

CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF DHGEDA: THE CASE OF ZEMILLI PLANT



A THESIS SUBMITTED TO JIMMA UNIVERSITY SCHOOL OF POST GRADUATE STUDIES ABH CAMPUS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

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December 2020

Addis Ababa

Ethiopia

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ABSTRACT

In recent years, Corporate Social Responsibility (CSR) has gradually become a leading issue in business. Heightened corporate attention to CSR has not been entirely voluntary. Many companies awake to it only after being surprised by public response to issues they had not previously thought were part of their responsibilities. But despite their intent, the practice and what drives them to engage is not lucid.. Accordingly, the purpose of the research was to measure Corporate Social Responsibility practices of Zemilli Plant of the DHGEDA. The study used both qualitative and quantitative research approaches and it is mainly dependent on primary source of data in which four types of structured questionnaire was developed to get data from respondents composed of customers, community and employees while managers of the company were interviewed. To analyse the collected data from the respondents the researcher used SPSS version 26. This research used both qualitative and quantitative methods, and then employed analytical techniques and processes to review the data. To meet the research objective the researcher used different sampling techniques and procedures to select the samples from each stakeholder's category. Respondents from the total population were selected conveniently. The findings depict that the employees' awareness towards concept of CSR is at its lowest level, but it is good to have basic knowledge about it. It is possible to conclude from the survey different items listed in the study believed practical to views CSR in business organizations. The 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 prioritization of CSR to the company includes philanthropic, next ethical, then economic and finally legal responsibilities. The company needs to allocate enough amount of budget and focus on training and developing mechanisms that help to communicate with the stakeholders.

Key Words: Corporate social Responsibility, Stakeholders, Components of CSR, economic responsibility, ethical responsibility, legal responsibility, philanthropic responsibility.

DECLARATION

I declared the research Report entitled

“Corporate Social Responsibility Practice of DHGEDA : The case of Zemilli Plant “
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.

HENOK HABTE

(MBA Candidate)

Date: December 2020

“CERTIFICATE

We certify that the Research Report entitled “Corporate Social Responsibility Practice of DHGEDA : The case of Zemilli Plant “ was done by Mr. Henok Habte Tekle for the partial fulfilment of Master’s Degree under our Supervision.

Shimelis Zewdie (Ph.D)

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ABBREVIATIONS

CSR Corporate Social Responsibility

S.Co Share Company

PPESA Privatization and Public Enterprise Supervising Agency

SPSS Statistical Package for Social Science

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

One of humankind's greatest challenges this century will be to ensure sustainable, just and balanced development. The needs of current and future generations cannot be met unless there is respect for natural systems and international standards protecting core social and environmental values. In this context, it is increasingly recognized that the role of the business sector is critical. As a part of society, it is in business' interest to contribute to addressing common problems. Strategically speaking, business can only flourish when the communities and ecosystems in which they operate are healthy.

Presently it is imperative that business needs to manage its relationship with society and surrounding environment so as to achieve and meet its core business objective. Means business performance is also be measured on the bases of level and impact of its activity on the environment and society as a whole. Company's responsibilities and trustworthiness in the eyes of customers and the population is now being used as a parameter to position the companies against its competitors. Thus top level managers are paying proper due attention on all their activities, actions and respective impacts towards the environment and the society. Being a strategic issue, a firms social policies require active involvement of the entire company, top management in particular (P.RajnVaradarajan& Anil Menon, 1988).

It is progressively recognized that the role of the business sector is precarious. As a part of society, it is in the interest of business firms to contribute in addressing common problems. Strategically speaking, business can only flourish when the societies and environments in which they function are healthy (Hohnen, 2007).

CSR subsumed a broad spectrum of activities, ranging from internal human resource health and safety and management, to environmental protection, and includes every aspect of firm's impact on society. In fact, when pursued as an abstract to concept, CSR is not easy for the public to comprehend. Dealing with specific present-day issues is often desirable to effective communication; enhance the public receptiveness to a firm's public relations effort. The Company might need to explain what they stand for; How CSR is carried out, how society gets benefit from such actions (Brink et al, 2006)

As per Kotler and Lee (2005), CSR from the marketing context, while adding that decision makers in corporate reflect an increased desire for "doing well & doing good. Companies utilize the CSR concept strategically by selecting areas of focus that fit with their value, choosing issues related to core products & core market, and supporting social issues that provide opportunities to meet their need of being acceptable by its major stakeholders. The quality and level of favourable acceptance and relationship of a company with its stakeholders is critical to its own success.

As per preliminary observation made by the researcher, Today's financial institutions found in Ethiopia especially private banks were facing challenges because of Stiff competition among each other through niche potential customers, qualified and well experienced staffs, providing excellence customer service, political instability and economic condition of the country and other uncondusive government policy declaration regarding to the sectors. Because

In a given consumer product manufacturing company such as Zemilli Plant of DHGEDACo, the major partaker of stakeholders measurement are consumers mostly and its employees and the surrounding communities in its area of activity partly. Assessing to know the degree of affirmative acceptability level amongst its major stakeholders will let the company recognize its prestige and help take needful steps for the next level of success.

This research paper therefore focused on assessing the application of CSR effort & its effect in consumers, employees and surrounding communities' towards the company, Zemilli Plant of DHGEDA Co.

1.2 Background of the Organization

Two Shareholders established Zemilli Paint Paints factory as a Private company with a capital of Birr 5,000,000 under the name of Mega Paints Factory being a part of DH GEDA. The major products of the industry are Water based synthetic, wood and metal paints.

The factory and the head office are located in different places with in the cities and around Addis Ababa.

Location: Bole KifleKetema ,Kebele 10/12 and now shift to Gelan City.

Head Office location: KirkosKifleketema ,Kebele 19.

As it is stated in the website and brochure of the company, Zemilli paint Factory has provided 583 jobs and fulfill sales tax,profit tax and other tax related payments to the governments.Zemilli has been implementing its social obligation by way of sponsoring different events and supporting initiatives. It has also backed initiatives and supporters HIV/AIDS Victims in the company.

ZEMILLI Paint factory started its operation in Hamle ,1991 E.c currently ,the major products of the plant are Super,Enamel,AntiRust,AlkydVarnish,Polyurethane ,Varnish,BlackBoard,Glue,PrintingInk,Wubet,Quartz,Primer(all Mega Brands).The plant has a capacity of attainable annual production capacity of 3 million liters. The company's organizational structure consists of a General Manager office and 8 different departments.

It has a total of 583 employees; it has been established with a company of producing 250,000 liters per month capacity for all types of products (company Brochers).

1.3 Statement of the problem

In the new millennium CSR activities represents challenge and a truly paradigmatic shift for business corporations (Jamali & Mirsak, 2006). Despite good awareness and intentions, the CSR approach of the companies, CSR is still largely conceived in the context of voluntary philanthropic responsibility initiative as a result of enlightened entrepreneurship exercised by owners of the organization, with the corresponding responsiveness processes and outcomes modest at best (Jamali & Mirsak, 2006).

The actual practice of CSR in the developing world is not a wide spread phenomena. Even though most of CSR issues are included in the various laws and policies of the country, their implementation is inevitably lagging behind; that may be due to lack of full awareness of the relevant practices and its consequences. Some companies are also reluctant to the implementation of such rules as costs might be a reason for them.

Though, developing countries' firms are still in the initial level of development in their awareness and integration of CSR activities within their corporate policies and strategies, which is reflect on the country's early stage of private sector development (Mandurah, Khat-ib& Al-Sabaan, 2012). While those managers are aware of the CSR concept and exhibit a positive attitude toward it, there is a gap between employee and top management attitude and perception of the concept. Tends to lean toward being classical and viewed as philanthropic responsibility rather than strategic orientation.

A company's performance and business in general could not be measured solely by gaining economic profit to the organizations. Rather its shareholders and managers should be responsible for all others who directly or indirectly affect or are affected by a firm's business activities (Vitezic, 2011).

The motivation for CSR is likely to be strictly adjusted and the private sector cannot be expected to be effectively engaged in a sustainable CSR drive. Paradoxically, it is

precisely in a developing country context that the need for CSR type initiatives is most delicate (Jamali & Mirsak, 2006).

In due fact presently all over the world consumers, employees and social communities have become more and more attentive of the CSR efforts of companies and base their relationship with them based on this. A stark and complex shift has occurred in how organizations must understand themselves in relation to a wide variety of both local and global stakeholders. Accountability is one of the processes whereby a company seeks to ensure integrity.

The leading most authoritative outcomes from the fact that investment in mineral-rich countries of sub-Saharan Africa has not contributed to the community and financial development and the conservation of the environment of the nations worried over the last decades. It is not for business to supernumerary itself for government initiatives and follows development objectives. If corporations are to donate to these objectives, it is through exchanging reasonable and transparent contracts, paying adequate incomes according to directives set out in country wide controlling frameworks, and obeying the laws of the country (Giannakakos, Litinas, & Theotokas, 2009).

It was unclear in the past how firms in this country learn and their progress to engage in social responsibility.

This paper envisage to assess the stakeholders' perception of CSR carried out by ZemiliPlant of DHGEDA and measure the level of feeling and attitude of consumers, employees and part of the societies towards the company CSR activity. The researcher also believe that this research help other domestic company's leaders to comprehend the concept and effect of CSR and to include on their day by day business decision.

1.4 Research Questions

This study has attempted to address the following questions:

1. Are policies and principles of CSR implemented in Zemilli Plant of DHGEDA Co?
2. What are the perceptions of various stakeholders on corporate social responsibility (CSR) practice of Zemilli Plant of DHGEDA Co.?
3. What attitudes have been observed on customers caused by CSR practice of Zemilli Plant of DHGEDA?
4. How did the staff members in various functional areas of the organization see, taste and judge the practice of CSR in Zemilli Plant of DHGEDA?

1.5 Objectives of the study

The general objective of this study is to determine Corporate Social Responsibility Practice of DHGEDA: The case of Zemilli Plant.

Having this general objective, the study has some more specific objectives, which are indicated as follows.

- To assess the actual practice of CSR in the company,
- To assess perceptions of stakeholders of Zemilli Plant of DHGEDA Co. on corporate social responsibility
- To assess the effect of CSR on Stakeholders attitude towards the company
- To assess how the staff members in various functional areas of the organization see the practice of CSR

1.6 Significance of the study

Investigating the practice of CSR is vital for companies like Zemilli Plant of DHGEDA Co. Since organizations and its workers are one part of the community and dependent on customers, such studies are very important for the organization to create smooth and beneficial relationship with its workers, customers and community. This study has its own importance for different parties like academicians, the researcher, and company.

Particularly, this study has the following importance

- It can also be used as a reference material for future studies which enhance the practical knowledge of the researcher on the study area
- Alert the organization on the benefits of CSR and what the employees and the customers' opinion are with regard to its CSR efforts.
- Fulfill the Research Methods course assignment requirement.

1.7 Scope of the study

While trying to assess the existence and practice of CSR in Zemilli Plant of DHGEDACo, this research tries to show its impact on the perception of the consumers, employees and its community towards the company. In this research when it says stakeholders, it represents (consumers, employees and its community around the factory). As a basic research the scope of the research is limited to disclose the prevailing crude information with regard to the practice of the subject matter.

No specific CSR efforts were discussed in the research and only its general term were used in assessing its effect.

1.8 Limitation of the Study

The scope of the study was limited to one plant of the DHGED., which has a total of seven plants. All the conclusions and recommendations are based on the analysis of data collected from this plant and conclusions are made based on findings of data collected from it only. Therefore, there was some limitation of scope in order to generalize CSR related practices of the Industry based on the assessment of a single plant.

The researcher's limited experience in conducting such research may prove to be a limitation. More over regarding to the nature of the research, as it is basic research, it shall not be taken as the final generalized result on the subject matter. It is believe

that this research is useful as the spring board to further study on the subject matter not as the final output.

1.9 Organization of the Paper

The study has five main chapters. The first chapter dealt with the introductory part which is deliberate on back ground of the study then statement of the problem, objective of the study (general and specific objectives), significance of the study, scope of the study, limitation of the study. The second chapter of the research includes important points as review of related literature such as definition and meaning of CSR, its importance, guidelines of CSR. The third chapter of this paper includes mainly the methodology part which includes data sources, data gathering methods, sampling and sampling procedures, data analysis techniques. Chapter four deals with analysis and discussion of the results based on the data collected using the questionnaire. The last chapter (fifth) concentrates on the conclusions and recommendations that have been given based on the findings of the study. Finally, references and appendixes are included in the paper.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview and Definition of CSR

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).

The proposition is that the roles and impacts of corporate actors go beyond providing revenue and employment and maximizing profit and hence increasing shareholder's value, that they have influence and power (actual and potential) beyond their official location inside legal and political structures, particularly those of developing countries and that they should be recognized as conscious and influential participants in activities with a broad range of consequences. In this regard, the Johannesburg Declaration on Sustainable Development asserts the need for corporate

accountability and the duty of private sector to contribute to the evolution of equitable and sustainable communities and society (UNECEA & AU, 2010).

2.2. Definition of Corporate Social Responsibility

It is vital and valuable to define the related terms and concepts of corporate social responsibility before directly drives to word by word meaning of Corporate Social Responsibility. The concept of Corporate Social responsibility is twisted around business and society. According to Carroll business may be defined as the assembly of private, commercially oriented (Profit oriented) organization, fluctuating in size from one person, proprietorships to corporate giants.

Corporate Social Responsibility has been redefined over the years. The concept of CSR is much debated. Practitioners argue that there is a strong business case for CSR, in that business organizations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profit. Proponents of CSR also posit a virtuous relation between the increased presence of foreign investment and the promotion of growth and development in the countries concerned. These links have led private sector actors in the mining sector to turn to multilateral institutions and bilateral agencies not only for financial support of various kinds for their business operations (loans, export credits for example), but also, more recently, for support for their projects in the area of CSR. Critics, however, argue that CSR distracts from the fundamental economic role of businesses; others argue that business engagement in social and community development is, more likely than not, destined to be outward, short termed, and neither equitable nor sustainable (Campbell, 2011).

CSR is a framework for formulating and employing the expanded roles and responsibilities of the corporate sector to include incorporation of the opportunities and needs of a wider community in the business model. In the areas of environment, social and community development, employment and labor and human rights (UNECEA & AU, 2010).

According to Khoury et al; (1999), explain the overall relationship of corporations with their stakeholders. This includes communities, customers, employees, owners/investors, government, suppliers, and competitors. Social responsibility elements include investment in community area, employee, creation and maintenance of employment, environmental issues, and financial performance.

2.3. Who are the Stakeholders?

“Stake is an interest in or share in an undertaking” (Carroll & Buchholtz, 2008), in a small group of friends who have out for a dinner or launch each of them has an interest or stake, in groups decision. No money would be spent yet until each of the group conveys his own stake or interest in terms of choosing and preferring what would be taken.

In trails, then, that Stakeholder is an individual or a group that has one or more of various kinds of stakes in an organization. Just as stakeholders may be affected by the decision, action, policies, or practices of the business firm, these stakeholders also may affect the decision, actions, policies or practices of the business firm. Therefore there is two-way interaction or exchange of interaction between stakeholders and business.

In today’s global business environment, there are many individuals and groups who can be considered as business stakeholders. On one hand there are individuals and groups who has legitimate direct claim or interest in the eyes of management and on the other hand there are also a significant number of individuals and groups who are indirectly has interest on the DuPont, stated:” We have traditionally defined four stakeholder groups important to DuPont - Shareholders, customers employees, and society.”

As per Buchholtz and Carroll stakeholders are categorized primary and secondary as follows:

Primary Stakeholders have a direct stake in the organization and its success, therefore they are most influential. This includes Shareholders, investors, employees, managers, customers and other partners (suppliers).

Secondary Stakeholders influential as well, especially in affecting reputation and public standing, but their stake in the organization is more indirect. These includes government ,regulators ,civic institutions ,social pressure groups ,media and academic commentators ,trade bodies ,and competitors.

The main point that should not be ignored here is that the secondary stakeholders can quickly become key ones. This often occurs by way of media or special interest group (Boycott or demonstration) takes precedence over the other claims. Thus it is useful to comprehend both primary and secondary class of stakeholders while making a decision in the organization.

The figure below is trying to summarize business and stakeholders in a holistic approach.

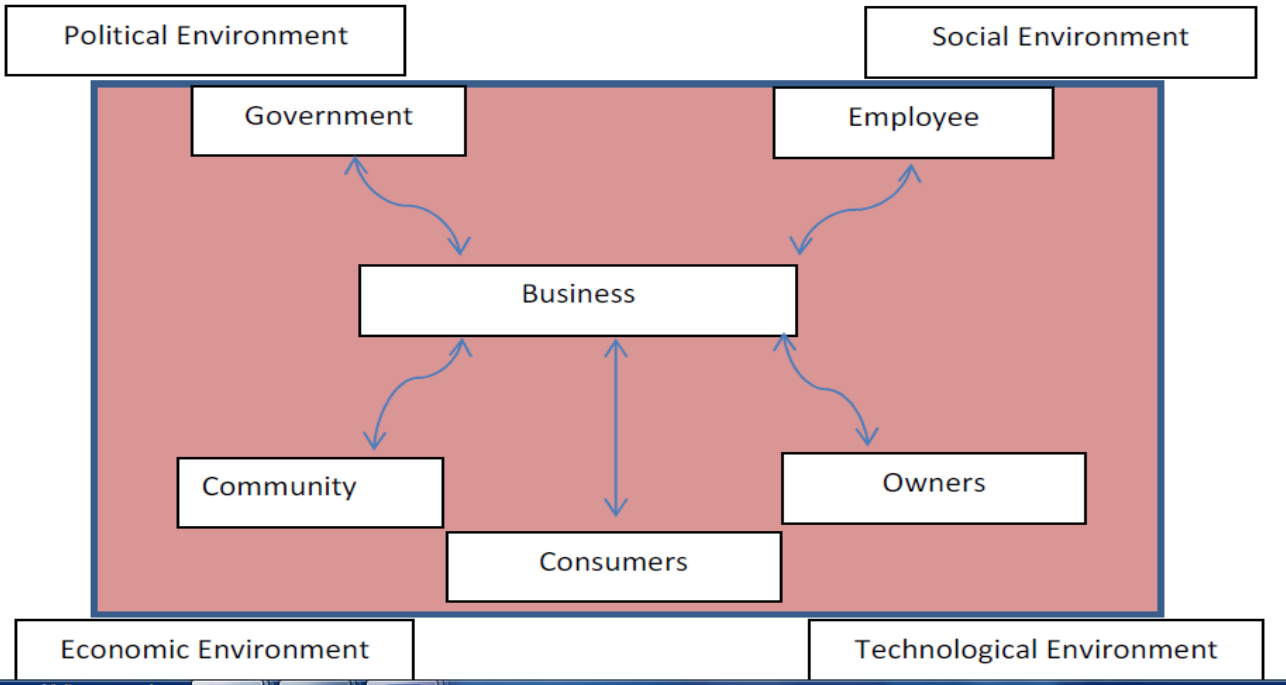


Figure 2.1 Primary and Secondary Stakeholders of CSR

2.4. Principles of Corporate Social Responsibility

Crowther and Aras in their book of “Corporate Social Responsibility” have put three basic principles which together compile all CSR activities. These are Sustainability, accountability and transparency. It further entails that the concept of sustainability is merely focuses on as to how the present actions will reflect and affect the future usability of same action. If resources are utilized presently, then they are no longer available in the future, and this is of particular concern if resources are finite in quantity. Therefore at some point in the future there should be an alternative that fulfil the function currently provided by these resources. For instance paper industry has a policy to replant and replace the harvested plants and this has an effect both in terms resources availability and cost on future need. Sustainability therefore implies that society must use no more of a resource than can be regenerated. In light of an organization being part of wider social and economic system implies that these effects must be taken into consideration, not just for cost and value created in the present but also for the future of the business itself. Unsustainable operations must be replaced with closer suitable sustainable one or should be properly backed by planning for a future lacking in resource currently required. In practice companies are tend to aim at less unsustainability trend by generating different alternative options. An example would be energy efficiency program.

Accountability is concerned with an organization recognizing that its actions affect the external environment, and therefore assuming responsibility for the effect of its action. These are therefore related to measuring and quantifying the effect and do the due diligent to internal and external concerned stakeholders. Thus, the concept is about assuming responsibility and letting the parties know the fact on the ground.

Accountability therefore necessitates the development of appropriate measures of the environmental performance and the reporting of the actions of the firm. By way of notifying the facts on the actions, it prompts the decision makers to take appropriate measure as needed.

Principle related to transparency is about ascertaining impact of organization actions against the organization reports and pertinent facts. Therefore all the actions and effects including external impacts are apparent to all stakeholders who are using the information. Transparency can be seen to follow from the other two principles and equally can be seen to be part of the process of recognition of responsibility on the part of the organization for the external effects of its actions and equally part of the process of transferring power to external stakeholders.

In broader expiration of context, Corporate Social Responsibility (CSR) embraces a range of principles or ideas, ranging from corporate governance, business ethics, and sustainable development through to human rights and environmental concerns. They are explained more fully.

- Business ethics: Ethical businesses assess the moral implications of their actions, from product development to manufacturing to distribution, in order to stay competitive. Many issues fall under the rubric of business ethics: human rights, environmental protection, worker health and safety, labor standards, marketing, accountability, and reporting. Business ethics is concerned with a compliance with internal regulations and government mandates. An ethical business will also look beyond its own ethical practices to the practices of its business partners and suppliers. Business ethics is also taught as an academic discipline to business students at undergraduate and postgraduate level. Ethics are used as a guide in legal or religious compliance and in accomplishing profit maximization. It is merely one form of decision making.

- Sustainable development: Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of needs, in particular the important needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. For some people social responsibility is a subset of sustainable development, for others it underlines and distinguishes the social dimensions of the impacts of business and

other organizations, given that sustainable development has come to imply a focus on the environment.

- **Corporate governance:** The system of rules, practices and processes by which a company is directed and controlled. Corporate governance is the basis of accountability in companies, institutions and enterprises, balancing corporate economic and social goals on the one hand with community and individual aspirations on the other (Bolanle, et al., 2012).
- **The environment:** The environmental concerns of businesses can be divided into the local and the global. All businesses must comply with legislation that prevents gross pollution of water, air, and soil. Manufacturing businesses can buy permits or trade tariffs in order to be able to pollute up to a certain limit. They must also make provision for cleaning up. Businesses must also face up to global environmental concerns; they know that their activities can have wide ranging repercussions on the environment, especially on global warming through the emission of greenhouse gases.
- **Working in the community:** Businesses have always had some sort of relationship with the communities that live around them, usually because not only they recruit staff locally but also the environmental aspect. Businesses spend time and money assisting local communities in a variety of ways e.g. Supporting education programs and health awareness initiatives.
- **Human Resource Management:** This includes recruitment and training, equal opportunities, profit sharing and share ownership schemes.
- **Supply chain management:** Businesses engaging in corporate social responsibility review their suppliers' practices encouraging suppliers to meet the challenges of a socially responsible business if they want to continue trading with them.
- **Socially responsible investment (SRI):** Where SRI was in the past developed for religious groups, it is available in many different formats to address issues of concern to people of any faith, or none. The proliferation of socially responsible or

ethical funds has led to the creation of indices of socially responsible companies (Bolanle, Olanrewaju, & Muyideen, 2012).

2.5. Why Companies Engaged in CSR

There are a number of reasons why companies are engaging CSR in their facet of the modern business environment. The core contributor to the cause is that society's awareness on the subject and their demanding expectation enforces the business to incorporate the CSR into their daily practices. The following summary shows highpoints that weigh the reason of CSR in contemporary business entities.

- Moral obligation- The companies engage in CSR since they believe it is their duty to be a good citizen and “do the right thing”.
- Sustainability - The Company focuses on environmental and community stewardship with the belief that it is best for the company in the long run. A good explanation for this comes from The World Business Council who explains sustainability as followed: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”
- License to operate- Many companies only engage in CSR because they are forced to follow regulations and permissions from governments, communities and other stakeholders to be able to conduct business.
- Reputation - Many companies explain that they use CSR to improve the reputation and company image, to strengthen the brand, in order to demonstrate moral and because it even could raise the company's stock value.

Kotler et al. cited in Carlson, Akerstom (2008) has another view they describe that companies participate in CSR in order to gain several benefits, they explain the following as the main ones:

- Increased sales and market share - There is strong evidence that when customers make decisions of which product to buy they consider factors such as the company's participation in CSR- activities.

- Improved brand positioning- When a company or a brand is associated with CSR it affects the brand image and customers are likely to have a positive feeling towards it.
- Improved image and clout- The Company can gain positive publications about their CSR activities in different reports and business magazines.
- Increased ability to attract, motivate and retain employees - Employees working for companies that participate in CSR-activities describes that they are proud of their company's values and that it motivates them.

2.6. Business Benefits of Corporate Social Responsibility

(Kivivirta, 2010)Lists business pay backs originating from CSR activities. These benefits are positive effects on company image, reputation, employee motivation, retention and recruitment, cost savings, revenue increase from higher sales and market share, and CSR related risk reduction or management. Cost savings tend to be the easiest way to begin CSR activities. Cost savings can arise from material substitution, lower energy consumption, reduced material storage and handling costs or reduced waste disposal. A company handling CSR aspects well can have better access to capital since some investors may pay attention to social and environmental performance and give preference to companies handling these aspects well. The financial services companies have a significant role in offering financing. They can have an effect on the companies applying finance by requiring better CSR behaviour. Business case refers to a call for an investment in a project or initiative that promises to yield a sufficient return to justify the spending. In the case of CSR this means that the organization will be better off financially by attending not only its core business but CSR as well. Four general types of the business case for CSR are cost and risk reduction, profit maximization and competitive advantage over industry rivals, reputation an

legitimacy, and synergetic value creation meaning finding win-win situations between the company and its stakeholders.

2.7. 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) responsibilities as 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 take responsibility and contribute to society by taking different actions (Carroll, 1991). According 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.

2.7.1. Economic Responsibility

In the beginning, businesses were created as economic objects intended to provide goods and services to social customers. Before it was anything else, business organization was the basic economic unit in our society (Carroll 1991). The primary motive was to establish as the primary motivation for entrepreneurship. Businesses were created to produce goods and services that consumers wanted and needed (Carroll, 1991). Carroll (1991) explains that it is important for corporations to perform in a reliable way in order to maximize earnings per share and to earn as much profits as possible. Furthermore, the author stated its importance that CSR lies in keeping a durable and competitive position on the market, to reach a high level of operation efficiency and to have a successful organization by being defined as one corporation that is consistently profitable (Carroll, 1991).

2.7.2. Legal Responsibilities

Carroll (1991) explains that it is essential for a corporation to perform in a consistent way with expectations of government and law and also comply with different states, federal, and local principles. He further list that it is essential to be an honest corporation and successful organization that is being defined as one and that also achieves its legal responsibilities.

Carroll (1991) also explains that it is essential for a corporation to provide goods and services that at least reaches up to the minimal law regulations (Carroll, 1991).

2.7.3. Ethical Responsibilities

Carroll (1991) defined five different components regarding the ethical responsibilities and the first one treats the importance, like the other responsibilities, in a manner consistent with expectations of social morals and ethical norms. He explained that it is essential to both recognize and respect new ethical or moral norms generally assumed by society. Further on, he 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 what is expected morally or ethically, and that is very essential according to Carroll (1991). According to Carroll (1991), the last component in the ethical responsibility is the importance that corporate integrity and ethical behaviour go beyond simple agreement with laws and regulations (Carroll, 1991).

2.7.4. Philanthropic Responsibilities

According to Carroll (1991), importance lies in the fact that corporation performs in a consistent way with the philanthropic expectations of society. It is also essential to aid fine and performing arts and that managers and employees take part in voluntary activities within their local communities. It is also essential to support private and public educational institutions and to help voluntarily those projects that improve a community's 'quality of life'.

According to Fombrun et al; (2000), strategic philanthropists argue that, although philanthropy may not generate direct economic returns, it will enhance the firm's long-term competitive position through intangible gains in reputation and employee loyalty.

In summary, Carroll (1991) considers economic, legal, ethical and philanthropic responsibilities should be fulfilled simultaneously in order to form the total corporate

social responsibility of business organization. In other words, socially responsible firm should strive to be profitable, obey the law, ethical and good corporate citizen.



Figure: 2.2. The Corporate Social Responsibility pyramid, based on Carroll (1991)

(Crane & Matten, 2007) Who have analysed Carroll's pyramid, say that this may be the most accepted model of CSR. Breaking down the pyramid, one can see four components, which are economic, legal, ethical and philanthropic. "Economic" is the 1st level. The remaining components increase in levels according to its order in the pyramid; meaning that "Philanthropy" is the 4th level. Level 1 is seen as the foundation for being socially responsible, and as one evolves, one can think about going up the pyramid. To be truly socially responsible, one has to be active in all four levels. While the two first levels are required by society, the third level is expected and lastly philanthropy is desired.

Economic - This revolves around the responsibilities the company have towards shareholders, customers, employees and society as a general to be a functioning economic unit and to stay in business.

Legal - Simply means abiding the law and playing by the "rules of the game".

Ethical - To carry oneself in a fair and right way, even if it may be up and above what is required by law.

Philanthropy - The range of activities a company can do to be philanthropic is quite broad. What the company chooses to do is at its discretion. Common activities are benefits for employees, charity donations etc. Ultimately the aim is to improve society as a whole. This part also requires the firm to be a corporate citizen.

The upside of this model is that it is “fairly” pragmatic. The demands of firm are listed according to importance with “economic” being the most important. It shows that CSR is not purely limited to being philanthropic, but is merely a part (Carroll 1991). Some problems though are that it does not say what to do if two levels conflict. Lastly, the model is best understood in a U.S context (Crane & Matten, 2007).

“The traditionalist might see this as a conflict between a firm’s “concern for profits versus its “concern for society,” but it is suggested here that this is an oversimplification. A CSR or stakeholder perspective would recognize these tensions as organizational realities, but focus on the total pyramid as a unified whole and how the firm might engage in decisions, actions, and programs that substantially fulfil all its component parts.” (Carroll 1991, page 8).

2.8. Corporate Social Responsibility in Developing Countries

In developing countries, more of the focus of CSR is put on social issues than on environmental or ethical issues (Visser, 2008). A similarity between large companies in developing and developed countries is the approach on reporting their CSR activities. But still, there is a lack of CSR initiatives in the business strategies (Baskin, 2007). In developing countries, there are mainly larger companies performing CSR activities since their global competitors are doing it and thereby compelling them to do it as well (Baskin, 2007).

Main drivers for CSR in developing countries are, for example, cultural traditions of philanthropy, regulations, socio-economic issues, response to natural and political disasters, international standardization and larger pressure on the entire supply chain to be socially responsible(Visser, 2008).

As Visser (2008) describe some of the main efforts of CSR in developing countries are emerged from implementation of Millennium Development Goals vision which including reducing poverty, hunger and disease, reducing mothers and infants mortality rate, better educated children, equal opportunities for women, and a healthier environment and how to contribute to their success (UN, 2006). The goals range from reducing poverty and the spreading of HIV/AIDS to increasing the access to education in developing countries (UN, 2012). Unfortunately, these global aspirations remain far from being met in many developing countries today (Visser, 2008).

2.9. Corporate Social Responsibility Pyramid Developing Countries

In considering the most popular model Carroll's (1991) CSR Pyramid, comprising economic, legal, ethical, and philanthropic responsibilities this is almost entirely based on research in an American context (Visser, 2008). A modified CSR pyramid, originally explained by Carroll, can be used when describing CSR in developing countries in which, economic responsibilities still get the most emphasis. However, philanthropy given the second highest priority, then legal and ethical responsibilities these give a fair view for the CSR (Visser, 2008).

Developing countries, suffer from a shortage of foreign direct investment, as well as high unemployment and widespread poverty, in this case economic responsibilities concern job creation and establishment of local businesses besides just being profitable. The philanthropic responsibilities are expected to a larger extent in these areas due to severe social and environmental problems. In developing countries it is strong indigenous tradition philanthropy to help people in need. Other important reasons include the socio-economic needs; improve the prospects of the communities, reliant on foreign aid or donor assistance and also early stage of maturity in CSR and; they are sometimes equating CSR and philanthropy. However, many developing countries are depending on foreign aid in these matters. Concerning legal responsibilities, there is usually a smaller focus on legal issues in developing countries. This is mainly due to the poor legal infrastructure development, and often lacks independence, resources, and administrative efficiency

for full functioning of legal framework. Finally, the ethical responsibilities are given little attention in many developing countries (Visser, 2008).



Figure 2.3: The CSR pyramid in developing countries (Visser, 2008)

As cited in (Larzon & Soderlind, 2012), CSR activities in developing countries differ among regions. In Asia, the activities vary quite a lot between the countries regarding education, environment and employee relations. Previous research has shown that CSR in Asia consists mainly of three different activities. The most common activity is (1) community involvement, followed by (2) socially and environmentally responsible production and finally (3) the improved employee relations. In Africa, the great majority of the CSR work performed by local companies is concentrated to South Africa (Baskin, 2007). CSR in this region is strongly shaped by the history of colonialism as well as widespread corruption and health issues. In other parts of Africa, the majority of activities are conducted by foreign companies. CSR in Latin America have been strongly affected by social and environmental issues, such as deforestation, inequality, crime and high unemployment. As (Schmidheiny, 2006), many Latin Americans are concerned about these issues and believe CSR in these areas can contribute to a solution.

2.10. Responsibility to Stakeholders

The managers of companies can best promote the long-term viability of an enterprise by balancing the needs of its stakeholders with the financial requirements of

sustaining and growing a business (UNCTAD, 2008). Shareholders are the investors of one company and are the core factors for its development. Carroll (1991) also suggested a company should perform in a manner consistent with maximizing earnings per share.

- **Responsibility to Employees:** An enterprise's present and future employees are important to the companies interested in remuneration, plans and intentions of the business, working conditions, job prospects, health and safety, management of risks, industrial relations, and personnel development opportunities (UNCTAD, 2008). Sybille (2006) suggested that firms should provide employees with a fair and safe working environment as well as protection against employees in labor law.

- **Responsibility to Local Communities (Surrounding community):** Issues related to economic development are often the primary area of interest for companies' surrounding community. Equally among a community's primary interests are issues related to the control of local health, safety and education projects and security risks and information on community complaints about corporate activities and handling. In some contexts, the local community may also have concerns about the impact of companies' operations on culture. Such impacts can result from the development of new products or services, or from generation of domestic migration (UNCTAD, 2008). Good companies are expected to build good relationships with local communities. When making plans and activities, the organizations should take into account its impacts on communities. There is a program of support for community projects and activities that is appropriate to the organization and the needs of the community. There is a procedure to ensure that risks to public safety resulting from the organization's products and operations are minimized.

- **Responsibility to the Government and their institutions:** Governments are interested in the way in which enterprises assume responsibilities toward society, in the voluntary initiatives of enterprises in this field and in the impact of enterprise's social engagement. Governments need such information to help them formulate social and economic policies, as well as to help identify gaps in regulation and enforcement (UNCTAD, 2008). Responsibility to the government is also mainly in

the dimension of social responsibilities. The company should abide by laws and administrative rules and regulations and subject itself to the supervision of the government and must submit fiscal reports and statements as required and accept supervision by finance and tax authority.

- **Responsibility to Creditors:** The financial markets consist of different stakeholders, including owners/shareholders, lenders, banks, rating agencies and analysts. Corporate responsibility information required by the financial sector includes the financial consequences of overall strategy of companies, risk and reputation, obey laws and regulations, impact of plant additions or closures and similar decisions (UNCTAD, 2008). Include protect the interests and benefit of creditors, such as timely information during a company merger, decrease of registered capital and liquidation.

- **Responsibility to the Environment:** Many organizations are currently becoming more environmentally friendly in their operations. Many companies prepare limited, qualitative, nonfinancial information mostly through an annual report, but some large companies, particularly those operating in environmentally sensitive industrial sectors have started disclosing significant quantitative and qualitative information on the issue.

- **Responsibility to Customers:** CSR initiatives can also contribute much to strengthening a firms' competitive advantage through enhancing its relationships with its customers(Okpara & Wynn, 2007). According to(Peloza & Shang, 2011) customer value can increase by CSR activities, or it may develop new sources of customer value, organizations can gain a competitive advantage.

- **Responsibility to Suppliers:** By working closely with business partners or suppliers, organizations can reduce complication and costs and increase quality. Relationships with alliance and joint venture partners and with franchisees are equally important with competitive bidding in selection of suppliers. In the long run building relationships may result in reasonable prices, terms and expectations

together with quality and reliable delivery by adopting socially and environmentally responsible practices (EU, 2001).

2.11. Conceptual Framework of the Study

After reviewing numerous empirical findings the following conceptual framework is developed for this research. The conceptual framework of the research is developed by blending different factors from different writers. As it has been said above the primary stakeholders, in whom it is now described in the outer hemisphere of the below drawing, are shareholders, Employees, Community and consumers. The responsibility of business through its owners or managers primarily is to produce and sell products and services that society wants and to sell them at fair prices. Prices that society thinks represent the true value of the goods and services delivered and that provide business with profits adequate to ensure its survival and growth and to reward owners. While thinking economic responsibility, business employs many management concepts that are directed towards financial effectiveness - attention to revenue, costs, investment, strategic decisions making, and focused on long term financial performance etc. of the organization. Therefore first and foremost owners should satisfy their own financial interest as it is their primary reason for investment. In the second place, business has legal due diligence that should follow laws and regulations under which it operates. Business is expected to comply with the laws and regulations promulgated by federal, state and local governments at the ground rules under which business must operate. Businesses are expected to pursue their economic missions with the framework of the law. The laws include timely settlement of relevant taxes, applying environmental laws, meeting up product legal standards and fulfilling of contractual obligations.

Because laws are essential but not adequate, ethical responsibilities are needed to embrace those activities and practices that are expected or prohibited by society even though they are not codified into the law. Ethical responsibilities include full scope of norms, standards, values, and expectations that reflect what consumers employees shareholders, and the community regard as fair, just, and consistent with respect for

protection of stakeholders moral rights. Issues not covered by law due to the reason related to new coming changes or matters under public debate, business need to look at options to apply by considering the great ethical principles of moral philosophy. Thus this nature of ethical view makes it dynamic interplay with legal responsibility category. Businesses are expected to operate at levels above the required law. The fourth one is issues related to voluntary, discretionary, or philanthropic responsibilities. The amount and the nature of this action is merely voluntary, guided only by the business's its own desire only to engage in social activities that are not mandatory or required by law.

Table 2.1 Economic and Legal components of Corporate Social Responsibility

Economic and Legal Components of Corporate Social Responsibility	
Economic Components (Responsibilities)	Legal Components (Responsibilities)
1. It is important to perform in a manner consistent with maximizing earnings per share	1. It is important to perform in a manner consistent with expectations of government and law
2. It is important to be committed to being as profitable as possible	2. It is important to comply with various federal, state, and local regulations
3. It is important to maintain a strong competitive position.	3. It is important to be a law-abiding corporate citizen
4. It is important to maintain a high level of operating efficiency.	4. It is important that a successful firm be defined as one that fulfils its legal obligations
5. It is important that a successful firm be defined as one that is consistently profitable.	5. It is important to provide goods and services that at least meet minimal legal requirements.

These actions may relate to the response to society’s expectation that business be good corporate citizens or related to management intention to connect the society and company goods or product. This includes activities engaging in acts or programs to promote human welfare or goodwill. Business contribution to arts, education, or the community, product or service donation to the society, employee volunteerism, partnership with the local government or other organization to perform certain activity for the good of the community are part of philanthropic responsibility.

The major distinction between ethical responsibilities and philanthropic responsibilities is that the latter typically are not expected in a moral or ethical sense. Communities desire and expect the business to contribute its money, facilities, and time to humanitarian program or purpose; they don’t regard firms as unethical if they don’t provide these services at the desired level. That is why this category of responsibility called as good “Corporate citizenship”

Table 2.2 Ethical and Philanthropic Components of Corporate Social Responsibility

Ethical and Philanthropic Components of Corporate Social Responsibility	
Ethical Components (Responsibilities)	Philanthropic Components (Responsibilities)
1. It is important to perform in a manner consistent with expectations of societal	1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society.
2. It is important to recognize and respect new or evolving ethical moral norms adopted by society.	2. It is important to assist the fine and performing arts.
3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals.	3. It is important that managers and employees participate in voluntary and charitable activities within their local communities.
4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically.	4. It is important to provide assistance to private and public educational institutions.

5. It is important to recognize that corporate integrity and ethical behaviour go beyond	5. It is important to assist voluntarily those projects that enhance a community's quality of life.
------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

In general, business has a responsibility for each for the categories in terms of performing at the required level that is the societal expectation from the business.

The below diagram tries to better understand the components of social responsibility in relation to societal expectation:

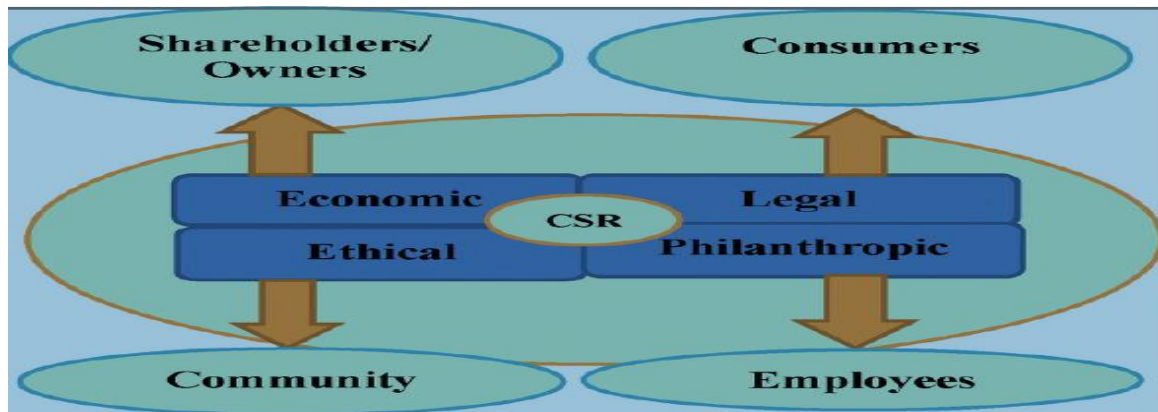
Table 2.3:- Understandings the four component of Corporate Social Responsibility.

Types of Components		Detail
1	Economic	Be profitable, Maximizing sales, minimizing costs. Make strategic decision, be attentive to dividend policy. Provide owners or investors with attractive return.
2	Legal	Obey all laws, adhere to all regulations inclusive of environmental and consumer laws, laws protecting employees. Fulfill or contractual obligations, honor warranties and guarantees.
3	Ethical	Avoid questionable practices. Operate above minimum requirement. Respond to questionable issues, Do what is right, fair and just.
4	Philanthropic	Be a good citizenship. Make corporate contribution. Provide programs supporting community-education, health/human service, culture and arts, civic. Engage in volunteerism.

The conceptual frame work on Fig below portrays the four components of CSR, beginning with the basic building block of the economic performance at the first. At the same time, business is expected to obey law, because law is society's codification of acceptable and unacceptable practices. In addition, there is business's responsibility to be ethical. At its most basic level, this is the obligation to do what is right, just and fair ad to avoid or minimize harm to stakeholders (employee,

consumers, the community and others). Finally, business is expected to be good corporate citizen to fulfill its philanthropic responsibility.

Figure 2.4: Conceptual Framework of the Study, source own Model



A CSR from the above four stakeholders on the conceptual framework as a unified whole shows on how the firm might engage in decision, action, policies and practices that simultaneously fulfill all the responsibility components. As put in the diagram, business should not fulfill the responsibilities in some sequential fashion starting from the first to the last. Rather, business is expected to fulfill all its responsibility concurrently. Means the Total Social Responsibility of business is the concurrent fulfillment of the economic, legal, ethical, and philanthropic responsibilities.

In the form of equation:-

$$\text{Corporate Social Responsibility} = \text{Economic Responsibility} + \text{Legal Responsibility} + \text{Ethical Responsibility} + \text{Philanthropic Responsibility}.$$

If we translate in managerial term the socially responsible firm should:-

- Make a profit
- Obey the law
- Be ethical
- Be good corporate citizen

It is also essential to look the four components of corporate social responsibility along with the stakeholders. The level and degree of impact by each of the components of responsibility to stakeholders are different. Economic responsibility most dramatically impact shareholder/owners and employees as two are entities that are directly impacted if the company is not financially successful. In fact legal responsibility is crucial to the owners, in today's business most of the legal concerns are emanating from the employee and consumer stakeholder. Ethical responsibilities touch all the stakeholders, but current trend it evolves mostly employees and consumers. Communities are being affected mostly by philanthropic responsibility but it is employees that are next to be affected by this category of responsibility.

Thus the study on this research paper is trying to find out what policies, practices, actions decisions are making the captioned company to be seen as socially responsible. What the employee and consumers perceived to be the activities or characteristics of socially responsible companies.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Broadly speaking, there are two types of research methods: qualitative and quantitative. This research used both qualitative and quantitative methods, and then employed analytical techniques and processes to review the data.

3.1. Research Approach

Qualitative (Gathering Insights)

This is typically a one-on-one process in which a researcher poses questions directly to selected individuals. The questions often ask not only for information and opinions but also allow the interviewer to probe the richness of emotions and motivations related to the topic. Researchers use qualitative data to help clarify hypotheses, beliefs, attitudes and motivations. Qualitative work is often a first step because it enables a researcher to fine-tune the language that used in quantitative tools.

Quantitative (Establishing Statistical Reliability)

This process utilized detailed questionnaires often distributed to selected numbers of people. Questions are typically multiple choice and participants choose the most appropriate response among those listed for each question. Quantitative research collects a huge amount of data, which can often be generalized to a larger population and allow for direct comparisons between two or more groups. It also provides statisticians with a great deal of flexibility in analyzing the results.

3.2. Data Sources

Alike other research papers, there are two types of data sources, primary and secondary incorporated and utilized in this research paper. Both sources of data are used by categorizing the information which is relevant with each source.

Primary Sources of Data

Primary sources used to collect initial material useful to know customers and the Company employees' opinion on the level of CSR in the company and their impact on attitude. These data are the data that were collected using methods such as surveys, direct observations during some CSR activities at its production premises and some outlets, interviews of customers and employees as well as logs (objective data sources). These sources of information allow the researcher to access original and unedited information. A primary source requires the researcher to interact with the source and extract information from the record of the organization.

Secondary Sources of Data

Secondary sources such as office memos on CSR activities, company strategy papers and the like were used to collect relevant data. Different comments given by customers at different outlets were also used as a source. This may be obtained from records of marketing department.

3.3. Target Population

The target population which the survey undertakes was employees of the company in Addis Ababa, shareholders, community and customers of company. Functional and capability managers who are responsible for the implementation of the strategy of the company get special attention on this research because they have ample knowledge about the case in the study.

3.4. Sampling Size & Sampling Technique

To meet the research objective on hand, the researcher used different sampling techniques and procedures to select samples from each stakeholder category. Respondents from the total population were selected by the judgment of the researcher since it involves selection of employees who have enough awareness about the company's CSR.

A. Shareholders/owners: From 25 different level managers 10 managers of the company were selected as a respondent conveniently who are accessible be conducted.

B. Employees: The number of employees recorded as ZEMILLI Plant of DHGEDA employees are reduced to 583. The sample size was determined based on the following simplified formula proposed by (Yamane, 1967) (as cited in Israel 2003).

$$n = \frac{N}{1 + Ne^2}$$

Where, n is sample size, N is the population size and e is the level of precision. A 90% confidence level and $e = 0.1$, are assumed for the purpose of determining sample size for this study. Based on the formula presented, the number of sample that used to represent employees of the organization is: _

$$n = \frac{583}{1 + 583(0.1)^2} = 86, \text{Hence } n = 86$$

Convenience sampling technique was employed to get individual respondent from each department. From the total 84 questionnaires, 60 of them (70%) were completed and used for analysis

C. Community: It is appropriate to take a sample from the total population. However, the exact number of total population is difficult to know and it is stated as unknown. So it is difficult to determine the sample size methodologically. But it is possible to determine it pragmatically. Therefore, based on the available time and finance, 60 respondents were stated as a sample size which was expected to represent the total population. From the total questionnaires that were distributed, 52 of them (86.7%) were collected safely.

D. Consumers: like that of the community it is too difficult to determine the population size. So, researcher uses the same method and select 65 domestic consumers who purchase and use the company's products locally. They were chosen by judgment of researcher from different Construction material shops and construction companies. From the distributed 65 questionnaires, 60 of them (92.3%) were fit to analyze.

Table 3.1 Summary of sample size determination

No.	Categories	Target Population	No of respondents	Remark
1	Shareholders	Top Level Managers of the Company	10	From Companies
2	Employees	520	60	Formula
3	Community	Surrounding people	52	From Addis Ababa
4	Consumers	Domestic consumers	60	From Addis Ababa

3.5. Data Collection Method

In light of the research methodology this research used, quantitative and qualitative data collection methodology that were implemented to collect variety of data.

Among the various ways of data collection methodologies, the following were found to be useful.

1. Survey

Structured Questionnaire

In this study, self-administered and structured questionnaire was used to collect data from respondents. A questionnaire was administered to three stakeholders namely employees, community and consumers of the companies CSR activities. To enhance the response rate, the questionnaires were delivered by hand and collect by hand on a scheduled pickup date.

Interview Surveys

This survey used face to face and telephone interview, whichever is appropriate for the person to be interviewed. The interview was made with higher officials of the company who have in depth knowledge about the company's CSR activity. In these semi-structured interviews, interviewees were not subject to highly standardized questioning but allowed expressing their opinions and feelings about CSR activities in the organization based on their own point of view. From the researcher point of view this approach was useful because these respondents were able to elaborate on the status of CSR in the company.

2. Observation

The researcher tried to observe some activities related to CSR at both the company and its out lets. This was fully dependable on the willingness of the management of the organization on the degree of freedom I get to access each functional unit of the company.

3.6. Data Process and Analysis

Data processing is an important part of the entire survey operation. It includes editing, coding, data entry, data cleaning and reliability examination. The researcher made all the tasks of data processing. After it has been collected, the data were analyzed and then interpreted and discussed using statically techniques.

Descriptive statistics (Mean, Mode, median, standard deviation & variation) is used on the general objective of this paper in order to measure the accuracy of data collected and to infer statistical interpretations

3.7. Ethical Considerations

We should give a top priority for participant's well-being whenever we make research on people. The research question should be second on our priority. This means that if we choose to harm participants on the interest of our research, the harm will further affect our research (Mack N. ,Woodsong, MacQueen, Guest, &Namey, (2005).

Confidentiality - the respondents have been assured that they will not be confused and that their response will remain confidential. The information they provided is confidential and used for academic purpose only.

Organizational approval - the researcher gets approval and obtains a written recommendation letters from Jimma University and DHGEDA CO.

Informed consent - Cover page of the questionnaire explains the purpose of the study and informed that the respondents have the right to accept or refuse to participate in the research activities.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction

The aim of the study is to assess the practice of corporate social responsibility in in the company and its effect on the stakeholder's attitude. The findings provided a better understanding of the practice of the company in relation to corporate social responsibility and its effect on the stakeholder's attitude towards the company. To achieve the research objective, the following research questions, as stated in chapter one have been formed on the basis of data gathering, analysis and data interpretation.

- To assess the actual practice of CSR in the company,
- Assess perceptions of stakeholders of Zemilli Plant of DHGEDA.Co. On corporate social responsibility
- To assess the attitude of CSR on stakeholders towards the company.
- To assess how the staff members in various functional areas of the organization see the practice of CSR

As it was already mentioned in the research methodology part, questionnaire was used as primary data collection method. It was distributed to the respondents by categorizing them in to three. The first type of questionnaire was distributed to customers of the company, accordingly, 65questionnaires were distributed for them and 60 of them were returned correctly filled. The second type of questionnaire were sent out to the community of Zemmilli Plant of DHGEDA CO, 60 questioners were distributed for them and among thus 52questionnaire where returned safely. The last one was for the employees of Zemmilli Plant of DHGEDA CO.72 questionnaires were distributed for them but only 66 of them were collected fully.

Apart from questionnaire, interview has been conducted to managers of the company who are representative of the shareholders. Observation on the existing CSR activities made by company has been also made so as to see what initiative and actions are actually performed by the company.

In each section, demographic characteristics of the respondents were presented. Then it follows with analysis of main results in the study and end the chapter by discussing the findings especially in relation to the theories in chapter two.

4.2. Discussion and Analysis of Results from Customers

4.2.1. Demographic Characteristics of the Respondents

This section gives an overview over demographic characteristic of 60 customers who usually consume the products of ZEMILLI Plant of DHGEDA Co. From the survey, information about sex, age, family responsibility, employment status and salary of the respondents were gathered and presented as below.

Table 4.1 Demographic Characteristics of Respondents- Customers

Demography				
Male	Male		Female	
	33%		67%	
Age Group	18-28		29-39	>39
	25%		35%	40%
Employment Status	Employed	Self Employed	Unemployed	Student
	42%	34%	12%	12%
Income Range	<2000	2001-4000	4001-6000	>6001
	48%	34%	17%	1%

Source: Own survey

As clearly shown from the above Table 67% of the respondents are male and the remaining 33% are female. So from this we can say that most of the customers of Zemilli Plant of DHGEDA Co. are male.

As observed from the above table the dominant age groups 40% of the total respondents belong to the age group of Above 39 years, followed by 21% of respondents whose age group is between 29 and 39. The remaining 25 % of the respondents are between the age of 18 and 28. This shows that majority of the respondents included in the study were above the age of 39. In line with their responsibility on their family their age shows that they are good enough to understand about corporate social responsibility.

Concerning respondents Employment status, the above table shows, majority of them which is 42 % are employed followed by self-employed which is 34%. Unemployed ones and students accounts 12% and 12% respectively. From this we can understand that most of the customers of Zemilli Plant of DHGEDA Co.

Table 4.1 also displays monthly income levels of the respondents' in this study. It show that generally 48% of respondents earn below 2000birr per month, 34% respondents income ranges between 2001birr-4000 birr, 17% included in the income level that range between 4001 birr-6000 birr and the remaining 1% which the lowest proportion of respondents earn monthly income of above 6000 birr. From this one can understand that majority of the respondent earn below 2000 birr that show most of the respondents are found low and medium income level of the society this may be because most of the respondents are employees of the factories and lower- income level part of the society like youngsters and contract workers.

4.2.2. Customer Awareness towards CSR of the Company

In this section customers of Zemilli Plant of DHGEDA Co. were asked about their perception towards the act of the company's CSR in relation with the products, , charity and other points.

Table4.2: Consumers Awareness towards CSR of the company

Items	Means	SD	1	2	3	4	5	Total % and Freq
			%& Freq	%& Freq	%& Freq	%& Freq	%& Freq	
Do you trust Zemilli products are safe to consume?	3.77	0.722	0	13.3%	0	83.3%	3.3%	100%
			0	8	0	50	2	60
Do You See Zemilli Plant strive to improve the quality of its product?	3.07	1.191	0	53.3%	0	33.3%	13.3%	100%
			0	32	0	20	8	60
Does Zemilli quickly respond and address to consumer problems?	2.77	1.031	0	63.3%	0	33.3%	3.3%	100%
			0	38	0	20	2	60
Do you think the advertisements of the company are made in a socially responsible way?	3.78	0.922	0	18.3%	0	66.7%	15%	100%
			0	11	0	40	9	60
Do you know any social development /donation activity for the company?	2.87	1.096	0	69.2%	0	17.3%	13.5%	100%
			0	36	0	9	7	52
Are You aware of any environment damaging activity of the company?	2.68	1.127	0	76.9%	0	19.2%	3.8%	100%
			0	40	0	10	2	52
Are you aware of any unethical behavior of the company?	2.72	0.993	0	69.2%	0	17.3%	13.5%	100%
			0	36	0	9	7	52
Grand Mean	3.09							

Note: 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

Source: Own survey

According to the survey result on five-point scale, in Table 4.2 the respondents indicated that their company engaged in consumer awareness towards CSR issue ;the highest means value scored in the issue of the advertisements of the company are made in a social responsible way (mean=3.78;SD=0.9222) and products are safe to consume (mean=3.77;sd=0.7222).

Percentage description both items were agreed by more than 80% of the respondents while. The remaining respondents strongly disagreed, disagreed and neutral. Therefore, in the above statement the company involved and practiced in a high level of because the mean value is high and the majority (more than80%) of the respondents are agreed for the statements. For the statement of the company strive to improve the quality of products the respondents indicated that their company involved in less with the response percentage of 53.4% (Frequency=32) disagreed. And, the respondents SD value

from this is no significantly large. That means the respondents response for the respondents response is closes to the mean value on average.

The respondents indicated that their company practice the following specific CSR issue to a lesser involvement. These specific issue are; quickly respond and address to consumer problem (mean=2.77; SD=1.031), Social development activity for the company (mean=2.68; SD=1.127) and aware of any unethical behaviour of the company (mean=2.72; SD=0.993). In relation to the quickly respond and address to consumer problem 63.3% (Frequency=36) disagreed, environmental damaging activity (76.9% Frequency=40) Disagreed), Unethical behaviour of the company (69.2%, Frequency=36 disagreed). The deviation of the respondent on these low involvement areas of CSR by ZEMILLI Plant of DHGEDA is relatively high.

4.3. Discussion and Analysis of Results from Community

4.3.1. Demographic Characteristics of the Respondents

This section gives an overview over demographic characteristic of 52 who usually consume the products of Meta Abo brewery S.C. From the survey, information about sex, age, employment status and salary of the respondents were gathered and presented as below.

Table 4.3 – Demographic Characteristics of Respondents- Community

Demography				
Sex	Male	Female		
	35%	65%		
Age Group	18-28	29-39	>39	
	25%	39%	38%	
Employment Status	Employed	Self Employed	Unemployed	Student
	27%	40%	25%	8%
Income Range	<2000	2001-4000	4001-6000	>6001
	46%	35%	15%	8%

A. Sex of the respondents

As clearly shown from the above Table 65% of the respondents are male and the remaining 35% are female.

B. Age of the Respondents

Age is next demographic factor that statistical summary provided in the above Table 4.2 showed the age intervals of respondents. As observed from the above table the dominant age groups 39% of the total respondents belong to the age group between 29-39 years, followed by 36 % of respondents whose age group is Above 39. The remaining 25 % of the respondents are between the age of 18 and 28. This shows that majority of the respondents included in the study were above the age of 29. In line with their responsibility on their family their age shows that they are good enough to understand about corporate social responsibility.

C. Employment Status of the Respondents

Concerning respondents Employment status, the above table shows, majority of them which is 40 % are unemployed followed by employed which is 27%. Self-employed ones and students accounts 25% and 8% respectively.

D. Monthly Family Income of the Respondents

Table 4.3 also displays monthly income levels of the respondents' in this study. It show that generally 46% of respondents earn below 2000birr per month, 35% respondents income ranges between 2001birr-4000 birr, 15% included in the income level that range between 4001 birr-6000 birr and the remaining 4% which the lowest proportion of respondents earn monthly income of above 6000 birr. From this one can understand that majority of the respondent earn below 2000 birr that show most of the respondents are found low and medium income level of the society this may be because most of the respondents are employees of the factories and lower- income level part of the society like youngsters and contract workers.

4.3.2. Communities Awareness towards CSR of the Company

In this section communities of Zemilli Plant of DHGEDA Co. were asked about their perception towards the act of the company's CSR in relation with the products, wastage, infrastructure charity and other points.

Table 4.4: Communities Awareness towards CSR of the company

Items	Means	SD	1	2	3	4	5	Total % and Freq
			%& Freq	%& Freq	%& Freq	%& Freq	%& Freq	
Do you trust Zemilli Products are safe to consume?	3.42	1.194	0	38.5%	0	42.3%	19.2%	100%
			0	20	0	22	10	52
Does Zemilli Plant of DHGEDA quickly respond and address to communities problems?	3.31	1.229	0	44.2%	0	36.5%	19.2%	100%
			0	23	0	19	10	52
Do you think the advertisements of the company are made in a socially responsible way?	3.46	1.179	0	36.5%	0	44.2%	19.2%	100%
			0	19	0	23	10	52
Do you know any social development/donation activity of the company?	3.25	1.266	0	48.1%	0	30.8%	21.2%	100%
			0	25	0	16	11	52
Does the organization have an open dialogue with the local community?	2.75	1.169	0	69.2%	0	17.3%	13.5%	100%
			0	36	0	9	7	52
Does the company purchase your local raw material inputs to their production?	2.50	0.939	0	76.9%	0	19.2%	3.8%	100%
			0	40	0	10	2	52
Does the company offer training opportunity to the people from the local community?	2.75	1.169	0	69.2%	0	17.3%	13.5%	100%
			0	36	0	9	7	52
Are you aware of any environment damaging activity of the company?	3.00	1.268	0	59.6%	0	21.2%	19.2%	100%
			0	31%	0	11	10	52
Grand Mean	3.06							

Note: 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

Source: Own survey

According to the survey result on five-point scale, in Table 4.4 the respondents indicated that their companies engaged in specific CSR practice related to community awareness; the highest mean value scored in the issue of; advertisements of the company are made in a socially responsible way(mean value-3.46;SD=1.179), Products are safe to consume (mean value=3.42;SD=1.194) and quickly respond and address to communities problems (mean value=3.31;SD=1.229).In terms of percentage

description all the three items were agreed by more than 55% of the respondents while, the remaining respondents strongly disagreed .disagreed and neutral. Therefore, in the above three statement Zemilli Company of DHGEDA involve and practiced in a high and the majority (more than 55%) of the respondents are agreed for the statements. For the statement of social of the existence of social development or donation activity the respondent indicated that their company involve in high level with the response percentage of 52% (Frequency=27) agreed. And, the respondents SD value from the mean is no significantly large. That means the respondents response for the statement is almost similar tendency or respondents response is closer to the mean value or average.

Relatively as compared to the above listed community awareness towards CSR activity the respondents indicated that their company engaged in the aware of any environment damaging in the activity (mean value=3.00;sd=1.268) in moderate level. This figure shows Zimilli Plant of DHGEDA involved in the aware of any environment damaging activity because almost around half of the respondents were agreed for the statement.

The respondents indicated that their company practice the following specific CSR issues to a lesser extent/low involvement. These specific issues are; the organization have an open dialogue with the local community in the company (mean=2.75; SD=1.169), offering training opportunity to the people from the local community in the company (mean=2.50; SD=0.939). In relation to dialogue with the local community 69.2 %(Frequency=36) of the respondents are disagreed. For the two statement i.e. offering training opportunity 69.2 %(Frequency=36) disagreed) and purchase of local raw materials inputs (76.9% frequency=40) disagreed).The deviation of the respondents on these low involvement areas of CSR by the company is relatively similar.

4.4. Discussion and Analysis of Results from Employees of the Company

4.4.1. Demographic Characteristics of the Respondents

Table4.5: Demographic characteristic of the respondents

SN	Demography		Frequency	Percentage
1	Sex	Male	50	83
		Female	10	17
		Total	60	100
2	Age	Below 20	3	5

		20-29	21	35
		30-39	23	38
		40-49	6	10
		Above 50	7	12
		Total	60	100
3	Marital Status	Single	23	40
		Married	37	60
		Total	100	100
4	Academic Position	Below Grade 12	-	-
		Grade 12 Complete	-	-
		Certificate	-	-
		College Diploma	11	20
		First Degree	42	70
		Masters	7	10
		PHD	-	-
		Total	60	100
5	Income Level	Below 2000	15	25
		2001-4000	12	20
		4001-6000	23	38
		Above 6000	10	17
		Total	60	100

Table 4.5 above shows demographic characteristics of the sample respondents by using frequency and percentage of response for each demographic characteristic of sex, age, marital status, income level, and academic position.

As observed from the table above, out of the total 60 respondents, male respondents were 50(83%) and the remaining 10 (17%) were female. The above table the dominant age groups, 23(38%) of the total respondents belong to the age group of 30-39 years, followed by 21(35%) respondents whose age group is 20-29 years, 7(12%) of the respondents above the age group 50 years and 6(10%) respondents included in the age interval of 40-49 years. The remaining age groups below 20 years and above of the study indicate 3(5 %).Majority of the respondents are Married which represent 40 % that is 23 people

out of 60 respondents. Meanwhile, 37 or 60 % respondents are single. The findings were as indicated in the Table 4.2 above out of 60 sample respondents include; 42 (70%) respondents are first degree holders, 11 college diploma holders of respondents cover (20%) of the total respondents. In addition the remaining 7(10%) are master holders. The last demographic factor explained in this section was monthly income levels of the re-spondents' in this study. It shows that generally 23(38%) of respondents earn 4000-6000 birr per month, 15(25%) respondents income is below 2000 birr, 12 (20%) included in the income level that range between 2001 birr-4000 birr and the remaining 10 (17%) which the lowest proportion of respondents earn monthly income of above 6000 birr. From this one can under-stand that majority of the respondent that 23(38%) earn 4000-6000 birr that show most of the respondents are found medium income level of the employees.

4.4.1. General Information about Corporate Social Responsibility

In this section of the analysis respondents asked to identify the extent to which they know concerning about the concept of CSR, important source of knowledge that respondents have towards the concept of CSR and the meaning of being socially responsible to the business organizations. The below table comprises the three basic questions in which that respondents are replied against. These are To what extent do you know concerning the concept of CSR?, What do you think the most important source of knowledge that you have towards the concept of CSR? And what do you think social responsibility means to the organizations?. The below has summarize the reply as follows.

Knowledge of Respondent towards CSR

Table 4.5: A Knowledge of Respondents towards CSR.

Items	Means	SD	I have No Idea	Have Only Little Knowledge	I participate Actively	Other	Total % and Freq		
			%& Freq	%& Freq	%& Freq	%& Freq			
To what extent do you Know concerning the concept of CSR?	1.97	0.688	23.3%	58.3%	16.7%	1.7%	100%		
			14	35	10	1	60		
Items	Means	SD	Partici pate in trainin g course	Partici pate in works hop	Researc h in the internet	From the differe d media	I have not been doin g any effo rt	Oth ers	Tota l% and Fre q
			%& Freq	%& Freq	%& Freq	%& Freq	%& Fre q	%& Fre q	
What do you think the most important source of Knowledge that you have towards the concept of CSR?	3.23	1.555	20%	16.7%	10.%	33.3%	13.3%	6.7%	100%
			12	10	6	20	8	4	60
Items	Means	SD	Partici pate in trainin g course	Partici pate in works hop	Researc h in the internet	From the differe d media	I have not been doin g any effo rt	Oth ers	Tota l% and Fre q
			%& Freq	%& Freq	%& Freq	%& Freq	%& Fre q	%& Fre q	
What do you think social responsibility means to the Organization?	3.23	1.555	20%	16.7%	10.%	33.3%	13.3%	6.7%	100%
			12	10	6	20	8	4	60

Grand Mean			2.81
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Source: Own survey

As illustrated in the above Table 4.5 the respondents asked whether they have basic knowledge concerning the concept of CSR. Based on the question the respondent chose their level understanding towards CSR concept. From 60 respondents 35 of them confirm that they have little knowledge about the subject of CSR which accounts to 58 %, which means respondents have some basic idea about the subject of CSR. 14 (23%) they have no idea about

the concept of CSR. The rest respondents which accounts to 10 (17%) think they are well aware about the CSR concept and consider it as the aim of business organizations. Generally from the above findings we can conclude that majority of employees have basic knowledge about the concept related to CSR activities in business organizations.

As shown Table 4.24 below the respondents give their opinion about the most important sources of CSR knowledge. Majority of respondents that is 20(33%) and 12 (20%) reply as they believe media and participation in training courses and/or seminars are the most important sources of knowledge respectively. In addition, still others which accounts to 10 (17%) and 6 (10%) respondents have an opinion that they got it through the participation in workshop and research in the internet respectively as most important sources for them.

To the other end, respondents who have not been doing any effort to gather knowledge on the subject matter of CSR concept are about 8(13%). Apart from this, 4(7%) respondents out of the total sample respondents have stated that their source of knowledge from other means. These include from relatives of individuals and still other groups of the respondent also mention books concerning in the issue of CSR. From the above finding one can understand that employees of the organizations can have different alternative to get information about the concept of CSR the most dominant sources are different media and participation in training courses and/or seminars.

As demonstrated in Table 4.6 the respondents asked to give their opinion about how social responsibility explained by the business organizations. The table shows us the

response rate of stakeholders about the meaning of CSR in the organizations. The most important meanings to the respondent that they agree best explain the social responsibility of business organizations is "to assume social and environmental care in organizations activities" with respondent rate of 39(27.5%), this means companies expected to consider the society in a way that benefit from their business operation as well as they should not harm the environment by their operation and "to promote equal opportunities between women and men in all levels." The other most important meaning of social responsibility is that around 38(26.8%) respondents believe creation of equal job opportunity without any discrimination in gender. In addition, respondents also believe it is integrating voluntary actions in the society by the business organizations, as replied by 28(19.7%) respondents from the total sample size. Others responses "to integrate ethics or develop an ethical code" and "to carry out the environmental legislation" believed most important meanings by the respondent group which accounts to 18(12.7%) and 15(10.6%) respectively. Moreover, 4(2.8%) respondents expressed their views that organizations which does not participating in socially harmful activities and work for cultural development as socially responsible.

In addition, to the above discussion that resulted from stakeholders survey companies also give their own explanation about the meaning of CSR. Organizations define this concept from their own point of view as it is the way by which business organizations meet the demand of the society and serving the society by solving their problems. Generally, the above discussion revealed that stakeholders think that philanthropic way explanations are more important to them.

4.4.3. Employees Level of Awareness towards Corporate Social Responsibility

At this section, awareness of the employees was assessed towards corporate social Responsibility. They were asked about different perspective of CSR. Results of their answer are discussed below in table 4.6.

Table 4.6: Employees Awareness towards CSR

Statement			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1.	Being as profitable as possible	Frequency	11	5	28	9	7	60
		%age	18	8	47	15	12	100
		Mean	2.93					
2.	Maintaining strong competitive position	Frequency	3	20	4	23	10	60
		%age	5	33	7	38	17	100
		Mean	3.28					
3.	Maintaining high level of operating efficiency	Frequency	-	5	24	13	18	60
		%age	-	8	40	22	30	100
		Mean	3.73					
4.	Be a law-abiding corporate citizen	Frequency	6	17	10	17	10	60
		%age	10	28	17	28	17	100
		Mean	3.13					
5.	Provide goods and services that meet minimal legal requirement	Frequency	7	5	9	30	9	60
		%age	12	8	15	50	15	100
		Mean	3.48					
6.	Perform with expectations of societal morals and ethical norms	Frequency	8	9	3	12	28	60
		%age	13	15	5	20	47	100
		Mean	3.73					
7.	Benefits and charitable expectations of society assist the fine and performing arts	Frequency	5	9	20	7	19	60
		%age	8	15	33	12	32	100
		Mean	3.43					
8.	Developing practical solutions in the organizations, on the environment management level	Frequency	-	7	3	22	28	60
		%age	-	12	5	37	46	100
		Mean	4.22					
9.	Developing solutions on Work & Life Balance for employees	Frequency	-	3	1	30	26	60
		%age	-	5	2	50	43	100
		Mean	4.32					
Grand Mean			3.58					

Source: Own survey

With regard to the first issue that deals with maximizing earnings per share that accounts 9 (15%) respondents agree on this issue , 5 (8%) disagree to consider maximizing earnings per

share as the important way to view CSR in the organizations, 28 (47%) are neutral to this item. The other group of respondents' accounts to 7 and 11 respond in the two extreme rates that are strongly agree and strongly disagree with the response rate of 12 % and 18 % respectively.

As far as maintaining strong competitive position expresses CSR in organizations, 23 (38%) agree and 10(17 %) strongly agree. Other respondents 4, 20 and 3 with response rate of 7%, 33% and 5% said neutral, disagree and strongly disagree respectively.

The table also shows the response rate on maintaining high level of operating efficiency 13, 18, 24 and 5, the response rate 22%, 30%, 40% and 8% says agree, strongly agree, neutral, disagree and strongly disagree respectively. To the item being as profitable as possible, maintaining strong competitive position and maintaining high level of operating efficiency with mean value of 2.93, 3.28 and 3.73 respectively have agreed that they are the ways by which CSR expressed in the organizations.

As shown in the table 17(28%) and 10 (17%) of respondents agree and strongly agree on the issue of be a law-abiding corporate citizen. It means respondents believe that it is important item to express CSR views in business organizations. In addition to those who agree on the issue, 10, 17 and 6 respond as neutral, disagree and strongly disagree with the response rates of 17%, 28% and 10% respectively. Almost 30(50%) and 9(15%) of respondents agree and strongly agree on the issue provide goods and services that meet minimal legal requirements respectively. Respondents also reply neutral, disagree and strongly disagree with the response rates of 15%, 8% and 12% include 9, 5 and 7 of the total respondents respectively. Provide goods and services that meet minimal legal requirements items with mean value of 3.48 considered important to views CSR.

In the above Table 4.7 also shows that 12(20%) and 28(47%) of respondents agree and strongly agree on the issue of performing with expectations of societal morals and ethical norms. Moreover, as illustrated in the above Table 4.26 response illustrated for the idea "benefits and charitable expectations of society aid the fine & performing arts", with response rate 7(12%), 19(32%), 20(33%) and 9(15%) which

represent agree, strongly agree, neutral and disagreement of respondents respectively. Generally, the two issues in this paragraph "benefits and charitable expectations of society aid the fine & performing arts" and "provide help to public educational institutions" with the mean value of 3.73 and 3.43 respectively agreed by respondents as the way by which CSR activities expressed

In relation with developing solution on work and life balance for employees most respondents, 30 (50%) of them agrees with the idea followed by 26(43%) which represented by strongly agree. The remaining 1 (2%) and 3 (5%) respondents fall on neutral and disagree with the idea. The mean value of these issues 4.32 shows to us that the respondents are well aware that these items can express CSR views in business organizations.

To sum up, the means for most of the CSR items listed in the study indicated towards the view that CSR expressed in business organizations. Most of them lie in the highest range (means ranging from 2.93 to 4.32), indicating that the sample of the employees surveyed perceived these as manifestation of CSR are fund significant and that the items are relevant to the Company. The other values to maximizing earnings per share, be a law-abiding corporate citizen, do not compromise ethical norms to meet corporate goals ethical behavior should go beyond compliance with laws, and provide help to the society.

They are nearly neutral to the stakeholders as they are important in express CSR activities to these companies or to say they are not important. Consistence with the above finding earlier research conducted in Nigeria by (Okpara & Wynn, 2012) also agreed that items included in the survey about economic, legal, ethical, and philanthropic responsibilities are essential for developing and continuing effective CSR programs.

4.4.4. Employee's perception towards Company's CSR activity

Under this section, the company's level of commitment towards CSR was studied with the eyes of employees. They were asked different questions from different perspectives that can describe CSR. The results and findings of this study were discussed as below individually.

A. Economic Perception

Table 4.8: Economic Components.

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total	
1.	The company is committed to being as profitable as possible	Frequency	-	2	14	9	35	60
		%age		3	23	15	59	100
		Mean	4.28					
2.	The company strives to maintain a strong competitive Position	Frequency	-	2	9	15	34	60
		%age		3	15	25	57	100
		Mean	4.35					
3.	The company strives to maintain a high level of operation efficiency	Frequency		7	13	9	31	60
		%age		12	22	15	53	100
		Mean	4.06					
Grand Mean			4.23					

Source: Own survey

In Table 4.8 offered the issue that defines stakeholders' perceptions on economic responsibilities of the company. Consequently the respondents on the issue to decide on importance of maximizing earning per share to shareholders of the organization, majority of the respondent 59% strongly agreed that the company is striving to increase its profitability as much as possible and 23% of them are neutral about the idea. Additionally 9% and 20% respondent's stands on agreed and disagreed with the idea respectively. Generally the mean value of the respondents indicates as 4.28. This can show that the employees were able to see the company's commitment towards profitability. This means that respondents consider this item as important to organizations to decide economic responsibility of organization CSR activities.

The following subject is in the economic responsibility of organization CSR activities is that the company's struggle to maintain strong competitive position.

Table 4.8 shows that 27% and 57 % of the respondents agree and strongly agree with the idea while the remaining 15% and 3 % respondents stays neutral and disagree with the point respectively. In In Conclusion

the response rate for this item have the mean value of 4.3.this respondents believe that the company is committed to keep up strong competitive position for the organization to meet economic responsibility for their stakeholders. This may because respondents believe that obtaining strong competitive position is an important source of high economic strength of the organizations, which is very useful in implementing CSR activities towards their stakeholders.

Based on the Table 4.8, 53% and 15 % of the respondents respectively agree and strongly agree with the organizations' level of commitment to keep up a high level of operating efficiency. This means respondents believed that maintaining a high level of operating efficiency is important and crucial to organization in achieving economic responsibility of CSR. 22% of them stay neutral about the point and only 12% of them disagree with it. The mean value of the respondents for the issue is 4.06.This means that employees were able to appreciate the commitment of the company on maintaining its operating efficiency.

To conclude the above results, it shows the three categories competition, operational efficiency and be as profitable as possible, gets high level of attention by the company. The reasons for the high degree of agreement among the respondents might be that they understand that the key to a successful corporation related to these economic responsibilities. So any successful CSR program by the business organizations highly depends on their competitive position and operation efficiency.

In addition to the survey result above the interview part of the study with managers of the company cover under this study also reviled that, the organizations is always striving to fulfill its economic goal in socially responsible way. The companies follow different ways to handle customer complain in their products. Most of them use reduction in price, return the product and substitute the defective product with the new one. Most of them stets that developing loyal relationship with the customer is the most fundamental thing to the long run business partnership between the company and customers. These companies also try to improve their product through

different ways. This finding is consistent with research study in Nigeria by (Okpara & Wynn, 2007), which shows economic responsibilities of CSR to make profits and enhance shareholder wealth are the main motives of the business organizations.

B. Legal perspectives

Table 4.9: Legal Components

Statements			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1.	The company always acts in a manner consistent with expectations of Government.	Frequency	11	25	8	12	4	60
		%age	18	42	13	2	7	100
		Mean	2.3					
2.	The company always tried to be a law- abiding corporate citizen	Frequency	4	12	10	28	6	60
		%age	7	2	17	46	10	100
		Mean	3.8					
3.	The company makes every effort to fulfill their legal obligations	Frequency	3	31	9	11	6	60
		%age	5	52	15	18	10	100
		Mean	2.76					
4.	The company provide goods/services that meet legal requirements	Frequency	6	8	8	28	10	60
		%age	10	13	13	47	17	100
		Mean	4.25					
Grand Mean			3.28					

Source: Own survey

According to the above Table 4.9 that clearly shows the respondents perceptions on legal components of CSR in Zemilli Plant of DHGEDA CO, which is one of important social responsibility of business organizations towards the stakeholders.

The first point in this survey table show that 42% and 18% respondents respectively disagree and strongly disagree that the company is doing business in the way consistent with government expectation is important. From this the respondents consider doing business with government expectation is important to carry out their CSR aim to stakeholders and society at large. To the other end 2% and 7% respondents respectively agree and disagree with the idea while the remaining 13 % stays neutral with the point. From the results of interview made with the managers of the company almost all of them describe that the company is acting accordingly with the rules and regulations of the government. This shows there is high level of discrepancy in the company. Weather the company is not complying with the rules or the employees were ant able to see it.

The other point in the legal responsibility of organization CSR activities is being law abiding citizen. At this point majority of the respondents which is 46% and 10% were agreed and strongly agree with the idea. To the other end 2% and 7% of them respectively disagree and strongly disagree with it. The remaining 17% of them stays neutral at this point. From this we can understand that the employees of Zemilli Plant of DHGEDA Co.C believe that their employer is law abiding citizen and involve in legal businesses.

The third issue in case of legal responsibility is fulfilling legal obligation. Regarding this, the greatest number of respondents 52% and 5% disagree and strongly disagree with the idea which means the company is not operating in its best ability to fulfill its legal obligation. Among the others, 15% of them stay neutral with it while the remaining 18% and 10% agrees and disagree with the point respectively. It is very important to fulfill their legal obligations to meet the legal responsibility of CSR activities by the organizations.

In line with this point, managers of the company were also asked about their opinion. From their answer, one can understand that the company is totally fulfilling its legal responsibility in terms of tax and many other different perspectives.

When we conclude this idea, the mean of employee's response is 2.76 which represents that the employees are not satisfactory with company's act and deeds in terms of fulfilling legal obligation.

Regarding the last point in this category which is providing goods and services that comply with legal requirements, 47% and 17% of respondents agree and strongly agree with it respectively. Among the others 18% are neutral while the remaining small proportion of the respondents disagrees with the idea. This shows that most of the respondents think that the company is providing lawful products and service to the society and customers.

In summary of the above discussions use to find out the stakeholders' perceptions on the legal components of CSR. Generally Table 4.9 shows that the respondents have different points in case of legal requirements. From the mean of the above table one can understand that fulfilling government requirements and legal obligations are not supported by the employees which is represented by 2.3 and 2.76 respectively. But in case of being law abiding corporate citizen and providing goods and services that comply with the legal requirements, the company is fully supported by most employees. It is represented by the mean of 3.8 and 4.25 respectively.

C. Ethical Components

The following Table 4.10 mainly deals about employee's view about ethical responsibility of the company. It is mainly described by four variables which are ethical norms and moral norms, which going beyond business organizations legal obligations and requirements to their stakeholders.

Table 4.10: Ethical responsibilities of employees

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total	
1.	The company always acts in a manner consistent with societal and ethical norms.	Frequency	-	18	14	24	4	60
		%age	-	30	23	40	7	100
		Mean	3.23					
2.	The company prevents ethical norms from being compromised in line with	Frequency	10	12	15	14	9	60
		%age	17	20	25	23	15	100
		Mean	3					

	achieve corporate goals.							
3.	The company tries to do what is expected morally or ethically.	Frequency	-	18	14	24	4	60
		%age	-	30	23	40	7	100
		Mean	3.23					
4.	The company knows that ethical behavior goes beyond simple compliance with laws and regulations	Frequency	1	26	12	17	4	60
		%age	2	43	20	28	7	100
		Mean	2.95					
Grand Mean			3.10					

Source: Own survey

The first point in the above table shows asks the respondents if they thought the company is running in a manner that consistent with societal ethical norms. Among them greatest number 40 % agree with the idea followed by 30% of them who represents Disagree about the concept. The remaining 23% and 7 % stays neutral and strongly agrees with the point. This indicates that most of the respondents agree on importance of ethical norms to carry out organizations CSR goals. This may because of high value that the society gives to the moral norms. Managers of the company were also asked about the point on the interview. They confirm that the company is striving to understand the point out and respect the societal ethical norms that should be respected by everyone around Zemilli Plant of DHGEDA Co. as a legal person, it is expected to support these norms in order to comply with the answer for this issue as it is important to go organization with ethical norms of the society. No respondent is available to strongly disagree with the concept.

The other point in the table asks the respondents if they think that the company is achieving its corporate objective without compromising the ethical norms. Majority 25% of the reply reaches on neutral followed by 23% and 20% represented by agree and Disagree about the concept. The two extremes which are strongly agreed and strongly disagree are represented by the 15% and 17%. This belief may result from the emerging concept of the modern business environment organizations should critically look after to the moral requirements by their stakeholder beyond performing traditional business operation that is generating profit.

The third item on the same table shows that 40% and 30% of the responses lie in two contradicting points which are agree and disagree about the company's trial to do what is expected morally and ethically. Of the remaining points 23% of them lie on neutral and 7% of them strongly agreed with the idea. From this one can understand that the company is working on the ways that respect moral and ethical standards of the society.

Finally, respondents were asked if they think that the company knows that ethical behavior goes beyond respecting rules and regulations. Among them, 43% respondents don't think that the company is aware of this point which is supported by 2% who vote strongly disagree. To the other end 28% of the respondents think that the company is well aware of it which is supported by 7% of the remaining respondents with the vote of strongly agree.

When we generalize the results of table 4.29 based on their mean the company is in moderate situation in terms of ethical responsibility which is represented by 3.23, 3, 3.23 and 2.95. But still the company is expected to amend its policy and procedure especially in case of respecting societal norms and ethics. Majority of the respondents indicated that recognizing about societal ethical and moral norms of the society with the mean value 4.14 is responsibility of the corporations and part of CSR activities.

The interview conducted with the managers about implementation of ethical responsibilities by their business organizations indicates that there is no formal code of conduct designed by the company which helps to respect societal norms and ethics. The managers were also asked if there are any follow up mechanism used by the company to control the acts of its employee. There should be some proper procedure that helps the employees and the society to complain about wrongful acts of the company. According to the managers the company doesn't have these procedure and mechanisms but planning to have in the future.

D. Philanthropic responsibilities

Under this section the results get from the respondents which represent the employees in relation with philanthropic responsibility of the company. This section

includes charity to the society, supporting arts, helping public educations and helping projects that help to reduce poverty. The results were discussed as below.

Table 4.11: Stakeholders' Perceptions on Philanthropic Components of CSR in Business

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total	
1.	The company always acts in a manner consistent with philanthropic and charitable expectations of society.	Frequency	12	24	16	6	2	60
		%age	20	40	27	10	3	100
		Mean	2.37					
2.	The company strives to assist the fine and performing arts.	Frequency	4	30	17	8	1	60
		%age	7	50	28	13	2	100
		Mean	2.53					
3.	The company provides assistance to private and public educational institutions.	Frequency	29	10	1	17	3	60
		%age	48	17	2	28	5	100
		Mean	2.25					
4.	The company assists projects that enhance a community's "quality of life" and poverty alleviation.	Frequency	-	24	19	4	13	60
		%age	-	40	32	7	21	100
		Mean	3.1					
Grand Mean			2.56					

Based on the results in the above table, most respondents which are (40%) disagree with the idea that indicates the company is acting in a way that meets the expectation of the society in terms of charity followed by 27 % of them that chooses to stay neutral. Among the remaining respondents 20% of them supports the majority of the respondents by putting their choice to the extreme which is strongly disagree. To the other end 10% and 3% of the respondents agreed and strongly agree with the idea respectively. In other words, organizations should have high involvement in charitable and philanthropic expectations of the society in which they perform their

business activities. From this we can understand that the company is not working in ways that meet the customer's expectation.

Regarding help to the fine and performing arts, findings show 50% and 28% respondents choose disagree and neutral among the alternatives respectively, societies around the company expect it to give sponsorship and incentive for those who do artistic activities. But from the above result we can understand that the company is not doing well at this point. To the other end 13 % and 2 % of the respondents agreed that the company is trying to support and give incentive to the society.

Educational institutions plays vital role for both the society and the company. It is the main source of professionals for different organizations. Most companies are expected to support the surrounding educational institutions as a main component of CSR. Employees of Zemilli Plant of DHGEDA Co. were asked if they know about any activity of the company that supports the surrounding community. Among the respondents, 48% strongly disagree with the idea while 28% of them agree with it. From the remaining respondents 17% of them disagree and support the idea that the company is not supporting educational institutions. Small portion of the employees which is 5% and 2% lies on agree and neutral respectively. In conclusion, from the result one can understand that the company is not giving enough attention to the society in case of helping educational institutions.

The final issue of the Table 4.30 deals about the employee's opinion if they know any activity of the company for supporting projects that enhance a community's "quality of life" and poverty alleviation". 40% of them are not aware of any works of the company about the issue and disagree with the idea. This show that most of the respondents think that the company is very weak in assisting projects that enhance a community's "quality of life" and poverty alleviation is important philanthropic responsibility of the CSR activities of the organizations. 32 % of the remaining respondents choose to stay neutral about the point. To the other end 7 % and 21% of the respondents agree and strongly agree with the idea of supporting projects that intend to alleviate poverty. To meet their important goal of profitability business organizations expect to expand and keep up their profitability throughout the time as

they believe the purpose of business is business, but beyond these thinking business organizations should serve the society from which all their production and revenue come.

When we summarized the above table based on their mean result, they are revolving around the average ranges between 2.25 and 3.1. From this one can understand that the company is very weak in terms philanthropic. Among the components of CSR, philanthropic plays greater role for the company’s relationship with the society. Giving training opportunity to the local community is the other responsibility that modern business organizations assume in parallel with their achieving their corporate objectives.

Based on the results get from managers of the company, they admit that the company has problem in relation with philanthropic components. Of course there are some supports and charity activity made by the company to the society and customers but as we can see from the above results, it is not enough and needs to be improved.

4.4.5. Employees Perception towards the Importance of CSR for the Company

The importance levels in implementing of CSR responsibility in organizations is show using four components of CSR. These components of CSR include economic responsibility related

to profitable (provide investment, create jobs, and pay taxes etc.), legal responsibility include obey the law, ethical responsibility related to doing of business (adopt voluntary codes of governance and ethics) and philanthropic responsibility be a good corporate citizen (set aside funds for corporate social/community projects). In this section respondents asked to rank the above issues depicted using tables.

Table: 4.12. Importance of CSR Responsibility (components)

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total

1	Economic responsibilities	Frequency	-	12	17	14	17	60
		%age	-	20	28	24	28	100
		Mean	3.6					
2	Legal responsibilities	Frequency	13	-	7	20	20	60
		%age	22	12	33	33	100	22
		Mean	3.56					
3	Ethical responsibilities	Frequency	-	16	8	7	29	60
		%age	-	27	13	12	48	100
		Mean	3.82					
4	Philanthropic responsibilities	Frequency	3	13	1	3	40	60
		%age	5	22	2	2	66	100
		Mean	4.07					
Grand Mean			3.76					

Source: Own survey

A. Economic Responsibility (Components)

According to the above Table 4.12, 28 % and 28% of respondents that represent employees of the organization thought that economic responsibilities are very important and neither important nor unimportant respectively. The remaining 24% and 20% of the respondents thought that economic responsibilities are important and not important. From this we can understand that the company needs to fulfill its economic responsibilities for its success. This means respondents believed that it is important and crucial to the organizations achieving economic responsibility of CSR which considered as a fundamental part of CSR.

B. Legal Responsibility (Components)

The same table above also shows that 33% and 33% of respondents of the total sample answered as important and very important for legal responsibility respectively. This indicates that majority of the respondents think the legal

responsibility of CSR is important to the organizations, to meet their important corporate goals of business organizations. They expect to respect and obey the law of federal, regional state and local laws. Few respondents 22% also think that the legal responsibility of business organizations is not at all important CSR activities, as it should totally on voluntary basis. The remaining 12% respondents were neutral to this diminution of CSR.

C. Ethical responsibility (components)

Table 4.31 also describes about the importance of ethical responsibility to the organization CSR activities. Most respondents of this study (48%) think that components of ethical responsibilities are very important for the organization in attain the CSR goals supported by 12% of them as it is important. 27% of others among the remaining respondents believe that it is not important. The remaining 13 % of them stays neutral about its importance. From this one can understand that most employee respondent believe that ethical responsibility is important implemented by the business organizations. Ethics is important for narrowing the gap between the legal business activity and the reality exist in the society.

D. Philanthropic responsibility (components)

In relation with philanthropic responsibility of the organization, 66% of the respondents believe that it is very important to have it as strategies that are also supported by 2% of the total respondents saying it is important. In modern way of conducting business companies require to perform activities beyond their corporate mission that are useful to the stakeholders. However, there are also few respondents who consider philanthropic responsibilities as not important and not at all important for them with response rate of 22% and 5% respectively. The remaining 2% of the respondents stays neutral on this point. These respondents believed that the purpose of business is business.

The above table can be summarized as follows based on its Mean value. The higher values from the components are 4.07 which represent philanthropic responsibility of the organization. This means that respondents relatively believe the part is highly important in determining of CSR activities by business organizations to their stakeholders. Philanthropic responsibility followed by ethical responsibility which is

represented by the mean of 3.82. The remaining economic and legal responsibilities take the remaining rank by the mean of 3.63 and 3.56 respectively.

4.4.6. The Pay Back or Benefit to Socially Responsible Organizations

Table 4.13: Organization Pay Back In Implementing CSR (Social or Environmental Efforts)

Items	Means	SD	Yes,by decreasing production cost per unit	Yes,by adding value to product	Both,decreasing production cost unit and adding value	Yes,by improving company image in general	No,I don't expects CSR efforts to pay back	Total % and Freq
Do you expect that organization's CSR (social or environmental efforts) activates to pay back or give benefit to the organization?	3.55	0.811	0	20%	5%	75%	0	100%
			0	12	3	45	0	60
Grand Mean			3.55					

Source: Own survey

The above table describes about the pay back of CSR activity to the organization itself. Respondents from the representatives of employees were asked if they believe that the company's CSR activity bounce back for the organization and help itself through different forms. 75% of them think that it helps the company through developing its image in general. 20 % from the remaining respondents think that the company's act on CSR will help it through adding value to its products. The remaining 5% of the respondents thought that it will help through both decreasing cost of production and increase values of the products.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This final chapter focuses on conclusion and recommendations. First, summary of the main findings followed by results of the study were discussed. Then recommendations on what should be done were furthered.

This study was conducted in Zemilli Plant of DHGEDA Co. with the general objective of assessing the effect of CSR on the attitude of its stakeholders. Questionnaire and interview were the main source of data for this study. The questionnaires were developed in to three types for the community, employee and customers of the company while the interview is made with managers of the company.

By way of achieving the specific objectives of the study the general objectives were addressed briefly. The major results of this study were discussed as follows.

5.1. Summary of Major Findings

- Customers 87% mean=3.09 and the surrounding community 62% mean=3.06 feel that they are safe with the products and plant of Zemilli Plant of DHGEDA Co.. However, based on the response rate there are some reservations put by them that needs to be improved. This clearly backed by response from customer and community that they thought the company is not striving to improve the quality of its products and services.
- In order to get some feedback from the external customers and community, compliant management plays greater role for the organization. Results of this study show that there is no proper compliant management system developed by the organization that encourage those who need to forward some ideas. 63% of

employees responded that they don't believe their company has relevant and reliable compliant management program.

- In relation with discretionary responsibility of the organization, charity and environmental protection are the major ones especially for its relationship with the customers and community. Based on the responses got from the customers and community of the organization, the company seems not providing enough support for charity and also not intensively involves in environmental protection activities. It is found that the company has no bonded or glued relationship with customer and community in relation to corporate social responsibility.

- Small businesses and enterprises around the company expect Companies to support them in relation to product discount and to be counted as one of Zemilli Plant of DHGEDA Co. product dealer. They also need to get training opportunities from the company from different perspective. Based on the responses get from the surrounding community, Zemilli Plant of DHGEDA Co. is not helping them as they need in both cases.

- Majority of the employees (60%) mean=2.81 have little knowledge about the concept related to CSR activities. Of course, the concept CSR is new, but since it is vital or important it needs to be understood by the employees.

- Employees were also asked if they can rate the importance of the four components of CSR. Overall mean of 3.76 indicate that Philanthropic responsibility takes the first place followed by ethical responsibilities. Economic and legal components of CSR take the third and fourth place respectively. Whereas the perceptions of employees towards their company's CSR activity mean=3.29 shows in four components are economic and legal components takes the lead followed by ethical and philanthropic responsibilities. It is only 40% of the customer and 52 % of the community known that Zemilli is engaging in a structured Corporate Social Responsibility programs. 40% of the employees disagree with the idea that indicated the company is acting in a way that meets the expectation of the society. Providing full information about CSR activities of business organizations to their stakeholders is important. This

creates clear understanding between organization and stakeholder about CSR which in turn will count on company good will and business update dynamism.

- The pay back that needs a company to act in a socially responsible way differs from company to company. The stakeholders include improving organization image and decrease production cost and adding value. If company consider as "socially irresponsible", customer and community can make influence through not buying the product and shifting to other products.

5.2. Conclusion

Though it is very encouraging out come to be known as “ Safe to consume “,which almost all the stakeholders agree with now, it is imperative to make sure this will sustain forever. One of the important parameter that would guarantee long lasting best quality of the product is to have a proper quality improvement program in place in to the routine business operation.

Needless to know to what extent the Management of DHGEDA CO. has given attention to its quality improvement Programme, more than half of the employee’s don’t recognize their company activity in relation to its improvement program. This will not give confidence and grantee for the sustainability of the current achievement.

Besides the above point on the quality improvement program, it is also observed that the company has unfastened compliant management in its operation. The company has no relevant and reliable compliant management program.

It is observed and recorded in the interview session of this research very few members of the top management employees confirmed that there are social and philanthropic functions carried out by Zemilli Plant of DHGEDA Co..such us Water for life program for the community, Effluent water Treatment Project (ETP), Waste water Treatment Project (WTP), Sponsorship cycle sport etc . Even though some of the above functions are not hidden from the public arena, neither the customer nor the community boldly confirms that these engagements are adequately executed by

Zemilli Plant of DHGEDA Co, in such a way that meets the stakeholders' expectation. However almost next to nothing is known by major stakeholders.

Amongst the basic classification of corporate social responsibility categories, employees concluded that the company is not doing well in its social and philanthropic responsibilities despite the fact they know the above mentioned responsibilities are more important to the company than the other two categories that is economic and legal.

5.3. Recommendations

To build the customer's and society's confidence towards the company's image, it is better to improve the quality of its products and services and also highly participate on environmental protection activities around the company. For any news or improvements, it is better if the company establish a formal network to inform the customers and the community about it.

This can be done through:-

- Different advertisements and sales campaigns in due respect the norms and ethics of the society. It will help the company to build good image on the stakeholders mind and show the company's commitment level towards different perspectives and so help understand each other
- Bi-yearly community engagement program such as celebrating the tree planting day, annual sporting events day, etc.
- Quarterly distributors and key account meetings day, on customer and consumer activation programs etc.

With regard to compliant management of the company, it is important to develop clear system as to how the complaints are being addressed in DHGEDA. It is such an important tool that the company keeps the track of its quality and service alignment with its consumers and customers. DHGEDA has modern quality testing laboratory in its production facility. However it is not clear how complaints are being received,

picked and channeled to the concerned body whoever part of DHGEDA and due processed and reverted back based on the process outcome. It is recommended to restructure the functional unit in a way that any sort of complains are gathered, processed and change to action to improve its consumer satisfaction. The researcher recommend that this can be done under customer service section with the title “Customer Complaint Manager” which will operate in a simple single counter table equipping with proper format so that complaints can be flowing and pouring to the concerned function. At this stage it is also possible to make opt computer application programs to fast track and efficiently manage the issues day by day or case by case depending on the number and complexity of complains.

Adequate attention by the company Shareholder that leads to come up different social programs together with the stakeholder’s participation that zoom & focus only on societal responsibility function should be in place as earliest possible. This will be done by delegating few members of the management and employees, workers union representatives, community leaders, etc. The committee will pledge the program through brainstorming the current challenges, trends and opportunities and landed at a firm program that will alleviate or help alleviate one of the society or community challenge with affordable resource. It is clear that this will not be easy & takes some days and weeks to implement, but regularly follow up and do communication to stakeholders is critically important to the success of proposed CSR. Even if it is judged by stakeholders that company’s engagement in CSR is minimal, it doesn’t seem that there is a mechanism that stakeholders clearly know what is being carried out by the company in relation to CSR. Thus there must be a communication channel that cascades information and updates across and down up to the shop floor level. This can be done through the local intranet communication, notice board announcement, or through bi-monthly in house magazine.

Extending intensive workshop or training programs to the employees scoping around CSR how it works in modern world, in Ethiopia and in different organizations will increase the level of knowledge that the employees have on CSR. This can also be

given along with different trainings or can be done through small gatherings like cookies and cake club in the organization so that employees can have access to grasp what CSR means.

Finally, to perform CSR activities satisfactorily, Zemilli is expected to be more serious on their day by day CSR function and should incorporate CSR as one of its main objective to be accomplished. This can be manifested though:

- AdisSeferWondimamachochTenaHibret
- Bole KifleKetemaWereda 8 HealthCenter
- Care for Children and Elders (LocalNGO)
- Yeka PoliceStation
- Mekedonia (LocalNGO)

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Appendixes

JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MANAGEMENT
MBA PROGRAM

Questionnaire Completed by EMPLOYEES OF THE ORGANIZATION

INTRODUCTION

Dear respondents, this questionnaire, is designed for the purpose of doing a research entitled “Assessing Application of Corporate Social responsibility in Zemilli Plant of DHGEDA Co.” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

This questionnaire will help the company think about its effort towards social responsible business activities by raising questions on the possible ways organizations could improve their business in a profitable and sensible manner to their stakeholders. The questionnaire will also help organization to identify further actions they can take to strengthen their business, its reputation and performance through socially responsible activities. Thus, you are kindly requested to answer the questions honestly and you are assured that your responses will be treated confidential and used for only academic purpose.

I thank you for your cooperation!

With Regards

Henok Habte

General Instruction

- Do not write your name in any part of the questionnaire
- Your frank response is vital for the success of the study
- Give a short and precise answers for questions followed by a blank spaces

Part I. Background Information

- Please put a “Y” mark on your choices

1. Sex Male Female

2. Age group

- | | |
|-------------------|-----------------|
| A. Below 20 years | D. 40-49 |
| B. 20 – 29 | E. 50 and Above |
| C. 30 --39 | |

3. Marital Status: Single I-----1 Married

4. The highest level of education you achieved

Below grade 12 I I

12th Grade complete I I

Certificate 1^

College Diploma

First Degree Masters

Third Degree (PhD) I I

5. What is your monthly income?

A. Below 2,000 birr -----

B. Birr 2,001 - Birr 4,000

C. Birr 4,001 - Birr 6,000

D. above Birr 6,001

PART II: Main body of the Questionnaire

1. To what extent, do you know the concept of Corporate Social Responsibility (CSR)?

I have no idea of what it is

I have only little knowledge about the subject

I participate actively on it and it is an aim to the organizations

Please specify if there is other:

2. What do you think the most important source of knowledge that you have towards the concept of CSR?

Participation in training courses and/or seminars

Participation in workshops

Research in the Internet

From different Medias

I have not been doing any effort on the matter

Please specify if there is other:

3. What do you think social responsible means to the organizations? Select the most important one among the alternatives

To accomplish the environmental legislation

To integrate volunteering actions

To promote equal opportunities between women and men at all levels

To integrate ethics or develop an ethical code

To assume social and environmental care in organizations activities

Please specify if there is other: _____

4. Employees level of awareness towards corporate social responsibility (CSR).

Response range: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly

agree

No	Variables	1	2	3	4	5
1	Being as profitable as possible	1	2	3	4	5
2	Maintaining strong competitive position	1	2	3	4	5
3	Maintaining high level of operating efficiency	1	2	3	4	5
4	Be a law-abiding corporate citizen	1	2	3	4	5
5	Provide goods and services that meet minimal legal requirements	1	2	3	4	5
6	Perform with expectations of societal morals and ethical norms	1	2	3	4	5
7	Do not compromise ethical norms to achieve corporate goals ethical behavior should go beyond compliance with laws	1	2	3	4	5
8	Doing what is expected morally or ethically	1	2	3	4	5
9	Benefits and charitable expectations of society assist the fine and performing arts	1	2	3	4	5
10	Provide assistance to private educational institutions	1	2	3	4	5
11	Provide assistance to public educational institutions	1	2	3	4	5
12	Developing practical solutions in the organizations, on the environment management level	1	2	3	4	5
13	Developing solutions on Work & Life Balance for employees	1	2	3	4	5
14	Give voluntary and charitable activities to local communities	1	2	3	4	5

5. What are the perceptions among stakeholders on corporate social responsibility (CSR) components in business organizations?

Response range: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree

No.	Variables	1	2	3	4	5
Economic responsibilities (components) of CSR						
1	The company is committed to being as profitable as possible	1	2	3	4	5
2	The company strives to maintain a strong competitive position	1	2	3	4	5
3	The company strives to maintain a high level	1	2	3	4	5

	of operating efficiency					
4	The company believes that its success described as being always profitable.	1	2	3	4	5
Legal responsibilities (components) of CSR						
1	The company always acts in a manner consistent with expectations of Government.	1	2	3	4	5
2	The company strives to comply with various Federal, regional laws and regulations	1	2	3	4	5
3	The company always tried to be a law-abiding corporate citizen	1	2	3	4	5
4	The company makes every effort to fulfill their legal obligations.	1	2	3	4	5
5	The company provide goods/services that meet legal requirements	1	2	3	4	5
Ethical responsibilities (components) of CSR						
1	The company always acts in a manner consistent with societal ethical norms	1	2	3	4	5
2	The company always recognize and respect societal ethical moral norms	1	2	3	4	5
3	The company prevents ethical norms from being compromised in line with achieve corporate goals.	1	2	3	4	5
4	The company tries to do what is expected morally or ethically.	1	2	3	4	5
5	The company knows that ethical behavior goes beyond simple compliance with the law and regulation	1	2	3	4	5
Philanthropic responsibilities (components) of CSR						
1	The company always acts in a manner consistent with philanthropic and charitable expectations of society.	1	2	3	4	5
2	The company strives to assist the fine and performing arts.	1	2	3	4	5
3	The company participate in voluntary and charitable activities within their local communities	1	2	3	4	5
4	The company provides assistance to private and public educational institutions.	1	2	3	4	5
5	The company assists projects that enhance a community's "quality of life" and poverty alleviation.	1	2	3	4	5

6. Importance of CSR responsibility (components).

In implementing CSR, how important is each of the following CSR responsibility or components dimensions to you? Use the scale 1 - 5 to answer, where:

- 1. Not-at-all important
- 2. Not important
- 3. Neither Important nor Unimportant
- 4. Important
- 5. Very Important

No	Variables Component (Responsibility)	Circle Only one Option in 1-5				
1	Economic responsibilities	1	2	3	4	5
2	Legal responsibilities	1	2	3	4	5
3	Ethical responsibilities	1	2	3	4	5
4	Philanthropic responsibilities	1	2	3	4	5

7. Do you expect that organization's CSR (social or environmental efforts) activates to pay back or give benefit to the organization?

Yes, by decreasing production cost per unit

Yes, by adding value to products

Both, decreasing production cost unit and adding value

Yes, by improving company image in general

No, I don't expect CSR efforts to pay back

8. Do you think that Zemilli Plant of DHGEDA is strictly obeys the law in any aspects of the business

Yes

No.

9. Please circle the number you think is suit to your perception

Response range 1- Strongly disagree, 2- Disagree 3- Neutral 4- Agree 5- Strongly Agree

No.	Characteristics	Circle Only one Option in 1-5
-----	-----------------	-------------------------------

1	Does the company promote honest/ethical employee behavior?	1	2	3	4	5
2	Does the company have commitment to safe place workplace ethics?	1	2	3	4	5
3	Does the company protect employee from any sort of harassment?	1	2	3	4	5
4	Does the company provides/pays portion of medical and education due by employees	1	2	3	4	5
5	Does the company categorized as employee friendly/courteous/responsive?	1	2	3	4	5

10. Do you find it important to inform stakeholders about company's CSR activity?

Yes

No

Why?

11. Is there any further information that you consider valuable to the company's application of "CSR"?

Thank you again for your cooperation!!

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SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MANAGEMENT
MBA PROGRAM

Questionnaire completed by Consumers

INTRODUCTION

Dear respondents, this interview checklist, is designed for the purpose of doing a research entitled “Assessing Application of Corporate Social responsibility in Zemilli Plant of DHGEDA” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

This questionnaire will help the company think about its effort towards social responsible business activities by raising questions on the possible ways organizations could improve their business in a profitable and sensible manner to their stakeholders. The questionnaire will also help organization to identify further actions they can take to strengthen their business, its reputation and performance through socially responsible activities. Thus, you are kindly requested to answer the questions honestly and you are assured that your responses will be treated confidential and used for only academic purpose.

I thank you for your cooperation!

Do you agree to take part in this survey?

[1]Yes

[2]No

1. What is your gender

A. Male

B. Female

2. What is your responsibility in the house hold

A. Father

C. Children

B. Mother

D. Other (specify)

3. Age

- A. 18- 28 C. Above 39
B. 29-39

4. Are you

- A. Employed C. Unemployed
B. Self-employed D. Student

5. If employed what is your monthly income(family income)

- A. <2000 C. 4001-6000
B. 2001-4000 D. Above6,000

Section 3: Consumption

1. Do you trust Zemilli Plant of DHGEDA Co. products are safe to consume?

- A. Yes B. No

2. If No, please specify in what condition the product is unsafe?

3. Does Zemilli Plant of DHGEDA quickly respond and address to consumer problems?

- A. Yes B. No

4. Do you see Zemilli Plant of DHGEDA strive to improve the quality of its product?

- A. Yes B. No

5. Do you know of any corporate and social responsibility initiatives of Zemilli Plant of DHGEDA?

- A. Yes B. No

6. If yes, which actions of the company do you aware?

Donation to organizations having social or environmental utility ^ ^

Sponsorship of sport and cultural events Q]

Cause Related Marketing campaign |

Partnership projects of social solidarity

Corporate foundation ||

Corporate voluntary | •

None |

Other, specify

7. Do you think the advertisements of the company are made in a socially responsible way?

- A. Yes B. No

8. If No, why -----

9. Do you know any social development/donation activity of the company?

- A. Yes B. No.

10. If yes, please specify-----

11. Do you know of any environment damaging activity of the company?

- A. Yes B. No

If yes, please specify-----

12. Do you aware of any unethical behavior of the company?

- A. Yes
B. No

If yes, please specify-----

13. Which one of the below do you know Zemmil Plant of DHGEDA is currently working on.

- A. Gives employment opportunity to the community I I
- B. Initiative to use environmental friendly packaging
- C. Maintains waste reduction and management program | ^
- D. Partnership projects of social solidarity I I
- E.Utilize recycle materials

I

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Questionnaire completed by the community

INTRODUCTION

Dear respondents, this interview checklist, is designed for the purpose of doing a research entitled “Assessing Application of Corporate Social responsibility in Zemilli Plant of DHGEDA” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

This questionnaire will help the company think about its effort towards social responsible business activities by raising questions on the possible ways organizations could improve their business in a profitable and sensible manner to their stakeholders. The questionnaire will also help organization to identify further actions they can take to strengthen their business, its reputation and performance through socially responsible activities. Thus, you are kindly requested to answer the questions honestly and you are assured that your responses will be treated confidential and used for only academic purpose.

I thank you for your cooperation!

Do you agree to take part in this survey?

[1] Yes [2] No

Section 2: Demographics

1. What is your gender

A. Male

B. Female

2. What is your responsibility in the house hold

A. Father

C. Children

B. Mother

3. Age

- A. 18-28
- B. 29-39

4. Employment Status

- A. Employed
- B. Self-employed
- C. Unemployed
- D. Student

5. If employed what is your monthly income(family income)

- A. Less than 2000
- B. 2001-4000
- C. 4001-6000
- D. Above 6001

Section 3: Main body

14. Do you trust Zemilli Plant of DHGEDA Co. is safe for the surrounding community?

- C. Yes
- D. No

15. If No, please specify in what condition the company is unsafe.

16. Does Zemilli Plant of DHGEDA quickly respond and address to communities problems?

- A. Yes
- B. No

17. Do you aware of any corporate and social responsibility initiatives of Zemilli Plant of DHGEDA?

- A. Yes
- B. No

18. If yes, which actions of the company do you aware?

- A. Donation to organizations having social or environmental utility I__
- B. Sponsorship of sport and cultural events around the community ||
- C. Cause Related Marketing campaign Q I
- D. Partnership projects of social solidarity
- E. Corporate foundation Q |
- F. Corporate voluntary ^ |
- G. None C I
- H. Other

19. Do you think the advertisements of the company are made in a socially responsible way?

- C. Yes
- D. No

20. If No, why -----

21. Do you know any social development/donation activity of the company around the community?

- C. Yes
- D. No.

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Interview Questions for Top and Middle level Management

INTRODUCTION

Dear respondents, this interview checklist, is designed for the purpose of doing a research entitled “Assessing Application of Corporate Social responsibility in Zemilli Plant of DHGEDA” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

This questionnaire will help the company think about its effort towards social responsible business activities by raising questions on the possible ways organizations could improve their business in a profitable and sensible manner to their stakeholders. The questionnaire will also help organization to identify further actions they can take to strengthen their business, its reputation and performance through socially responsible activities. Thus, you are kindly requested to answer the questions honestly and you are assured that your responses will be treated confidential and used for only academic purpose.

I thank you for your cooperation!

With Regards

1. What is your position in the company?
2. Do you know about of CSR?
3. What could be the main reason for your company to engage in corporate social responsibility (CSR)?

A. Economic

1. What procedure does your organization use to respond to every customer complaint?
2. Does the organization continually improve the quality of the products?
3. How can your organization strive to lower its operating cost?
4. Does the organization closely monitor employees’ productivity?

B. Legal

1. Does your company pay tax without any interruption and timely?
2. Are managers of the organization informed about relevant environmental laws?
3. Do your company’s products meet the legal standards?
4. Does your organization always honor contractual obligations?

C. Ethical

1. Does your business organization have a formal code of conduct?
2. Do top managers monitor the potential negative impacts of activities on community?

3. How do you explain fairness toward co-workers as an integral part of your employee evaluation process?
4. Is there any confidential procedure for employees to report any misconduct at work (such as stealing or sexual harassment)?
5. Are salespersons and employees required to provide full and accurate information to all customers?

D. Discretionary or philanthropic

1. How do you see the salary scale of your organization as compared to the industry average?
2. Does your business encourage employees to join civic organizations that support the community?
3. Do you have flexible company policies that enable employees to better coordinate work and personal life?
4. Does your business organization give adequate contributions to charities?
5. Does your business support local sports and cultural activities?

Other information

Does your company formally adhere to one of the following initiatives/ standards/ indexes in the fields of environment, social and human rights, or is planning on doing so?
ISO 14001 ISO 9001 ISO 26000

Specify if there is others _____