



St. Mary's University
School of Graduate Studies

**Corporate Social Responsibility in Metal and
Engineering Corporation of Ethiopia (METEC)**

Submitted as Partial Fulfillment of Degree of Master of Business Administration

By

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June 2016

Addis Ababa

St. Mary's University
School of Graduate Studies

**Corporate Social Responsibility in Metal and
Engineering Corporation of Ethiopia (METEC)**

A Thesis Submitted to St. Mary School of Graduate Studies

*In Partial Fulfillment of the Requirements for the Degree of Master of Business
Administration (MBA)*

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Declaration

I, Helen Eskinder ID No. SGS/0509/2007A declare that all sources of materials used for writing of this thesis has been acknowledged. I confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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List of Abbreviations

- CSR-Corporate Social Responsibility
- SR-Social Responsibility
- METEC-Metals, Technology and Engineering Corporations
- GTP-Growth and Transformation Plan
- FDRE- Federal Democratic Republic of Ethiopia
- R&D- Research and Development
- CA-Company A-METEC Head quarter
- CB-Company B- Bishoftu Auto motives
- CC-Company C- Gafat Engineering
- CD-Company D- Hibret manufacturing
- CE-Company E-Power Engineering
- CF-Company F- High tech Industry

Abstract

This is a research prepared for academic purpose in title “Corporate Social Responsibility in Metal and Engineering Cooperation of Ethiopia.” With this the practices and challenges of Corporate Social Responsibility (CSR) in METEC is investigated in consideration to national policies and directions in balancing the needs of public enterprises with societal and environmental situations. The researcher aimed to find out the practical situation and enhance CSR to be implemented in sustainable manner by providing recommendations on how CSR can improve corporate reputation and performance of METEC after identifying the truth on the ground. In order to have rational and ethical conclusion, the study would conduct scientifically determined and selected sample populations and other methods to assimilate and analyze data that pave the way to reach the why of this study.

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Corporate Social Responsibility (CSR) enables all entities to pass through well-regarded interaction with the society and environment thereby, fulfilling their comparable advantage in win-win settings. Since the appearance of this argument socially responsible business undertakings have been establishing and visibly materializing the collided benefits with their surroundings. Countries have ratified the regulatory issues of CSR as a key component of development. Other factors remaining constant, breakdown of the rule on CSR concurrently be a source to distorted development. The impacts of CSR response and performance are principally but not exclusively external to the company that means in the economy, society and ecology of the surrounding episodes (European Union, 2000).

Further to these public and private enterprises' social responsibilities, different nations have tied the role of these enterprises to be in line with national development mission. Ethiopia is one of these nations that work to balance the need of development think-tanks and for that the nation has ratified different policies that direct these enterprises in accordance with CSR.

In relation to Ethiopia's the current renaissance pursuits, different enterprises are established in order to secure the 2017 goals of middle income country. For longer period of time agriculture sector has been the main driver of the economy in Ethiopia and plays the biggest role in contributing to Growth and Transformation Plan (GDP) and for the recorded changes in growth as compared to other economic sectors. The GTP is paving the way towards industrialization with the goal of transforming Ethiopian economy. One of these public enterprises commenced to flourish and accelerate the transformation towards industrialization is Metal and Engineering Cooperation (METEC).

This study, thus, investigates the practices and challenges of Corporate Social Responsibility (CSR) in METEC. The researcher believes CSR is a mandatory act than voluntary service of

firms and other corporate. As a result, the study examines METEC's commitment in practicing CSR in the economic transformation of Ethiopia in sustainable manner.

Background of the Organization

For the past twenty years, considerable effort has been exerted to end poverty, an attribute that had been associated with Ethiopia for a long time. As a result of this effort, great success has been achieved, compared to the long history of the country, where drastic results have been recorded across all sectors during these years (METEC, 2016).

The agricultural sector has been the main driver of the economy in Ethiopia and plays the biggest role in contributing to GDP and for the recorded changes in growth as compared to other economic sectors. Agriculture has created and is creating conducive situations which enable the transformation to industrialization. The Growth and Transformation Plan (GTP) is paving the way towards industrialization with the goal of elevating Ethiopia to become a middle income country (ibid).

Metals and Engineering Corporation (METEC) is one of the institutions established by the Federal Democratic Republic of Ethiopia (FDRE) to enable the realization of the government's Growth and Transformation Plan (GTP) and to accelerate the ongoing transition of Ethiopia into industrialization and becoming a middle-income country. Since the establishment of METEC as a public enterprise by the Council Of Ministers regulation number 183/2002, METEC has been working tirelessly towards the realization of its vision, mission and objectives (ibid).

Currently, METEC is comprised of 15 semi-autonomous, and integrated manufacturing companies that are operating in more than nine different sectors. In addition to supporting key stakeholders in the public sector, the METEC companies were established for developing their respective private sector value chains and accelerating the technological capacity of the country. Most of the METEC companies are situated in the Addis Ababa – Adama corridor where higher education institutions, R&D, manufacturing and the supplier ecosystem are forming industry pre-clusters and clusters that are conducive for innovation (ibid).

1.2. STATEMENT OF THE PROBLEM

The activities of manufacturing companies like METEC have an effect not just upon itself but also the external environment within which that organization operates. In considering the effect of the organization upon its external environment it must be recognized that this environment includes both companies' environment in which the firm is working, the local societal environment in which the organization is positioned and the wider global environment. According to David Crowther and Guler Aras (2008) the effect of enterprises can take many forms, such as:

- The utilization of natural resources as a part of its production processes,
- The effects of competition between itself and other organizations in the same market
- The enrichment of a local community through the creation of employment opportunities
- The distribution of wealth created within the firm to the owners of that firm (via dividends) and the workers of that firm (through wages) and the effect of this upon the welfare of individuals
- And more recently the greatest concern has been with climate change and the way in which the emission of the greenhouse gases are exacerbating this.

Consequently, practices and challenges of Corporate Social Responsibility (CSR) in METEC can bring about problems. As stated above, METEC is established with the mission to satisfy Ethiopia's growing development demands in the public as well as private sector by actively and innovatively designing, building and integrating manufacturing industries. This study, thus, resides and ethically designed to conduct the effect of METEC in practicing CSR and its challenges of implementing CSR in the place where it is located. The interaction of manufacturing company with the society and the environment and the working conditions within

the company can bring about problems unless CSR standards are effectively implemented. The research examines good practices and the gaps in this regard.

1.3. RESEARCH QUESTIONS

The study has examined the following research questions:

- a) What is the proximity and interaction of METEC with the society and the environment?
- b) What regulatory directions or provisions are set to oblige public enterprises to work business in line with Corporate Social Responsibility?
- c) What is the level of public enterprises within METEC in practicing CSR in their respective companies?
- d) What possible choices do we have to have possible alternatives to challenge practicing of CSR?

1.4. OBJECTIVES OF THE STUDY

The purpose of this research is to find out the practices and challenges of the implementation of corporate social responsibility in METEC thereby, providing recommendations to balance stakeholders' interaction and create socially responsible organization. To this end the specific objectives of the study are:

- a) To cross check proximity and interaction of METEC with the society and the environment.
- b) To assess the implementation of regulatory directions to oblige public enterprises to work business in line with Corporate Social Responsibility.
- c) To understand the level of METEC and its companies in practicing CSR.
- d) To make possible alternatives and recommendation on how CSR can improve corporate reputation and performance of METEC.

1.5. DEFINITION OF TERMS

CSR: corporate social responsibility is a broad concept. But on this research context, we only focus on environmental and social aspects.

Social responsibilities: are obligations of companies for their customers and the communities towards different social welfare activities, sponsorship, donation, giving trainings and equal job opportunities, and soon.

Environmental responsibility: companies' obligations towards environmental protections through their production, engaging in different environmental protection activities, using eco-friendly raw materials and technologies.

Stakeholder: In this research, there are two types of stakeholders. The first one is internal stakeholders i.e. employees and different level managers. External stakeholders are customers and beneficiaries which are getting different support from METEC.

Regulation: are ordinarily taken care of by government regulations which either directly limit corporate discretion or impose taxes (provide subsidies) that make companies internalize true social costs and benefits of their actions.

1.6. SIGNIFICANCE OF THE STUDY

This study examines and analyzes the effect of METEC in implementing CSR. The study has assessed relevant policies that integrate with CSR and other relate issues that advocate the agenda. Identification of implications of public policy towards CSR will enable METEC community and others to be aware of the prevailing role of relevant policies in achieving a win-win proposition in the environment in which they all operate. Beside, concerned government bodies and other executives may have a possibility to obtain information that helps them to review and/or evaluate the policies in the context of CSR. Consequently, the research will serve as a source material for researchers, government organizations and all interested individuals who need to make further study on CSR.

1.7. SCOPE OF THE STUDY

This research has investigated the level of CSR compliance in METEC. The study has assessed the commitment of manufacturing companies under METEC in promoting CSR in the environment around them. For that stakeholders' interaction with companies and vice-versa in line with policy directions were analyzed and set to investigate their effect in the society and the environment.

1.8. LIMITATIONS OF THE STUDY

It is crucial to statement here that overall the information on CSR usually available is loosely elaborated in different companies and industries. Therefore occasionally it is very challenging to collect and identify CSR performances of companies. In addition, to the context of this research, the proceeding progress of the study expected to reach the intended target population in accordance with the work plan of the research. But the working bureaucracy to obtain information from sample population coupled with researcher's working conditions might to be a challenge to collect the data from respondents with a time plan stated in the proposal.

CHAPTER TWO:

LITRATURE REVIEW

The concept of CSR was originally coined in the 1930s by two Harvard University professors A.A.Berle and C.G. Means. In the book *The Modern Corporation and Private Property*, they advocate upholding the rights of shareholders, and greater transparency and accountability in large organizations where ‘ownership’ and ‘control’ are separated due to regulatory instruments. Whilst their arguments are limited to corporate power and its impact on US society, the underlying values of transparency and accountability reflect the current scenario of CSR, although in an informal manner. The focus on this changing notion of ‘private property’ towards public ownership of corporations was initiated soon after the Wall Street crash of 1929 when the ideologies of capitalism revealed corporate irresponsibility.

In academic literature, formal writings on CSR are evident for the first time in Bowen's (1953) *Social Responsibilities of the Businessman*. He defines CSR as: The obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society. Bowen expected businesses to produce social goods such as: 1) higher standards of living; 2) Wide spread economic progress and security; 3) order, justice and freedom, and finally 4) the Development of the individual person. Therefore, he conceptualizes CSR as a social obligation with a broader perspective than mere business responsibilities. In his view, CSR includes responsiveness, stewardship, social audit, corporate citizenship and rudimentary stakeholder theory. As Carroll (1991) claims, ‘most academics believe that Bowen’s (1953) work marks the beginning of the modern period literature on CSR and therefore he can be accepted as the ‘Father of Corporate Social Responsibility’.

2.1. CONCEPTS OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility (CSR) has become an integral part of business practice over the last decade or so. The topic of corporate responsibility has been captioned under many names, including strategic philanthropy, corporate citizenship, social responsibility and other monikers.

As the names imply, each carries with it a certain perspective on the role of business in society. Regardless of the label, for now the dominant paradigm underlying corporate social responsibility or CSR is centered on the idea of creating “shared value.” The role of business, according to this model, is to create value for its shareholders but in such a way that it also creates value for society, manifesting itself as a win-win proposition. In one fell swoop the idea aims to unite the critics of CSR from the left and the right, for the notion of CSR has had the dubious distinction of being criticized by both sides of the ideological spectrum (Rangan, et al, 2012).

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Commission of the European Communities, 2001). The trend is clearly visible globally as more and more business owners have started paying more attention to the social implications of their activities.

Corporate social responsibility is a commitment by business towards ethical behavior (Moir, 2001), when it all begins. It is not only about how companies manage the business processes to produce an overall positive impact on the society (Baker, 2008). But, as Carroll (1979) describes, it covers all the four kinds of responsibilities namely economic, legal, ethical and discretionary, which companies have to make a strategic decision. The development of the involvement of companies and the emergence of sustainability thinking in business together can be seen as a pro-active driving force (Edvardsson and Enquist, 2009).

CSR’s role in addressing issues regarding corporate responsibilities of a company and its relationship with the society and environment has been a very debatable topic (Enquist et. al, 2007).

As commonly perceived CSR is not what is written in company’s code of conduct or annual reports. That is just one part of total CSR initiatives taken by the company. In general social responsibilities of an organization have to include all the three bottom lines: *Ecological*, *Economic* and *Social*.

The concept from this multiplicity of views of CSR the researcher chooses the following definition of CSR:

CSR is a stakeholder-oriented concept that extends beyond the boundaries of the organization, driven from an ethical understanding of the responsibility of the organization for the impact of its business activities, seeking in return the willingness of society to accept the legitimacy of the business (Gray, Owen, & Adams, 1996).

The researcher believes every step for development should be aligned with assurance of sustainability. "Sustainability can't be successfully addressed in isolation or as an 'add-on' to our day-to-day business. All functions, businesses and regions must be involved in managing sustainability issues. It's embedded in our corporate strategy, our manufacturing and products, and our extended business system" (Barbara Kux, 2004). In general 'CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.'

2.2. THEORIES OF CSR

CSR companies is in principal based on two completely different theoretical frameworks, which are in contrast to each other. Traditionally, CSR is formed on the basis of the classical thought which entails —business of business is business|. According to Friedman (1974), this thinking is based on the traditional perception in which businesses are taken as one dimensional entities of the business organization. It explains that, businesses have the sole responsibility of making adequate provisions regarding goods and services to the society at a profit under authoritarian framework. This theory only emphasizes the cost which businesses incur for social involvement; therefore, it does not highlight or even fail to bring into attention the benefits of CSR. These benefits and advantages can be in the form of resource productivity, cost savings, and product differentiation.

Another modern and contemporary theory of CSR is the stakeholder theory; this theory states the concept of the social contract, which holds that CSR is a function of terms of general agreement between business and society. These terms have undergone basic changes in recently, involving

a wider corporate commitment to the surrounding community. This theory reaches beyond the narrow angle of cost considerations, profit making and compliance (Dunfee et al., 1999).

This theory assumes that organizations are not only responsible to their shareholders; they are also accountable to a variety of groups in the society who have stakes in the corporate behavior and decisions that affect societal interests. Therefore this theory assumes that corporations have an enormous power base in society, both in financial and political terms. If organizations neglect their social responsibility they will have to pay a price in terms of increased regulatory compliance, fines, lost business and corporate image in the long term. The theory takes into account the possible profit potential arising out of social commitments in the long run, in terms of increased market share, positive customer ratings and loyalty (Quazi.A, 2003).

There is one debate about justification of the existence of CSR and its being essential component in firm's core business strategy. As pointed out by (Porter & Kramer, 2006) that the justification of CSR is based on four primary assumptions. First is moral obligation which comprises that companies should be a good citizen and its actions should not harm any element of the society.

Second assumption is license to operate which states that firm's must have permission from Governments and public to do its commercial activities. Third assumption relates to Sustainability which essentially means that companies should plan their business activities keeping in mind long term perspective. Fourth assumption for the justification CSR related to reputation which states that CSR helps company to create a good reputation among communities. These four justifications have been able to draw attention of companies to work more with CSR (Porter, Kramer, 2006).

The sustainability aspect of CSR bases is also well documented another model which discusses five dimensions of sustainability of business namely ethical, social, nature-philosophic, economic and legal dimensions which is quite relevant with CSR bases (Enquist B, Evardsson B, and Sebhatu, S ; 2007).

Initiatives but lacks sustainability in the long run is a weak model. CSR activities of the firm must be aimed to create a long term impact on communities which will ultimately translate

into customer loyalty and profitability. In other words the pay back for investment on CSR should be seen in long term rather than short term. A third wave of service models are clearly emerging which is based on sustainability of business (Enquist B, Johnson M and Camen C; 2005).

Investment made on CSR has been matter of debate among management and company stakeholders. Most of the time it has been termed as waste of resources and burden of company bottom line. It is therefore important that the decision to whether a company should step in or not must be based on evaluation of the opportunities and threat (Falck & Heblich, 2007). Also (Preston, Post 1975) showed that level of commitment can be conceived if as a socialization process in which corporation recognize their social role. Commitment of resources by top managers of the company will be the direct measure of company seriousness towards embracing CSR and this is key indicator where research efforts should be directed as well.

Although the debate on CSR spending has many implications and it takes many forms but the fact is that theorists and researchers who are making this cry do not understand the real meaning of CSR. In order to clarify we went through literature to find out the most suitable definition of CSR and found out that (Davis 1960) gave a very accurate description of CSR he described CSR as business decisions and actions taken for reasons at partially beyond the firm's direct economic or technical interest. This implies that firm's interest beyond making profit lies in engaging itself in such activities which may or may not directly contribute towards its bottom line.

Extensive study of theoretical framework covering the aspects of management priorities, stakeholder's stakes, management and CSR was done explored further amplification of CSR and its importance. The key question therefore emerges is that why corporation should invest on CSR? Can CSR initiatives be used as competitive advantage in the long run? Can companies use CSR as leverage for their brand building efforts?

Another theory attempts to explain management priorities in order to determine where CSR stands in terms of resource commitment and seriousness of efforts. In this regards (Falck & Heblich, 2007) have tried to explain in terms of company's stakeholders classification,

they argued that company stake holders can be classified into three major categories, key stake holder, emerging stake holder and minor stake holder each group having different set of expectations in terms of return on investment which in turn tied up with company's cash flow. Company sets its priorities and business goals. As far as CSR is concerned it is not yet clear that where it stands in terms of management priorities but definitely stakeholders expectations and employee's rewards take the front seat.

2.3. STAKEHOLDERS AND CSR

The concept of stakeholders is central to that of CSR. Stakeholders may be defined as "groups and individuals who can affect, or are affected by, the achievement of an organization's mission" (Freeman, 1984) or, alternatively "those groups who have a stake in or a claim on the firm" (Evan & Freeman, 1988). The concept of stakeholders may be given a wider perspective as simply all those entities with a "critical eye" on corporate actors (Bomann-Larsen & Wiggen, 2004). Stakeholders thus form a link between the aims and ambitions of the organization and the expectations of society (Whetten, Rands, & Godfrey, 2002). This is a dynamic activity, as expectations and pressures change and is further complicated by the need for managers to resolve the interests of different stakeholders and to integrate this within the managerial decision-making process. Managers must make decisions about the extent of their responsibilities and the nature of the stakeholders to whom they are both responsible and accountable (F.Maon&V. Swaen, 2009).

With this new stakeholder approach the question changed into "towards *whom* should business be social responsible?" Freeman (1984) introduced the stakeholder theory to create a new way of thinking about the essence of a corporation. The essential question for Freeman (1984) is for whose benefit and whose expense the firm should be managed. He defines stakeholders as "those groups who have a stake in or a claim on the firm. Specifically [he] include[s] suppliers, customers, employees, stockholders, and the local community as well as management in its role as agents for these groups" (Freeman, 1984).

2.4. SOCIAL RESPONSIBILITY MODELS

There are some models which describe the evolution and scope of social orientation of companies. Notable ones include Carroll's model, Halal's model and Ackerman's model.

2.4.1 Carroll's CSR Pyramid Model

Defining CSR

According to Carroll (1983), "corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent" (p.608). By Carroll's (1999) own admission, this is only one of countless definitions which have proliferated in the literature since the 1950s. This diversity of conception is testimony to Moon's (2002) observation that CSR, similar to other important concepts like democracy and justice, is "essentially contested". Moon (2002) also makes the point that CSR "is only one of several terms in currency designed to capture the practices and norms of new business-society relations. There are contending names, concepts or appellations for corporate social responsibility" (p.3). This is confirmed by a survey of CSR education in Europe, which found 50 different labels for CSR modules, 40 different labels for CSR programs and numerous CSR synonyms, the most popular of which were: business ethics, corporate citizenship, sustainability or sustainable development, corporate environmental management, business & society, business & governance, business & globalization, and stakeholder management. Reviews of CSR literature by Carroll (1994; 1999) and Garriga & Mele (2003) reach similar conclusions regarding multiplicity of aligned terms. Nevertheless, common ground between these nuanced concepts and CSR is widely acknowledged (Madsen & Ulhoi, 2001; Moon, 2002; Van Marrewijk, 2003; Wheeler, Colbert, & Freeman, 2003). The definition of corporate responsibility by Sustainability (2004) is a good illustration of this confluence and interdependence of terms, describing it "an approach to business that embodies transparency and ethical behavior, respect for stakeholder groups and a commitment to add economic, social and environmental value" (p.4). For the purposes of this chapter, therefore, CSR is viewed as an umbrella concept, which includes corporate citizenship, corporate

sustainability, stakeholder management, environmental management, business ethics and corporate social performance. However, it is Carroll's definition of CSR which will serve as the framework for further analysis and discussion.

Despite the plethora of CSR definitions over the last 50 years, Carroll's four-part conceptualization has been the most durable and widely cited in the literature (Crane & Matten, 2004). Some of the reasons for this could be that:

The model is simple, easy to understand and has an intuitively appealing logic; Over the 25 years since Carroll first proposed the model, it has been frequently reproduced in top management and CSR journals, mostly by Carroll himself (Carroll, 1979, 1983, 1991, 1994, 1998, 2000, 2004); Carroll has sought to assimilate various competing themes into his model, e.g. corporate citizenship (Carroll, 1998) and stakeholders (Carroll, 2004); The model has been empirically tested and largely supported by the findings (Aupperle, Carroll, & Hatfield, 1985; Pinkston & Carroll, 1994); and

The model incorporates and gives top priority to the economic dimension as an aspect of CSR, which may endear business scholars and practitioners. In fact, Carroll (1991) goes so far as to point out how little his definition of CSR differs from Friedman's (1970) view of the responsibilities of the firm. Representations of CSR Carroll (1979) first delineated the now-familiar four categories of CSR in a paper on corporate social performance, depicting them as ordered layers which he labeled economic, legal, ethical and discretionary responsibilities (see Figure 1:1). Carroll (1979) explained that the four classes "are simply to remind us that motives or actions can be categorized as primarily one or another of these four kinds" (p.500). The order and relative weighting was "to suggest what might be termed their fundamental role in the evolution of importance" (p.500). In its first conception, therefore, the framework took a retrospective developmental perspective, based on the claim that "the history of business suggests an early emphasis on the economic and then legal aspects and a later concern for the ethical and discretionary aspects" (p.500).

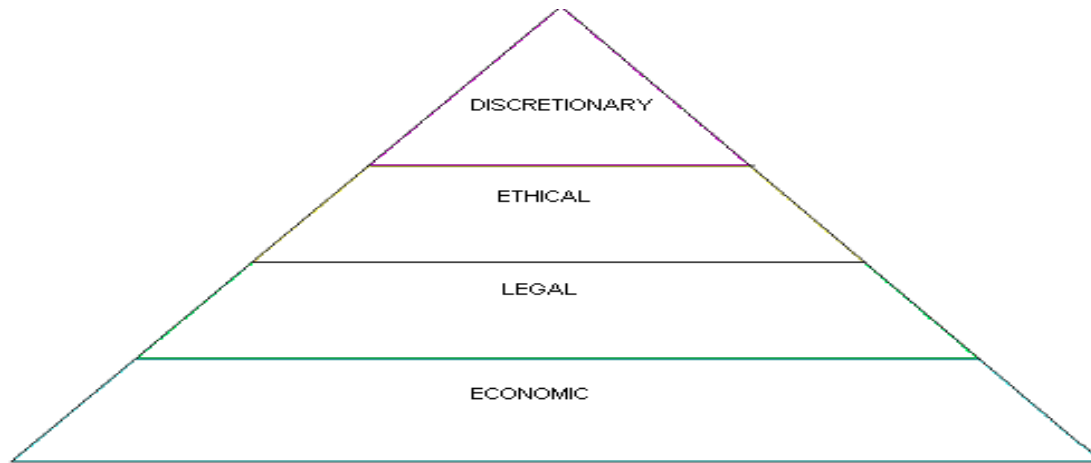


Figure 1:1 Social Responsibility Categories (Carroll, 1979)(Wayne Visser)

Economic: The firm being an economic entity, its primary responsibility is to satisfy economic needs of the society and generation of surplus for rewarding the investors and further expansion and diversification.

Legal: The laws of the land and international laws of trade and commerce have to be followed and complied with.

Ethical: Ethical responsibilities are norms which the society expects the business to observe like not resorting to hoarding and other malpractices.

Discretionary: Discretionary responsibilities refer to the voluntary contribution of the business to the social cause like involvement in community development or other social projects pertaining to health and awareness of the masses.

2.4.2 Halal's Model

Halal's return on resource model of corporate performance recognizes the fact that the corporate social responsiveness is a quite difficult task as no corporate posture is value free. A firm can only attempt to form a workable coalition among groups having diverse interests, engaged in creating value for distribution among members of coalition. The social issues may become conflicting beyond a certain level of economic activity. The coordination between economic and ethical decisions is necessary so that the future of the firm and shareholders may be safeguarded.

2.4.3 Ackerman's Model

This model defines CSR in three different phases; **First phase** - Top management recognizes social problem, **Second phase** – The Company appoints staff specialists to look into the issue and find measures to tackle it. **Third phase** - Implementation of the strategy derived by the specialists

2.5 EVALUATING CSR

To improve the CSR program, evaluation should be based on measuring, verifying, and reporting. The objectives are to determine what is working well, why, and how to ensure that it will continue; investigate what is not working well and why this is the case; explore barriers to success and what can be changed to overcome these barriers; and to revisit original goals and make new ones judged as necessary. Regular formal review of CSR activities enables stakeholders to be informed of progress and activities and provides visibility and transparency of activities. Finally, stakeholders can be invited to verify the organization's CSR performance.

2.6 PUBLIC ENTERPRISES

After World War II, numerous State Owned Enterprises, also called Public Enterprises (PEs), were created in both developed and developing countries to address market deficits & capital short-falls, promote economic development, reduce mass unemployment and/or ensure national control over the overall direction of the economy, especially in developing countries. The government operates in the areas which are of basic or strategic importance and also the areas that require huge investments beyond the scope of private enterprises. The state owned enterprises play an important political, economic and developmental role in their respective countries. For example the public enterprises of the erstwhile Soviet Union comprised of 85% of the workforce of the country. Including Ethiopia, many countries adopted the practice of Public Enterprises from Soviet Union. There are several factors that have contributed the growth of public enterprises in the recent times.

The governments have used it to guide and command the economy; they own the strategic industries, functions and agriculture and also try to fill the inadequacies of the private sector.

Public enterprises are also essential in bringing about national development. They are also used as political instrument to maintain political stability, prevent unrest and provide employment. Public enterprises have also helped the earlier colonized and now developing economies of the world to decrease their dependency on other nations and become self-sufficient. (United Nations, 2008)

2.6.1 Objectives of Public Enterprises

Objectives of public enterprises are to achieve rapid economic development, to channelize resources, to ensure balanced regional development, to prevent concentration of economic power, to prevent the growth of monopoly, to control the prices of essentials goods, to secure public welfare, to reduce inequalities in income distribution, to provide satisfactory employment, to mobilize savings through financial institutions to meet demands of public and private enterprises (United Nations, 2008).

2.6.1 Advantages and disadvantages of public enterprises:

a) Advantages of Public Enterprises

The public enterprises as government property are endowment institutions to stable and take the lions share in the economy of a particular country. They are more characterized by charging low prices, providing essential facilities like education, health, free or at reduced prices, ensuring efficient control of industry, expert administrative services, and money can be made available for R&D, private monopoly which would cause high prices is avoided and foreign denominations of the economy could be limited.

b) Disadvantages of Public Enterprises

As of the advantages they bring to the economy, public enterprises may have disadvantages that reflect in the economy of that particular nation. The disadvantages can be stated as follows, Government must bear losses or this could lead to higher taxation, Consumers' choice is restricted to the state if the business is a monopoly, Regulations may be passed to curb the progress of private business, Lack of competition may lead to inefficiency and higher prices, Government interference, Political pressure, Corruption and embezzlement of funds, Foreign investment may be discouraged due to fear of nationalization.

2.6.2 Differences between Private and Public Enterprises

a) Formation

Private companies formed by private individual while public enterprises are formed by the government.

b) Membership

Private members are shareholders while public enterprises no shareholders.

c) Control

It controlled by board of directors elected by shareholders whereas public enterprise controlled by board of directors' approved by government.

d) Share of Profit

Shared in form of dividend while public enterprises all profits got to the state.

e) Financing

Private companies financed by member contributions, borrowing while for public enterprises capital provided by taxation, rate assessment, sloughing back, borrowing, etc.

CHAPTER THREE:

RESEARCH DESIGN

3.1 INTRODUCTION

In this chapter the different steps of the research process will be discussed. First of all a short summary of the executed literature review will be given. This is the starting point for formulating the problem definition and developing the research question. Subsequently, the researcher makes the research question more concrete through the articulation of different research objectives. Afterwards follows a description of the research design and the research method.

3.2 DEVELOPMENT OF THE RESEARCH QUESTION

Despite the ongoing debate as to whether or not social responsibilities should be the concern of corporate decision makers, it is clear from the literature review that the importance of CSR has been growing over the past years. Consumers seem to show increasing interest in the social programs of companies. From a company point of view it is crucial to understand the consumer because these consumers are the ones that buy the products/services of the company and are very important stakeholders for the company. Therefore, the success of a company's CSR policy is to a large extent determined by these customers; hence, understanding them is critical. A key challenge facing companies nowadays is measuring the return of their CSR programs. Boards and shareholders want these outcomes from CSR activities to be measured so they understand if and how they positively impact the profitability of the firm. The problem is that some companies still fail to develop and implement successful CSR programs because they lack a clear understanding of the consumer. Only when companies are aware of what consumers consider to be CSR-related activities, they can assess clearly and concretely the value of the resources devoted to these activities and as a result they can measure the effectiveness of their CSR programs. This again emphasizes the importance of understanding the consumer. Part of understanding these consumers relates to trying to find out why they buy from companies which incorporate social responsibilities as part of their business practices.

This brings us to the research questions of this thesis

- a) What is the proximity and interaction of METEC with the society and the environment?

- b) What regulatory directions or provisions are set to oblige public enterprises to work business in line with Corporate Social Responsibility?
- c) What is the level of public enterprises within METEC in practicing CSR in their respective companies?
- d) What possible choices do we have to have possible alternatives to challenge practicing of CSR?

3.3 THE CONCRETIZATION OF THE RESEARCH QUESTION THROUGH RESEARCH OBJECTIVES

The research questions of this thesis are made more concrete through the formulation of the research objectives. In this part the different research objectives and will formulate, the methods used to investigate each of these research objectives will be explained.

Research objective 1:

- a) To cross check proximity and interaction of METEC with the society and the environment.

Corporate social responsibility is widely discussed among scholars, scientists, business executives. The concept CSR has primarily been associated with companies' voluntary integration of social and environmental concerns (in addition to traditional economic questions) in their organizational policies and practices. However, with the increasing recognition by governments the importance of involving business in the solution of societal problems, the concept has been related to a broader political agenda of social cohesion. Through the stakeholder concept, which is essential to the understanding of CSR, the concept is also linked to the field of 'social capital'. In the Commissions' green paper, a stakeholder is defined as 'an individual, community or organization that affects, or is affected by, the operations of a company. Stakeholders may be internal (e.g. employees) or external (e.g. customers, suppliers, shareholders, financiers, the local community'.

Research Objective 2:

- b) To assess the implementation of regulatory directions to oblige public enterprises to work business in line with Corporate Social Responsibility.

Understanding the potential role of CSR in companies is important to the design of regulation. At one level it interfaces with ideas of self-regulation and co-regulation, and at another it challenges

the basis of the modern free market economy. Personal and moral responsibilities of directors and employees have also to be considered alongside the role of the corporation in meeting the legitimate expectations of its investors and shareholders. Corporate social responsibility can clearly be seen to be a good thing. Nevertheless, Governments have to take overall responsibility for ensuring that conduct failures - whether market or non-market failures - are regulated appropriately, taking account of each of the three pillars of sustainable development: the economic, social and environmental pillars. CSR may have a role to play as one of the 'instruments' of, or surrogates for, regulatory policy, but that depends not only on its theoretical potential, but whether that potential can be demonstrated in practice by companies. The researcher hopes that this research makes a contribution to that debate.

Research Objective 3:

c) To understand the level of METEC and its companies in practicing CSR.

The broad rationale for a new set of ethics for corporate decision making, which clearly constructs and upholds organization's social responsibility, arises from the fact that a business enterprise derives several benefits from society, which must, therefore, require the enterprise to provide returns to society as well. This, therefore, clearly establishes the stake of a business organization in the good health and wellbeing of a society of which it is a part. More importantly, in this age of widespread communication and growing emphasis on transparency, the managers should help their company in development of a CSR management and reporting frame work.

Research Objective 4:

d) To make possible alternatives and recommendation on how CSR can improve corporate reputation and performance of METEC.

Corporate social responsibility (CSR) has emerged as a significant subject of public policy, in many countries as well as internationally. Considered by some to be "the business issue for the twenty-first century", CSR is assuming an increasing part of the larger debates over both globalization and sustainable development. There is no universally agreed definition of CSR. Differing perceptions of CSR have resulted in many misunderstandings and have created obstacles in addressing the opportunities and challenges of CSR

3.4 THE RESEARCH DESIGN

The research design provides more insight into the practical implementation of the research.

Based on ‘het onderzoeksplan’ by Waege (2006) the research design will be discussed by addressing several questions regarding what, who, how, where, and when. More specifically, the researcher will identify what and who will be observed, the method of data collection, and where and when the observation will take place.

3.4.1 WHAT WILL BE OBSERVED?

This section deals with identifying what exactly needs to be observed during the research in order to answer the research objectives and formulate an answer to the research question (Waege, 2006). The research combines elements of descriptive research to report on the value respondents derive from CSR (Saunders et al., 2003). Quantitative and qualitative data will be collected about the opinions of the respondents and their behavior in relation to CSR and the value that could be derived from it.

3.4.2 WHO WILL BE OBSERVED?

In this part we deal with identifying the sample and the appropriate sample size.

- The sample

The sample consists of men and women of different ages who work in METEC as corporate level and in its randomly selected 5 companies at different managerial level and employees. The selection of this sample is based on the assumption that most people who go to METEC is probably already more aware of CSR than people going to other companies in the country. The aim here is to focus on internal stake holders (Employees and managers) and external stakeholders (consumers & beneficiaries). To link it with the literature study, we hope most employees and customers of METEC to be ethical. To find out what people understand under CSR, the researcher could have opted for a broader public, but considering this might have resulted in a lot of useless answers, we decided not to. This type of sampling is a form of non-probability sampling and more specifically called purposive sampling. Saunders, Lewis and Thornhill (2003) define it in the following way: “purposive or judgmental sampling enables you to use your judgment to select cases which will best enable you to answer your research question(s) and meet your objectives” (p. 175). This is

exactly why the researcher selects METEC, because the researcher believes they are particularly informative for the research.

● **The sample size**

Determining the sample size is not straightforward as the research consists of a combination of quantitative and qualitative research. According to Delice(2010) the researcher should decide on the appropriate sample size while taking into consideration several elements, such as: “the research topic, population, aim of the research, analysis techniques, sample size in similar research, the number of the sub groups in the sample, population variability and research design” (p. 2007).

It is difficult for the researcher to take the population into account when determining the sample size as our population consists of consumers and beneficiaries at METEC, which cannot be found back in the general statistics. Due to a lack of information regarding the population, the researcher doesn't really take this aspect into account. Saunders et al. (2009) state that for “all non-probability sampling techniques, other than for quota samples, the issue of sample size is ambiguous and, unlike probability sampling, there are no rules” (p. 233).

Due to a lack of rules they believe the sample size should depend on your research question and objectives. Others, however, do refer to some rules that could be used to determine the minimum sample size for non-probability research. Among them: Cohen, Manion and Morrison (2007), Delice (2010), and Sudman (1976) who refer to the rule of having a sample of 20 to 50 elements for each minor sub-group. These numbers usually refer to quantitative research. Considering that part of this research is also qualitative and hence more time consuming, the researcher will work with the lower end of this rule, namely 22 elements for each sub-group at company level and 40 for METEC as corporation. The researcher decided to take a total number of 6 companies i.e. METEC as corporations and 5 companies under it out of 15 companies. In order to give consider for different types of stakeholders, the research tried to include employees and managers from internal stakeholder and customers and beneficiaries from external stakeholders.

Based on this, 60 employees, 30 managers, 30 customers and 30 beneficiaries are participated in the research. The researchers work with six different groups, starting at company A and going till company F and the researcher want to reach 22 respondents in each companies under METEC and 40 at corporate level i.e. METEC group, the research will have to aim for a total sample of

150. The type of different respondents regarding to stake will be monitored throughout the research to make sure the research reach 22 respondents in each company and 40 at corporate level. Delice (2010) also refers to the fact that analysis techniques should be taken into account when determining the sample size. Israel (2009) points out that if descriptive statistics are used, which is the case for most of our research, nearly any sample size will suffice. He also points out that for other types of analysis a good size sample of 200 to 500 is needed. However, later on when dealing with the analysis of the results for research objective 4, the researcher will motivate why she believes 150 respondents is enough for a factor analysis.

3.4.3 HOW WILL THE OBSERVATION TAKE PLACE?

This question deals with the applied research method. There are numerous methods to execute research. This research approach is mainly deductive as it start from a literature review to find a problem definition and consequently design a research strategy to try and formulate an answer to the research question and the separate research objectives (Saunders et al., 2003). Saunders et al. (2003) believe this to be the most appropriate approach when dealing with “a topic on which there is a wealth of literature from which you can define a theoretical framework” (p. 90), which is certainly the case for CSR. In first instance, a literature study was carried out to gain understanding of the main theoretical concepts related to the research and to examine to which extent existing literature already covers the subject.

The qualitative part mainly focuses on the definitional aspect of CSR and on the awareness of customers of the different CSR activities of METEC. the research will be executed with the help of interview-administered questionnaires (Saunders et al., 2003). An advantage of this approach is that “interviewer-administered questionnaires will usually have a higher response rate than self-administered questionnaires” (Saunders et al., 2003, p. 283). According to Saunders et al. (2003) a disadvantage is that interviewer-administered questionnaires increase the risk of socially desirable answers given by the respondents. This is because the respondents may want to make a good impression and appear thoughtful and concerned to the interviewer.

The closed questions consist of a variety of multiple choice questions and some scale questions related to all of our research objectives. According to Saunders et al. (2003) uninformed responses might occur when respondents have insufficient knowledge or experience and because of that guess at the answer. Therefore the formulation of the questions is critical such that we can obtain the right information in a short time frame. The recruitment of the respondents will take place at the entrance and compound of METEC and selected companies. The possible participants will be informed that the research is executed for a master thesis and will be given an estimated length of the questionnaire, which turned out to be 20 minutes after some initial tests.

3.4.4 WHERE WILL THE DATA COLLECTION TAKE PLACE?

As mentioned before, the data collection will take place at METEC and its 5 selected companies. Metals and Engineering Corporation (METEC) is one of the institutions established by the Federal Democratic Republic of Ethiopia (FDRE) to enable the realization of the government's Growth and Transformation Plan (GTP) and to accelerate the ongoing transition of Ethiopia into industrialization and becoming a middle-income country. Since the establishment of METEC as a public enterprise by the Council Of Ministers regulation number 183/2002, METEC has been working tirelessly towards the realization of its vision, mission and objectives (ibid).

Currently, METEC is comprised of 15 semi-autonomous, and integrated manufacturing companies that are operating in more than nine different sectors. After consultation with the public relation department manager of METEC, he suggested the research would execute at the public relation office in METEC and marketing departments office of each selected companies.

3.4.5 WHEN WILL THE DATA COLLECTION TAKE PLACE?

The timeframe in which the research will be conducted is four weeks. Since the research is conducted over a short period of time, Saunders et al. (2003) label it a "cross-sectional study" (p. 96). The exact number of days that will be spent at METEC will be determined based on the response rate and the fluency of collecting the data and reaching the right number of people.

3.4.6 DATA PROCESSING

The qualitative and quantitative research will be processed and analyzed using the tabulation, cross tabulation and percentage.

CHAPTER FOUR:

METHODOLOGY OF THE STUDY

This chapter briefly states the methodology the study. The following sections indicate the sampling techniques, methods of data collection, primary and secondary sources, and the methods used to analyze the data.

4.1 SAMPLE POPULATION, SIZE AND SAMPLING TECHNIQUES OF THE STUDY

The researcher decided to take a total number of 6 companies i.e. METEC as corporations and 5 companies under it out of 15 companies. The researchers work with 6 different groups, starting at company A and going till company F and the researcher want to reach 22 respondents in each companies under METEC and 40 at corporate level i.e. METEC group, the research will have to aim for a total sample of 150.

The research has used data from METEC's stakeholders i.e. from internal stakeholders; the research included 60 employees and 30 managers, and also participated 30 customers and 30 beneficiaries from external stakeholders. Policy documents also include that are related to CSR. Thus, the researcher has used data gathered from respondents from METEC and selected stakeholders. The researcher has taken representative sample of the population from METEC and its five companies. Subsequently, sample respondents were selected using random sampling technique.

4.2 DATA SOURCE AND COLLECTION TECHNIQUES

Qualitative case studies rely heavily upon qualitative data obtained from interviews, observations, and documents (Merriam, 1988). This study employs both primary and secondary data collection methods. Primary data were directly collected by the researcher from respondents by interviewing heads of organization and questioning those randomly distributed selected sample respondents. On the other hand, secondary data sources were examined to collectively make sound conclusion regarding to the objectives of the study.

4.2.1 Primary Data Sources

Questionnaire: the researcher conducted respondents from the population of the study who are technically selected to provide their response. The questions were comprised of different issues that enable to reach research objectives.

Interview Questions: the researcher conducted stakeholders' and manufacturing companies' head and responsible bodies including METEC's leadership staffs in order to gather relevant information on how they integrate and work to assure CSR.

4.2.2 Secondary Data Sources

Published Documents: having considered the importance and relevancy of published and non-published tangible data, the study used the data to triangulate findings with rational and soundly convinced analysis.

4.3 METHOD OF DATA ANALYSIS

In order to analyze the findings the researcher employed descriptive method of data analysis. The method deliberately selected to assess the practices and challenges of CSR in METEC through qualitative and quantitative methods of data analysis with further elaboration.

4.3.1 QUALITATIVE DATA ANALYSIS

The researcher believe a qualitative case study is the most conducive to be able to fulfill the research purpose (Maxwell, 2005) because qualitative research approach give emphasis to words rather than numbers and focuses on specific situations or people.

The analysis of qualitative data obtained from primary and secondary sources assembled, structured, and interpreted in line with relevant policies that were believed significant to the study. Furthermore, the implementation of these policies and their outcomes in accordance with respondents' information considered as part of qualitative data to be analyzed. In addition, the experience, views, judgments and respective role of stakeholders were assessed to triangulate the analysis with the practical truth in implementing CSR.

4.3.2 Quantitative Data Analysis

Quantitative data analysis is basically concerned with the elaboration of data gathered through primarily data sources. Having considered the objective of the study, the researcher used to analyze and soundly proof primary data using tabulation cross tabulation and percentage.

CHAPTER FIVE:

PRESENTATION AND ANALYSIS OF DATA

This chapter of the study deals with the presentation, analysis and interpretation of the data collected from METEC employees, managers and beneficiaries. The analyzed and interpreted data were obtained through questionnaires, interview, observation and documents review.

The primary objective of this part is to interpret the responses of the respondents for the basic questions raised at the beginning of this research. A total of 175 questionnaires (50 for METEC head quarter, 25 questionnaires to each of the five companies under METEC) were distributed to employees, managers and beneficiaries of the company at all levels, 150 (86%) were returned which is reasonable number in case of survey study.

Accordingly, based on the responses obtained through the questionnaires and interview, the analysis and interpretation of the data is briefly presented as follow.

5.1 CHARACTERISTICS OF THE POPULATION UNDER STUDY AND DEMOGRAPHIC PROFILE

In order to come up with the desired results, employees of the company at all departments, level of capacity and area of responsibility were included in the study. Therefore, it is believed that the responses and other relevant data were organized and analyzed to determine the outcome of the study.

175 questionnaires were distributed to 65 employees who can read and fill the questionnaires, for 40 managers, for 35 customers and for 35 beneficiaries randomly at corporate level and five different companies under METEC. Out of 175 questionnaires, 150 (86%) were collected. The result shows that the response for the questionnaires was regarded as high and sufficient to determine the outcome of the research. Companies from where sample respondents drawn are shown in Table 1:

Table 1: Sample population of employee in the study

NO	companies	Total Number	%	employees	%	managers	%	customers	%	Beneficiaries	%
1	Company A	40	100	25	62.5	5	12.5	5	12.5	5	12.5
2	Company B	22	100	7	31	5	23	5	23	5	23
3	Company C	22	100	7	31	5	23	5	23	5	23
4	Company D	22	100	7	31	5	23	5	23	5	23
5	Company E	22	100	7	31	5	23	5	23	5	23
6	Company F	22	100	7	31	5	23	5	23	5	23
		150	100	60		30		30		30	

Table 1 shows the distribution of respondent in each company. Out of the total questionnaires (175) only 150 were completed and returned during the time stipulated for recollection of the questionnaires.

As tabulated in table 1 above, METEC as corporate level has bigger share i.e. 40 questionnaires, and the rest each companies has given equal chance, 22 questionnaires. This is done purposely to follow logical and reasonable approach and to have acceptable meaning of the obtained result.

The table attached as Annex 1 & 2 shows the demographic characteristics of the respondents as categorized by age, gender, qualification and stake status on the company. This helps to interpret each response appropriately in relation to respondents' respective profile as follows:

Gender

From the total 150 respondents, 84 (56%) of the participants were male while 66 (44) were female. As survey participants were randomly chosen, this reflects woman participation in METEC is encouraging.

Age group

In the survey, the age group from "18-35", is the biggest i.e. 89. It represents 59% of the surveyed respondents. It indicates that the young people are widely engaging in manufacturing sectors.

Educational Background

Among all respondents 76 are vocational (Diploma) graduates. As Ethiopian government strategy, vocational graduates are highly involved in different technological and manufacturing companies. So, 51% of the respondents are vocational graduated and working in different type of technical positions. The next bigger number is First degree and above graduated i.e. 45 (30%). First degree and above graduates are mostly working on supervisor and managerial positions.

Type of Respondents based on stake

The researcher tried to collect data from Employees, Managers and Beneficiaries. Therefore, from the total respondents employees take the biggest number (90), and Managers and beneficiaries has equal share i.e. 30 for each.

5.2 ANALYSIS OF DATA OBTAINED THROUGH QUESTIONNAIRES

Question No-1:- *Does the organization having a CSR structure?*

Table 2: Response on CSR structure in METEC and its Companies

		No		Yes		In part		Don't know	
		No	%	No	%	No	%	No	%
Company A	40	30	75	-	0	3	8	7	17
Company B	22	14	64	1	4	5	23	2	9
Company C	22	12	54	4	18	3	14	3	14
Company D	22	13	58	3	14	3	14	3	14
Company E	22	17	77	-	0	2	8	3	14
Company F	22	14	64	2	8	-	0	6	28
Total	150	100	66	10	7	16	11	24	16

In order to functionalize CSR properly, first, companies should have a proper structure that enables CSR activities are well organize and implemented. When we see the respondents answer about whether have CSR structure in their organization or not, 100 (66%) of the total

respondents are sure about there is no a CSR structure in METEC. When we see in specific companies, the results are as follows;

Company A is METEC as a corporate level. As I assured in answer of the questioners (75%) and in observation, METEC has not CSR structure. Even though there are different activities regarding to CSR, the corporation has not defined structure and strategic plan. This implies that METEC do CSR not strategically, rather in unorganized and unplanned way. This is a critical problem because makes CSR works unplanned and the results are unsatisfactory. Since METEC is a corporate, the overall situation will have big impact on the rest of companies' CSR performance under METEC.

The rest companies' respondents answer about their companies CSR structure is almost the same. All respondents in each company are sure that there is no CSR structure in their companies. Therefore these results shows CSR are implementing in METEC and in its companies without defined structure.

Question No-2:- *Does employees encourage participating in local community activities (e.g. providing employee time and expertise, or other practical help)?*

Table 3: Employees' Participation

		Yes		No		In part		Don't know	
		No	%	No	%	No	%	No	%
Company A	40	33	82	-	0	5	13	2	5
Company B	22	8	36	7	32	3	14	4	18
Company C	22	11	50	4	18	7	32	-	0
Company D	22	6	27	16	73	-	0	-	0
Company E	22	9	41	7	32	2	9	4	18
Company F	22	13	59	5	23	2	9	2	9
Total	150	80	53	39	26	19	13	12	8

Regarding to the question whether the employees and managers are encouraged by their companies to participate in local community activities or not, 53% of the total respondents said they are encouraged to participate in their neighborhood different social and related activities.

From METEC respondents (Company A), 82% are confirm METEC has encourage them to participate in different social works.

But when we see the answer of other respondents from companies under METEC, there is different answers, some are said they are encouraged to participate in social works around their livelihood, and the rests are not encouraged by their companies. This shows us CSR are not implementing strategically throughout the corporate. If CSR are considered and planned strategically, there will not be different directions and implementations in any part of the corporation. Therefore METEC has to be cascading the CSR directions through its companies at the same level.

Question No-3:- *Does your enterprise give regular financial support to local community activities and projects (e.g. charitable donations or sponsorships)?*

Table 4: Financial support from METEC and its companies

		Yes		No		In part		Don't know	
		No	%	No	%	No	%	No	%
Company A	40	37	92	-	0	2	5	1	3
Company B	22	19	86	-	0	3	14	-	0
Company C	22	9	41	7	32	4	18	2	9
Company D	22	7	32	11	50	2	9	2	9
Company E	22	4	18	9	41	4	18	5	23
Company F	22	7	32	6	27	8	36	1	5
Total	150	83	55	33	22	23	15	11	8

About regular financial support to local community, 55% of the total respondents are agreed that their companies are engaged on. From these 92% of company A (METEC's) respondents are said it is well known that METEC is participating in different types of charitable and sponsorship activities. The same with METEC's respondents, Company B (Bishoftu automotive) believes their company is well participating in different financial supports to the community.

The rest respondents i.e. from company C-F are not believe that much their companies are supporting the community by giving money.

Question No-4:- *Does your Company study the impact of its CSR activities on the stakeholders?*

Table 5: Companies' effort to assess CSR activities

		Yes		No		Don't know	
		No	%	No	%	No	%
Company A	40	26	65	11	27	3	14
Company B	22	13	59	7	32	2	9
Company C	22	9	41	11	50	2	9
Company D	22	5	23	17	72	-	0
Company E	22	8	36	14	64	-	0
Company F	22	6	27	16	41	-	0
Total	150	67	44	76	51	7	5

Companies should consider and giving attention to their stakeholder in their every CSR decisions. CSR is about giving care for the surrounded environment, companies should consult to the society, government and other stakeholder about what and how they want to do. Because companies any decisions may affect different stakeholder's interests positively or negatively. And also it must be define the impact and set solutions to the problems.

When we see METEC's and its companies action according to impact assessment, 51% of the total respondents confirm that there is no relevant and organized researches to measure the impact of METEC's CSR works to the stakeholders.

But it is positive on Company A (METEC) as corporate and Company B (Bishoftu Automotive). As the researcher saw on her observations and from secondary data (report, magazines and News) in the corporate level, METEC and Bishoftu automotive some part are doing different CSR activities. Not only that, according to the respondents answer the corporation (65%) and Bishoftu automotive (59%) tried to assess their CSR activities impact through measuring beneficiaries' satisfaction and the outcomes.

The rest companies are not asses CSR activities impact on the stakeholder efficiently. This result implies that assessing CSR impacts is doing on corporate level and from its companies only in Bishoftu Automotive. Since CSR are implementing at company level, doing impact assessment

at corporate level may not be enough. So, every company which is engaging in CSR activities are also asses its impact.

Question No-5:- Do you agree: implementing CSR should be the obligation of every company?

Table 6: Respondents' response on the obligatory of CSR

		Strongly agree		Agree		Neutral		Disagree	
		No	%	No	%	No	%	No	%
Company A	40	16	40	15	37	3	8	6	15
Company B	22	5	22	7	32	4	18	6	28
Company C	22	2	9	7	32	4	18	9	41
Company D	22	3	13	7	32	1	5	11	50
Company E	22	7	32	5	22	-	0	10	46
Company F	22	5	22	8	38	5	22	4	18
Total	150	38	25	49	33	17	11	46	31

Nowadays CSR concept is widely spread and companies are engaging in different CSR activities. Not only that companies are become understood that be responsible for the environment on their production, giving quality product and service, be honest for their customers and other stakeholders are their obligations. This understanding is more visible in multi international companies.

When we come to Ethiopia, CSR concept is very new and companies have no clue about their responsibility regarding to CSR. To develop the CSR concept, public enterprises like METEC should have big role. Public enterprises' ultimate goal is by filling different gaps in the market, serving the people. Therefore, the researcher believes that public enterprises must have the leading role towards CSR concepts and activities in Ethiopia.

With this point 58% of the total respondents give their confirmation that they believe CSR is an obligation of business companies by answering (strongly agree 25% & agree 33%).when we see the results in separate, this concern has big support at corporate level (87%), companies under METEC also have almost agreed that CSR is companies obligations.

Question No-6:- Do you agree: Government should provide training and related support to companies to help them to implement CSR?

Table 7: Respondents' view on government's intervention

		Strongly agree		Agree		Neutral		Disagree	
		No	%	No	%	No	%	No	%
Company A	40	38	95	2	5	-	0	-	0
Company B	22	18	82	2	9	2	9	-	0
Company C	22	15	68	5	23	2	9	-	0
Company D	22	18	82	3	14	1	4	-	0
Company E	22	20	91	2	9	-	0	-	0
Company F	22	16	73	5	23	1	4	-	0
Total	150	125	83	19	13	6	4	-	0

CSR is not only companies' obligation, rather the government also have big role in building positive attitude towards CSR and follow up its progress through its channels. Especially in the countries like Ethiopia which have low awareness and activities about CSR the state should give concern and play the organizing role.

Government role towards CSR training and related support, 96% of respondents are agreed(83% strongly agreed & 13% agreed). Not only the total result, each respondent from all companies and at corporate level are strongly agreed that government should give trainings and related support.

Question No-7:- *There should be more public recognition given to companies doing well in the area of CSR?*

Table 8: CSR activities versus public recognition

		Strongly agree		Agree		Neutral		Disagree	
		No	%	No	%	No	%	No	%
Company A	40	33	82	7	18	-	0	-	0
Company B	22	6	27	12	55	4	18	-	0
Company C	22	12	55	10	45	-	0	-	0
Company D	22	4	18	10	45	3	14	5	23
Company E	22	16	73	6	27	-	0	-	0
Company F	22	9	41	7	32	2	9	4	18
Total	150	80	53	52	35	9	6	9	6

When the companies participate in CSR activities, the government and other stakeholders should recognize their effort and make them privileged to encourage other companies to participate in CSR. In countries which have strong CSR awareness, customers choose products and services not only it have quality but also based on companies CSR participations. Through their associations, customers forced companies to participate in different CSR works.

The same with this idea, 88% of the total respondents are agreed (53% strongly & 35 agree) that public and government should give recognition to companies which are participating in CSR. In this case, METEC as number one big public enterprise in the country and the government should give concern about CSR and aware the public CSR benefits and how it can challenge companies which are not fulfill their CSR obligations and responsibilities. In order to do this the public should aware about CSR and then cooperate and organize in different association to get power.

Question No-8:-Do you agree with the nature of CSR activities undertaken by Your Company?

Table 9: Nature of CSR in the company

		Strongly agree		Agree		Neutral		Disagree	
		No	%	No	%	No	%	No	%
Company A	40	11	27	8	20	2	5	19	48
Company B	22	5	23	7	32	-	0	10	45
Company C	22	1	4	1	5	1	5	19	86
Company D	22	4	18	2	9	-	0	16	73
Company E	22	3	14	7	32	1	4	11	50
Company F	22	4	18	6	27	3	14	9	41
Total	150	28	18	31	21	7	5	84	56

In order to implement successful CSR, companies should have structure that implements CSR with responsibility. In addition, companies should consider and include CSR in their strategic and annual plans. If companies' CSR activities are planned and structured, there is high probability that the outcome is successful. But, if it is done without long term consideration, its outcome will not be visible and recognized.

As we saw in question number 1 result, METEC as corporate and its companies do not have CSR structure. The researcher also confirm in her observation that CSR is not mentioned in the corporate as well as companies strategic plan.

The total respondents answer is much with this idea. 84% of the total respondents do not agreed the nature of CSR activities which are implementing at corporate and companies' level. When they mentioned their reason why they are not agreed with the nature of CSR, they described different reasons. From them:

- Because CSR activities are not planned, rather it's done with the interest of managers;
- Because CSR are implemented based on requests from different organizations without any assessment about it is critical and necessary for the public or not;
- Because the activities are not participatory, and are not clear for the employees;

Question No-9:- Please state any tools through which CSR is popularized?

Table 10: tools of popularizing CSR

		News		Reports		Press conference		Magazine		News papers		Websites	
		No	%	No	%	No	%	No	%	No	%	No	%
Company A	40	22	55	18	45	-	0	-	0	-	0	-	0
Company B	22	-	0	16	73	-	0	-	0	6	27	-	0
Company C	22	13	59	-	0	-	0	-	0	-	0	9	41
Company D	22	14	64	-	0	8	36	-	0	-	0	-	0
Company E	22	13	59	9	41	-	0	-	0	-	0	-	0
Company F	22	-	0	12	55	10	45	-	0	-	0	-	0
Total	150	62	41	55	37	18	12	-	0	6	4	9	6

Companies may release their CSR activities and its outcomes via different mechanism. Based on this for the question in what tools through which CSR is popularized in their companies, respondents mentioned different ways of popularization. In the context of METEC, they prefer news (41%) to popularize their CSR works. Next to news, they mentioned reports (37%). Releasing on press conference (12%), newspaper (4%) and websites (6%) are also another ways to inform to the public about CSR activities.

Question No-10:- Please state CSR activities of your organization relating to the following?

Table 11: CSR activities of companies

		Environmental Care		Education & Training		Healthcare		Peripheral Development		Housing		Charities & sponsorship		Employment	
		No	%	No	%	No	%	No	%	No	%	No	%	No	%
Company A	40	4	10	15	37	-	0	-	0	-	0	5	13	16	40
Company B	22	-	0	8	36	-	0	-	0	-	0	3	14	11	50
Company C	22	7	32	7	32	-	0	-	0	-	0	-	0	8	36
Company D	22	1	4	5	23	-	0	-	0	-	0	4	18	12	55
Company E	22	8	36	4	18	-	0	-	0	-	0	1	4	9	42
Company F	22	-		4	18	-	0	-	0	-	0	2	9	16	73
Total	150	20	13	43	29	-	0	-	0	-	0	15	10	72	48

Depends of their capacity and willingness, companies which are participating in CSR may focus in one or more than one activities. The more engage in CSR activities, the more companies got acceptance from public and corporate citizenship.

According to this, the researcher tried to identify in what extent METEC is participating CSR. Based on this employment (48%) has number one share in METEC's CSR. Education and training (29%) comes to second level. Environmental care and charities & sponsorship are METEC's another ways of participating in CSR.

In general, METEC as corporate engages in four (environmental care, Education and training, employment and community involvement) parts of CSR. In Ethiopian infant CSR level, we can say it is a good level to participate in four types of CSR activities. Especially METEC is well known in vocational training and job opportunity for unemployed citizens.

Question No-11:- Do you find any Socio-Cultural development nearby area of your company?

Table 12: Socio-cultural development to nearby areas

		Yes		No		Am not sure	
		No	%	No	%	No	%
Company A	40	12	30	24	60	4	10
Company B	22	11	50	9	41	2	9
Company C	22	8	36	8	36	6	28
Company D	22	4	18	18	82	-	0
Company E	22	8	36	11	50	3	14
Company F	22	8	36	14	64	-	0
Total	150	51	34	84	56	15	10

It is one way of integration public with the corporation that by celebrating different types of cultural days, customers day, employees day, different public events, giving recognition to role models from the public. These all socio-cultural activities help companies to get public heart and considered as public treasure. Through time this attitude develop corporate citizenship which is almost all companies wish to have.

Even though METEC is participating in different economic development areas, there is low (34%) attention towards socio-cultural activities. So, METEC as public enterprise it should give big concern to participate in different socio-cultural activities.

Question No-12:- Does your company encourages persons to be self-employed by giving them important support in developing by themselves?

Table 13: Companies' Support to individuals

		Yes		No		I don't know	
		No	%	No	%	No	%
Company A	40	7	17	25	63	8	20
Company B	22	-	0	20	91	2	9
Company C	22	1	5	15	68	6	27
Company D	22	3	14	12	54	7	32
Company E	22	5	23	15	68	2	9
Company F	22	4	18	18	82	-	0
Total	150	20	13	105	70	25	17

METEC as public enterprise, transferring technology and appreciating entrepreneurs who wants to start their business is got priority. Companies like METEC should support Peoples either inside the company or Peoples around the country that needs technical or financial support.

When we see the result about METEC encourages persons to be self-employed by giving them important and support in developing by themselves, It shows METEC should give big concern about it. 70% of the total respondents do not believe that their company is supporting if they want to start their business.

Question No-13:- Does your company providing training programs for women, youth and unemployed citizens like different types of vocational courses, basic Computer skills, etc?

Table 14: Companies' commitment to provide trainings

		Yes		No		I don't know	
		No	%	No	%	No	%
Company A	40	40	100	-	0	-	0
Company B	22	11	50	8	36	3	14
Company C	22	12	54	10	45	-	0
Company D	22	18	82	1	4	3	14
Company E	22	14	64	6	27	2	9
Company F	22	14	64	8	36	-	0
Total	150	109	73	33	22	8	5

For this question, 73% of the respondents are agreed that METEC is giving different types of trainings for its employees and to the public in different areas. They also mentioned the fields that METEC give trainings, these are:

- Different vocational trainings like building, road construction, coble stone, metals, and soon,
- Basic computer skill,
- Business communication,
- Customer handling

Question No-14:- Would you be willing to dedicate specific working hours of staff to CSR related activities?

Table 15: respondents' commitment to CSR activities

		Yes		No	
		No	%	No	%
Company A	10	6	60	4	100
Company B	4	-	0	4	100
Company C	4	-	0	4	100
Company D	4	1	10	3	75
Company E	4	1	10	3	75
Company F	4	0	0	4	100
Total	30	8	27	22	73

This question is only for managers in order to know their commitment towards CSR. And the result is 73% of managers do not allow to their employees to do CSR activities during working hours. They also mentioned their reason;

- Because METEC's all companies are manufacturing companies, it is impossible to lose working hour for CSR activities;
- Because there is scarce of man power in manufacturing areas;
- Because it is better to do financial support rather than giving working hours.

5.3 ANALYSIS OF INTERVIEWS WITH MANAGERS

1. What do you understand by the term 'CSR'?

The understanding of the term CSR varied widely between businesses. Annex 2 displays the concept of CSR as perceived by the participants.

The managers had varying understandings of the term CSR. 'Looking after government people who support the business', 'giving back to the community', 'being a community member' and 'operating the business ethically' were the most popular explanations of CSR closely followed by 'helping community organizations' and 'creating/maintaining business reputation'.

Amongst the four most popular understandings of CSR, three of them (looking after people who support the business, giving back to the community and being a community member) reflect a stronger philanthropic perception of this term. ‘Helping community organizations’ is another less popular philanthropic understanding noted in some managers. Interestingly, none of the respondents view CSR as just an economic or legal responsibility of the business.

The only businesses that considered CSR as something different from the philanthropic activities were Companies D and F. According to them, CSR is about building the reputation of the company and/or operating the business ethically.

2. Is there any other term (other than CSR) you would prefer to use?

From the responses of all participants, it was evident that managers are uncomfortable with the term ‘Corporate Social Responsibility’. In particular, the word ‘corporate’ works against such organizations connecting themselves with the underlying concept. Most of them (Companies B, C, D, E and F) could not identify themselves as a corporate because of the size of their businesses and all are under MTEC as corporate. And also they issue a concern that the term CSR does not identify all individuals (e.g. employees) associated with a business who should ideally share the responsibilities. The only respondent that was comfortable with this term was Company A, probably because it was bigger and has large concern about it. When the interviewees were asked to suggest a relevant term that can be more meaningful for public enterprises like METEC, most of them were unable to do so instantaneously. Since they had no general unprompted ‘name’ for it, further discussions and exploration of the issue identified the responses displayed in Table 16 below.

Table 16: Managers view on CSR

Company	Suggested term
Company A	Corporate Responsibility in Business
Company B	Business/Commerce Social Responsibility
Company C	Moral Responsibility
Company D	Backyard Policy
Company E	Business Social Responsibility/Professional Social Responsibility
Company F	Social Responsibility

3. Do you think there is any social responsibility of your business?

Without exception or qualification, including METEC as corporate and all its companies believed that companies' especially public enterprises like METEC have social obligations. This proves that companies not only acknowledge the economic and legal aspects of the business, but also the social responsibilities.

4. Is there any predetermined budget for such expenses? If so, what factors affect them?

Table 17 below describes whether companies had a predetermined budget for CSR activities and the factors that affected such expenses.

Table 17: Budget for CSR

Company	CSR budget	Factors affecting the CSR expenses
Company A	Yes	Depends on the expected growth in the industry
Company B	Yes	Depends on the performance of the business
Company C	No	Depends on the managers' opinion
Company D	No	Depends on last year's budget and future plans
Company E	No	Depends on last year's budget and future plans
Company F	No	Depends on the merits of a particular activity

From the above table, it is evident that most(4 out of 6) of the respondents did not have a predetermined budget for CSR expenses.

METEC and its companies were found to actively participate in socially responsible activities, although participation varied in nature and extent depending on the characteristics of the business. The most popular CSR practice is employment, training, charities& sponsorships and environmental care.

5. Why is your company doing/thinking of doing CSR?

Table 18 below lists the range of factors that motivated to participate in CSR activities

Table 18: Factors motivating for CSR

Company/ Motivations	Personal Satisfaction	To be seen as a community member	To build/maintain company goodwill/image	Motivating Staff	Meeting stakeholder Expectations
Company A		✓	✓	✓	
Company B	✓	✓	✓		✓
Company C			✓	✓	
Company D		✓	✓		✓
Company E	✓	✓	✓		✓
Company F	✓		✓		
Total	3	4	5	2	3

Table 18 above shows that the motivation of METEC and its companies when participating in CSR is mainly to build their business reputation. None of the participants undertook social activities exclusively for primary stakeholders. Thus the common underlying motivation in all participating was to build relationships and networks with community members which improve the business' image as a community member.

6. Are there any future plans of your company about CSR? If so, what are they?

In response to the future plans of CSR among the respondents, the following responses were noted:

Table 19: Future plans of CSR

Company	Plans of CSR	Explanations
Company A	Yes	Will plan according to publics' gap and social values
Company B	Yes	Will continue the ongoing activities with strong plan & budget
Company C	Yes	Will continue the ongoing activities with strong plan & budget
Company D	Yes	Will continue the ongoing activities with strong plan & budget
Company E	Yes	Will continue the ongoing activities with strong plan & budget
Company F	Yes	Will continue the ongoing activities with strong plan & budget

7. What challenges do you face to undertake CSR?

Table 20: Barriers to CSR

Company	Time	Money	Attitude/awareness
Company A		✓	
Company B	✓	✓	
Company C		✓	✓
Company D	✓	✓	✓
Company E	✓	✓	✓
Company F	✓	✓	✓
Total	4	6	4

Table 20 above lists the range of barriers of CSR as noted from the collected data. Money appeared to be the major challenging factor that restricted participation in social activities. Time and attitude & awareness are another factors identified.

CHAPTER SIX:

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Public enterprises, despite be significant contributors to national economy, have often been overshadowed by other large organizations. In particular, social responsibility is an area of business management that has focused mainly on large organizations. With the aim of building a comprehensive understanding of the issue, the topic of this research was framed as: *Corporate Social Responsibility in Metal and Engineering Cooperation of Ethiopia (METEC)*.

This chapter presents the summary, conclusions and recommendation of this research. It consists of three sections. Section 5.1 serves as summary and compares the findings research questions with the literature. Section 5.2 presents a conclusion regarding the research problem. Finally, Section 5.3 presents the recommendation to this chapter.

6.1SUMMARY

The research in title ‘Corporate Social Responsibility in Metal and Engineering Corporation Ethiopia’ conducted to assess the responsibility and intervention of METEC and its companies towards CSR. The researcher collected and used primary and secondary data sources to triangulate the existing truth of enterprises with regard to their response towards social responsibility. 150 respondents were involved from six companies (METEC Head quarter, Bishoftu Auto motives, Gafat Engineering, Hibret manufacturing, Power Engineering and High tech Industry). The researcher used questionnaires, observations, and interview and published documents that are believed necessary to reach the objectives of the study. The respondents from each company were selected randomly with due consideration of their managerial level.

Finally the researcher found the following key results that envisage the corporation’s and its companies’ commitment to suitably and sustainably manage the issue of social responsibility.

- METEC has No CSR binding policy to accountably oblige the companies under it.
- METEC and its companies are managing the issue of CSR in traditional and unorganized manner.

- The effort is not supported with finance and structural arrangement.
- Majority of its internal customers have no idea about social responsibility and its system.
- Majority of respondents involve in CSR activities to build company image with goodwill.

6.2 CONCLUSION

The issue of corporate social responsibility is a significant agenda that every enterprise needs to encompass with their respective policy and mission of development. The entire philosophy of CSR reflects the realization of enterprises' profit to be integrated with societal and environmental issues. This on the other hand ensures the recognition of not only the economic and legal aspects of their business but also the social responsibilities. Especially countries like Ethiopia with developmental state political economy that even intervene by establishing public enterprises should have a pioneer act on CSR.

Ethiopian Metal and Engineering Corporation (METEC) is one of the corporations that established as public enterprises holding different companies to advance and escort the economic transformation of the country. The companies under METEC are hugely responsible not primarily on the basis of earning and collecting profit but on the view to realize the birth of Industry led Economy in Ethiopia. Moreover, the corporation as public enterprise is expected to take the lions share in the consent of implementing and expanding the pros of social responsibility. Having this the researcher designed this study deliberately to assess the integration of social responsibility with the missions of METEC and its companies.

In accordance with the findings of the research, 66% of respondents from METEC and other selected companies witness the no existence of structural arrangement and legal policies for CSR which at the same time made efforts to be implemented with traditional and unorganized manner. With the degree of companies' responsibility and financial capacity it is clear for CSR think-tank to deem the level of intervention on CSR activities. The researcher believes traditional way of intervention does not ensure sustainable and integrated development though the enterprises escalate with other activities.

Even according to the proclamation number 465/1998 the issue of avoiding negative externalities and promoting integrated development with respect to societal and environmental right is inalienable otherwise it is against the law. It enforces companies to allocate budget, establish structural arrangement and other concomitant acts with the virtue of advancing CSR. But the researcher found that all respondents selected from each company denoted financial constraints, low awareness and time as key factors to evolve CSR in METEC and companies under it. It is inconceivable for such socially responsible public enterprises to consider CSR as their unapproachable agenda with their responsibility.

In general, the triangulated interpretation in comparison with the concept of CSR's philosophy termed the practice of CSR in METEC and its companies is poorly managed with unorganized intervention in social and environmental agendas. We need to respect rule of law for the better of our environment and external and internal customer's satisfaction. The issue of CSR should be led binding the agenda with organizations' policy and empowering the organizations' community. The corporation and its companies' management should understand CSR as it is the regular duty to be undertaken with finance and structural arrangements that support it as permanent basis. CSR is all about mitigating distorted development.

6.3 RECOMMENDATIONS

The aim and focus of this research has been to explore CSR activities adopted by METEC and its companies within the field of the social and environment respectively. In general nobody admits that they don't find CSR important. This is the result of a Question in which people were asked directly to assess themselves, so this result might also suffer from the social desirability bias as the research stipulated before. Respondents indicate they find CSR important, but that they don't take it into account during their activities. Corporate social responsibility has become a major concern for companies around the world. The concept of CSR should be applied in effective way i.e. government and companies especially public enterprises like METEC should act in collaboration for the cause.

As bigger public enterprise from entire of the country, METEC should have to give concern to CSR. In order to make CSR in METEC; it has to be done some things like this;

First of all, METEC has to include CSR activities in its strategic and annual plan; METEC also has to do suitable structure for CSR activities; CSR activities are taken place through different stakeholders like its customers, board of directors, supply chains, etc. therefore METEC has to create the system that enables to participate in its decisions and activities. Achieving increased level of cooperation between the various departments of the business in terms of achieving CSR related aims and objectives; Engagement in strategic use of social investment budget; Introducing CSR aspects of the business at the initial stages of the project and integrating it with long term aims and objectives; specifying the activities of stakeholder identification and engagement as a continuous process;

Ensuring the existence of CSR skills in all employees within the organizations; engage employees in a greater extend in decision making and implementation processes related to CSR initiatives. Informing employees about CSR activities by multiple channels of communication is a powerful means of increasing METEC's social responsibility performance. It also positively contributes to the level of employee satisfaction and increase the level of efficiency of CSR initiatives.

Developing rules and regulations to enforce CSR: the issue of introducing legislations in terms of enforcing company CSR initiatives feature in the works. Unless effective rules and regulations are introduced companywide in order to implement CSR initiatives the level of its implementation will remain to be compromised. The rationale behind this viewpoint is the idea according to which CSR related initiatives might be perceived to be unimportant by some employees, because they don't seem to be creating value for the business in a direct manner. Therefore, it is necessary to communicate the importance of CSR to employees at all levels, at the same time, introducing rules and regulations within METEC that ensures compliance to these rules and regulations.

Involving marketing department in CSR initiatives: the marketing department should take the leadership role in the actually crafting and implementation of the strategic CSR plan because marketing is the business function most closely related to satisfying and communicating with the most of METEC's stakeholders.

Communicating CSR initiatives to various stakeholders, METEC should provide reliable and systematic information on social effects of business activities, mainly by developing CSR sections on its websites and presenting CSR reports. Implementing an effective audit/review system in terms of improving the quality of CSR, METEC should be entrusted with the responsibility of measuring and evaluating in CSR activities. It can be done in two forms –

(a) Direct results, such as, economic and financial savings;

(b) Indirect results like increase in employee satisfaction, acceptance from the public, corporate citizenship etc.

Periodic review of the CSR activities should be conducted by METEC as corporate level and also by every company under METEC so as to identify the pitfalls and the areas left out. Innovation should essentially be a matter of concern ; be it searching the untouched areas and scope of CSR or the formulation of CSR strategy or the implementation thereof.

Inviting the social partners, consumers and public as general to exchange best practices, establish principles for codes of conduct and seek consensus on objective evaluation methods and validation tools. The recognition of the benefits of involving social partners, companies and others in the dialogue and development of the CSR agenda is not very developed at the local level. Finding innovative ways of addressing the local CSR agenda is an area to be explored and developed.

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Appendices

Annex 1 - Respondents Profile

		Sex				Age					
		M	%	F	%	18-35	%	36-55	%	Above 55	%
Total	150	84	56	66	44	89	59	55	37	6	4
C A	40	29	73	11	27	32	80	6	15	2	5
C B	22	13	59	9	41	13	59	9	41	-	-
C C	22	8	36	14	64	8	36	13	59	1	5
C D	22	7	32	15	68	9	41	11	50	2	9
C E	22	16	73	6	27	16	73	5	22	1	5
C F	22	11	50	11	50	11	50	11	50	-	-

Annex 2- Respondents Profile

		Education						Type of stake							
		10/12complete	%	Vocational	%	1 st degree & above	%	Employee	%	Management	%	Beneficiary	%	customer	%
Total	150	29	19	76	51	45	30	60	30	30		30		30	
C A	40	6	15	9	22	25	63	25	62.5	5	12.5	5	12.5	5	12.5
C B	22	5	23	14	64	3	13	7	31	5	23	5	23	5	23
C C	22	2	9	18	82	2	9	7	31	5	23	5	23	5	23
C D	22	6	27	12	54	4	19	7	31	5	23	5	23	5	23
C E	22	5	22	13	59	4	19	7	31	5	23	5	23	5	23
C F	22	5	22	10	46	7	32	7	31	5	23	5	23	5	23

Annex 3:

		Looking after people from government body who support the business	Being community member	Giving back to the community	Creating/maintaining business reputation	Operating the business ethically	Helping community organization
Company A	✓	✓	✓	✓		✓	✓
Company B			✓		✓		
Company C		✓		✓			
Company D					✓	✓	
Company E		✓	✓	✓			✓
Company F						✓	
Total	1	3	3	3	2	3	2

Annex 4 - Questionnaire

**St. Mary's University
School of Graduate Studies**

This is a questionnaire prepared to gather information on the practices and challenges of implementing Corporate Social Responsibility activities in Metal and Engineering Corporation (METEC) and its companies. The respondent should understand that the questionnaire is prepared only for academic purpose.

I. Introduction:

Sample No:

- 1. Name of the Company:
- 2. Sex: Male [] Female []
- 3. Age: [] Yrs.
- 4. Occupation of Respondent
- 5. Educational Qualifications :
- 6. Type of Stake holder: Employee [] Beneficiary []
- 7. If Employee, working in: []/

II. Questionnaire

From Q. 1 – 4: Please respond to the following questions by putting []:

- (a) Yes (b) No (c) In part (d) Don't know

Q. No		a	b	c	d
1	Does the organization have a CSR structure?				
2	Are your employees encouraged to participate in local community activities (e.g. providing employee time and expertise, or other practical Help)?				
3	Does your enterprise give regular financial support to local community activities and projects (e.g. Charitable donations or sponsorships)?				
4	Does your Company study the impact of its CSR activities on the stakeholders?				

From Q. 5 – 9: Please respond to the following questions by putting []:

(a) Strongly agree (b) Agree (c) Neutral (d) Disagree

No.		a	b	c	d
5	Do you agree : CSR is an unconditionally acceptance obligation of Business				
6	Do you agree: implementing CSR should be the responsibility of every company				
7	Do you agree: Government should provide training to companies to help them to implement CSR				
8	There should be more public recognition given to companies doing well in the area of CSR				
9	Do you agree with the nature of CSR activities undertaken by Your Company?				

10. Please state any two tools through which CSR is popularized?

- a) News bulletins b) Reports c) Weekly News Video Magazine
 d) News papers e) Websites f) Others (Pl. specify)

11. Please state CSR activities of your organization relating to the following by putting []:

- (a) Environmental Care [] (b) Education []
 (c) Healthcare [] (d) Peripheral Development []
 (e) Housing [] (f) Employment []
 (g) Community Involvement []

12. Do you find any Socio-Cultural development nearby area of your company?

A) Yes B) No C) I am not sure

13. Does your company encourages persons to be self-employed by giving them important support in developing by themselves?

A) Yes B) No C) I am not sure

14. Does your company providing training programs for women, youth and unemployed citizens like different types of vocational courses, basic Computer skills, etc? A) Yes B)

No C) I am not sure

15. Would you be willing to dedicate specific working hours of staff to CSR related activities?A) Yes

B) No

Annex 5- Interview Questions

1. What do you understand by the term 'CSR'?
2. Is there any other term (other than CSR) you would prefer to use?
3. Is there any other term (other than CSR) you would prefer to use?
4. Is there any predetermined budget for such expenses? If so, what factors affect them?
5. Do you think there is any social responsibility of your business?
6. Why is your company doing/thinking of doing CSR?
7. Are there any future plans of your company about CSR? If so, what are they?
8. What challenges do you face to undertake CSR?