The two extremes are those companies that do not take any responsibility to society and the environment on their operation, and those companies that go far beyond the traditional profit oriented boundary of organizations and take full responsibility for the socio- economic, political and environmental dimensions of the host society. But most firms practically put themselves somewhere in between the two extremes (Visser, 2003).

As it is stated on Kotler and Lee, (2005), philanthropic giving is mostly practiced approach for many companies' corporate citizenship. Several practices can be incorporated on the approach such as donation of money, material, service /product, participation on community works (Awareness creation, free service etc.), charity and so on. However, there is still no worldwide uniformity on the models and practices of CSR. Unlike other underdeveloped/developing countries, there is relatively well-defined model of CSR in developed nations. But since the concept is becoming more global, it also become necessary to study whether it is mandatory to develop a CSR model that are specific to the country context or follow the already developed model as it is. Halmel, (2009) stated that Contextual factors and institutional environment influence corporate responsibility norms and practices.

According to Visser (2006b), though there is corporate firms' complicity in political corruption, environmental destruction, labor exploitation and social disruption, there is also voluminous evidence of the benefits of business bringing capital investment, job creation, skills transfer, infrastructure development, knowledge sharing and social responsibility programs to countries throughout Africa. Despite these differences, there is a general agreement that the private sector remains one of the best placed institutions to make a

significant positive contribution towards improving social, economic and environmental conditions in Africa.

Corporate Social Responsibility (CSR) now a days is considered as one of the major parts of any business activities. Even though globalization has the tendency to turn countries into one world its negative impact on the environment and the society led to the evolvment of CSR on the global agenda (Alberto, 2014).

CSR activities aren't directly intended for the economic and technical advantage of firms. Businessmen are responsible for the economic development affecting the public welfare, such as full employment, inflation and maintenance of competition. As well as to develop human values such as morale, cooperation, motivation and self-realization in work. Firms have those obligations because they manage their business within the society (Davis and Keith, 1960).

Agricultural companies are improving their efforts to protect the environment as well as the well-being of the society mainly by focusing on job creation. Agricultural industry is on the sectors that earns hard currency to the country and absorb unemployment .at same time it is the sector that adversely affect the environment and human as the results of its waste disposals if it is not managed/treated properly. Furthermore, the substance the use as input are prone to health and environment.

On developing countries, the world financial crisis had a huge economic impact. CSR activities in developing countries can be an efficient tool for Agricultural companies to regain the lost trust and hope of the society (Crouch & Maclean, 2011).

Agricultural companies are frequently attacked for using unethical marketing tactics to promote their products. But there are some socially responsible companies in the poultry industry, escaping this kind of negative attention.

Ethiopia is one of the developing countries where the concept of corporate Social responsibility and ethical code of conduct is not well-developed. Yet, efforts are underway in various business undertakings and sectors to incorporate CSR in their production process, marketing, and overall activities. The main drive of this thesis was how Ethiochicken corporate social responsibility was practiced and, challenges & benefits of corporate social responsibility in the organization throughout the implementation.

1.2. Background of the organization

Ethiochicken is one of the leading poultry producing company in East Africa and incorporates three sister companies, AGP Poultry Plc. (AGP), Mekelle Farms Ltd (MFL) and Andasa Poultry PLC. The group focuses on producing and selling improved breeds of chickens to smallholder farmers in rural Ethiopia. EthioChicken began operations in September 2010 in Northern Ethiopia. The Company took over a stumbling government poultry farm and turned it around to create the leading day-old chick producer in Ethiopia. Currently the group manages seven poultry farms and two feed mill production plant in four regions of Ethiopia (Tigray, Amhara, SNNPR, and Oromia regions). The company is currently planning further expansion within Ethiopia and internationally and the number of production facilities is therefore expected to increase.

Currently Ethiochicken produces and distributes day-old chicks, feed, vaccines, veterinary services, skills training and will offer assistance in sourcing medication and equipment to SMEs in Ethiopia, thereby driving gains in productivity, lifting women out of poverty, creating a more stable supply of protein at the household level, and becoming Ethiopia's leading Poultry Company.

Ethiopia is one of the developing countries where the philosophy of corporate social responsibility is not well developed, and the governance system takes the form of mere control and decision making rather than encouraging development and implementation of a well-developed ethical code of conduct. However, currently there are some good starts by some companies like the Ethiochicken has been developed its corporate social responsibility system. So, this paper will be focus on how this company is practicing corporate social responsibility & what are the benefits and challenges on the practicing corporate social responsibility.

1.3. Statement of the problem

The issue of Corporate Social Responsibility (CSR) is a growing concern and there is an inherent increase of interest in CSR studies and it is gaining much attention (Abdul and Ibrahim, 2002, Thomsen, 2004); the area has become highly relevant and CSR has impacts on an organization's reputation, commitment, and performance. Researches were demonstrated that CSR is carried out in response to integrating environmental issues (EU Comm, 2011), for the interest of maintaining/improving company image and reputation (e.g.

Jackson & Apostolakou, 2010; Levis, 2006; Abdullah & Aziz, 2013), and to give back and to discharge ethical responsibilities.

From the above literature we can understand, there is no similar definitions and determinants of CSR. There is great need to create understanding about CSR practices and determinants to conduct the business in ethical manner and in sustainable way (Jamali & Mirshak, 2007). In addition, it is not common to find a specific form of corporate social responsibility practices and determinants in the developing world that could see only from few CSR dimensions such as business, philanthropic and legal perspectives (Jamali et al, 2007). Since Ethiopia is one of the developing countries, the philosophy of corporate social responsibility is not well developed.

Degaga et al., (2018) argued that Factories provide social services led the local communities develop higher expectation; the local communities are much concerned about the environmental pollution in their area underpinned by the transportation of cement by heavy vehicles and poor disposal mechanisms of wastes. Lack of top management support for implementing corporate social responsibility and over-ambitious expectations of the local communities were the major challenges that the company is facing in implementing corporate social responsibility. This led the local communities to lose their hope and trust on the organization.

Tadese. (2015) Ethiopian Tanneries are poor in practicing, green purchasing, marketing practices, investment recovery, eco-design and environmental protection to green the whole supply chain. In addition, majority of tanneries didn't have separate environmental unit which is responsible for all emissions and due to this they emit wastes without proper treatments consequently this practice is seriously affecting the nearby dweller. The environmental proclamations, policies and regulations for tannery industry are stringent/severe/ but nothing actions were taken by the concerned bodies.

Temesgen and Mouly (2008) companies expressed 100 percent positive attitude in implementing CSR towards customers, creditors and suppliers, general public and government. However, only 40 percent of companies were positive on periodical disclosure of information to its shareholders, 80 percent believed in fair wages and security of employment, and 10 percent of companies were negative on meaningful freedom, job satisfaction and humane treatment. Overall 69 percent employees were not happy with

companies' policies, 71 percent customers thought they were manipulated, and another 75 percent general public were not pleased with CSR from the Ethiopian corporate sector,

Demisse and Dachas (2014) due to the absence of proper waste treatment and disposal system and inadequate safety equipment Agriculture industry are causing adverse impacts on the workers and the community.

United Nations Environment Program (2013), environmental risks constitute 28 percent of Sub-Saharan Africa's disease burden; outdoor air pollution is estimated to kill 800,000 people globally, and about 40,000 of these deaths occur in Sub-Saharan Africa.

Friedman M. (1970) argument that the social responsibility of business begins and ends with profit maximization, but this plays less well according to Hopkins M. (2003) today than in the heyday of Reaganomics or Margaret Thatcher's conservative government. Curran M. (2005) refers to this as "social permission theory", which holds that corporations exist and act by permission of society at large corporations are obliged to consider all possible stakeholders because they make up society at large and these stakeholders were the ones who gave corporations permission to do business in the first place. Further, if corporations use that power in ways that are not consistent with society's expectations, they will eventually face increasing externally imposed controls over their behavior, thus society will circumscribe that power.

Equally, Jensen M. (2002) argues that CSR and stakeholder theory is fatally flawed because it violates the proposition that any organization must have a single-valued objective as a precursor to purposeful or rational behaviour. He argues that the adoption of CSR leaves a firm handicapped in the competition for survival because, as a basis for action, stakeholder theory politicizes the corporation and leaves managers empowered to exercise their own preference in spending the firm's resources. Essentially, this core argument against CSR criticizes that CSR involves expending limited resources on social issues necessarily decreases the competitive position of a firm by unnecessarily increasing its costs. Devoting corporate resources to social welfare is tantamount to an involuntary redistribution of wealth, from shareholders, as rightful owners of the corporation, to others in society who have no rightful claim.

Nonetheless, the implementation of Corporate Social Responsibility can be very challenging as it tends to put undue pressure on companies to satisfy societal needs (Baughn et al., 2007). There are flourishing Corporate Social Responsibility projects in developing and promising

perspectives (Baskin, 2006), but still there are concerns about the ability of CSR to contribute to development and solve some imperative setbacks facing the poorest parts of the world considering the fact that majority of Corporate Social Responsibility initiatives are driven by western organizations (Banerjee, 2007, 2008; Morse, 2008). Corporate Social Responsibility is an organizational phenomenon as it has in recent times been integrated into the corporate strategy of most organizations. People hold so many views or perceptions about the concept of Corporate Social Responsibility; some of it is that companies should not be obligated by law to embark on social responsibility, but all the same companies are admonished to voluntarily implement it (Jones, 1980). Although Corporate Social Responsibility is perceived to provide benefits to both society and organizations, its implementation is not without challenges.

In line with literature (Agle B. and Mitchell R. 2008; Vaaland T. 2008) and interview findings (Sweeney L. 2008), CSR activities were categorized under the headings; Environment, Customers, Employees and Community. Firstly, in relation to the environment, the most common activities include waste reduction and recycling. Energy conservation is also quite common. To a lesser extent, reduction in water consumption, air pollution and packaging is carried out by firms. The most common activity toward customers is commitment to providing value to customers. Responding to customer complaints in a timely manner is also quite popular and to a lesser extent, supplying clear and accurate information to customers and considering customer accessibility. The most common activities in relation to employees are a commitment to the health and safety of employees and ensuring adequate steps are taken against discrimination. Slightly less popular activities include encouraging employees to develop skills and long-term career paths and work/life balance. Lastly, in relation to the community, the most common activity involved donating to charity. Having employees volunteer on behalf of the firm and having recruitment and purchasing policies in help of the local community are also popular activities.

Under settings where CSR is widely practiced, business firms consider the concepts and core components of CSR such as integration of social and environmental concern, ethical behaviour, economic development, improving the quality of life of the citizens, human rights, labor rights, protection of environment, fight against corruption, and transparency and accountability. There is thus a gap in understanding of CSR and its practices in Ethiopia, which calls for research that focuses on the specific policies and activities through which companies try to implement CSR policies that target at balanced commitment to economic,

social and environmental goals at firm level, which then can have its positive continuation to Ethiopia's sustainable development at large.

Therefore, this research investigates corporate social responsibility practice of the company and the benefits and challenges faced during the implementation. This research will be an addition to the understanding of CSR, as there is no significant field of knowledge and no broad body of literature about CSR studies from this part of the world; not much is understood about CSR from this part of the least grown world. Many researches have been done in the area of CSR but not in the case of poultry business in Ethiopia, so this paper tries to describe what it is look like the corporate social responsibility practice, benefits and challenges faced by the poultry producing company.

1.4. Research questions

Based on the above statement of the problem the research answered the following research questions:

- ⇒ What is the corporate social responsibility practice in Ethiochicken?
- ⇒ What are the benefits obtained from practicing corporate social responsibility in Ethiochicken?
- ⇒ What are the challenges faced by the company in implementing corporate social responsibility?

1.5. Objective of the study

1.5.1. General objective

The main objective of the study was to assess the benefits and challenges associated with Corporate Social Responsibility practice in Ethiochicken.

1.5.2. Specific objective

- To assess the practices of CSR in the Ethiochicken.
- To investigate the benefits obtained as a result of CSR.
- To examine the challenge that hinder CSR implementation in Ethiochicken.

1.6. Significance of the study

- ⇒ The practice of corporate social responsibility in Ethiopia and awareness among the society is not well developed. The study is expected to serve as a guideline for investors who are involved and going to involve in the industry by providing enough information. For instance, how the investors should integrate itself with stakeholders

to operate in harmonious manner. At the same time the study will help as awareness creation document by outlining the right of the general public from the industry. For example, the industry must adhere environmental, labour and human right while operating its business to maintain safety, health, norms and values of the society.

- ⇒ The benefits and challenges out of it are not yet assessed in many organizations, especially in Agricultural industry. The study tried to cover the actual experiences of corporate social responsibility in Ethiochicken with an intention to examine the problems existing prior to CSR, identify the benefits and challenges after CSR, and lessons gained for future CSR implementation.
- ⇒ It is expected that the findings will be beneficial to Ethiochicken. In addition, it provides the researcher an opportunity to gain deep knowledge in the concepts of corporate social responsibility business functions. Furthermore, this research can serve as steppingstone for other researchers who want to explore about corporate social responsibility in Ethiopia's business.

1.7. Scope of the study

The researcher believes that it would be appropriate to conduct the study in large scale. However, the limited time and other resources do not allow doing so. To conduct such a research in the overall ventures of the company is not a simple task that can be easily accomplished. The scope of the study is mainly related to investigating the CSR practices, benefits and challenges in Ethiochicken. All organizations, for profit or not for profit, governmental or non-governmental, need intensive effort on the area of corporate social responsibility to create good organizational and social environment. For the sake of quality and specialization as well as to cope with the available time and resource constraints, this study focused only on corporate social responsibility practices, benefits and challenges in Ethiochicken. In the case of practice of CSR, four predictors were selected despite other variables were available. The research would solely base on the opinion/views of top and middle level managers as well as entry level employees who are currently working for the case company. Beside this, it uses primary data, secondary documents and related literatures as well as previous studies on the subject. The research is descriptive by nature that it is describing the state of CSR in the case organization, as it exists at present relationship among various CSR variables.

1.8 Limitation of the study

The limitation of the study emanates from the instrument such as interview. They did not perform as much the researcher as did want. For instance, interviews should be held with non-managerial employees, customers, and community. However, it does not affect the findings of the study due to at least two reasons. The first is that the study is field survey and the questionnaire which is the main instrument was performed well. Second, interview was taken into consideration as they fill as the gap of the questionnaire. In addition, doing this study differently through inferential analysis could have allowed the author in obtaining some quantitative measurement that could have provided with more analytical analysis, which could be supported by quantifiable outcomes

1.9 Organization of the study

The study has organized into five chapters. The first chapter is provide a general introduction of the study including background of the study, Background of the industry, Statement of the problem, Research questions, Objectives of the study, Research hypothesis, Significance of the study, Scope and limitation of the study, organization of the study and Definition of Key Terms. Chapter two covered the literature relevant to the study. It includes concepts and theoretical framework, empirical literature as well as discussions on corporate social responsibility model and conceptual framework. Chapter three has elaborated research design and methodology: the type and design of the study. It includes research method sampling technique, data collection method and method of data analysis that has been used in the study and reliability and validity tests and Ethical considerations has included. Chapter four has been summarized the findings of the study and discuss in detail. Finally, chapter Five has comprised of four sections which include summary findings, conclusions, recommendation of the study and future research areas.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter tries to deal with review of literature on “Corporate Social Responsibility (CSR)” under the study background. Attempts were made to briefly begin with the definitions and concepts of CSR followed by the theoretical framework, empirical reviews and conceptual framework.

2.1. Theoretical literature

2.1.1. Introduction to Corporate Social Responsibility

The concept Corporate Social Responsibility might be unfamiliar to several, but the aspiration for socially responsible companies is emerging (Carroll & Shabana, 2010). Even if it is a new concept, the customers and investors are expecting a company that actions sustainable to environment and society. The way companies act socially responsible can be dissimilar, but common is the increased compression of satisfying stakeholder’s needs. The CSR actions can vary among industries and differ from controversial global issues, such as malaria and poverty in developing countries, to decreasing carbon dioxide emissions or supporting the local school in a sports tournament. The demand for CSR has been emerging for the latest decades and has enforced many companies, and especially global ones, to reevaluate their commitment in CSR and employ it in their every-day operations (Carroll & Shabana, 2010).

Hopkins M. (2011), in his concept of Corporate Social Responsibility, Corporate Social Responsibility is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. „Ethically or responsible' means treating key stakeholders in a manner deemed acceptable according to international norms. This definition is too broad and focuses on stakeholders of a company. CSR can be considered beyond this, for instance, in terms of the community, the country, the continent as well as globally as a whole.

European Commission (2002) describes CSR a close relationship between companies and societies to tackle social and environmental concerns. They define CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In its new Communication on CSR, the Commission puts forward a new definition of CSR: “the responsibility of

enterprises for their impacts on society.” The Communication then states that: “To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, and ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders” (New EU definition on CSR mirrors Enterprise 2020 aspirations –2012). These definitions describe CSR as whole. However, the definitions tie CSR only with business operations and strategies. CSR practices should be treated beyond business operations and strategies. For instance, assisting the national team is beyond companies’ activities. Although CSR sometimes is obligatory, the European Commission definitions limit it as a voluntary activity.

Different meanings in a variety of contexts are raised about the definition of CSR by diverse academic scholars or/and researchers. But the above definitions included these varieties of concepts on CSR. Meanwhile, as a reference to this study, CSR can be defined as a voluntary as well as obligatory activity of a business or an institution towards labour treatment, consumer protection, community welfare, environmental protection, human rights, transparency and anti-corruption, health and quality of life to enhance economic, social, political, ethical and environmental standards of the society as a whole.

2.1.2. The Corporate Social Responsibility Pyramid

A four-part conceptualization of CSR included the idea that the corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) responsibility well (Carroll, 1979). CSR can be described by identifying four different kinds of responsibilities that companies have toward their stakeholders: economic, legal, ethical and philanthropic. These four responsibilities create the CSR pyramid which describes how companies t responsibility and contribute to society by taking different actions (Carroll, 1991). A to Carroll and Shabana (2010), the components of CSR can be described as required economic and legal responsibilities, expected ethical responsibilities and desired philanthropic responsibilities.

Economic responsibility:

Economic responsibility at the base of the pyramid acts as a foundation and gives priority to economic performance. According to Carroll, (1991) the economic responsibility of firm’s is primarily to assure its Profitability through provision of quality goods and services to the community. As part of CSR business are expected to perform in a manner consistent with

maximizing earnings per share, maintain a strong competitive position., ensure a high level of operating efficiency as well as a successful firm be defined as one that is consistently profitable.

Legal responsibility:

The legal aspect of CSR is that corporate should operate the way the government laws, regulation and policies at all level permit. Business entities are expected to perform in a manner consistent with expectations of government and law to be a law-abiding corporate citizen. Beside this it is believed that a successful firm be defined as one that fulfils its legal obligations. Finally, Businesses are expected to provide goods and services that at least meet minimal legal requirements (Carroll (1991).

Ethical responsibility:

Carroll (1991) defined five different components regarding the ethical responsibility the first one treats the importance, like the other responsibilities, in a manner cons expectation of social morals and ethical norms. He explained that it is essential to recognize, and respect new ethical or moral norms generally assumed by society. Further on explains that it is essential for a corporation to prevent ethical norms from being compromised in order to achieve corporate goals. Good Corporation is being defined as doing is expected morally or ethically, and that is very essential according to Carroll (1991), the last component in the ethical responsibility is the important that corporate integrity and ethical behaviour go beyond simple agreement with laws and regulations (Carroll, 1991).

Philanthropic responsibility:

Business or corporate offering or any gifts are considered as philanthropy. Now days, it is customary that society to expect an offer from business organization towards solving their social problems. The nature of it is voluntary/ discretionary this philanthropic activities can manifested through gifts of monetary resources, product and service donations, volunteerism by employees and management, community development and any other discretionary contribution to the community or stakeholder groups that make up the community (Carrol, 1991). Businesses are expected in a manner consistent with the philanthropic and charitable expectations of society to assist the fine and performing arts. Corporate managers and employees participation voluntary and charitable activities within their local communities can be taken as philanthropic responsibilities; he further indicated corporate should provide support to social institutions like

private and public educational institutions as well as to assist voluntarily those projects that enhance a community's quality of life.

Contrary to developing economies, developed economies see the economic contribution of business as taking more of a development-oriented approach to CSR, with an emphasis on enhancing a supportive environment for responsible business (Dartey-Baah and Amponsah-Tawiah, 2011). Loimi (2002) asserts that the major drivers for CSR in the developed economies include globalization, environmental issues, international initiatives, pressure from non-governmental organizations, media, risk management, pressure from employees and customers, and competitive advantage. This notion is opposite to that in developing economies, where CSR is largely driven by culture, the political and social economic situation, and the governance gap (Amaeshi et al., 2006). Having explained the nature of CSR practices in the developed economies, the CSR practices in the developing economies is discussed in the next section.



Figure1. The Pyramid of Corporate Social Responsibility

Source: Carroll, A.B. (1991, p.42).

This pyramid provides a useful conception of CSR for both scholars and practitioners. When proposing his model, Carroll (1991) intended to provide an integrated framework for particularly managers who want to balance the interests of various stakeholders simultaneously.

2.1.3. CSR conceptual Views

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 (Gudjonsdottir and Jusubova, 2015).

The broadest definitions of corporate social responsibly are 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 (Sharif 2012).

The concept of Corporate Social Responsibility (CSR) is derived from the notion of social responsibility. Organizations considered their very existence an opportunity to contribute to the well-being of society and as such their mode of operation and behaviour were restructured to conform to the shared norms and values of society. Corporate Social Responsibility (CSR) which was then termed the social responsibility of businessmen in the 1950s was described as an organizational phenomenon where businessmen carried out policies, actions and made decisions which were in good tastes or conform to societal objectives and values. Social responsibility was not a universal remedy for societal problems but that it could serve as a legitimate foundation and guideline for future business activities.

The challenges it posed to organizations and stakeholders in their attempts to implement or act in a socially responsible way. The concept of social responsibility though deeply rooted in societal norms and values have be modernized and inculcated into the managerial settings of organizations as managers make decisions related to social responsibility so far as it result in the long-term economic gain of their organizations. These economic gains in the form of profit maximization served as a reward to organizations for being socially responsible. There is therefore a strong bond between being socially responsible and doing business all over the world. For businessmen to be able to exercise social power or gain economic benefits, their implementation of social responsibility activities was strongly linked with the kind of benefits or social power they derived. Business organizations was posited in their interest to satisfy the needs of society through Corporate Social Responsibility in the areas of job creation, economic growth and environmental conservation.

Saiia (2001) argued that large organizations with much exposure are more inclined to make larger philanthropic gifts and more likely to be strategically motivated to carry out Corporate Social Responsibility than smaller organizations. However, the size of an organization is a

good measure of organizational power and that powerful organizations can use that as an opportunity to resist external pressure from stakeholders to embark on Corporate Social Responsibility. A company's ability to espouse Corporate Social Responsibility is mostly reliant on the degree to which the whole concept of Corporate Social Responsibility has been inculcated into the company's culture. Companies described as beginners are mostly less receptive to the importance of Corporate Social Responsibility and as such are most likely to fight against any Corporate Social Responsibility interventions. When Corporate Social Responsibility becomes an integral part of the company's culture, stakeholders within the company are more receptive to the concept as it becomes a shared value and norm. Failure on the part of top management to institutionalize the concept of Corporate Social Responsibility made it even more difficult for middle managers to take the lead. Besides this, the success of Corporate Social Responsibility is not solely rooted in the internal learning processes but rather the extent to which the interaction between internal and external stakeholders is integrated in the whole process. Communication between stakeholders is identified to enhance the process (Cramer, 2005).

According to Dawkins 2004 as cited in Usman Sharif 2012 CSR is basically consistency of a firm to act ethically, increasing economic development, improvement in the lives of their workforce and their families and playing a role in the development of the society. CSR is defined differently in various CSR definitions.

2.1.4. Theories of Corporate social responsibility

2.1.4.1. Stakeholder theory

Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations there are, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have with respect to the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" In a single sentence, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it.

Stakeholder theory emphasizes that beyond shareholders there are several agents that are

interested in firms' actions and decisions. The theory highlights the need for managers to be accountable to stakeholders. Stakeholders are individuals or groups which were either harmed by or benefits from the corporation; or whose rights have been violated or must be respected by the corporation (Freeman, 1984; Jensen, 2001; Hosmer, 2011; Trevino & Nelson, 2011). Firms have several stakeholders which compete for organizational resources; hence, the need for firms to identify strategies for managing stakeholders (Bryson, 2005; Reynolds et al., 2006; Michelon et al., 2013). The type of stakeholders proactively engaged, and resources control strategy adopted impact firm's corporate strategy (Kolk & Pinkse, 2007; Carroll & Shabana, 2010). From a business-driven viewpoint, stakeholder theory interest covers three premises: that organisations have stakeholders which impact their activities; these interactions impact on specific stakeholders and the organisation; and perceptions of major stakeholders impact the viability of organisational strategic options (Simmons, 2004; Branco & Rodrigues, 2007; Hillenbrand & Money, 2007). Firms, therefore, need to adopt suitable approaches to deal with primary stakeholders accordingly (Jawahar & McLaughlin, 2001; Carroll & Buchholtz, 2011). Firms are unlikely to fulfil responsibilities (economic and non-economic) of some primary stakeholders; hence, the need for stakeholder's management.

2.1.4. 2. Shareholders theory

Contrary to Freeman's stakeholder theory, Milton Friedman's shareholder's theory argues that businesses do not have any obligation other than making a profit and maximizing returns to their shareholders. He believes that there are no other goals a business needs to pursue other than making a profit. Shareholders are individuals who own a business or part of a business. There is one thing that they want the managers they hire to achieve and that is profit. Friedman further argues that any employee who does anything other than maximizing profit for the employer is doing something wrong. Besides, if a government requires a business to seek something other than profit, they are wrong. Friedman further went on to emphasize that

Friedman's point of view is that if businesses are selfish, they do something beneficial to their employees. They don't produce defective products or harm their customers and it ends up benefiting them and increase their profit. Critics, however, raise their objection in that benefiting the public by doing something out of selfishness is not truly virtuous if it is not motivated by selflessness. Our action is praiseworthy if we do it only because it is good for others.

2.1.5. Perceptions about Corporate Social Responsibility (CSR)

People hold divergent opinions about the concept of Corporate Social Responsibility. According to Jones (1980), Corporate Social Responsibility is based on the perception that corporations have duty to constituent groups in society apart from stockholders and beyond that lay down by law and union contract. The duty exercised by business should be implemented voluntarily and, the duty should be broadening to cover other dimensions or beneficiaries of Corporate Social Responsibility such as the communities, employees, suppliers and customers.

Tuzzolino and Armandi (1981) used Maslow hierarchy need theory as a conceptual tool to assess the performance of organizations in their social responsibility. He came out with a better way for perceiving Corporate Social Responsibility by suggesting a need hierarchy framework matched with Abraham Maslow (1954) need hierarchy. He emphasized that the operation of Corporate Social Responsibility will be dependent on an analytical framework. He created the impression that organizations had criteria that ought to be satisfied as highlighted in the Abraham Maslow hierarchy need theory. According to him, organizations tend to have physiological, safety, social esteem and self-actualization needs that are parallel to humans as illustrated by Abraham Maslow (1954).

Corporate Social Responsibility is viewed as the achievement of results from the decision made by organizations pertaining to specific issues or problems which in normative standard have positive effects on stakeholders rather than negative effects. Stakeholders stand to gain tremendously from the socially responsible actions of organizations. It was stated emphatically that the main focal point of Corporate Social Responsibility is the normative correctness of the products of corporate action (Epstein, 1987). Corporation Social Responsibility (CSR) is termed as a moral and stakeholder commitment, stemming from the notion that business is responsible to society in general and as a result corporation should be responsible to those who openly or obliquely affect or are affected by a firm's activity (Sage Editors, 2012; Banerjee, 2008). According to Carroll (1994), the concept of Corporate Social Responsibility has a great future since it is the foundation upon which the concerns of the public in relation to business and society relationships is shaped, addressed and captured.

Corporate Social Responsibility is perceived to embrace interests such as cultural, environmental, economic and social systems since such interest are affected by the kind of

business activities such corporations undertake. The Corporate Social Responsibility initiatives and efforts of companies should be channelled into structural and institutional development instead of the usual single visible activities like road construction, the building of hospitals among others. It is therefore essential for stakeholders to pay attention on which problems and interests are being addressed or focused upon in the bit to carry out Corporate Social Responsibility activities (Dobers and Halme, 2010).

Lohman and Steinholtz (2004) stipulated that the concept of Corporate Social Responsibility is perceived or considered to be driven from three distinct agendas such as sustainability, corporate accountability and corporate governance. They used sustainability to refer to the way an organization addresses and establishes stability in the economic, social and environmental aspects of the world in order to eliminate any threat associated with the long-term survival of the organization. Corporate accountability placed emphasis on the trustworthiness of an organization to manage its issues. This study depends on Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have with respect to the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" In a single sentence, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it.

2.1.6. Benefits of Corporate Social Responsibility (CSR)

Most firms tend to make public their dedication to Corporate Social Responsibility due to the potential benefits they anticipate driving from an improve public relations. They do not only end there but proceed to present to stockholders their accomplishment from engaging in Corporate Social Responsibility interventions. The implementation of Corporate Social Responsibility tends to boost the profits of organizations. Social responsibility and profitability should not be considered as competing goals, since firms may benefit from socially responsible interventions if such decisions are ably supported and rewarded by stakeholder's concern. Such supports from stakeholders may take so many forms such as an increased in productivity or an increased in demand resulting in a greater financial performance of the firm. Most research present theoretical models which do not consider

empirical evidence and beside that the regression mode used fail to test for nonlinearity between financial performance and corporate social performance (Callan and Thomas, 2009).

2.1.6.1 Corporate Social Responsibility Boost Profit

Companies benefit tremendously from CSR programs. CSR makes it possible for companies to attract and maintain high quality employees, generate a positive corporate image, and it enhanced the product evaluation of the firm. (Pirsch et al., 2007). In making marketing decisions, consumers have been one of the key stakeholders as a result of the strong ties they have with companies (Golob et al., 2008). The motivational factors of companies or organizations to embark on Corporate Social Responsibility vary from country to country. Factors such as customer loyalty, enhanced public image, brand value, greater access to finance, stronger risk management, a healthier and safer workforce, motivated people, corporate governance and, the enhanced confidence and trust of stakeholders play an influential role in the design and implementation of CSR. Nonetheless, these factors may not be applicable to all companies or organization as most indigenous companies are less pressurized by communities and civil society and even the law enforcement agency to embark upon Corporate Social Responsibility (Amaeshi et al., 2006).

Corporate Social Responsibility has led to the value creation of most implementing organizations. The importance of CSR in the business community cannot be over-emphasized. A great depth of concern in the concept of CSR by marketing and management scholars due to the rising interest of consumers and other stakeholders in the corporate practices of organization had necessitated the inclusion of CSR interventions in the practices of corporations. CSR is considered to have resulted in a value creation not only for stakeholders but to a larger extent the implementing organization concern. The organization can continue to benefit tremendously from such value creation by adopting an effective way of marketing corporate responsibility. CSR had played an essential role in enhancing the brand of companies through the maintenance and reinforcement of the reputations of companies by concentrating on the norms and values of all concern stakeholders. Marketers had also incorporated CSR interventions in their activities through the consideration of societal issues with the aim of manipulating conscious consumers while keeping a strong bond with stakeholder groups in the sector. An effective handling of CSR can enhance the competitiveness edge of companies, resulting in a rise in market shares and loyalty of consumers. However, companies stand the risk of losing greatly if consumers are not duly informed of their CSR initiatives. Companies will be motivated to incorporate CSR on their

strategic decision-making level if they continued to reap the benefits of such social initiatives (Enginkaya et al., 2009).

Organizations use Corporate Social Responsibility as a means for reputation building or maintenance. The implementation of Corporate Social Responsibility affords companies the opportunity to execute their Research and Development agenda as well as the advertisement of their various products in order to promote a cordial relationship with their key stakeholders (McWilliams and Siegel, 2001). Hillman & Keim (2001) argued that Corporate Social Responsibility can play a vital role in creating and sustaining value-creating relationships between organizations and their primary stakeholders. This kind of relationship enhances their corporate image and promotes business. Companies use Corporate Social Responsibility as a strategic for their long-term survival and it tends to give them a competitive advantage over their competitors (Cohen and Prusak, 2001).

2.1.6.2 Corporate Social Responsibility and community development

Hopkins (2003) argues that “the aim of the CSR is to create higher and higher standards of living, while preserving the profitability of the Corporation for its stakeholders both within and outside the corporation”. Accordingly, there are three ways through which the Corporations promote community development (i) charitable donation (ii) development inside the company that initiate new product and (iii) Activities that promote sustainable development and antipoverty initiatives (Hopkins, 2013).

correspondingly, it is generally accepted that CSR plays a notable role in addressing poverty and improving the community welfare as well as environment conservation (Pratic and Chandan (2009); Proti (2012); Mbirigenda (2015)). In this regard the CSR initiatives should be promoted by corporations as well as respective governments through enabling policies and the like (Beltratti (2005); Jariwala (2013)). As such corporate involvement in CSR activities contributes to capital or resources mobilization brings about public goods and improves the entire community development. In effect, participation of the Corporations in community development can be viewed and exhibited in several ways such as creating the public good such as building schools and health centres, improving infrastructure such as roads, power supply facilities and electricity.

2.1.7. Challenges of Corporate Social Responsibility

The designing and implementation of Corporate Social Responsibility requires long-term commitment and vision from managers, posing a major challenge to organizations (B

Fernandez-Feijoo, 2014). The high rate of low-income earning communities across the world makes it difficult for communities to adequately support companies that carryout CSR as they spend a greater portion of their earnings on food (Euromonitor, 2006; World Bank, 2007). The implementation of CSR can be very challenging as a result of the numerous needs of society (Baughn et al., 2007).

2.1.7.1. Failure to engage Key Stakeholders

Most Corporate Social Responsibility programs are not context specific and for that matter the need for individual companies to invest in context specific Corporate Social Responsibility programs. Businesses or organizations to a large extent fail to engage stakeholders on key social issues to be addressed by their Corporate Social Responsibility programs. This does not only pose as a challenge to organizations, but it also turns to hinder the successful implementation of Corporate Social Responsibility interventions (Van Marrewijk, 2003).

According to Cone (2010), studies revealed that 81% of American consumers strived for an opportunity to buy a cause-related product. They are of the view that their purchases amount to an investment into the company's CSR program and for that matter, they feel to be contributing to a cause. Companies can benefit from their CSR interventions if the internal and external stakeholders are duly informed. Unfortunately, stakeholders' awareness creation is very low making it impossible for the successful implementation of most social interventions. (Du et al., 2010). Most entrepreneurs in recent times had concentrated their CSR interventions on health, education and environmental issues (Sharma and Kiran, 2012a).

Contemporary trend in network-based operating models had underscored the need for the globalization of businesses through the connectivity among and between stakeholders across the globe. It had resulted in the introduction of new stakeholders in the whole operational procedure of businesses. The operational modification of businesses had led to a shift in market power from the traditional customers and investors to also include other stakeholders such as employees, communities, regulators, media, NGOs, suppliers and politicians. All these stakeholders have played a significant role in the implementation of CSR activities. This shift in market power to include other stakeholders could lead to a social risk issues to management of organizations. Most companies viewed social risk as emanating from the way its own behaviour or the action of others within its operational environment generate vulnerability. Stakeholders may drive motivation from these vulnerabilities to pressurize

corporations to undertake certain behaviour changes and since the stakeholders' views on social issues is of great necessity; management of social issues is being inculcated in the corporate strategy of Multi-National Companies. The implementation of CSR interventions had presented an opportunity for companies to address challenges emanating from social risk. CSR interventions are a necessary element of risk management for global companies because they provided the framework and principles for stakeholder engagement can supply a wealth of intelligence on emerging and current social issues or groups to support the corporate risk agenda and ultimately serve as a countermeasure for social risk. Integrating CSR into the corporate strategy or core business of companies can pose great challenges (Kytile and John, 2005).

2.1.7.2. Inadequate Skills needed to carryout Corporate Social Responsibility

Organizations are made up of individuals who first and foremost enjoy some rights and exercise duties and responsibility because they are citizens of a country. Organizations are therefore faced with numerous stakeholders toward whom it has numerous responsibilities. The boundlessness of stakeholders with which organizations work with may render CSR meaningless. The problem of CSR may not be due to its pertinence but instead the individual personal values and responsibilities of the people that make the social organization. The existence of CSR is impossible if people do not have enough competence and exercise maturity in a socially responsible way. It is therefore imperative for society and companies to train individuals towards the acquisition and attainment of such competencies and maturity essential for the successful design and implementation of Corporate Social Responsibility (Takala 1999; Thevenet, 2003).

The concept of CSR and stakeholder are interrelated which had warranted the need for an assessment of the correlations between business and society. Managers of organizations play an essential role in the way their images are lifted with regards to their social and environmental performance. The growing consciousness people have of their leverage power could therefore drastically change the responsibilities businesses have toward society. In the efforts of organizations to mature towards greater responsibility, people should first reflect on their own position, behaviour, value-system and expectations within organizations and society. This will better enhance the design and implementation process of CSR interventions to the overall benefit of both the organizations and stakeholders concern (Kakabadse et al., 2005). According to Jonker and Schoemaker (2004), companies working on CSR require the development of appropriate capacities and skills to make decisions and behaviour broader,

deeper and richer toward their stakeholders but contrary to this view, most companies lack the appropriate skills needed to effectively carry out Corporate Social Responsibility.

2.1.7.3. Other CSR challenges

Corporations face difficulty in CSR implementation and in its effectiveness (Jonker & Witte 2006). The main reason of challenge in practical work was that CSR requires high cost and corporations' in adequate financial resources to train the staff (Jonker & Witte 2006). It is most understood that the greatest main challenge for implementing and developing CSR were steady competitive tension, inadequate backing from the government and other non-government organizations beside the huge cost of implementation (Jonker & Witte 2006). Moreover, lack of support from customers and investors was an additional challenge. Complimenting to these, the core challenge in implementation of CSR was difficulty in changing traditional business practices to CSR agenda that requires leaders' great commitment in managing and in changing their focus and behavior. Furthermore, the lack of managers' expertise and capability to successfully implement desired changes was also creating challenge in CSR implementation process. Edelman (2004) argue that a change is not an easy process and it requires commitment and hard work to make a desired change.

It became evident that the changes in developed CSR plans means that they are not easy to administer it and there is also an increasing proof that a basic transformation in the business model cannot happen without a major dedication by the leadership and an alteration in the target area and behaviour of leaders (Edelman 2004). Considering the changes required for effective CSR implementation, it is crucial to follow up on how changes could be most actively done.

2.1.8. ISO 26000:2010-Guidance on Corporate Social Responsibility

International Organization for Standardization (ISO) is the world's largest developer of international standards. There is a key linkage between the UN Global Compact's ten principles and the ISO seven core subjects of social responsibility. Since it was founded in 1947, ISO established more than 21000 standards almost in all aspects of business. ISO comprises national standard bodies from 160 countries including developed and developing countries. (ISO) and (OECD), (2011). ISO 26000 is recognized by the European Commission as being part of the "core set of internationally recognized principles and guidelines regarding CSR. Ethiopia has a national standard body called Ethiopian standards Agency established in 2010 aimed at making manufacturers and service providers to comply with internationally accepted standards.

ISO 26000 doesn't specifically discuss corporate social responsibility, rather, social responsibility in general as it is applicable to all kind's businesses. ISO defines CSR as "responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behaviour".

2.1.9 Nature of CSR in Africa

Like many other firms worldwide, those in Africa engage in social issues, but with a different emphasis from those in most developed economies. In Africa, for example, issues such as health and HIV/AIDS, education and scholarship, and SME empowerment are at the forefront of CSR efforts (Kuada and Hinson, 2012). Indeed, social issues are at the top of the CSR agenda in Africa, as opposed to other areas of ethical and environmental priorities (Muthuri et al., 2013, Van Alstine and Afionis, 2013). Visser (2006b) revisited Carroll's pyramid model of CSR to reflect CSR practices in the African context and came up with different findings (Figure 2). Visser (2006b) noted that in the context of Africa, economic responsibility is given priority followed by philanthropy, legal and lastly ethical responsibilities. It was suggested that economic responsibility is given priority because of the economic situation of most African countries, with low levels of development and high unemployment rates. Philanthropy is given the second highest priority because of the belief that business operates in a healthy society, much needed given the socio-economic condition of African societies. The third rank was legal responsibility, reflecting the poor African legal framework that lacks independence and good governance. Finally, ethical responsibility, which requires more good governance, accountability and transparency, is the least important influence on the CSR agenda in Africa.

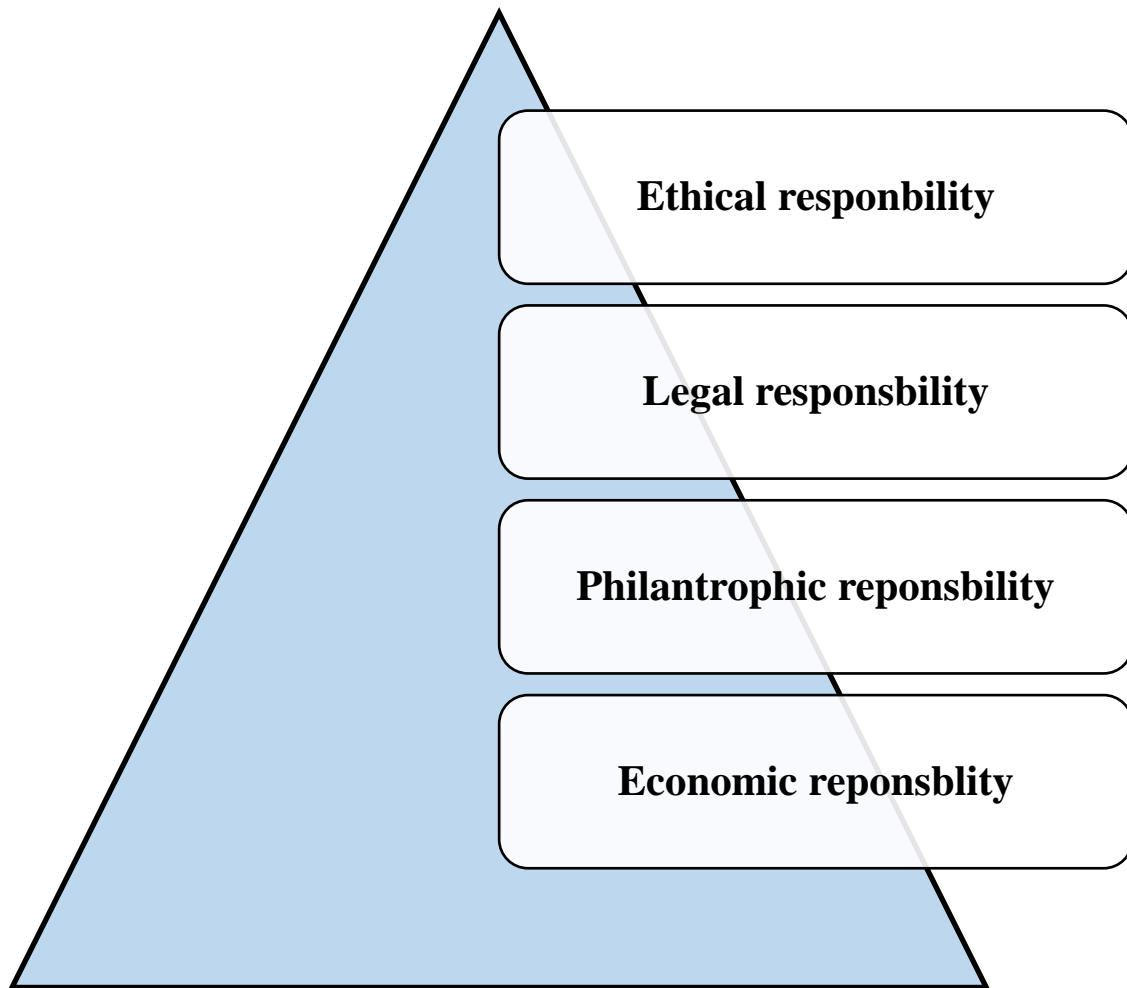


Figure 2.2 Carroll's Pyramid order of CSR layers in Africa (Visser 2006 p. 34)

2.2. Empirical reviews

2.2.1. CSR practice in developing countries

The empirical studies have different unknowns about social engagement of firms in developing countries. The first unknown is whether CSR practices in developed countries are like those in developing economies. The second unknown is how CSR is organized and communicated by local firms, and the third unknown centres on the activities in which firms in developing countries prefer to engage as part of their social practices. As such, this section opens the debate which forms the backbone of this research project.

Visser (2003) argues that the manifestation of CSR in developing countries is different from the Western world because of differences in culture and norms. Developed economies commonly use benchmarks such as CSR codes, standards and reports, while CSR practices in developing economies tend to be less formalized (Visser, 2003). Visser further argues that

CSR in the developing economies is associated with social investment, such as in education, health, sports and the environment.

In Indonesia, for example, Tanaya (2012) found that CSR practices are influenced by various social, political, economic and environmental aspects of the country. Similarly, Amaeshi et al. (2006) in his study of CSR practices in Nigeria on whether CSR mimics Western practices or has established indigenous ones, found that CSR practices are shaped by the social and economic challenges of the region. Interestingly, however, Lindgreen et al. (2009) found no evidence of cultural or socio-economic influences on CSR practices in Malawi and Botswana.

Different arguments reveal on how firms organize and implement CSR in the developing economies. Muthuri and Gilbert (2011) found that MNEs have institutionalized their CSR into company policy, which is often not the case for local firms. However, other studies (Boehm, 2005, Amaeshi et al., 2006, Tanaya, 2012) noted that local firms in developing economies are increasingly integrating CSR into their core business functions and operations, and the relationship between business and community is deepening.

A study of eight active local and multinational firms in Lebanon, however, showed that firms had neither dedicated internal or external departments for CSR. Instead, the majority of these firms used existing internal departments such as marketing and public relations departments together with the firms' management, to manage social responsibility activities and programmes (Jamali and Mirshak, 2007). In the same study it was reported that the marketing department had the overall role in managing CSR issues, following guidelines provided by top management in some firms (Jamali and Mirshak, 2007). In their study, Muthuri and Gilbert (2011) reported that some firms had a dedicated CSR department while others delegated social responsiveness issues to other existing departments, particularly human resources and public relations departments in Kenya. However, firms that transferred management of social issues to other departments, e.g. public relations, responded to social needs and expectations in an ad hoc manner, suggesting that CSR was only a strategy to mitigate risks and promote the firm's reputation (Muthuri and Gilbert, 2011).

Previous studies further show that firms in the developing economies engage in diverse social activities as part of CSR. In Indonesia, for example, firms engage in disaster relief, law compliance, labour welfare and community development projects such as building schools, libraries, water supplies and wells, and sponsoring education through scholarships and health. Studies also found firms engaging in small business initiatives, including training on small business and micro-credit programmes to support community development (Frynas, 2005;

Amaeshi et al., 2006; Eweje, 2006). Similar findings were revealed in many other developing countries such as Lebanon and Sri Lanka (Jamali and Mirshak, 2007; Khan and Beddewela, 2008). As such, social culture issues such as education were the priority CSR domains in the area of community development (Ite, 2004; Chapple and Moon, 2005; Muthuri and Gilbert, 2011).

2.2.2. Corporate social responsibility practices in Africa

Since the central focus of this research is Africa, it is important to give an overview of CSR practices in this continent. Therefore, this section first examines the existing knowledge gap of CSR in Africa.

Little is known as yet about CSR in Africa. This is evidenced by scholars such as (Visser, 2006b), who calls for more research on the topic. With existing studies there are uneven distributions (Visser, 2006a) with the emerging literature dominated by studies in South Africa and Nigeria (Visser, 2006b, Muthuri et al., 2013). South Africa was spurred on by the political reforms brought about by the end of the apartheid movement, while Nigeria is influenced by the presence of Multinational Enterprises (MNEs) (Kolk and Lenfant, 2010). The scope of CSR studies has nevertheless begun to consider other parts of Africa such as Mauritius and Central Africa (Idemudia, 2014), as well as being covered by other disciplines such as geography, sociology and anthropology (Idemudia, 2014). The majority of studies on CSR in Africa have focused on MNEs, with very little written specifically about local firms (Amaeshi et al., 2006, Khan and Beddewela, 2008).

Scholars have demonstrated that MNEs operating in developing economies engage in different social issues. In Nigeria, for example (see for example Amaewhule, 1997, Ite, 2004, Frynas, 2005, Eweje, 2006, Ojo, 2009), MNEs in the sector engage more with local communities by concentrating on the social and environmental impact of their operations. They engage in the areas of education, health, environment, SMEs empowerment, community support and sports. For example, Frynas (2005) found that MNEs like Shell and BP Nigeria run small business initiatives including training on SME and micro-credit programmes to support community development. Similar results were found in the mining sector of South Africa, where MNEs focus on business development schemes including the establishment of small cooperatives, training in product development by women for the tourist industry, and bookkeeping services free to local communities in areas mining takes place (Frynas, 2005, Amaeshi et al., 2006). The empirical study by Eweje (2006) compared local firms and MNEs in Ghana and found that their CSR practices were different. The CSR practice of MNEs is largely triggered by legal obligations, while that of local firms is driven by moral and ethical considerations (Kuada and Hinson, 2012). This suggests that the two groups place different emphases on legal and moral/ethical expectations in their CSR decisions.

2.2.3. Corporate social responsibility practices in Ethiopia

CSR from Ethiopian Context, formal corporate social responsibility practices in Ethiopia was first introduced and practiced by multinational companies and NGO'S as mitigation strategy or an action to resolve problems emanated from their project engagements. On the contrary most firms and government organization often lacks or yet not institutionalized the concept of CSR and formal practices however there are customary practices of informal mostly in the form of Philanthropy or charity to immediate need of the community (Moltot, 2018). Empirical studies conducted by Addis Ababa University, Textile Factories and horticulture industries; Total Ethiopia Share Company and Ethio- Telecom are the one which can be noted. Others like study on corporate social responsibility and financial performance of the banking sector in Ethiopia and an assessment of corporate social responsibilities from Ethiopia experience by (Kassey,2016) are frequently cited empirical studies in the field. For instance, studies show that Tesco and Primark which are Trans-National Corporations (TNCs) initiated CSR as a requirement for companies while they outsource their production and services. The CSR requirement are the companies should put in place and fulfil controlling of "wages controlling wages, working hours, safety equipment and instructions in the factory and environmental standards". This is often considered as a pioneer of Ethiopian Textile industries to initiate and practically implemented corporate social responsibility as socially responsible business engagement. The other CSR study is made by the largest and the oldest university Addis Ababa University. The study came up with the result that higher learning institution are so far remains/lag in institutionalized CSR initiatives (Workeferahu,2014). Other study conducted is on floriculture industries in Ethiopia from CSR and governance perspectives. The result showed that exposure of employees to vary environmental and workplace safety hazardous condition a long with sexual harassment and labor exploitations among others (Moltot, 2018). Review of empirical researches on corporate social responsibility in Ethiopia, evidenced that there are few resources particularly in agricultural industry sectors. Review of literatures revealed that CSR Developing Countries in general and in African and Ethiopia context in particular, it can be characterized by the following points.

- ⇨ Most of the corporate/firms understand and practice the philanthropic aspect of corporate social responsibilities. Philanthropy gets a high priority which is due to the huge socio-economic needs which has resulted in philanthropy becoming an expected norm in the society. Also, CSR is still at a new stage, sometimes even equating philanthropy.

- ⇒ There are very few national companies with CSR definition and with formal CSR practices but with leaders with a personal commitment to improve the Ethiopian society and to integrate this personal engagement with business opportunities.
- ⇒ Firms did not have a standardized written guideline for how to discharge their CSR activities. This implies that, firms consider CSR activities as something that they could do it based on personal judgments.
- ⇒ Absence of full-time employee who can handle the societal issue made CSR activities in the firms not to be effective and systematic to maximize their financial performance.
- ⇒ Businesses operate their activities based on their feeling and interest since the businesses as well as the regulatory body are not strong and efficient enough to set or obey laws.

The response of these multinational agricultural companies through CSR is not immune from criticism in their approach and understanding of in addressing the issue in different contexts. They are criticized that influenced from their understanding of the subject, most of them apply the concept as prototype that can be put in place to all socio cultural and environmental settings. But in fact, the concept and application of it is often divorced from the context of the host countries. According to (Visser, 2006) contrary to his expectation of companies to have engaged in terms of social problem initiatives focus on HIV/AIDS, education, health, environment and other social development issues, they focused on economic and philanthropic initiatives than ethical and legal responsibilities (Moltot, 2018).

Given the disagreement among the scholars from the literature it is possible to understand that varies pushing factors forced these companies to take CSR initiatives emanated either from external or internal. As often indicated in the literatures the internal drives are “business case, employment retentions, corporate internal values, firm’s reputation and image. While the external push factors are customer and consumer satisfaction, requirements from regulatory frameworks as well as pressure from civil society and consumer activism Spence, (2013).

As cited in Kassaye (2016) Amaeshi et al (2006) stated that CSR in Nigeria is aimed at addressing the socioeconomic challenges of the country such as poverty mitigation, health care and education which is like the priorities of CSR in developed countries. In Ethiopia, there is no general aversion to the concept of CSR. At the same time the CSR label has been applied to many initiatives and political programs without any effective strategic discussion never having taken place.

However, CSR approaches in developing countries are expected to respond to many social and environmental problems such as deforestation, unemployment, income inequality, and crime (De Oliveira, 2006). He indicated that in Ethiopia, firms do not think in terms of CSR, instead, they are concerned with economic survival. The private sector is not taking the leadership in CSR and private-public partnership is very limited.

CSR is the least studied subject in terms of what it is expected to discharge in higher education. Corporate social responsibility in Ethiopia is not well developed and the governance system takes the form of mere control in decision making instead of encouraging development and implementation of a well-developed ethical code of conduct (Elifneh, 2014).

Gashaw (2019) The influences of CSR on the employees are vital because it leads to their productivity; develop their moral and positive judgment about the company. Gashaw also assessed the company's CSR practices regarding its employees under three-domain; Employee income, workers' rights, and health. When it considers the overall level of company's practices regarding employee's income, it is at a moderate level. The finding revealed that the perspective of employee's policies and practices regarding employee's income has not been positively impacted on employee's social and economic development.

A study by Terefe (2018) budget problem, absence of strong interest and commitment and lack of support from government and other concerned bodies for the practice are major challenges for the company's CSR practices. CSR practice was not able to attract skilled manpower and even most of its employees did not have any information about CSR practice of the company when they applied to work in this organization.

Tewelde (2012) the context of Ethiopia and its interface with corporate social Responsibility has been illustrated using Carroll's model. Although many models on CSR developed in the West Prescribe universal applications of the components and priorities, the contextual factors in developing countries in general and Ethiopia may not allow the direct adoption of such models. In Ethiopian context the practice like many other African countries is on the economic aspect of the CSR and such emphasis may be at the expense of other dimensions. In such a situation how, we can reconcile the different components is the major challenge that needs to be addressed. According to Tewelde, as per the discussion of CSR in Ethiopia, the

legal and ethical responsibilities are the least in terms of practice as it is the case in most African countries' contexts.

2.7. Conceptual framework

As McGaghie et al. (2001) stated, the conceptual framework “sets the stage” for presentation of the research questions that drives the investigation being reported based on the statement of the problem. The problem statement of a thesis presents the context and issues that caused the researcher to conduct the study. The conceptual framework proposes that CSR practice alongside with benefits and challenges in organizations.

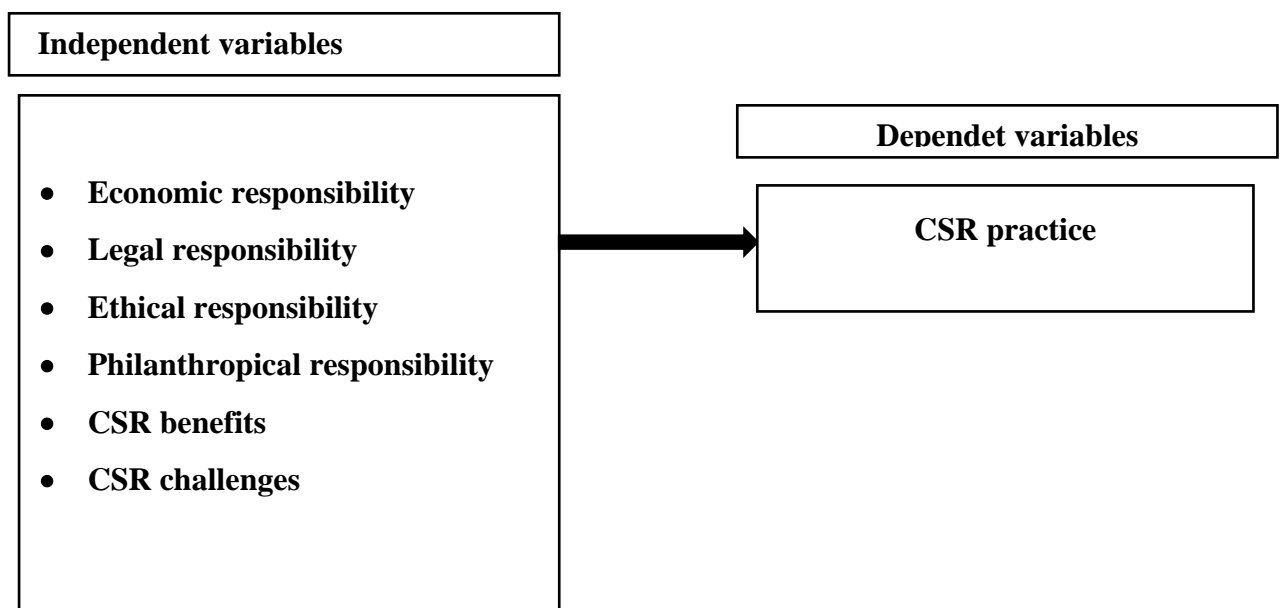


Figure 2. Conceptual framework of the study (Source: own compilation, 2020)

CHAPTER THREE

RESEARCH DESIGN AND METHODOS

This part describes the methodologies that were used in this study: the choice of particular research designs, data type and source of data, research approach, data gathering technique and instruments, sampling and sampling techniques and data analysis techniques along with an appropriate justification associated with each approach.

3.1. Research Design

There are many definitions of research design, research design is the blueprint for fulfilling research objectives and answering questions where it aids the researcher in the allocation of limited resources by posing crucial choices in the methodology". Other definitions are that research design is an activity- and time-based plan and a guide for selecting sources and types of information to obtain answers to research questions.

Though it can be complicated in selecting an appropriate research design, Cooper and Schindler (2008) are of the view that, by creating a research design which uses a combination of methodologies, researchers can achieve greater insight than if they were to follow methods which used frequency or methods which have been mentioned the most in media.

This research was conducted in a descriptive method of research called survey studies to assess clear understanding about existing trends of the corporate social responsibility practice and its benefits alongside the challenge faced while during implementation. The descriptive research method helps to draw a valid general conclusion, and it is the most popular and widely used research method. This idea is strengthened by survey study is the most used descriptive method in research.

3.2. Research Approach

According to Silverman, before conducting research it is important clearly to set out the research approach (2005). In social research like this study, quantitative, qualitative and mixed research approaches are the basic kinds of research approach. They differ in many aspects and depend on several things, such as research questions, research paradigms and methods. Most importantly, they must serve the aims of the research. This study has been conducted based on mixed research method, useful to capture the best of both quantitative and qualitative approaches, with the development and perceived legitimacy of both

qualitative and quantitative research approaches which employs the data collection associated with both forms of data to describe the nature of CSR.

Mixed methods research is the type of research in which a researcher combines elements of qualitative and quantitative approaches (e.g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the purpose of breadth and depth of understanding and corroboration (Jackson S. 2007). In this method the researcher may want both generalize the findings to a population and develop a detailed view of the meaning of a phenomenon or concept for individuals (Creswell et al. 2003). Therefore, the reason behind to select this method was to congregate or corroborate findings from different data sources. In addition to this, the reason why a mixed method design employed was to expand an understanding from one method to another, to converge or confirm findings from different data sources.

3.3. Source of data and data collection techniques

The study relied on both primary and secondary sources of data. Primary data was collected from respondents using a semi-structured questionnaire and interview. Secondary data analysis through the detailed review of related literatures.

Before collecting the data, the researcher has taken the formal letter from Jimma University department of business and economics to Ethiochicken, to get the permission of collecting the necessary information from the research participants. Then the researcher and the data collectors have approached the respondents by introducing themselves briefly and explain the objective of the study. Finally, the researcher and the data collectors distributed questionnaires to the respondents and collected them when the respondents finish.

3.3.1. Instrumentation and Measurement

To obtain first-hand information, the data was collected from samples through questionnaire. The rest of the data for this research was obtained from a body of secondary sources. To get secondary data the researcher has collected information from relevant documents related to the study subject and the questionnaire.

Questionnaire:

Closed-ended questionnaires were prepared and administer to gather primary data from the sample of the study. This instrument is preferred because it enables to secure information at a time. The questionnaires were prepared in English because the target area of the population is

professional employees who understand the subject matter. Quantitative data was gathered from the respondents using five-point Likert scale questionnaires designed by the researcher for self-administration. The questionnaires were designed based on the conceptual framework and the research questions to investigate the challenges and benefits of CSR practices in the case of Ethiochicken. For quantitative data, the respondents were asked to indicate their level of agreement and disagreement using a five-point Likert scale (1= strongly disagree 2= disagree, 3= neutral 4=agree and 5= strongly agree) about the benefits and challenges of CSR practices.

Interview:

The study utilized primary data through Semi structured interview questionnaires were used to obtain detailed information from respondents. The researcher believes that semi structured interview is useful technique for descriptive research to clarify concepts, solve problems and generates alternatives. Using semi structured interview questionnaire, the researcher attempts to gain more information about the participant's point of views. The interview was conducted on a one to one basis with each of the two Ethiochicken employees (Production director, Environmental health, safety and social director (EHSS) and Human resource director) on three different dates and time. Each of the interviewee were asked the same questions in the same order as it is prepared (see Appendix B, Interview questions).

According to Bryman and Bell (2015), semi-structured interviewing was seen specifically valuable in discovering out of an in-depth elaborated observation of a case study. In addition, semi-structured interview could make the researcher to be open minded about his expectations from the interview so that the ideas and theories can come out of the data. The questions are open-ended questions in order to get a broad and deeper answers to the questions rather than a 'Yes' or 'No' type of questions. Esterby et al. (2015) pointed out that open-ended questions could make the interviewee to talk freely and explain issues in detail.

3.4. Target Population

Population refers to the group about whom the researcher wants to know more and from whom a sample will be drawn. This is often defined in terms of demography, geography, occasion time, etc. The primary focus of this study was Ethiochicken hence the primary population. The total populations were 160. A sample is a set of elements which ideally representative of the population. A probability sampling was used. With probability samples

the chance, or probability, of each case being selected from the population is known and is usually equal for all cases. The probability sampling method used when the study population is relatively homogenous for issue that we studying which is suitable for this study.

3.4.1 Sampling Technique and Sample Size Determination

In the determination of the sample size, the most common technique is to compute the number of sampled representatives by considering the total population size, required minimum confidence level, and tolerable sampling error. These considerations were incorporated in the following standard sampling formula.

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

Where: n = sample size

N= total population size of the organization

e = sampling error/level of precision

As such, the sample size of this study was computed at a 95% confidence interval (most common in descriptive studies), 5% standard error, and total population size of the organization (160).

$$n = \frac{160}{1+160(0.05)^2}$$

Therefore, 160 participants were selected.

3.5. Data analysis and Presentation

The 114 questionnaires have been distributed and 110 of them collected, the data was coded and analysed by using the Statistical Package for the Social Sciences (SPSS), Version 20 software, and it has subjected to a serious of statistical techniques to answer the empirical research questions of this study. Descriptive statistics have been employed to analyse quantitative data using charts and tables. Frequencies were converted to percentages to ease interpretation, analysis of the data, and presentation of the findings of the research.

To measure the level of performance of each case company results were organized based on the thematic category and aggregate result was computed from the survey data were distribution of response count for each response category divided against the total number of question items and

measured based on five point scales (1= strongly disagree 2= disagree, 3= neutral 4=agree and 5= strongly agree).

Textual Analysis, which refers to the interpretation of data obtained from documents, was central to the secondary data analysis. The information generated through the desk review were analysed, synthesized and integrated with the findings of the primary data. In all cases, the sources of secondary data have been adequately cited. Findings of the secondary data analysis were further substantiated by the results of the qualitative data analysis.

Regarding the qualitative data analysis, content/thematic analysis approach were applied that entails identifying and isolating the major themes, meanings, common explanations, patterns and understandings in the interviewees' responses. Accordingly, the interview reports were first organized, and major issues/contents were identified and then categorized under selected thematic areas and the results were annexed in tabular form.

3.6 Validity and reliability

Validity:

According to Mugenda and Mugenda (1999), validity of research tool has three components. The first is construct validity which deals with the consistency of the questions with the responses intended by the researcher. This validity is assured by structuring the questionnaire according to the specific objectives. To ensure internal validity of the questionnaire, the researcher also gave the draft questionnaire to the supervisors for review and rearranging the questions. For assuring the data that was collected is valid, enough orientation about the data collection process was given to the data collectors. In addition to that, the process of the data collection was supervised by the researcher. The accuracy of the gathered data was checked through triangulation in order to check if there are deviations in the information given by the respondents.

Reliability:

According to Toke et al., (2012), the aim of reliability analysis is to find the extent to which a measurement procedure produced the same result if the process is repeated under the same conditions. The most common technique used in the literature to assess the scales reliability and stability is use of the Chronbach Alpha Statistics.

no	Category of question	Cronbach's Alpha	No of items
1	CSR practice at the company	0.910	23
2	CSR practice benefit	0.841	6
3	CSR practice challenges	0.699	7
Entire items statement		0.866	42

Table 1. Cronbach's Alpha for each factor of the questionnaires

Table 2 shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha ranged from 0.699 and 0.910. This range is considered acceptable as the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.866 for the entire questionnaire which indicates very good reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable.

3.7. Ethical Consideration

Ethical considerations are expected to be involved in any kind of research study. This paper, therefore, takes into consideration of those ethical issues on access and use of data, analysis and report of the findings in a moral and responsible way. All respondents were informed about the purpose of the study, Questionnaires were distributed, and interviews were made based on complete willingness of respondents. Confidentiality and anonymity of the respondents were also guaranteed.

3.8. Variables of the study

Variable is any factor that can change in a scientific investigation or experiment. These variables may be independent and dependent. The main objective of the study is to assess the corporate social responsibilities practices, factors that benefits and challenges corporate social responsibility practice in the Ethiochicken Thus the indicators /elements/ of corporate social responsibility are independent variables and corporate social responsibility is a dependent variable practice.

CHAPTER FOUR

RESULT PRESENTION AND DISCUSSION

This chapter deals with data presentation, interpretation and analysis of the study. It has two main parts: the first part is the background information of the respondents; the second part consist of data collected from employees and managers through questionnaires.

In order to address the research questions, 114 questionnaires were prepared and distributed to Ethiochicken employees, out of these questionnaires 110 were filled and returned, the rest 4 questionnaires were unreturned, and no questionnaires were discarded due to missing data.

4.1 Demographic background of Respondents

In this section presents the demographic characteristics such as sex, age, level of education, experience and job position of respondents of respondents

4.1.1. Sex of Respondent

Table 2. Sex of Respondent

Sex	Frequency	Percent
Male	72	65.5
Female	38	34.5
Total	110	100.0

Source: Survey (2020)

As depicted above in the Table 3, 65.5 % of the respondents are male and the rest 34.5% are female. This shows that the major respondent was dominated by male. This finding clearly demonstrates the male dominance in the Ethiochicken. This indicate that company is predominantly operated by males.

4.1.2. Age of Respondent

Table 3. Age of Respondent

Age	Frequency	Percent
18-25	26	23.6
26-40	84	76.4
Total	110	100.0

Source: Survey (2020)

Regarding age category 23.6% were between 18-25years,76.4% were between 26 and 40 years. This implies that most of the respondents were middle aged followed by young; the smaller proportion of respondents were young between 18-25 years old.

4.1.3. Education Level of Respondent

Table 4. Education Level of Respondent

Education Level	Frequency	Percent
Diploma	1	.9
Degree	96	87.3
Above degree	13	11.8
Total	110	100.0

Source: Survey (2020)

Most of the respondent's educational status 87.3 % have first degree level of educational background whereas only 11.8% and 0.9 % of the respondents had second degree and diploma levels respectively. This shows that the employees are fairly educated, and they can also understand and gave reasonable responses to the questionnaire distributed to them.

4.1.4. Respondent Job Position

Table 5. Respondent Job Position

Job position	Frequency	Percent
Managerial	28	25.5
Professional	82	74.5
Total	110	100.0

Source: Survey (2020)

82 out of the total respondents were Professional representing 74.5 % and 28 respondents were managerial which is 25.5 %. This implies that all the respondent was above professional and have good understanding about CSR. This has a greater positive contribution to get a more reliable and exhaustive response on the CSR issues asked in the questionnaire.

4.1.5. Experience of Respondent

Table 6. Experience of Respondent

Experience	Frequency	Percent
1-2 years	28	25.5
3-6 years	65	59.1
7-10 years	17	15.5
Total	110	100.0

Source: Survey (2020)

From the above table we can see that respondents who have served for 1-2 years represent 25.5%, 3-6 years representing 59.1%, 7-10 representing 15.5. Majority of the respondents were under the category of 3-6 years. As we can understand from the above data 74.6% of the respondents have stayed in the company above one year therefore, they can give valuable information about the company's corporate social responsibility practice.

4.1.6 Respondent level of awareness about CSR

Table 7. CSR level of awareness about CSR

CSR level of awareness	Frequency	Percent
Very low	2	1.8
Low	26	23.6
Medium	61	55.5
High	15	13.6
Very high	6	5.5
Total	110	100.0

Source: Survey (2020)

Table 8 indicates the largest groups of respondents (55.5% high and 13.6% medium) have medium and high about the concept of CSR and 23.6% of them know the concept of CSR in low state. From this we can conclude that the respondents have good knowledge about the practice of CSR in the company. This helps the researcher to get reasonable responses from them since they have knowledge about the study subject. However, about 1.8%, of them were unfamiliar to the Ethiochicken CSR practice.

4.2. Descriptive Analysis

In this section, CSR practices in terms of Carroll’s model of CSR, with four elements economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility are described using various statistical tools.

Here in order to assess these respondents were instructed to respond to the statements on a 5-point Likert scale and indicate the extent they agree with the statements that is: 5-Strongly agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly disagree. A mean (M) score of 0-1.5 means that the respondents strongly disagreed, between 1.50 to 2.50 means they disagreed, 2.50 to 3.50 means the respondents were neutral, 3.50-4.50 means they agreed, and a mean above 4.50 means the respondents strongly agreed.

The mean indicates that to what level of agreement the response of all respondents is approached. It also measures practices of CSR, the benefits and challenges to practice in the companies about the samples. Standard deviation, however, standard deviations measures the mean difference between responses. In other words, it measures variation of responses with respect to the mean. It shows us whether respondents have highly deviated one another in their responses. Thus, means and standard deviations of variables are described as request as the analysis.

4.2.1. CSR activities and the company responsibility

4.2.1.1 Economic responsibility

In this section of the study, the researcher wanted to see the economic responsibility. Economic responsibility is the only way for a business to survive and support society in the long term.

Table 8. Economic responsibility

Case Processing Summary for Economic responsblity					
Questions		Frequency	Percentage	Mean	Std. Deviation
The company has offered job opportunity to the local community.	SD	1	.9%	4.3182	.81197
	D	2	1.8%		
	N	12	10.9%		
	A	41	37.3%		

	SA	54	49.1%		
The organization has staff capacity building policy. (Provision of further education, Staff training, research and development, etc.)	SD	11	10.0%	3.3636	1.27594
	D	18	16.4%		
	N	26	23.6%		
	A	30	27.3%		
	SA	25	22.7%		
The company is paying decent wage comparing with others	SD	7	6.4%	3.4818	1.15522
	D	13	11.8%		
	N	35	31.8%		
	A	30	27.3%		
	SA	25	22.7%		
The company provides a reasonable benefit for employees (medical services, performance bonuses, holiday pay, transport allowances etc.)	SD	2	1.8%	4.1000	.95735
	D	6	5.5%		
	N	15	13.6%		
	A	43	39.1%		
	SA	44	40.0%		
The firm strives to deliver high value, & quality products that meet and/or exceed the expectations of their customers.	SD	3	2.7%	4.2000	.87577
	D	2	1.8%		
	N	9	8.2%		
	A	52	47.3%		
	SA	44	40.0%		

Source: Survey (2020)

Table 9. indicates that the economic responsibility of a firm is measured in employment opportunities it created for local communities. Respondent were asked to express their feelings on whether Ethiochicken has created employment opportunity for all local communities or not. As we can see from Table 4.7, (49.1%: n=54) of the respondent strongly agreed that the establishment of the factory in their areas has created more employment opportunities for the local communities. On the other hand, (0.9%: n=1) of the respondent contended that no significant employment opportunities are created by the company for the local communities. The interview part of the study had also showed that the production director acknowledged that the company creates job opportunities to nearby communities to the farms. This indicates the company creates job opportunities for the local communities.

Respondents were further asked to rate about organization has staff capacity building policy (Provision of further education, Staff training, research and development, etc.) the above table also reveals that the majority of the respondents (22.7%: n=25)and (27.3%: n=30) strongly agreed and agreed while (10%: n=11) and (16.4%: n=18) strongly disagreed and disagreed respectively. On the other hand, with response rate (23.6%: n=26) of respondents replied neutral. For instance, the average level of agreement corresponding staff capacity building is 3.3 which lies in the shade of 'neutral'. The interview with production director supported this. However, the production director stated that the company have no research and development department.

With regards to the questions that the company is paying decent wage comparing with others of the total of 110 the respondents the majority (22.7%: n=25) and (27.3%: n=30) strongly agreed and agreed while (6.4%: n=7) and (11.8%: n=13) strongly disagreed and agreed respectively. Also, with response rate (31.8%: n=35) of respondents replied neutral. For further understanding the mean result is 3.4 which lies in the shade of 'neutral'. This implies some of respondents were not happy with their salary.

In relation to company provides a reasonable benefit for employees (medical services, performance bonuses, holiday pay, transport allowances etc.) most of the respondents (40%: n=44) and (39.1%: n=43) strongly disagreed and agreed while (1.8%: n=2) and (5.5%: n=6) revealed their position by saying strongly agree and disagree respectively. The average level of agreement is 4.1 as regards benefits for its employees. The responses of the interview with human resource director bear witnessed this. The company offers medical services and annual bonuses for all permanent employees. This indicates that the firm practices CSR by providing reasonable benefits for its employees.

Respondents were also asked that if the firm strives to deliver high value, & quality products that meet and/or exceed the expectations of its customers. The response rate from the case company shows that majority respondent lies on the response category strongly agree and agree (40%: n=44) and (47.3%: n=52) while (2.7%: n=3) and (1.8%: n=2) strongly disagreed and disagreed respectively. Therefore, the investigator had concluded that the majority number of respondents indicated that the company strives to produce quality product. The interview conducted for the study also supports this. The EHSS director stated that the company have customer insight department that register customer compliant and do corrective actions accordingly.

Similarly, the research works of Visser (2008), Mathias (2015), Temesgen and Mouly (2008) most African countries practices economic responsibility due to Africa’s high unemployment rates, shortage of investment and high poverty. And Ethiopian private sector is paying low wage and unfair wage.

4.2.1.2 Legal responsibility

Legal responsibility can be described in terms of meeting the required safety and environmental standards, suitable arrangements for health and safety, encouraging freedom of association, adhering human rights, protecting employees against sexual harassment. Child labor, forced or compulsory labor, design a clear policy and guide lines on hour standards takes adequate procedures against discriminations, polluting air or water, designing waste reduction program, promotes energy conservation program, utilizes only recyclable materials, has an open dialogue schedule with the local community on adverse issues to reduce the enterprises environmental impact in terms of waste minimization and pollution prevention. And promoting environmental awareness

Table 9. Legal responsibility

Case Processing Summary for Legal responsibility					
Questions		Frequency	Percentage	Mean	Std. Deviation
The firm ensures that all products meet the required safety and environmental standards.	SD	1	.9%	4.2091	.87886
	D	7	6.4%		
	N	6	5.5%		
	A	50	45.5%		
	SA	46	41.8%		
The organization has suitable arrangements for health and safety that provide enough protection for its employees.	SD	1	.9%	4.1364	.84024
	D	2	1.8%		
	N	20	18.2%		
	A	45	40.9%		
	SA	42	38.2%		
The company adheres human rights (, equal opportunity, respect for employees’ right to increase skills and	SD	2	1.8%	3.9727	.94295
	D	5	4.5%		
	N	23	20.9%		
	A	44	40.0%		

capabilities, occupational health and safety, and fairness in the workplace.)	SA	36	32.7%		
The company protects employees against sexual harassment. Child labour, forced or compulsory labour	SD	1	.9%	4.3455	.81765
	D	4	3.6%		
	N	6	5.5%		
	A	44	40.0%		
	SA	55	50.0%		
The company has a clear human resource policy and guidelines on hour standards in accordance with local labour law and ILO standards	SD	1	.9%	4.1818	.92053
	D	6	5.5%		
	N	14	12.7%		
	A	40	36.4%		
	SA	49	44.5%		
The organization takes adequate procedures against discriminations (women, ethnic group, religion etc.)	SD	3	2.7%	4.1818	.90038
	D	2	1.8%		
	N	12	10.9%		
	A	48	43.6%		
	SA	45	40.9%		
The firm does not pollute air or water by emitting hazardous waste	SD	3	2.7%	3.9000	1.10004
	D	12	10.9%		
	N	18	16.4%		
	A	37	33.6%		
	SA	40	36.4%		
The organization has waste reduction program.	SD	6	5.5%	3.5455	1.12222
	D	10	9.1%		
	N	39	35.5%		
	A	28	25.5%		
	SA	27	24.5%		
The company promotes energy conservation program.	SD	11	10.0%	3.0455	1.12834
	D	18	16.4%		
	N	52	47.3%		
	A	13	11.8%		
	SA	16	14.5%		

The company has an open dialogue schedule with the local community on adverse issues (e.g. accumulation of waste, emission/pollution etc.)	SD	9	8.2%	3.4182	1.24430
	D	17	15.5%		
	N	30	27.3%		
	A	27	24.5%		
	SA	27	24.5%		
The company is trying to reduce environmental impact. E.g. waste minimization	SD	6	5.5%	3.5545	1.15406
	D	13	11.8%		
	N	33	30.0%		
	A	30	27.3%		
	SA	28	25.5%		
The company promotes environmental awareness by providing information to their employees to enhance their understanding of environmental issues.	SD	7	6.4%	3.5182	1.20192
	D	14	12.7%		
	N	34	30.9%		
	A	25	22.7%		
	SA	30	27.3%		

Source: Survey (2020)

The result of the survey showed that firm ensures that all products meet the required safety and environmental standards, most of the respondent strongly agree and agree with (41.8%: n=46) and (45.5%: n=50) while (0.9%: n=1) and (6.4%: n=7) replied strongly disagree and disagree response categories respectively. Similarly, the EHSS director revealed that the company tries to maintain and potentially improve its environmental and safety performance.

The survey results also revealed that the majority of the respondents with (38.2%: n=42) and (40.9%: n=45) of the respondent strongly agree and agree that the organization has suitable arrangements for health and safety that provide enough protection for its employees while with (0.9%: n=1) and (1.8%: n=2) strongly disagree and disagree respectively. As the investigator interviewed the EHSS director based on the above questions and they had strongly agreed that their organizational management provide personal protective equipment for its employees. This indicate that the company have suitable arrangement for health and safety.

The response to the question that the company adheres to human rights (, equal opportunity, respect for employees' right to increase skills and capabilities, occupational health and safety, and fairness in the workplace.) then (32.7%: n=36) and (40%: n=44) of the respondent strongly agree and agree while (1.8%: n=2) and (4.5%: n=5) of the respondent strongly

disagree and disagree respectively. The interview results also supported that the company adhering human rights.

When respondents were asked that their company protects employees against sexual harassment. Child labour, forced or compulsory labour the significant majority strongly agree and agree with (50%: n=55) and (40%: n=44) also with a response rate of (0.9%: n=1) and (3.6%: n=4) respondents strongly disagree and disagree respectively. The result from interview revealed that the company is committed to apply fair labor practices, while respecting the national and local laws of the regions.

Regarding the company human resource policy and guidelines on hour standards in following local labour law and ILO standards, (44.5%: n=49) and (36.4%: n=40) were strongly agree and agree while (5.5%: n=6) and (12.7%: n=14) strongly disagree and disagree respectively. The interview results also support this. The human resources director said that human resources policy manuals outline internal policies and the company's code of ethics. This includes items such as dress code, professionalism, vacation time, personal and sick time, holidays, workplace safety, discrimination, and how to interact with co-workers and customers. Ethics is particularly important because it tends to vary from person to person. By outlining what constitutes good behavior in your company, employees know what's expected of them.

About on the organization takes adequate procedures against discriminations (women, ethnic group, religion etc.), more proportion of the respondent with (25.5%: n=28) and (27.3%: n=30) was strongly agree and agree whereas (5.5%: n=6) and (11.8%: n=13) strongly disagree and disagree respectively. The interview with human resource director also revealed that the company is committed to a work environment in which all individuals are treated with respect and dignity. Everyone has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, the result indicates that tries to enable everyone to take part equally in public life, regardless of irrelevant personal characteristics.

The respondent also asked if the firm does not pollute air or water by emitting hazardous waste. As indicate on the above table with (36.4%: n=40) and (33.6%: n=37) reported strongly agree and agree the company does not pollute air or water while (2.7%: n=3) and (10.9%: n=12) responded strongly disagree and disagree that the company pollute the air or water. The interview with EHSS director indicates that the company have hazardous

Materials Management Procedures to ensure that all employees receive adequate information relevant to the possible hazards which may be associated with the hazardous substances used at Ethiochicken facilities.

Respondent were also asked that the organization has waste reduction program. The response shows that majority of respondents strongly agree and agree with (24.5%: n=28) and (25.5%: n=28) whereas (5.5%: n=6) and (9.1%: n=10) strongly disagree and disagree respectively. However, with response rate (35.5%: n=39) replied neutral. Furthermore, the mean response 3.5 which lie on interval of 'agree'. The interview with EHSS director also implies that the company tries to ensure that wastes and effluents at the facility are managed in accordance with relevant legislation and standards. However, the EHSS director also indicate that reducing solid waste can lead to as many potential unintended consequences as managing it. Good can come from landfills in the form of "green" energy, and bad can come from recycling in the form of increased costs and pollution.

The other point which was asked to measure is if the company promotes energy conservation program. The response rate in general showed that significant majority of the respondents neutral with (47.3%: n=52). To seek further interpretation the mean of the responses is 3.04 which lie down under the shade of 'neutral'. The interview results also supported this that the company doesn't have energy conservation program. This indicates that the company should reduce the quantity of energy used by developing through efficient energy use; in this case, energy use is decreased at the same time getting the same outcome as a result, or by reduced consumption of energy services.

Regarding the company has an open dialogue schedule with the local community on adverse issues (e.g. accumulation of waste, emission/pollution, etc.) with response rate (27.3%: n=30) respondent replied neutral whereas, with response rate (24.5%: n=27) and (24.5%: n=27) strongly agreed and agreed whereas with response rate (8.2%: n=9) and (15.5%: n=17) strongly disagree and disagree respectively. Furthermore, the mean response 3.4 which lie on the interval of 'neutral'. The interview with EHSS director revealed that the company have maintain relationships with stakeholders that can allow for mutual benefit and trust in the company. Nevertheless, the company lacks communications policy that will set who can communicate what and to whom. This implies that the company should have to maintain good long-term relationships with all internal and external stakeholders (community).

The survey result also revealed that the majority respondent that strongly agree and agree with response rate (25.5%: n=28) and (27.3%: n=30) that the company is trying to reduce environmental impact, although the respondent strongly disagree and disagree with response rate (5.5%: n=6) and (11.8%: n=13) respectively. Nevertheless, with response rate (30%: n=33) replied neutral. The average level of agreement is 3.5 as regards of reducing environmental impact. The interview results also support this. To sum up, the description reflects that Ethiochicken is practicing CSR via environmental protection and waste minimization.

The other indicators for measuring the level of companies in fulfilling their legal responsible of corporate social responsibility is to what extent do the company promotes environmental awareness by providing information to their employees to enhance their understanding of environmental issues. The response of survey respondents of the case companies showed that the majority of (27.3%: n=30) and (22.7%: n=25) while with response rate (6.4%: n=7) and (12.7%: n=14) strongly disagree and disagree. However, with response rate (30.9%: n=34) replied neutral. For further understanding the means of levels of agreement is 3.5 which lie in the shade of 'agree'. The indicates that the company is committed to promoting the protection of the natural environment and the social wellbeing of employees and affected communities.

To sum up based on the analysis made Ethiochicken practicing legal responsibility in the company. That is why the mean result showed that most of respondent were agreed on statements. The result is not consistent with (Takele, 2018), due to the absence of proper waste treatment and disposal system and inadequate safety equipment firms are causing adverse impacts on the workers and the community.

Supporting research findings of Alemayehu (2017), Temesgen and Mouly (2008), Demisse and Dachassa (2014), Vsser (2006), Gardaí (2014), implementation of CSR is very much stimulating as a result of the numerous needs of societies and harvested without damaging the environment; if it is renewable, its supply will not run out. And if it has an afterlife, its afterlife forms do not have ill effects or more specifically harm the environment such as polluting the rivers or water stream. Community and other stakeholders' expectations is more complex than fulfilling engagement guidelines set by the relevant authorities.

4.2.1.3 Ethical responsibility

As demonstrated in Table 11 the respondents asked to give their opinion about Ethical responsibility the organizations. In this part most of the respondents agreed on that the company 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 right Carroll, A.B. (2004).

Table 10. Ethical responsibility

Case Processing Summary for Ethical responsibility					
		Frequency	Percentage	Mean	Std. Deviation
The company display openness and transparency in relationships with customers, employees, community groups, and governmental organizations	SD	3	2.7%	3.9455	.99389
	D	5	4.5%		
	N	24	21.8%		
	A	41	37.3%		
	SA	37	33.6%		
The organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption.	SD	5	4.5%	3.8636	1.12908
	D	8	7.3%		
	N	24	21.8%		
	A	33	30.0%		
	SA	40	36.4%		
The firm respects the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just,	SD	3	2.7%	4.1000	.98568
	D	6	5.5%		
	N	12	10.9%		
	A	45	40.9%		
	SA	44	40.0%		
The organizations account for the impacts of its decisions and activities on society and the environment.	SD	2	1.8%	3.8545	1.03902
	D	10	9.1%		
	N	26	23.6%		
	A	36	32.7%		
	SA	36	32.7%		

Source: Survey (2020)

As we can observe from Table 12, the majority of the respondents (33.6%: n=37) and (37.3%: n=41) strongly agree and agree on with the statement 'The company display openness and transparency in relationships with customers, employees, community groups, and governmental organizations' and with response rate (2.7%: n=3) and (4.5%: n=5) respondents strongly disagree and disagree respectively. The interview with the human resource director bares that the company is committed to applying fair labor practices while

respecting the national and local laws of the regions and communities. This indicates that builds trust, and makes employees feel that they're working for a company with higher ethical standards.

Concerning the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption, the result showed that the majority the case company strongly agree and agree with the response rate (36.4%: n=40) and (30%: n=33) while, respondents strongly disagree and disagree with response rate (4.5%: n=5) and (7.3%: n=8). The interview also supports the result. This implies the company have risk reduction, cost savings and sustainable growth. Through their individual actions, companies help to level the playing field for all.

Assessment of company's efforts in respecting the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just, showed that the employee of the company has a feeling that their firm respects the norms or expectations that consumers, employees, shareholders, with response rate of (40%: n=44) and (40.9%: n=45). However, with a response rate (2.7%: n=3) and (5.5%: n=6) of respondent strongly disagree and disagree. This indicates that the company accepts that norms, standards, and practices that even though they are not codified into law, are expected, nonetheless. As the interviewed human resource director also strongly agreed businesses will be responsive to the "spirit" of the law, not just the letter of the law.

When respondents were asked that if their organizations account for the impacts of its decisions and activities on society and the environment majority respondents strongly agree and agree with result of (32.7%: n=36) and (32.7%: n=36) whereas, with a response rate of (1.8%: n=2) and (9.1%: n=10) said strongly disagree and disagree. This impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that: Contributes to sustainable development, including health and the welfare of society.

As discussed on literature review Visser, 2016 ethical responsblity practices should form the foundation of CSR practice in developing countries, which in turn will provide the enabling environment for more widespread responsible business.

4.2.1.4 Philanthropic responsibility

Table 11. Philanthropic responsibility

Case Processing Summary for philanthropical responsblity					
		Frequency	Percentage	Mean	Std. Deviation
The firm involves and supports highly appreciated projects by the community (supporting local schools, youth centres etc.)	SD	7	6.4%	3.8636	1.18459
	D	8	7.3%		
	N	19	17.3%		
	A	35	31.8%		
	SA	41	37.3%		
The company gives money toward charitable for the local community.	SD	8	7.3%	3.6273	1.20289
	D	11	10.0%		
	N	26	23.6%		
	A	34	30.9%		
	SA	31	28.2%		

Source: Survey (2020)

The result of the survey showed that the respondents strongly agree and agree that the company involves and supports highly appreciated projects by the community with a response rate of (37.3%: n=41) and (31.8%: n=35) whereas, respondent strongly disagree and disagree with response rate (6.4%: n=7) and (7.3%: n=8) that the company supports local schools and youth centres.

Respondents asked that the company gives money toward charitable for the local community, the majority of the response falls in strongly agree and agree with response rate (28.2%: n=31) and (30.9%: n=34) whereas, few respondents strongly disagree and disagree with response rate (7.3%: n=8) and (10%: n=11).

The interview with EHSS director revealed that In addition to the creation of employment opportunities, the communities have requested that the company provides other forms of support including development of infrastructure that will benefit them (e.g. roads, power etc) and support for projects that will provide income generation and livelihood sustainability for local youths.

Discussions on this topic start very early in the project cycle and for pipeline projects, frequently during initial discussions about land acquisition. Ethiochicken Carefully manages of the expectations of external stakeholders with regards to project-related benefits are essential to maintenance of good long-term relationships between the company and these stakeholder groups. The company avoids making commitments that cannot realistically be achieved, that accurate records of commitments are maintained and that stakeholders are kept appraised of progress towards meeting agreed commitments.

Supporting the previous research findings Commission of the European Communities (2002) and Visser (2008) “Philanthropy involves emphasis on charity, sponsorships, and employee voluntarism, and CR integration deals with emphasis on conducting existing business operations more responsibly; whereas CR innovation focuses on developing new business models for solving social and environmental problems.”

According to Amaeshi et al. (2006) In developing countries, CSR is most commonly associated with philanthropy or charity, through corporate social investment in education, health, sports development, the environment, and other community services.

4.3. Benefits of implementing CSR

Under this section, the benefits obtained from implementing CSR were asked different questions from different perspectives that can explicated the benefit CSR to the company. The results and findings of this study were discussed as below individually.

Table 12. Benefits of implementing CSR

Case Processing Summary for Benefits of CSR					
Questions		Frequency	Percentage	Mean	Std. Deviation
Improve relation with community	SD	0	0%	4.1727	.75248
	D	1	.9%		
	N	20	18.2%		
	A	48	43.6%		
	SA	41	37.3%		
Improve relation with regulatory bodies	SD	0	0%	4.1182	.82096
	D	3	2.7%		
	N	22	20.0%		

	A	44	40.0%		
	SA	41	37.3%		
Improve ability to recruit, develop and retain staff by reducing turnover	SD	2	1.8%	4.0273	.95263
	D	3	2.7%		
	N	27	24.5%		
	A	36	32.7%		
	SA	42	38.2%		
Improve shareholders on the investment	SD	1	.9%	3.9909	.95298
	D	5	4.5%		
	N	29	26.4%		
	A	34	30.9%		
	SA	41	37.3%		
Increase overall firm reputation	SD	1	.9%	4.0727	.87482
	D	3	2.7%		
	N	23	20.9%		
	A	43	39.1%		
	SA	40	36.4%		
Increase customer satisfaction	SD	1	.9%	4.1636	.90389
	D	3	2.7%		
	N	22	20.0%		
	A	35	31.8%		
	SA	49	44.5%		

Source: Survey (2020)

The result of the survey showed that the respondents strongly agree and agree that corporate social respondents improves relationships with community with a response rate (37.3%: n=41) and (43.6%: n=48) on the other hand respondents strongly disagree and disagree with a response rate (0%: n=0) and (0.9%: n=1). The interview with EHSS director strongly supports this. According to Ogbemi and Akpoveta, (2012) Corporate social responsibility, as noted by is all that public relations is, because having been involved in the community where a company is operating is a natural part of a successful business practice”

Regarding corporate social responsibility improves relation with regulatory bodies, with response rate (37.7%: n=40) and (40%: n=44) respondent strongly agree and agree while with a response rate (0%: n=0) and (2.7%: n=3) of respondent strongly disagree and disagree that

corporate social responsibility enhances the relationship with regulatory bodies. Good relationship with the regulators would help to facilitate their dealings with government department officers and if the activities manage to win the hearts of the communities, this would lead to better public acceptance and less confrontation, which would lead to smoothness of their business operations. This implies that improve their ties with the regulators and communities in which they operate. The interview results also supported this.

The survey results also revealed that the majority respondents strongly agree and agree with the response rate (38.2%: n=42) and (32.7%: n=36) that corporate social responsibility improves the ability to recruit, develop and retain staff on the other hand with response rate (1.8%: n=2) and (2.7%: n=3) of respondents strongly disagree and disagree respectively. The interview with human resource director discovered that corporate social responsibility benefits the company retain its employee by providing good working conditions, proper treatment, and equal opportunity define a company's CSR pledge to its employees. Corporate social responsibility activities portray that companies exhibit fairness, socially responsible and able to reduce employee turnover Galbreath, (2010).

Concerning corporate social responsibility improve shareholders on the investment, with a response rate (37.3%: n=41) and (30.9%: n=34) of respondent strongly agree and agree on the other hand (0.9%: n=1) and (2.7%: n=3) of respondents strongly disagree and disagree respectively. The interview result also indicates that good relationship with its shareholders. This result is in consistent with prior research which claims that CSR activities would attract and increase the confidence of the shareholders about the company.

On the statement corporate social responsibility improves overall firm reputation, most of the respondents strongly agree and agree with response rate (36.4%: n=49) and (31.8%: n=35) whereas with response rate of (0.9%: n=1) and (2.7%: n=34) respondent strongly disagree and disagree that corporate social responsibility improves overall firm reputation. This finding is supported by previous studies which claim that the activities provide visible signals to the shareholders and infer positive characteristics of the companies, thus create an avenue to increase overall reputation of companies Friedman M (2007).

According to the response of the respondents, the majority of respondents strongly agree and agree that corporate social responsibility increases customer satisfaction with a response rate of (44.5%: n=49) and (31.8%: n=35) while, with response rate (0.9%: n=1) and (2.7%: n=34) respondent strongly disagree that corporate social a responsibility increases customer

satisfaction. Interview result with production director indicates that company commitments to customers include ensuring the quality of products and/or services a company produces, monitoring complaints, and utilizing customer feedback.

According Fonceca, C and Jebaseelan, (2012), to corporate social responsibility values and competencies is required to achieve the synergistic benefits. CSR as a powerful tool enhances the brand image and reputation of the business which leads to improvement in sales and customer loyalty. By adopting the right programmes, it increases the ability to attract and retain employees. Used as a right tool, it offers manifold benefits, both internally and externally. Internally, it cultivates a sense of loyalty and trust amongst the employees. It improves operational efficiency and is often accompanied by increase in quality and productivity. It serves as a soothing diversion from the routine workplace practices and gives a feeling of satisfaction and a meaning to the lives of the employees. Externally, it aims at establishing positive public relations and earns a special respect amongst its peers. It also provides short term employment opportunities by taking various projects like construction of parks, schools, welfare facilities, etc.

4.4. Challenges on implementing CSR

As has been presented in the previous section, CSR has many advantages for the company, however many problems can also be experienced. Next, we will look how the respondents state the level of challenges the organization has faced.

Table 13. Challenges on implementing CSR

Case Processing Summary for Challenges on CSR					
Questions		Frequency	Percentage	Mean	Std. Deviation
Lack of adequate knowledge	SD	9	8.2%	3.7833	.83196
	D	12	10.9%		
	N	41	37.3%		
	A	25	22.7%		
	SA	23	20.9%		
CSR implementation is too much time consuming	SD	12	10.9%	2.9727	1.10428
	D	19	17.3%		
	N	52	47.3%		
	A	14	12.7%		

	SA	13	11.8%		
Lack of institution assist e.g. government, NGOs	SD	6	5.5%	3.8333	.71401
	D	15	13.6%		
	N	37	33.6%		
	A	32	29.1%		
	SA	20	18.2%		
Lack of financing due to high cost implementation	SD	13	11.8%	3.5750	.71787
	D	20	18.2%		
	N	42	38.2%		
	A	15	13.6%		
	SA	20	18.2%		
CSR implementation doesn't provide significant benefit to our organization	SD	37	33.6%	2.1000	1.04881
	D	39	35.5%		
	N	24	21.8%		
	A	6	5.5%		
	SA	4	3.6%		
Lack of company interest e.g. top management does not support CSR implementation	SD	17	15.5%	2.6000	1.12682
	D	39	35.5%		
	N	35	31.8%		
	A	9	8.2%		
	SA	10	9.1%		
Difficult to obtain information about CSR implementation e.g. guidelines and standard metrics	SD	18	16.4%	3.5500	.79758
	D	31	28.2%		
	N	35	31.8%		
	A	13	11.8%		
	SA	13	11.8%		

Source: Survey (2020)

From the survey result the majority respondents strongly agree and agree with the response rate (20.9%: n=23) and (22.7%: n=25) that lack of knowledge is one the challenge on implementation of corporate social responsibility in the case company on the other hand with response rate (8.2%: n=9) and (10.9%: n=12) of respondents strongly disagree and disagree respectively. However, with response rate (37.3%: n=41) replied neutral. For further understanding the means of levels of agreement is 3.78 which lie in the shade of 'agree'.

Interview with EHSS director stated that one of the challenges in practicing CSR is lack of qualified and experienced professionals in the area of corporate social responsibility. Hence it is new trend in Ethiopia it's hard to find experienced and qualified professional in corporate social responsibility. Terefe (2018), reported that companies also encounter human resource incompetency barrier when engaging in CSR activities. Staffs do not have proper training to learn about conducting CSR activities. As a consequence, this problem may lead to difficulties in aligning current business operations with CSR activities carried out by the organizations. CSR practice was not able to attract skilled manpower and even most of its employees did not have any information about CSR practice of the company when they applied to work in this organization.

The agreement level of the employee for corporate social responsibility implementation is too much time consuming showed that majority of employee with response rate (47.3%: n=52) replied neutral. Once more, with response rate of (10.9%: n=12) and (17.3%: n=19) replied strongly disagree and disagree while with response rate of (11.8%: n=13) and (12.7%: n=14) replied strongly agree and agree. The mean result also lies in the shade of neutral with result 2.97. According to Friedman M., (2007), the implementation of those activities may be delayed or may not be carried out at all, priorities will be given to those that considered or perceived as more important and contribute to the value of the company.

Regarding lack of institution assist most of the respondents strongly agree and agree with a response rate of (18.2%: n=20) and (29.1%: n=32) whereas, with response rate (33.6%: n=37) replied neutral. However, with response rate (5.5%: n=6) and (13.6%: n=15) replied strongly disagree and disagree respectively. For further understanding the mean result was 3.83 which lies in the shade of 'agree'. The interview result indicates that the second biggest challenge in implementation CSR lack of assistant form the government. The company struggles in prioritizing projects and managing communities nearby to the organizations because there is no assistant form government. Government policy to support the companies to implement CSR programs through incentive policies. Terefe (2018), reported that Ethiopian companies often have insufficient knowledge to exploit advantages regarding implementing social responsibility activities.

The majority of the respondents strongly agree and agree that lack of financing was one of the challenges in corporate social responsibility in the case company with response rate (33.6%: n=37) and (18.2%: n=20) although with response rate (38.2%: n=42) replied neutral. On the other hand, the respondents strongly disagree and disagree with result (11.8%: n=13)

and (18.2%: n=20) respectively that lack of financing was not challenge on the implementation of corporate social responsibility. In addition, the mean result was 3.57 which lies in the shade of 'agree'. The interview result indicates that the biggest challenge in implementation of social responsibility is because of CSR economic demand of high investment cost. Ethiochicken doesn't have enough budget for all community CSR related issues such as construction or roads, installations of electric power and building schools since it is business organization. Earlier studies also uphold this notion by justifying the lack of financial resources limit companies from developing social responsibility practices Santos M. (2017).

As to corporate social responsibility implementation doesn't provide significant benefit to the organization the survey result revealed majority of respondent strongly disagree and agree with a response rate (33.6%: n=37) and (35.5%: n=39) while with a response rate (3.6%: n=4) and (5.5%: n=6) respondents strongly agree and agree that corporate social responsibility implementation doesn't provide significant benefit to the company. For further understanding the mean result was 2.1 lies in the shade of 'disagree'. This indicates that respondent believes that corporate social responsibility has significant benefits to the company. According Friedman M., (2007) companies do not perceive the activities as important and contribute significantly to the wealth of the company.

The respondents reported that with response rate (15.5%: n=17) and (35.5%: n=39) replied strongly disagree and disagree that lack of company interest was the challenge while with response rate (9.1%: n=10) and (8.2%: n=9) respondents strongly agree and agree respectively. Also, with response rate of (35.5%: n=39) of the respondent was neutral. In addition, the mean result was 2.6 which lies in the shade of 'neutral'. This result inconsistent with findings from earlier studies which claim that it is difficult to carry out good CSR activities when there is an absence of top management commitment and support as claimed by Santos M. (2017).

Majority of the respondents of the case company strongly disagree and disagree with a response rate (16.4%: n=18) and (28.2%: n=31) that absence of information about corporate social responsibility was challenge on the implementation process while (31.8%: n=35) replied neutral. Also, with response rate (11.8%: n=13) and (11.8%: n=13) the respondents strongly agree and agree respectively that there was difficulty to obtain information about corporate social responsibility. The mean result was 3.5 which lies in the shade of 'agree'. Terefe

(2018), reported that smaller companies often have insufficient knowledge to exploit advantages regarding implementing social responsibility activities.

According to Terefe (2018), challenges of implementing CSR in the local context, the companies share common challenges. Challenges include the lack/limited awareness about CSR in the local setting, overwhelming social problems, and company resource/financial limitations. Other challenges include bureaucratic inefficiencies in government offices and absence of CSR frameworks at the national level.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In this chapter, all the findings reported in the previous chapter is summarized, concluded and recommendations are given. As it was mentioned in the first chapter the study had an objective of answering the initially raised three main questions the first being what the current CSR practices of Ethiochicken are. Following that what the company benefits itself in the implementation of CSR and finally, what challenges does the company face in implementing CSR. These questions were briefly explained and answered in chapter four. In this chapter the findings presented in chapter four will be summarized as follows.

5.1. Summary of findings

This part of the study aims to summarize the finding and results that have emerged from the data analysis presented in chapter four. The general objective of this research was to investigate corporate social responsibility implementation in Ethiochicken alongside with benefit obtained and challenges faced. From the study the following finding were observed:

- ⇒ Most of the respondents are male indicating that the work population is male dominated. Most of the respondents are also degree holders and professional employee. Following that, most of the respondents are within the age range of 24-40 and have 3-6 years of experience. The study reveals that the employee rate Ethiochicken intermediate on CSR implementation and practice across the operational premises including production, operation, sales, marketing, supply chain and public relation.
- ⇒ Findings for all the item questions raised under the Carroll pyramid of CSR (i.e. economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility). Most of the respondents agree the company has offered job opportunity to the local community, company provides a reasonable benefit for employees, strives to deliver high value, & quality products that meet and/or exceed the expectations of their customers. On the contrary, most of the respondents are neutral on the company has staff capacity building policy and paying decent wage. Finally, total statistics shows that most of the respondents agree that the company is doing good regarding economic responsibility.

- In this section, twelve questions were raised, and their findings show that: Most of the respondents agree that company products meet the required safety and environmental standards, enough protection of health and safety of the employee and protects employees against sexual harassment also adheres human right. Additionally, they have agreed the company have a clear human resource policy and guidelines on hour standards in accordance with local labour law and ILO standards, have adequate procedures against discriminations, do not pollute air or water by emitting hazardous waste, have waste reduction program, promotes environmental awareness by providing information to their employees and reduce environmental impact.
- On the contrary, most of the respondents disagree that company has an open dialogue schedule with the local community on adverse issues and promoting energy conservation program. Finally, total statistics shows that most of the respondents agree that the company is doing good regarding the legal responsibility.
- Once more, four questions were raised, and their findings show that: Most of the respondents agree that:the company display openness and transparency in relationships with customers, employees, community groups, and governmental organizations, the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption, respects the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just, and the organization has account for the impacts of its decisions and activities on society and the environment finally, total statistics shows that most of the respondents agree that the enterprise is doing good regarding Ethical responsibility.
- In this part, two questions were raised, and their findings show that: Most of the respondents agree that: The company involves and supports highly appreciated projects by the community (supporting local schools, youth centres etc.) and gives money toward charitable for the local community. Finally, total statistics shows that most of the respondents agree that the company is doing good regarding philanthropic responsibility.

- ⇒ Majority of respondents agree that CSR improves relation with community and regulatory bodies, also improve the company ability to recruit and increase customer satisfaction. Additionally, increase overall company reputation and shareholder investment. Finally, total statistics shows that most of the respondents agree that the company is benefited by practicing corporate social responsibility.
- ⇒ Majority of respondents disagree that on CSR implementation is too much consuming, CSR implementation doesn't provide significant benefit to our organization, and lack of company interest. On the contrary, most of the respondents agree that company CSR implementation challenged by lack of adequate knowledge, lack of institution assist, lack of financing and, difficult to obtain information about CSR implementation.

5.2. Conclusion

Corporate social responsibility over the past half a century grown into a modern and widely accepted concept. It represents a comprehensive concept related to the role of business in global market and development. Over the years, there has been a growing public awareness of the role of corporations in society and as a result the topic of CSR has received much attention. This increased attention is likely because of the promise of economic, legal, ethical and philanthropical responsibility of the CSR. However, results of this work are still contradictory and ambiguous. Therefore, it is important to expand the CSR research towards the dimensions of CSR in order to further understand the construct. Previous work on the subject had only been limited to the benefits of CSR, on how CSR could be put in business practices as well as its helpfulness to business sustainability when CSR initiatives such as economic, social and environmental aspects are incorporated into the strategic business-planning document. However, past researches had failed to address the challenges faced in implementation of CSR.

The aim of this study was to assess the practice, benefits obtained, and challenges faced in implementation of the CSR. For this purpose, three research question were formulated to investigate the practice of CSR in Ethiochicken and thereby assess the benefit obtained as well as the challenges faced in implementation the data that were obtained from Self-administered questionnaires and selected interviewees were analysed using descriptive statistics Responses. The study followed descriptive research design based on questionnaire survey and described Ethiochicken CSR practice toward CSR dimensions. Total of 114

questionnaires were distributed to Ethiochicken employee and 110 responses were timely returned and included in final analysis.

Corporate social responsibility is a commitment and obligation of a company to leverage natural resources that can provide, quality of life, economic benefits and wellbeing for workers. With the reference of the analysis the company practicing economic responsibility while not paying fair wage and not having employee capacity building program.

Society has not only sanctioned businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. Business must create value for both shareholders and society, manifesting itself as a win-win proposition. Thus, those firms that practice corporate social responsibility in their firms can be benefited. The focus of this research was to assess factors that motivate practices in terms of. Competitiveness, to get social & political legitimacy improving financial performance, for moral value, mitigating risks improving company's reputations, enhancing innovations in solving social & environmental problems improving employees' motivation and mitigating new regulations & Satisfy pressure groups/stakeholders. In general, the case company must take an interest in energy conservation and dialogue on adverse issues with nearby community.

CSR is a term describing a company's obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit. Ethiochicken performs in ethical matters namely responsibility, accountability, transparency and anti-corruption. Firms code of conduct should be designed and implemented in such a way that it is compatible with laws and rules of the constitution and anti-corruption rules.

Corporate social responsibility is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social and economic effect it has on society. The result indicates that philanthropy aspect undertaken by the company.

The results indicate that CSR activities infer positive characteristics of the companies which create their good image and reputation They believes that corporate social responsibility implementation would help to improve the perception of regulators, community investors,

employees and suppliers on their companies. On the other hand lack of institution assist, lack of adequate knowledge, lack of financing or high cost are the most thoughtful challenges.

5.3. Recommendation

Based on the findings and conclusions reached, the researcher would like to make the following recommendations.

- The finding indicates that employee have intermediate knowledge about the company CSR practice/ Therefore, the company should create awareness on corporate social responsibility to its employees. Ethiochicken should also have to offer staff capacity building program, such as further education and staff training
- With reference to the analyses and the results, the company should provide employees with education and training opportunities, attractive pay. This can have achieved by Setting Engagement employees on capacity development. An effective capacity building process must encourage participation by all those involved, assess capacity needs and assets, implement a capacity development response and offer employees competitive wages. To establish a department which is committed in the fulfillment of CSR towards employees, society and the environment with a sufficient budget and facilities and it has to pay a proportional salary for its employees in order to enhance their morale which will enable them to do their job in a better way.
- Ethiochicken should promote energy conservation program. This can have achieved by adjusting day-to-day process in and by purchasing energy efficient products. In view of this, several authors suggested a list of environmentally responsible practices/ CSR to the environment such as: pollution prevention, waste minimization, energy conservation and recycling (Crane, Matten, & Spence, 2008); conserving energy, reducing emissions, reducing packaging materials, and recycling (Sprinkle & Maines, 2010); pollution reduction, noise reduction, energy reduction, water reduction, waste management, alternative energy, and packaging recovery (Russo & Tencati, 2009); and environment-friendly products, hazardous-waste management, pollution control, recycling (Sen & Bhattacharya, 2001).
- The company should hold dialogues with community groups in order to establish meaningful relationship with communities. This can achieve by Top management of

the organization need to work closely with the local communities so that community at sense of ownership can be created among the local's communities

- ⇒ Hence, ethics are the driving force behind the creation of laws or regulations. Ethical responsibility since businesses are social construct it is good to Ethiochicken, helping the communities to solve their social problems to respond consumers, employees, shareholders, and the community's expectations. This can be done by the PR professional's awareness creation about the company's CSR approaches and the social and environmental problems they attempt to solve.
- ⇒ Lack of institution assist one of the main challenges the company faced. Therefore. Ethiochicken should create a strategy to approach government bodies or NGOs regarding to corporate social responsibility activities. Sustainable development strategy, which is used as part of the governance mechanisms of the company to address environmental and social responsibilities. Yet, the government should encourage corporate social responsibility activities. The government have to create an enabling environment for CSR, to provide incentives to aid companies, to provide minimum legal standards and to ensure that companies 'policy frameworks become more responsible and accountable. For example, governments could provide tax benefits in exchange for CSR involvement.
- ⇒ Like most business, Ethiochicken is experiencing lack of financing in CSR implementation to exercise CSR. The high corporate social responsibility implementation cost or lack of financing can be solved through continuous dialogue with the stakeholders, allocate enough budget for CSR projects and prepare policies and rules to controller CSR implementation.
- ⇒ The finding indicates that lack of government assistant is the one of the major challenges faced in implementation CSR. Therefore, the government should promote corporate social responsibility by assisting firms within developing implementation policies and guidelines.

5.4 Recommendation for future study

The main limitation of this paper is that this research has focused on a small sample of Ethiochicken firms and has only considered one of numerous poultry industry. Therefore, the findings of this study may not be generalizable across other poultry industry. Therefore, future research should increase the sample size and consider CSR issues and the applicability of the conceptual framework to other poultry industry and agricultural sector towards broadening an understanding of CSR in the context of the poultry industry and agricultural sector.

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APPENDIX

A. Questionnaire

Self-Report Questionnaire

Dear Professionals,

*My name is Tinsaye Tefera; I am doing my MBA studies. As part of partial fulfilment for my graduation I am conducting a study on **Benefits and challenges of the corporate social responsibility (CSR) practice: the case study of Ethiochicken**. For consenting to be a participant in the study I appreciate your contribution. The survey would take 15 min approximately, there is no right or wrong answer. All your answers would be anonymized and would remain confidential. Findings of the survey would be used for the sole purpose of the study in accordance with the basic tenants of Ethics.*

Part One: Respondent Profile

Instruction: Put “circle” on the appropriate letter to signify the importance level of each item.

1. Sex:

A. Male B. Female

2. Age:

A.18-25 B.26-40 C. 41-55 D. Above 55

3. Educational level

A. Certificate B. Diploma C. Degree D. Above degree

4. Year of service

A. 1-2 years B. 3-6 years C. 7-10 years D. Above 10 years

5. Job Position

A. Managerial B. Professional C. Non-clerical D. Other

6. Rate the company corporate social responsibility (CSR) practice across the operational premises including production, operation, sales, marketing, supply chain and public relation?

A. Very low B. Low C. Medium D. High E. Very high

Part two:

Questions designed to collect information about the benefits and challenges of CSR practice in Ethiochicken.

Indicate how important you feel each item in making decision of outsourcing the business functions using the following rating scale: **5 =strongly agree 4 = Agree 3 = Neutral 2 = Disagree 1 = Strongly Disagree**

Put “√” Mark in the appropriate column to signify the importance level of each item.

Questions related to corporate social responsibility practices						
Economic responsibility		5	4	3	2	1
1	The company has offered job opportunity to the local community.					
2	The organization has staff capacity building policy. (Provision of further education, Staff training, research and development, etc.)					
3	The company is paying decent wage comparing with others					
4	The company provides a reasonable benefit for employees (medical services, performance bonuses, holiday pay, transport allowances etc.)					
5	The firm strives to deliver high value, & quality products that meet and/or exceed the expectations of their customers.					
Legal responsibility		5	4	3	2	1
1	The firm ensures that all products meet the required safety and environmental standards.					
2	The organization has suitable arrangements for health and safety that provide enough protection for its employees.					
3	The company adheres human rights (, equal					

	opportunity, respect for employees' right to increase skills and capabilities, occupational health and safety, and fairness in the workplace.)					
4	The company protects employees against sexual harassment. Child labor, forced or compulsory labor					
5	The company has a clear human resource policy and guidelines on hour standards in accordance with local labor law and ILO standards					
6	The organization takes adequate procedures against discriminations (women, ethnic group, religion etc.)					
7	The firm does not pollute air or water by emitting hazardous waste					
8	The organization has waste reduction program.					
9	The company promotes energy conservation program.					
10	The company has an open dialogue schedule with the local community on adverse issues (e.g. accumulation of waste, emission/pollution etc.)					
11	The company is trying to reduce environmental impact. E.g. waste minimization					
12	The company promotes environmental awareness by providing information to their employees to enhance their understanding of environmental issues.					
Ethical responsibility		5	4	3	2	1
1	The company display openness and					

	transparency in relationships with customers, employees, community groups, and governmental organizations					
2	The organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption.					
3	The firm respects the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just,					
4	The organizations account for the impacts of its decisions and activities on society and the environment.					
Philanthropic responsibility		5	4	3	2	1
1	The firm involves and supports highly appreciated projects by the community (supporting local schools, youth centers etc.)					
2	The company gives money toward charitable for the local community.					
Questions are related to benefits obtained by implementing corporate social responsibility in your organization						
Benefits of CSR		5	4	3	2	1
1	Improve relation with community					
2	Improve relation with regulatory bodies					
3	Improve ability to recruit, develop and retain staff by reducing turnover					
4	Improve shareholders on the investment					
5	Increase overall firm reputation					
6	Increase customer satisfaction					
Questions are related to challenges/ problems to practice corporate social responsibility in your organization.						

Challenges to practice CSR		5	4	3	2	1
1	Lack of adequate knowledge					
2	CSR implementation is too much time consuming					
3	Lack of institution assist e.g. government, NGOs					
4	Lack of financing due to high cost implementation					
5	CSR implementation doesn't provide significant benefit to our organization					
6	Lack of company interest e.g. top management does not support CSR implementation					
7	Difficult to obtain information about CSR implementation e.g. guidelines and standard metrics					

B. Interview

1. Duties and Responsibilities

- ✓ Name:
- ✓ Position
- ✓ Duties and Responsibilities

2. Does Ethiochicken have CSR business practice and how Ethiochicken implement CSR?

3. What are the benefits Ethiochicken obtained by practicing CSR?

4. Are there Challenges faced during implementation process of CSR?