



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF CORPORATE SOCIAL  
RESPONSIBILITY AS A MARKETING TOOL: THE CASE  
OF F.D.R.E METALS AND ENGINEERING  
CORPORATION /METEC/**

**BY**

**LEGESSE HAILU DADI**

**I.D. No. SGS7/0291/2006B**

**JUNE 2016**

**ADDIS ABABA, ETHIOPIA**

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Mesfin Lema (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other learning institution for the purpose of earning any degree.

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**June, 2016**

## **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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**June, 2016**

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## **ACRONYMS/ABBREVIATIONS**

AIDS - Acquired Immune Deficiency Syndrome

AMA - American Marketing Association

CR - Customer Representative.

CSR - Corporate Social Responsibility.

EFQM - European Foundation for Quality Management.

EMAS – Environmental Management System.

F.D.R.E - Federal Democratic Republic of Ethiopia.

HIV- Human Immunodeficiency Virus

ISO - International Standard Organization.

LLM - Lower Level Management.

METEC - Metals and Engineering Corporation.

MLM- Middle Level Management.

MT - Management Team.

NGO - Non Governmental Organization.

PhD - Doctor of Philosophy.

TLM - Top Level Management.

TV - Television.

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## ABSTRACT

*This study explores the practice of corporate social responsibility as a marketing tool to create value for the company's stakeholders and for the company itself and explain the components reflected either directly or indirectly through their business activities as they operate focusing on the F.D.R.E Metals and Engineering Corporation /METEC/ corporate level and industries. The study presents the relationship between corporate social responsibility (CSR) initiative and marketing tool of F.D.R.E Metals and Engineering Corporation /METEC/ in Addis Ababa. The study used explanatory research method and non-probability (purposive) sampling technique used in which primary data were employed. The researcher used 166 respondents from managerial staff, non-managerial staff and customers of the organization. To collect appropriate data closed and open ended questionnaires were used. The analysis of primary data was conducted by descriptive statistical tools and non-parametric test (chi-square test of independence) conducted. Corporate social responsibility initiatives as a marketing tools impact on performance taken as measures. The findings revealed that CSR initiative of the METEC has implemented to accomplish organization strategic issues rather than using as marketing tools. This leads the researcher to conclude that organizations with good corporate social responsibility initiative have good organizations reputation, good commitment to social welfare, good environmental protection method, keeps employee wellbeing and have satisfied customers in their operation. The researcher recommended that to improve organizations performance further designing and implementing customers' problem handling mechanism, form CSR management unit and creating awareness and common understanding among employees are advisable.*

**Keywords:** *Corporate Social Responsibility, F.D.R.E Metals and Engineering Corporation /METEC/, Initiatives, Marketing tool.*

# CHAPTER ONE

## INTRODUCTION

The introduction part of this study will elaborate what the corporate social responsibility is and its background focuses on the theoretical development, trends in developed and developing countries and its drivers supported by scholarly research findings. This chapter will discuss also the establishment and purpose of the organization under research including its vision, objectives and values. Subsequent to the background discussion the gaps identified will be explained in the statement of the problem. Based on the identified gaps, research questions, general and specific research objectives, hypothesis and significance of the study, scope and limitation of the study will be discussed. At the bottom of the chapter, the definition of operational terms and the subsequent organization of the paper will clearly explained.

### **1.1. Background of the Study**

Corporate social responsibility (hereafter called CSR) has gained an increasingly high profile in recent years. CSR can be defined as the ways in which a business seeks to align its values and behavior with those of its various stakeholders (Christine, 2009). The stakeholders of the business include the employees, customers, suppliers, government, interest groups (such as environmental groups) and wider societal interests on whom the operations of the business may have an impact.

According to Robins and Coulter (2012), corporate social responsibility as a business's intention, beyond its legal and economic obligations, to do the right things and act in ways that are good for the society. This definition assumes that a business obeys the law and cares for its stakeholders, but adds an ethical imperative to do those things that make society better and not to do those that make it worse. To ensure these, developed countries include the notions of CSR in their reporting system as corporations have an obligation to constituent groups in society other than stakeholders and beyond that prescribed by law or union contract (Kreitner, 2009).

In Europe, the economic contributions of companies take a more development-oriented approach to CSR that focuses on creating the enabling environment for responsible

business. Crane and Matten (2007a), also suggest that philanthropic responsibility in Europe tends more often to be more compulsory via the legal framework than discretionary acts of successful companies or rich capitalists as in the United States. They further suggest that ethical responsibilities enjoy a much higher priority in Europe than in the United States.

In Africa CSR is different from its typical manifestation as in the developed world. According to Visser (2005), study of CSR in African countries, he noted the following characteristics:

- CSR tends to be less formalized or institutionalized in terms of the CSR benchmarks commonly used in developed countries, i.e. there are rarely CSR codes, standards, management systems and reports.
- Where formal CSR is practiced, this is usually by large, high profile national and multinational companies, especially those with recognized international brands or those aspiring to global status.
- Formal CSR codes, standards, and guidelines that are most applicable to developing countries tend to be issue specific (e.g. fair trade, supply chain, HIV/AIDS) or sector-led (e.g. agriculture, textiles, mining).
- In developing countries, CSR is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health, sports, development, the environment, and other community services.
- Making an economic contribution is often seen as the most important and effective way for business to make a social impact, i.e. through investment, job creation, taxes, and technology transfer.

Business often find itself engaged in the provision of social services that would be seen as government's responsibility in developed countries, for example, investment in infrastructure, schools, hospitals, and housing. The issues being prioritized under the CSR banner in Africa are different from most developed countries like tackling HIV/AIDS, improving working conditions, provision of basic services, supply chain integrity, and poverty alleviation. Schmidheiny (2006), noted that social issues are

generally given more political, economic, and media emphasis in developing countries than environmental, ethical, or stakeholder issues. The spirit and practice of CSR is often strongly resonant with traditional communitarian values and religious concepts in developing countries. For example, African humanism (Ubuntu) in South Africa.

In addition, the difference in CSR between countries in developing and those in the developed can be examined by looking at the various drivers or causes of CSR in developing countries, like those in Africa. Although these drivers are not all unique to developing countries, together they build up a distinctive picture of how CSR is conceived, incentivized and practiced (Dartey-Baah and Amponsah-Tawiah, 2011). These major drivers are cultural tradition, political reform, socio-economic priorities, governance gaps, market access, international standardization and stakeholders' activism.

In Ethiopia context, the awareness of social and environment responsibility action significantly become growing with the tendency of globalization and country wide development agenda for growth. Besides that, investors with Multi-National Companies are investing in Ethiopia to share market opportunities, utilize resource and cheap labor force. The condition will bring intense competition on local and foreign companies to get market share for their product and to survive in the market. To get competitive advantage in the market companies will become responsible for stakeholders and the environment they are working in, so the society will began imposing restriction on the irrational behavior of companies.

Therefore, the aim of this study is to describe either the corporate social responsibility is used as a marketing tool to create value for the Federal Democratic Republic of Ethiopia Metals and Engineering Corporation /METEC/ stakeholders and for the company itself or as strategy orientation for development.

## **1.2. Background of the Study Area**

### **Background and Establishment**

Metals and Engineering Corporation /METEC/ was established having its current name and with a newly added responsibility on June 9<sup>th</sup>, 2010 come into being through Council



of Ministers Regulation No. 183/2010 as F.D.R.E Metals and Engineering Corporation. Before 2010, METEC was organized as Defense Industry Sector under the authority of Ministry of Defense of Federal Democratic Republic of Ethiopia which is Defense Industry Sector incorporated about seven production facilities named as complexes and with 4,000 employees.

Following the decision made by the Council of Ministers to reorganize the company as Metals and Engineering Corporation /METEC/ so as to enable the organization to play vital role in the endeavor to industrialize Ethiopia and to let the organization to be involved in both military and commercial manufacturing sector, it was reorganized in June, 2010.

As of this year the corporation has 16,000 employees, 14 industries and nearly 90 factories that are organized in different specialization. METEC is fully state owned organization.

### **Vision**

- To prosper Ethiopia in Industry.

### **Mission**

- To satisfy the country's growing development demand in public as well as in private arena by vigorously and innovatively designing, building, manufacturing industries along with integrating and commissioning them all.
- Producing machineries, industrial equipments, vehicles, tracks high value spare parts geared towards meeting the country's mounting needs in construction and other needs.
- Setting standards for excellence in the services it provides and being in tune to customers, stakeholders as well as the country's growing and changing needs through its innovative, flexible and technologically driven approach.

## **Objectives**

- To design, manufacture, erect and commission manufacturing industries.
- To engage in maintenance and overhauling of manufacturing industries.
- To manufacture industrial machineries, capital goods and industrial spare parts.
- To expand and enhance engineering and technological capabilities through creating partnership for the integration and interfacing industrial resources.
- To undertake production, manufacturing, maintenance, overhauling and upgrading of weapons, equipment and parts useful to defense forces security force for combat and war operation.
- To build technological capabilities of the country's defense forces through identifying existing and potential needs based on research and development.

## **Values**

METEC's Values are those that are designed to be strictly followed and always practiced by all members of the corporation. As the values are extremely worthwhile, must be respected and properly utilized. These are values ought to be inherited values which will always lead the day to day activities of every employee. All managers and management members of METEC have to respect them and use them as their guiding principles all through their interactions. Even those who are working with METEC as subcontractors, themselves and their employees have to inherit these values.

To highlight the major ones:-

- Loyalty
- Problem solving and creativeness
- Respecting customers and stakeholders
- Capacity Building and Efficiency
- Industriousness and Diligence
- Team Work

### **1.3. Statement of the Problem**

Public development organizations in Ethiopia starting from being operational, they have been contributing towards the national objective of the country through participating in environmental protection, industrialization, creating employment opportunities, training entrepreneurs, generating income and providing a source of livelihood for citizens in the country (Wolday, 2009). To ensure this, the federal government has established METEC to satisfy the country's growth and development demand in public as well as in private arena with main objective to industrialize Ethiopia and to let the organization to be involved in both military and commercial manufacturing sector in a socially responsible manner. Socially responsible organizations are whose their activities involves recent management trend like social development and environmental protection.

In the recent management trend, corporate social responsibility becomes a great role player in protecting and improving society's well-being in both developed and developing countries (Jamali & Mirshak, 2006). Despite good awareness and intentions of the CSR attitude of the organizations, it is still largely conceived in the context of discretionary philanthropic responsibility to promotes company's reputation as a marketing tool (HaKansson and Waluszewski, 2005). This shows the actual practice of the CSR in developing world is not widespread phenomena. Even though most of CSR issues are included in various laws and policies of the country, their implementation is lagging behind, that may be due to lack of full awareness of the relevant practice and its consequences. Some organizations are also reluctant to the implementation of such rules as cost might be a reason for them.

Though, developing countries' firms are still in the initial level of development in their awareness and integration of CSR activities within their corporate policies and strategies, which reflects on the country's early stage of government and private sector development (Mandura et al, 2012). While those managers are aware of the CSR concepts and exhibit a positive attitude toward it, there is a gap on top level management and employees' awareness, attitudes, perception and implementations of the practices tends to learn toward being classical and viewed as a marketing tool instead of being development strategy orientation.

Presently, all over the world consumers, employee and social community have become more and more attentive of the CSR efforts of companies and base their relationship with them based on this. A stark and shift has occurred in how organizations must understand themselves in relation to wide variety of stakeholders. Accountability is one of the processes whereby the organization seeks to ensure integrity.

This study is therefore intended to examine and asses CSR initiatives carried out by Federal Democratic Republic of Ethiopia Metals and Engineering Corporation /METEC/ and understand the level of knowledge and approaches of management, employees and customers towards the organizations CSR initiatives. The researcher also believe that, the finding of the study help other public and private organization leaders to grasp the concept, effect of CSR and to include in their day-to-day business decisions rather than using as a marketing tool to promote their organizations.

#### **1.4. Basic Research Questions**

Based on the stated problem this research will provide possible solutions to the following research questions.

1. What are the current organizational corporate social responsibility approaches in F.D.R.E. Metals and Engineering Corporation /METEC/?
2. To what extent the corporate social responsibility initiative used to build and promote organizations reputation, environmental protection and improve society's well-being beside the main organizational objectives or just as a marketing tool for promoting the organization?
3. What are the benefits to be generated by the organization from designing and implementing the corporate social responsibility initiatives?

#### **1.5. Objectives of the Study**

##### **1.5.1. General Objective**

The purpose of the study is to bring contributions in highlighting the nature of the connection between CSR and Marketing tools, using the primary data analysis of the organization. Hence, the general objective of the study is to assess the side of corporate

social responsibility initiatives in marketing strategy of F.D.R.E. Metals and Engineering Corporation /METEC/.

### **1.5.2. Specific Objective**

The specific objectives of the study include:

- To describe the understanding of corporate social responsibility firms' underlying motivations to engage in corporate social responsibility.
- To describe the benefits derived from corporate social responsibility initiatives designed and implemented by the F.D.R.E. Metals and Engineering Corporation /METEC/.
- To identify the existing corporate social responsibility approaches in F.D.R.E. Metals and Engineering Corporation /METEC/.
- To describe the methods and techniques used to protect internal and external environment while conducting business operations at corporate and individual industry levels.
- To describe the nature of corporate social responsibility initiatives used to promote and build the organization's reputations.
- To analyze the main business objectives to be achieved from implementation of CSR initiatives policy in the F.D.R.E. Metals and Engineering Corporation /METEC/.

### **1.6. Hypothesis of the Study**

**Hypothesis – 1.** Corporate social responsibility initiatives protect and improve primary stakeholders well-being.

**Hypothesis – 2.** Corporate social responsibility initiatives as a marketing tool enhance organization's performance.

### **1.7. Significance of the Study**

Beyond the theoretical significance, the study suggests effective CSR practices to Ethiopia business industry toward accomplishing corporate social responsibilities initiatives to enhance organizations reputation create equal employment opportunity, support green economy and protect environment and enhance society's well-being.

Thus METEC will benefit from the effective CSR practice suggested by the study and shall enable them in helping decision making there by strengthening corporate social responsibility initiatives. Additionally it will have a significant contribution for policy makers in order to designing better interventions aimed at strengthening corporate social responsibility initiatives. Furthermore other stakeholders working in the area of CSR will get knowledge in how to implement better corporate social responsibility policy and may motivate other researchers to identify the gap and undertake research in the area. Finally this paper will have informative the relationship between corporate social responsibility initiative and marketing tool in real business operation.

### **1.8. Scope of the Study**

Although many public development organizations exist in Ethiopia especially in Addis Ababa due to time and cost constraints the paper limited only on METEC corporate level office, Ethio-plastic industry, Power Engineering industry, High-tech industry that are operating in Addis Ababa. Additionally, because of the third party disclosure limitation of military issues the population of the study limited to volunteer management and non-management staff of the organization.

### **1.9. Limitation of the Study**

Even though the major focuses of the study is on top management and some non-management employees the researchers anticipated potential limitation will be:

- i. Council of Ministers Regulation No. 183/2010 third party disclosure limitation of military issues,
- ii. Dependency on respondents' goodwill,
- iii. Dependency on respondents' memory,
- iv. Dependency on respondents' sincerity,
- v. Time and other resource constraints.

Except the above mentioned limitations, the study is believed to represent the true relationship between corporate social responsibility initiative and marketing tools.

### 1.10. Definition of Operational Terms

- **Corporate social responsibility:** refers to a business intention beyond its legal and economic obligations to do the right things and act in ways that are good for society (Robins and Coulter, 2012).
- **Corporate social responsibility (CSR):** the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract (Kreitner, 2009).
- **Initiatives:** refers to the new actions or movement, often intended to solve the social problem.
- **Executives:** refers to the top management of F.D.R.E. Metals and Engineering Corporation /METEC/.
- **Organization:** F.D.R.E. Metals and Engineering Corporation /METEC/.
- **Marketing:** is an organizational function and set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (American Marketing Association, 2008).

### 1.11. Organization of the Study

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

## **CHAPTER TWO**

### **RELATED LITERATURE REVIEW**

Based on various scholarly literatures, the theoretical evolution and approaches of corporate social responsibility will be discussed in this chapter. Under related literature review topic, the core areas of corporate social responsibility and marketing philosophies, the definition of marketing within stakeholders concepts, perspectives of marketing ethical responsibility, green marketing and CSR as a marketing tools will be elaborated in detail. The empirical literature review part will discuss the nature of CSR in developing and developed countries and its drivers. After exhaustive review of related literatures, the researcher will develop conceptual framework of the study and define the relationships between independent and dependent variables.

#### **2.1. Related Theories**

According to the traditional view of the corporation, it exists primarily to make profits. From this money-centered perspective, insofar as business ethics are important, they apply to moral dilemmas arising as the struggle for profit proceeds. As broadly defined, CSR attempts to achieve commercial success in ways that honor ethical values and respect people, communities, and the natural environment (Bhattacharya and Sen, 2004).

Through the economic world, when businesses are conceived as holding a wide range of economic and civic responsibilities as part of their daily operation, the field of business ethics expands correspondingly. Now there are large sets of issues that need to be confronted and managed outside of and independent of the struggle for money. Broadly, there are three theoretical approaches to these new responsibilities namely; Corporate Social Responsibility Theory, The Triple Bottom Line Theory and Stakeholder Theory (Carroll, 1979 and 1991).

##### **2.1.1. Corporate Social Responsibility Theory**

The title corporate social responsibility has two meanings (Christine, 2009). . First, it's a general name for any theory of the corporation that emphasizes both the responsibility to make money and the responsibility to interact ethically with the surrounding community.

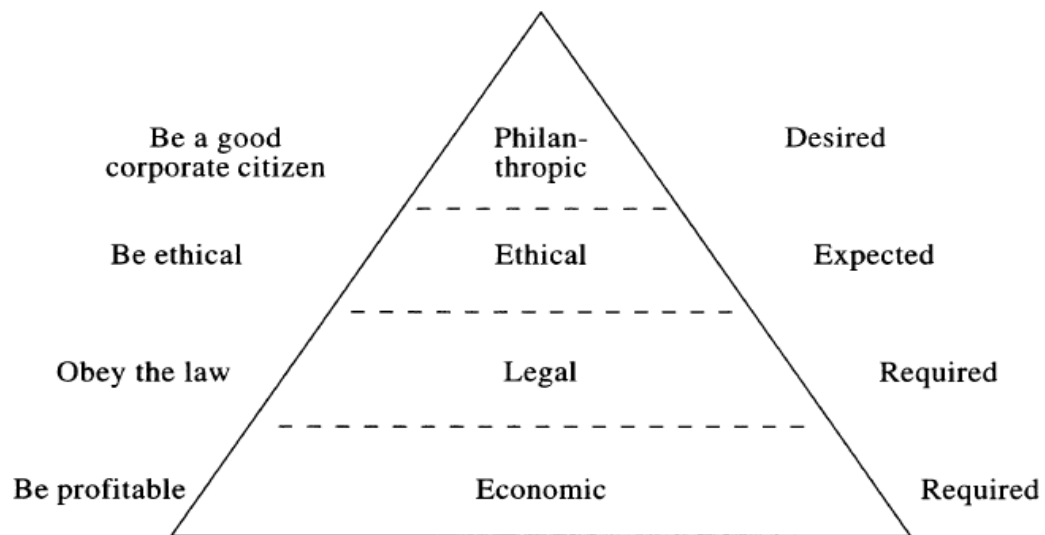


Second, corporate social responsibility is also a specific conception of that responsibility to profit while playing a role in broader questions of community welfare.

As a specific theory of the way corporations interact with the surrounding community and larger world, it is composed of four obligations (Carroll, 1979 & 1991).

1. **Economic Responsibility:** is the first category that delineated is a responsibility that is economic in nature, entails a return on investment to owners and shareholders, creating jobs and fair pay for workers, discovering new resources, promoting technological advancement, innovation, and the creation of new products and services (Carroll, 1979). Business from this perspective is the basic economic unit in society and all its other roles are predicated on this fundamental assumption (Carroll, 1979).
2. **Legal Responsibility:** the legal responsibility is the second part of the definition and entails expectations of legal compliance and playing by the rules of the game. From this perspective, society expects business to fulfill its economic mission within the framework of legal requirements. But while regulations may successfully coerce firms to respond to an issue, it is difficult to ensure that they are applied equitably (Pratima, 2002). Moreover, regulations are reactive in nature, leaving little opportunity for firms to be proactive. Laws therefore circumscribe the limits of tolerable behavior, but they neither define ethics nor do they legislate morality (Solomon, 1994).
3. **Ethical Responsibility:** In essence, ethical responsibility overcomes the limitation of law by creating an ethics ethos that companies can live through (Solomon, 1994). It portrays business as being moral, and doing what is right, just, and fair. Therefore, ethical responsibility encompasses activities that are not necessarily codified into law, but nevertheless are expected of business by societal members such as respecting people, avoiding social harm, and preventing social injury. Such responsibility is mainly rooted in religious convictions, humane principles, and human rights commitments (Lantos, 2001). However, one limitation to this type of responsibility is its blurry definition and the consequent difficulty for business to concretely deal with it (Carroll, 1979).

4. **Philanthropic (Discretionary) Responsibility:** is where firms have the widest scope of discretionary judgment and choice, in terms of deciding on specific activities or philanthropic contributions that are aimed at giving back to society. The roots of this type of responsibility lie in the belief that business and society are intertwined in an organic way (Frederick, 1994). Such activity contribute to society's projects even when they are independent of the particular business and responsibilities are those actions that society expects from a business to be a good corporate citizen (Helg, 2007). It involves giving back to the community and being a good corporate citizen through donations and active participation in charities or other community welfare programs (Carroll and Buchholtz, 2006). This type of responsibility is the most controversial of all since its limits are broad and its implications could conflict with the economic and profit-making orientation of business firms.



Source: A. B. Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," *Business Horizons* (July–August 1991): 39–48.

**Figure 2.1 Pyramid of Corporate Social Responsibility (Carroll's, 1991)**

Taken in order figure 2.1 from top to bottom, these four obligations are decreasingly pressing within the theory of corporate social responsibility. After satisfying the top responsibility, attention turns to the second and so on. At the extremes, the logic behind

this ranking works easily. Regardless, corporate social responsibility means every business holds four kinds of obligations and should respond to them in order, first the economic, then the legal, next the ethical, and finally the philanthropic (Carroll, 1979 and 1991).

### **2.1.2. The Triple Bottom Line Theory**

The triple bottom line theory proposes that the sole objective of a company is not profitability, but that companies also have objectives of adding environmental and social value to society (Crane and Matten, 2007a). The concept of sustainability is generally regarded as having emerged from the environmental-value perspective, resulting in a double sided environmental approach to sustainability, environmental sustainability and economic sustainability. Sustainability in the environmental perspective is about how to manage physical resources so that they are conserved for the future. Economic sustainability is about the economic performance of the organization itself. A broader concept of economic sustainability includes the company's impact on the economic framework in which it is embedded. The social perspective has not developed as fast as the environmental and economic perspectives. The key issue in the social perspective on sustainability is that of social justice. The European Foundation for Quality Management (EFQM, 2004) is a membership-based, non-profit organization, created in 1988 by fourteen leading European businesses define CSR as a whole range of fundamentals that organizations are expected to acknowledge and to reflect in their actions. It includes among other things respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizens of the communities in which they operate and conservation of the natural environment.

There are two keys to this idea. First, the three columns of responsibility must be kept separate with results reported independently for each. Second, in all three of these areas, the company should obtain sustainable results. At the intersection of ethics, economics and sustainability means the long-term maintenance of balance is defined and achieved economically, socially, and environmentally (Brusseau, 2012).

- **Economic sustainability** values long-term financial solidity over more volatile, short-term profits, no matter how high. According to the triple-bottom-line model, large corporations have a responsibility to create business plans allowing stable and prolonged action.
- **Social Sustainability** values balance in people's lives and the way we live. Social sustainability requires that corporations as citizens in a specific community of people maintain a healthy relationship with those people.
- **Environmental sustainability** begins from the affirmation that natural resources sustainability, on this environmental front means actions must be taken to facilitate our natural world's renewal. Recycling or cleaning up contamination that already exists is important here, as is limiting the pollution emitted from factories, cars, and consumer products in the first place. All these are actions that corporations must support, not because they are legally required to do so, but because the preservation of a livable planet is a direct obligation within the triple-bottom-line model of business responsibility.

Together, these three notions of sustainability economic, social, and environmental guide businesses toward actions fitted to the conception of the corporation as a participating citizen in the community and not just as a money machine.

One deep difference between corporate social responsibility and the triple bottom line is cultural. The first is more American, the second European. Americans, accustomed to economic progress, tend to be more comfortable with and optimistic about change. Collectively, Americans want business to transform the world and ethical thinking is there hopefully to help the transformations maximize improvement across society. Europeans, accustomed to general economic decline with respect to the United States, view change much less favorably. Their inclination is to slow development down, and to keep things the same as far as possible. This outlook is naturally suited to sustainability as a guiding value.

It's important to note that while sustainability as a business goal puts the breaks on the economic world and is very conservative in the non-political sense that it favors the

current situation over a changed one that doesn't mean recommending a pure freeze. Sustainability isn't the same as Luddites, which is a flat resistance to all technological change.

### 2.1.3. Stakeholder Theory

Stakeholder theory is based on the notion that beyond shareholders there are several agents with an interest in the actions and decisions of companies. Stakeholders are groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by, corporate actions (Freeman, 1998). In addition to shareholders, stakeholders include creditors, employees, customers, suppliers, and the communities at large. Stakeholder theory asserts that companies have a social responsibility that requires them to consider the interests of all parties affected by their actions. Management should not only consider its shareholders in the decision making process, but also anyone who is affected by business decisions. In contrast to the classical view, the stakeholder view holds that the goal of any company is or should be the flourishing of the company and all its principal stakeholders (Werhane and Freeman, 1999). It is important to stress that shareholders are stakeholders and that dividing the world into the concerns of the two is the logical equivalent of contrasting apples with fruit (Freeman et al., 2004).



Figure 2.2: The adapted version of the stakeholder model (Freeman, 1998)

## **2.2. Related Literature**

The increase in marketing knowledge, applied in profit as well as non-profit sector, contributes to economic growth and development, finally leading to social and consumer welfare (Gundlach, and Wilkie, 2010). The development of marketing has resulted in the considerable economic advancement of society, while the effects of profit sector are not often socially beneficial. Although the activities of marketing system generally improve individual welfare and life satisfaction of people in a particular country, the consequential economic growth should not have a positive effect on individual welfare in general, it affects the ecological system negatively (Sheng, 2007). In such a situation companies are less trusted by the public, so they need to find out some different forms of relationship with the subjects in their environment.

The contribution of marketing to corporate social responsibility due to which companies discover their belonging to a wider social community they affect and are responsible to, this kind of responsibility also models their socially responsible business performance. The societal marketing concept viewed as marketing management philosophy was relatively early recognised in theory, and this chapter presents it briefly. As a borderline function between the environment and other functions in company, marketing has a special responsibility, and what may integrate corporate social responsibility and marketing is the stakeholder concept which is more and more interesting to the marketing theory and thus studied through the activities suggested by (Maignan and Ferrell, 2004). A higher performance level, beyond profit motive and adherence to appropriate legislation is seen through socially responsible and ethical activities as well as philanthropic initiatives, so the ethical perspective of marketing is briefly shown here. The paper presents research into the initiatives of societal corporate marketing and philanthropy that companies apply to be responsible to the environment and there is also some special reference to green marketing which is today becoming increasingly sustainable marketing.

### **2.2.1. Corporate Social Responsibility**

At the macro level one of the crucial matters of the humankind refers to sustainability, which is reflected in corporate sustainability and corporate social responsibility at the

micro level. Although different according to their origin and theoretical framework of these terms are becoming increasingly closer to each other due to the appearance of triple bottom line, the equal consideration of economy, society and environment (Carroll, 1999) and (Dresner, 2009). The triple bottom line implies that business should take into account profit which is made in a sustainable way, efficient in relation to the entire environment and planet and ethical in relation to people in companies and out of them (Willard, 2007). Actually, the crucial thing for achieving organisational sustainability is the use of corporate social responsibility (Hui, 2008).

Corporate social responsibility is the broad concept that businesses are more than just profit-seeking entities and therefore, also have an obligation to benefit society (Werther and Chandler, 2006). It includes terms such as corporate relationship between companies and social in the largest sense all the subjects. It can be viewed as commitment to improve community well-being through discretionary business practices and contributions of corporate resources (Kotler and Lee, 2005). After adding term strategic, it becomes more specific, so it is the idea that CSR should be integrated into the firm's strategic perspective and operations because of the long-term benefit that brings to the organization (Werther and Chandler, 2006). It takes into account the stakeholder concept and represents. According to (Banyte and Gadeikien, 2008), equilibrium of corporate social responsibilities, principles and marketing activities and process, allow to satisfy or surpass expectations of stakeholders, their groups and the society.

Corporate social responsibility seen as a key element of business strategy contains four hierarchical components: economic, legal, ethical and discretionary responsibilities. In other words, it should bring investment back through legally-based activities, without causing any damage to stakeholders, as well as apply proactive strategies useful to both company and society (Werther and Chandler, 2006). According to other viewpoints, the last level is specifically considered philanthropic (Thorne et al., 2008).

## **2.2.2. Marketing and Corporate Social Responsibility**

### **2.2.2.1. Societal Marketing Concept as Company Management Philosophy**

The idea of marketing social responsibility was first recognised and developed in the 1960s and 1970s, in accordance with the needs and values of society it became clear that the integration of social and ethical responsibilities is needed to improve the quality of life among social members and their welfare in the long run (Lazer, 1969) and (Choudhury, 1974). In the context of widening marketing field and societal marketing having different meanings were developed in parallel (El-Ansary, 1974).

Today, when people understand that we are all closely related to each other and inseparable from the natural environment there is a shift in values so that corporate should serve society and not vice versa (Kotler et al., 2006). In this sense, it is acceptable the marketing philosophy of societal marketing concept as an idea according to which organisations should establish the needs and desires of target markets and satisfy them more efficiently than competitors in a way which sustains or improves the welfare of consumers and society (Kotler et al., 2006). That is the concept of holistic marketing, which takes into account not only socially responsible marketing that includes ethics, environmental care and responsibility towards community in adherence to legislature, but also internal, integrated and marketing relations (Kotler and Keller, 2008). Despite the actuality of societal marketing concept, it has not been paid more considerable attention by researchers since the initial enthusiasm, so it conceptually remains the same.

### **2.2.2.2. Defining Marketing within the Stakeholder Concept**

The relationship between marketing and corporate social responsibility has not been studied enough so far. The number of studies regarding the role which marketing has in corporate social responsibility is still relatively small and restricted to some dimensions, such as the perceived importance of ethics, social responsibility and marketing usefulness as well as the response of customers to these initiatives, in which process knowledge integration becomes more difficult due to the use of different terminology (Maignan and Ferrell, 2004). The integration of corporate social responsibility is especially important in several areas such as development of brand image, satisfaction of each group demands,



and investigation into the influence of socially responsible behaviour on consumers (Banyte and Gadeikiene, 2008).

While considering their relationship and linking these two concepts, it is useful to start from the stakeholder concept, which is characteristic for corporate social responsibility and is becoming real in marketing. The matter of responsibility to society is also included in a new definition of marketing, according to which it is activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Acquiring the stakeholder concept, marketing goes beyond the new marketing myopia which refers to the focus on customers, excluding other stakeholders, and pretty narrowly determines customers and their needs, without adequately taking into account the social context (Smith et al, 2010).

The implementation of marketing concept in company as a market orientation is defined as organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it (Kohli and Jaworski, 1990). This definition is widened into an organizational culture, which provides norms for behaviours that focus on assessing and acting on consumers' needs and anticipating and responding to customers' actions by (Ferrell et al., 2010). While market orientation mainly takes into account customers and competitors, make the field of market orientation closer to the stakeholder concept considering relevant market participants (i.e. competitors, suppliers and buyers) and influencing factors (i.e. social, cultural, regulatory and macroeconomic factors) (Matsuno and Mentzer, 2000) .

The stakeholder concept link corporate social responsibility and marketing (Maignan and Ferrell, 2004). Without being focused only on customers, they consider the stakeholder concept and different initiatives of social responsibility, also give a survey of marketing process activities through creating information, spreading information, and marketing response to all the stakeholders, local community, customers and employees, improving the definition of market orientation suggested by (Kohli and Jaworski, 1990).

Following the stakeholder concept of marketing practice which includes stakeholders for the sake of customers and society welfare, consisting of the following activities: map the company's stakeholders, determine stakeholder salience, research stakeholder issues and expectations and measure impact, engage with stakeholders and embed a stakeholder orientation (Smith et al., 2010). Finally, (Gundlach and Wilkie, 2010) give a definition of marketing management which is based on the latest marketing definition but includes the stakeholder concept, so marketing management includes the determination and implementation of those activities involving a set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers and other stakeholders, as well as for social at large (Gundlach and Wilkie, 2010).

#### **2.2.2.3. Perspective of Marketing Ethical Responsibility**

For achieving company's goals, the ethical responsibility of business performance is as much important as economic and legal responsibilities, it immediately follows adherence to legislature. The ethical matter is a problem, situation, or opportunity requiring an individual, group, or organization to choose among several actions that must be evaluated as right or wrong, ethical or unethical (Thorne et al., 2008). Marketing activities should first include people and organisation should contribute to the welfare of society, ethical expectations for marketers exceed legal requirements and then three relevant components of ethical analysis are intent, means and end, marketing managers are different according to their moral imagination and development. They mention five essential ethical precepts for enlightened marketing principles of no malfeasance, no deception, protecting vulnerable market segments, distributive justice and stewardship. The approach includes embracing the stakeholder concept and it is conducted in seven steps of moral reasoning for marketing managements.

#### **2.2.2.4. Initiatives of Corporate Societal Marketing**

Corporate societal marketing is a part of the wider field of corporate social responsibility, has its origin in societal marketing concept, and can be defined as marketing initiatives that have at least one non-economic objective related to social welfare and use the resources of the company and/or one of its partners (Drumwright and Murphy, 2001).

There is no request that such activities should not include economic goals, but it is important to have a valid non-economic, that is social goal. They also include the use of various resources; do not need to be restricted to marketing and marketing staff, which is definitely a characteristic of market oriented companies (Drumwright and Murphy, 2001).

According to (Drumwright and Murphy, 2001) these initiatives are as follows: traditional philanthropy, strategic philanthropy, sponsorships, advertising with social dimension, cause-related marketing, licensing agreements, social alliances, traditional volunteerism and enterprises. Preferring the term of corporate social responsibility mentioned the following under the activities contributing to social community: corporate cause promotions, cause-relating marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices. Some of the above-mentioned initiatives are presented below (Kotler & Lee, 2005):

1. Corporate philanthropy is, through money donations, a source of all the forms of corporate social marketing, usually with such a small emphasis on economic goals. Strategic philanthropy is a synergistic use of organizational core competencies and resources to address key stakeholders' interests and to achieve both organizational and social benefits and in comparison with the previous one; it is integrated in the marketing strategy and orientated to achieving corporate goals (Collins, 1993).
2. In case of sponsorship companies make contributions typically money and in-kind gifts but sometimes volunteer services to support events with which their names are associated" (Drumwright and Murphy, 2001). Sponsorship is a significant form of promoting company offers and, in western country, there is an increase in this field, so much more money is invested in sponsoring than in advertising (Cornwell, 2008).
3. Corporate cause promotions refer to providing funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation, or volunteer recruitment for a cause (Kotler and Lee, 2005). Compared with other corporate initiatives, the emphasis is here on promotion.

4. Corporate social marketing means whereby a corporation supports the development and/or implementation of a behaviour change campaign intended to improve public health, safety, the environment, or community well-being (Kotler and Lee, 2005). Social marketing campaigns are usually conducted by non-profit organisations, although they are also independent or more frequently and in a cooperation with public sector or non-profit organisations, conducted by companies, as well. Due to such activities, they support brand positioning or create preferences to a brand, increase sales, attract credible partners, and participate in social changes (Kotler and Lee, 2005).
5. In case of cause-related campaigns, a corporation commits to making a contribution or donating a percentage of revenues to a specific cause based on product sales (Kotler and Lee, 2005). This is an initiative, which is generally more short-term and tactic, where the level of company contribution directly depends on the action of customers. The best results of cause-related marketing campaigns are achieved if there are previous positive attitudes to company and social issue; on the other hand, it is hardly possible for companies viewed negatively to improve the public attitudes through simply relating them to the social issue which is positively viewed by the public (Basil and Herr, 2006).
6. Licensing agreements enable companies to use non-profits' names and logo in return for fees or percentages of revenues (Drumwright and Murphy, 2001). This form of participation in the community strongly emphasises the economic goals of company.
7. Community volunteering is a form of company's participation in the community at which employees are encouraged to spend their time on supporting local organisations and issues. It can include their professional qualities, talents, ideas or physical labour (Kotler and Lee, 2005).

#### **2.2.2.5. Green marketing**

Green marketing as a separate field exceeds marketing function itself and represents marketing that highlights an organization's environmentally friendly policies or achievements (Banyte et al., 2010). Green marketing enables companies to increase their

efficiency and eliminate the waste, make profit meeting the demands of environmentally conscious consumers, build their reputation and decrease the environmental risk. It includes the awareness of consumers considering the environmental care. However, the research in the America shows that consumers are willing to buy green products but also confused about what companies promote and sell such products (Daley, 2010). That is why it is important to develop eco-labels which communicate company care about the environment and, most strongly, when these are industry-specific, accurate, third-party verified, and explains how they contribute to the environment (Friend, 2009).

Within the sustainability of business, green marketing is labelled in different ways, such as ecological marketing, environmental marketing, sustainable marketing, etc. which all these fit in the same approach to business, but sustainable marketing can be still considered the last developmental phase towards sustainability (Peattie, 2001).

#### **2.2.2.6. Corporate Social Responsibility as a Marketing Tools**

Marketing generally must address and enhance the values of the stakeholders and the society, which can mean that CSR is an inherent aspect of marketing nature (Silvia-Stefania, 1918). According to Silvia-Stefania (1918) the economic benefit obtained by the company using CSR activities, are directly related to consumers' positive evaluation of products and brands, brand choice and brand recommendations. CSR as marketing tools, companies use both traditional marketing instruments like PR, and non-traditional marketing tools like off-media communication and web-based marketing. The companies methods for information dissemination in order to create the company marketing-mix depend on the company's adopted policies, its products position on the market and the field they operate in (Silvia-Stefania, 1918).

Marketing mix is a set of controllable elements of marketing tools and marketing strategies of a company in combining these elements. Cutler (2000) says that a set of marketing mix variables can be controlled by the marketing companies and institutions in their target market and its composition are required for the reaction (Cutler, 2000). Elements of the marketing mix are a set of marketing tools for achieving the goals of the institute of marketing (HaKansson and Waluszewski, 2005). Marketers, in order to

receive favorable responses from their target markets, use many tools. These tools comprise the marketing mix. In fact, it is a set of tools that institutions use to achieve their marketing goals. These tools classified into four major groups, called the 4P's of marketing: product, price, place and promotion (Gilbert and Garay, 1999)

Company's implement CSR policy uses ethical marketing tools. Marketing ethics can be best understood in the light of its all marketing mix- Ethical product, Ethical price, Ethical place, Ethical promotion and people.

### **1. Ethical Product**

Product is the first and foremost important element of marketing mix and it is anything that can be offered to a market to satisfy need or want. There are a lot of ethical problems related to product strategies. Some companies do not consider and pay attention to ethics and legal subjects in existing and new products that's why defective products can be put on the market and these products can damage consumers. Moreover, some information on labels can be misleading (Chonko, 1995). The producers know more about the product than the buyer, so he should be extra careful as not to break the trust of the buyer (Chonko, 1995).

### **2. Ethical Price:**

A firm must set a fair price for the first time when it develops a new product or when it introduces its regular product into new distribution channel. Companies generally should not go for unethical pricing like –

- **Price Discrimination:** It occurs when a company sells a product/service at two or more prices that do not reflect proportional differences in costs but it becomes illegal when seller offers different price terms to different people within the same group.
- **Predatory Pricing:** Selling below the cost when just having the intention to destroy competition.
- **Deceptive Pricing:** Deceive the customers to show them the wrong picture about the prices either by: –
  - a) Low price offer
  - b) Inflated price

- **Price Fixation**– Prices are fixed at certain levels by firms either by–
  - a) Horizontal price fixing – To fix the prices at artificially high levels.
  - b) Vertical price fixing – Price fixing agreements between manufacturers and retailers or between manufactures and distributions. It says that product will be sold at the manufacturer’s suggested price and will not be discounted by the retailer or wholesaler.

### 3. Ethical Promotion

Promotion plays an important role in marketing of any product/Service. It would come up with perfect outcomes only if the perfect means would have been adopted. Promotional mix consist of sales promotion, advertising, sales force, public relation, direct mail etc. Promotional claims must be of such type that the reality of the company and its standard must match.

A more comprehensive approach could be information processing model as quoted as shown below (McAlister and Ferrell, 2002):

- **Exposure:** The consumer must have proximity to the message, to not only see or hear it, but also experience it.
- **Attention:** The consumer must be aware of the message and must allocate information processing capacity to it.
- **Comprehension:** The consumer must understand the message, interpreting it to arrive at the meaning that the sender intends it to have.
- **Acceptance:** The message must be absorbed into the consumer’s existing set of beliefs and knowledge. If existing attitudes and beliefs are changed during this process, then persuasion has also occurred.
- **Retention** The message becomes part of the individual’s long-term memory.

### 4. Ethics in Channel

How to place products and services cannot be overlooked because until and unless the product is well placed, the desired out come not be received.

To reach a target market, the marketer used three kinds of marketing channels–

- **Communication Channels** – Deliver and receive messages from target buyers and these include newspapers, magazines, radio, T.V. etc.

- **Distribution Channels** – These are used to sell or deliver product services to the buyers or users. They include distribution, wholesalers, retailers and agents.
- **Service Channels** – These are used to carry out transaction with potential buyers like banks, insurance, transportation companies etc.

## **2.3. Empirical Literature Review**

### **2.3.1. Nature of Corporate Social Responsibility in the Western Countries**

In Europe, the economic contributions of companies take a more development-oriented approach to CSR that focuses on creating the enabling environment for responsible business. Crane and Matten (2007a) also suggest that philanthropic responsibility in Europe tends more often to be more compulsory via the legal framework than discretionary acts of successful companies or rich capitalists as in the United States. They further suggest that ethical responsibilities enjoy a much higher priority in Europe than in the United States. According to Liomi (2003) the key influencing drivers of CSR in the West can be divided between internal and external drivers. (Liomi, 2003) identified a number of external drivers or causes of CSR as globalization, environmental problems facing the earth, the international initiatives taken by the business community to address sustainability, political actions in governments which influence sustainability and management guidelines, and pressures from the investment community as well as from NGOs (non-governmental organizations) and the media. The internal drivers identified in the study were risk management and brand value, revenues and costs, pressure from employees and customers, and finally competitive advantage. Whereas employees have direct control over the internal drivers and can be proactive in that regard, the same cannot be said of the external drivers. Hence, they tend to be reactive in that regard. According to Löhman and Steinholtz (2004) the customer is the main CSR driver for Western companies. The requirements from customers are strong and the increased competition has driven companies towards the creation of new values. To be able to effectively compete, companies now seek to understand their roles in society and more and more consumers require that companies have responsible products and principles that are of value for the consumer. Taking part in international initiatives, such as joining the membership organization, European Foundation for Quality Management (EFQM)



presents a number of direct benefits for organizations in the West: these include, among other benefits, increased brand value, greater access to finance, stronger risk management and corporate governance, customer loyalty, enhanced confidence and trust of stakeholders and an enhanced public image. Corporate social responsibility in the West now has emerged in response to one or a combination of five forces (Visser, 2007). These include: reporting requirements or government regulations which introduce a compulsory approach on top of which good companies will tend to innovate, the working of markets where customers, employees, or capital markets exert some form of preference or pressure, the reputation pull where companies are motivated to behave well to promote and safeguard their reputation, or ability to attract investment, global ethics in the form of values of business founders or leaders, codes of practice, or individual judgments and the impact of shock and crisis such as scandals. A variety of stakeholders frame the CSR agenda in the West such as NGOs, consultants, researchers, governments and consumers.

### **2.3.2. The Nature of Corporate Social Responsibility in Africa**

CSR in developing countries is different from its typical manifestation in the developed world (Visser, 2007). In study of CSR in African countries noted the following characteristics:

- CSR tends to be less formalized or institutionalized in terms of the CSR benchmarks commonly used in developed countries, i.e. there are rarely CSR codes, standards, management systems and reports.
- Where formal CSR is practiced, this is usually by large, high profile national and multinational companies, especially those with recognized international brands or those aspiring to global status.
- Formal CSR codes, standards, and guidelines that are most applicable to developing countries tend to be issue specific (e.g. fair trade, supply chain, HIV/AIDS) or sector-led (e.g. agriculture, textiles, mining).
- In developing countries, CSR is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health, sports, development, the environment, and other community services.

- Making an economic contribution is often seen as the most important and effective way for business to make a social impact, i.e. through investment, job creation, taxes, and technology transfer.
- Business often finds itself engaged in the provision of social services that would be seen as government's responsibility in developed countries, for example, investment in infrastructure, schools, hospitals, and housing.
- The issues being prioritized under the CSR banner in Africa are different from most developed countries. For example, tackling HIV/AIDS, improving working conditions, provision of basic services, supply chain integrity, and poverty alleviation.
- According to Schmidheiny (2006) noted that social issues are generally given more political, economic, and media emphasis in developing countries than environmental, ethical, or stakeholder issues.
- The spirit and practice of CSR is often strongly resonant with traditional communitarian values and religious concepts in developing countries.

Baskin (2006) notes that corporate responsibility in emerging markets, while more extensive than commonly believed, is less embedded in corporate strategies, less pervasive and less politically rooted than in most high-income countries. In relation to Ghana specifically recognized that Ghanaian managers believe that operating in a community involves supporting the community through social programmes, beyond corporate philanthropy, to strategic actions that respond to the different needs of the communities in which businesses operate (Ofori, 2007). Ghanaian managers seem to have positive attitudes toward CSR and these attitudes are largely influenced by both individual and societal ethical values. However, managers and executives in Ghana engage in CSR activities primarily to enhance their corporate image among customers and second, for the well-being of the society. No comprehensive policy framework to set the parameters of CSR activities in Ghana exists. Furthermore, there is no institutional body regulating corporate activities on CSR and as such reporting on CSR is not consistently done among corporate bodies (Ofori, 2007). The difference in CSR between countries in Africa and those in the west can be examined by looking at the various drivers for or causes of CSR in developing countries, like those in Africa. Although

these drivers are not all unique to developing countries, together they build up a distinctive picture of how CSR is conceived, incentivized, and practiced. Seven major drivers are discussed below (Dartey-Baah and Amponsah-Tawiah, 2011).

1. **Cultural Tradition** - While many believe CSR is a western invention and this may be largely true in its modern form and practice, there is evidence to suggest that CSR in developing countries draws strongly on indigenous cultural traditions of philanthropy, business ethics, and community embeddedness. In an African context propose that CSR in Nigeria is framed by socio-cultural influences like communalism, ethnic religious beliefs, and charitable traditions (Amaeshi et al., 2006). This is not different from what pertains in Ghana. In Ghana, the socialist orientation of her first President Dr. Kwame Nkrumah gave the impression perhaps rightly or wrongly that State Owned Enterprises (SOE's) were able to solve societal problems. This in a way limited corporate organizations' societal obligations to the payment of taxes adhering to other legislations of the law. However, in recent times with the shift of orientation of governments (capitalist inclined); there has been a clarion call on organizations to undertake social programs as government alone cannot handle societal problems. This has affected the implementation of the concept in the country with most organizations engaged in the building of infrastructure. According to Visser, (2005) suggests that the traditional philosophy of African humanism (ubuntu) is what underpins most of the approaches to CSR in Africa.
2. **Political Reform** - CSR in developing countries cannot be divorced from the socio-political reform process, which often drives business behavior towards integrating social and ethical issues. In South Africa, the political changes towards democracy and redressing the injustices of apartheid have been a significant driver for CSR, through the practice of improved corporate governance collective business action for social upliftment, black economic empowerment and business ethics (Malan, 2005). Visser (2005) lists more than a dozen examples of socio-economic, environmental, and labour-related legislative reforms in South Africa between 1994 and 2004 that have a direct bearing on CSR (Fourie and Eloff, 2005)
3. **Socio-Economic Priorities** - There is a powerful argument that CSR in developing countries is most directly shaped by the socio-economic environment in which firms

operate and the development priorities this creates. According to Amaeshi et al., (2006) argument CSR in Nigeria is specifically aimed at addressing the socio-economic development challenges of the country, including poverty alleviation, health-care provision, infrastructure development and education.

#### **2.4. Conceptual Framework**

After reviewing significant empirical findings the following conceptual framework is developed for this research. The conceptual frame work for the research is developed by combining different factors from different authors. As it has been said above the primary stakeholders which is described in the outer hemisphere of the below drawing are shareholders, employees, community, environmental groups and consumers. Since METEC is state owned organization the shareholders in the context of this study is Government of Ethiopia represented by Management Team (MT) from Top Level Managers (TLM), Middle Level Managers (MLM) to Lower Level Managers of the organization. The management team of the METEC led the organization in Ethiopia based on through Council of Minsters Regulation No. 183/2010 on behalf of F.D.R.E Metals and Engineering Corporation.

Beside the primary military mission, the responsibility of the METEC is to conclusively accelerate the country's industrialization process, devoting itself to satisfy the technological and engineering needs of private and the government of Ethiopia. In addition, METEC is fully engaged and responsible to produce and supply government mega project constructions, among is the "Grand Ethiopian Renaissance Dam" which is has shouldered 50% of the construction work. METEC runs 14 industries, each with an average of five factories. METEC's produce and sell commercial and technological products and services that society wants and to sell them at fair prices. Price that society thinks represent the true value of the goods and services delivered and that provide business with profit adequate to ensure its survival, grow and reward its stakeholders.

In the second place, METEC has legal due diligence that should follow laws and regulations under which it operates. METEC is expected to comply with the laws and regulations declared by Council of Minsters Regulation No. 183/2010 and other national

and international laws and standards. The law includes fulfilling military mission, promoting industrialization, social development, applying environmental protection, meeting up product legal standards and fulfilling of contractual obligations.

Third, since laws are essential but not adequate, ethical responsibilities are needed to embrace those activities and practices that are expected and/or prohibited by national and international society even though they are not codified into the law. Ethical responsibilities includes full scope of norms, standards, values, and expectations that reflect what consumers, employees, shareholders, suppliers and the society at large regarding fair, just, and consistent with respect for protection of stakeholders and the government objectives.

The fourth one is issues related to discretionary responsibilities. The nature of this responsibility is merely voluntary, guided only by the organizations own desire only to engage in social activities those are not mandatory or required by law.

Therefore, the conceptual framework illustrated on the figure 2.3 below shows CSR initiatives as independent variables that have major influence and METEC performance as dependent variables. The framework begins with corporate social responsibility initiatives that are ethical product, ethical price, ethical promotion and convenient place. On the other hand the framework illustrates METEC performances which are organizational reputation, social welfare, environmental protection, and employee wellbeing and customer satisfaction as dependent variables. The integration of corporate social responsibility initiative components with marketing tools ethics will promote organizations reputation, enhance social wellbeing, protects environment, enhance employee's wellbeing and increase customer satisfaction.

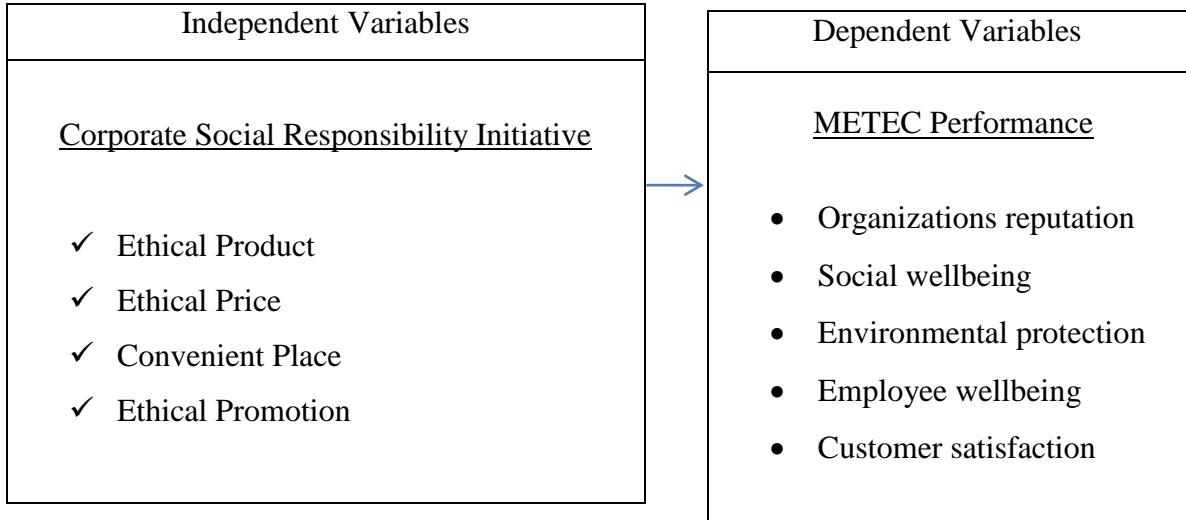


Figure 2.3 Conceptual framework of the study, source own model

## 2.4.1. Definition of variables

### a) Independent Variables

The independent variables used us major determinants of the value adding on organization's performance and customer relation. These independent variables are Ethical product, Ethical price, convenient place and ethical promotion.

#### **Ethics in Product**

There are a lot of ethical problems related to product strategies. Some companies do not consider and pay attention to ethics and legal subjects in new products that's why defective products can be put on the market and these products can damage consumers. Moreover, some information on labels can be misleading (Chonko, 1995). Organization with ethical product will achieve great performance and reputation.

#### **Ethics in Pricing**

Pricing practices are always doubtful according to potential probability that prices will be managed in favor of the seller. In ethical view, the consumer should receive benefit proportional to the price that he gave (Kehoe, P.J. and T.J. Kehoe, 1985). In addition many strategies are developed in this area can hurt not only the consumer but also the competitors through price fixing strategy, or that of predatory pricing which aims to have

monopolistic position, we can add also discriminatory pricing strategy among others unethical pricing practices.

### **Ethics in Distribution**

Unethical practices in this area result from discrimination in the distribution and the main unethical problem is direct marketing when the seller forces the consumer to buy the product, intrusion problem (Chonko, 1995).

### **Ethics in Promotion**

An advertisement is going more and more the most persuasive means of inciting the consumer to buy the product. Unethical problems in advertising can be result when customers suffer from deception when they realize that the content of the advertisement was not true (Drumwright, and Murphy, 2001).

### **b) Dependent Variables**

The dependent variables are those variables vary in reaction to independent variables. The dependent variables the researcher going to test are organization's reputation, social wellbeing, environmental protection, employee wellbeing, and customer satisfaction.

### **Organization's Reputation**

Organization reputation is a soft concept. It is the overall estimation in which an organization is held by its internal and external stakeholders based on its past actions and probability of its future behavior. The organization may have a slightly different reputation with each stakeholder according to their experiences in dealing with the organization or in what they have heard about it from others.

### **Social Wellbeing**

Social welfare is any variety of governmental and non-governmental organization's program designed to enhance equality of life by providing sort of support and developments programs. Social welfare provides assistance to citizens through programs such as health care, poverty alleviation, creates employment opportunity, housing services, mega projects construction and schools to society at large.

**Environmental protection**

Environmental protection is a practice of protecting the natural environment on individual, organizational or governmental levels, for the benefit of both the natural environment and humans.

**Customer satisfaction**

Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODS**

This chapter mainly focused on and discusses the research design, data type and source, population of the study, sample size and sampling techniques, instrument of data collection and procedures used to conduct the research. To test the survey instrument, reliability and validity test were used. The tactical tools, descriptive and chi-square test of independence used to analyze the collected data. To keep the respondents confidentiality the ethical consideration has discussed.

#### **3.1. Research Design**

The researcher deployed descriptive research design and mixed methods of research approach to analyze how METEC is using corporate social responsibility initiatives with integration of marketing tools, since the initiatives is a kind of profit sharing for the society at large. The essence of using descriptive research for the study is simply to describe what the CSR phenomena looks alike at this multi-sectorial government owned organization.

#### **3.2. Data Type and Source**

According to Council of Ministers Regulation No. 183/2010 the total population of METEC and lists never disclosed to third parties. Because of this regulation limitation, the researcher collected primary data from METEC corporate level office, Ethio-plastic industry, Power Engineering industry, High-tech industry of volunteer respondents.

#### **3.3. Population**

METEC is administratively classified into corporate office and 14 (fourteen) industrial units with staff size of around twenty one thousand. These business units classified into ten Military led organizations and four commercial civil led organizations. Among the above figure 8 member organizations are operating in Addis Ababa and its surroundings whereas the rest six are operating in different regions of Ethiopia.

The target Industries were grouped into four strata based on types of business they engaged in: METEC corporate level office, Ethio-plastic industry, Power Engineering

industry, High-tech industry. The reason for selecting these four cases is that: the Council of Ministers Regulation No. 183/2010 limits the study to involve military missioned industries and to minimize research cost. Except corporate office, all above listed target industries have been engaged in commercial products manufacturing. Therefore, the researcher believes that the analysis of these four commercial industries will be representative to evaluate the Corporate Social Responsibility initiatives of F.D.R.E. Metals and Engineering Corporation /METEC/.

The target population comprises of managerial staffs includes top level managers (TLM) middle level managers (MLM), lower level managers (LLM), non-managerial staffs and customers of the corporate office and three industries. The top level managers are policy makers while the middle and lower level managers are policy implementers. The above approach provided the relevant information for the study.

#### **3.4. Sample size and sampling techniques**

The researcher conducted the study on METEC Corporate Level and three selected member industries among fourteen (14) METEC industries that are operating in Addis Ababa that produces commercial products and services. Since CSR is the management issue and because of the Council of Ministers Regulation No. 183/2010 third party disclosure limitations of military issues and confidentiality, the participants of the study were selected through purposive sampling for managerial staff at all level, convenient sampling for non-managerial staffs at various positions and customers of the target groups.

The reason behind using purposive sampling for managerial staff at all level is to be issue specific and for confidentiality of military organizations. As the name implies, the sample is identified primarily to meet the study objectives using volunteer management members to constitute a sample because they are readily available and participate as subjects for little or no cost. Furthermore, to cross check CSR practice at the bottom line of individual industries convenient sampling applied for non-managerial staff and customers of the target industries.

To assess corporate level office and three industries 166 sample were used. These are 12 top level managers, 16 middle level managers, 29 lower level managers, 83 non-managerial employee and 26 were customers. The sample covers both sex and age of all levels. A proportional sampling technique was employed to decide the number of top level managers, middle level managers, lower level managers, non-managerial staff and customers to be surveyed from each Industry. Therefore, based on the proportion of the selected Industries the sample for all strata Industry 21.6% from METEC Corporate Level, 26.5% were from Ethiopian Plastic Industry, 25.9% were from Ethiopian Power Engineering Industry and 25.9% from High-Tech Industry, the percentage somehow adjusted to get the right number of sample representative from each Industry. As a result the sample numbers from Industry were taken according to the following table.

Table 3.1 Number of samples taken from METEC Corporate Level and three Industries

Description	METEC Corporate Level	Ethiopian Plastic Industry	Ethiopian Power Engineering Industry	High-Tech Industry	Total
No. of TLM	3	3	3	3	12
No. of MLM	8	7	7	7	29
No. of LLM	4	4	4	4	16
No. of Employee	21	21	21	20	83
No. of Customers	-	9	8	9	26
Total	36	44	43	43	166

Source: Own Survey, January, 2016

### 3.5. Instruments of Data Collection

The researcher produced a questionnaire with a combination of closed and open-ended questions to proof the finding. The instruments designed for managerial staff were designed including both open and close-ended questions to generate statistics and to ask respondents opinion in depth. The researcher approached volunteer managerial, non-managerial staff and customers who were happy to respond the questionnaire. In the data

collection instrument, the researcher used CRS initiatives as independent variables and METEC performance as dependent variables.

### **3.6. Procedures of Data Collection**

1. The researcher prepared questionnaire on the basis of research question, research objective and determined the number of participants of the study.
2. The researcher disseminated questionnaires to individual respondents and follows up its completion.
3. The researcher collected the questionnaires and ensured the responses validity and analyzed the data.
4. The researcher interpreted the findings based on the acquired information.

### **3.7. Reliability and Validity**

Reliability is the statistical measure of the equivalence, consistence and stability of survey instrument. Reliability can be determined by three different ways test-retest, alternate forms and internal consistency measure (Cronbach, 1951). This study conducted pilot testing as well as applied internal consistency using Cronbach's alpha check to show the dependability of the instrument to test what it was designed to test. Internal consistency is concerned with the interrelatedness of a sample of test items. It is expressed as a number between 0 and 1 (Tavacol and Dennik, 2011). The higher the score, the more reliable the generated scale. As a result, the Cronbach's alpha value of 0.895 (89.5% reliability) was obtained for managerial survey instruments, 0.925 (92.5% reliability) was obtained for non-managerial survey instruments and 0.865 (86.5% reliability) was obtained for customers survey instruments which was greater than the acceptable range of 63% and above.

Validity refers to the degree to which a survey instrument actually measures what it was intended to measure. Among the four types of validity such as content, face, criterion and constructs this study has confirmed the face and content validity, at the initial phase of the survey instrument design. As a result of face validity the questionnaire tested through content validity conducted, the initial instrument was recognized and modified by major variable as well as major actor groups based on feedbacks of pilot testing participants.

### 3.8. Methods of Data Analysis

#### a) Descriptive analysis

The completed questionnaires edited for completeness and consistency. Subsequently, the data was sorted and summarized in tables and diagrams. The data was processed using SPSS version 20. Then the primary data subject to independent and dependent variables analyzed using descriptive statistical tools like tables, figures and percentages to improve the presentation of the analyzed results for ease of interpretation. Open-ended questions analyzed through qualitative methods of data analysis.

Thus, to answer the research question, the researcher used descriptive statistics model and non-parametric test (Chi-square test of independence) for primary data. The independent variables that are derived from primary data are Ethical Product, Ethical Price, and Convenient Place and Ethical Promotion to implement CSR initiatives and the dependent variables are organization reputation, social wellbeing, environment protection, and employee wellbeing and customer satisfaction.

#### b) Nonparametric (Chi-square) Test Analysis

The researcher used Chi-square test to determine whether or not there is a statistically significant association between independent and dependent variables. If the variables are not associated they are said to be statistically independent (hence Chi-square is often referred to as the Chi-square test of independence). The reason non-parametric test used were because of non-probability sampling techniques.

- The equation for chi-square is,

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where;  $\chi^2$  = Chi-square

$f_o$  = observed frequency in the cell

$f_e$  = expected frequency in the cell

$\sum$  = sum over all the cells.

- When doing a two variables chi-square (test-of-independence), degrees of freedom equals  $(r - 1)(c - 1)$ , where  $r$  is the number of rows and  $c$  is the number of columns in the contingency table.

Two variable chi-square,  $df = (r - 1)(c - 1)$

### **3.9. Ethical Consideration**

Ethical approvals were sought from the METEC management members, non-managerial employees and customers under study. During the study, all participants were informed verbally about the study and participation was on a voluntary basis. Verbal consent made to participate in the sample obtained from those volunteers and participants might withdraw from the study at any time. The returned questionnaires stored securely for the appropriate period of time according to the requirements of the study.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

In this chapter, results of the findings of the study presented. The first section provide general information of the respondents followed by presentation of major findings in the subsequent section.

#### **4.1. Descriptive Statistics of Respondents**

##### **4.1.1. Descriptive Statistics Part of METEC Managerial Staff respondents**

##### **Gender, Age group, Marital status, Education background, Position and Years of Experience of the respondents**

As for the gender of the respondents 64.9% of them were females the rest 35.1% were males whereas the respondent's age groups from 21-30 years 59.6%, 31-40 years 19.3%, 41-50 years 15.8% and above 51 years were 5.3%. The marital status of the respondents was 50.9% married and the rest 49.1% single. When we examine education background of the respondents 54.4% have first degree, 28.1% graduated in college diploma, 1.8% of the respondents have certificate and 15.8% have second degree and above. Their position in their respective organization 24.6% were lower level managers, 54.4% were middle level managers and the rest 21.1% are Top level managers who have experience 1-5 years 59.6%, 6-10 years 22.8%, 11-15 years 8.8% the rest 8.8% have more than fifteen years of work experience in their respective industries.

The researcher asked education of the respondents to know how the respondents understand the subject matter easily as for the above question result the respondents have relatively enough capacity to understand the subject matter. Question related with position help the researcher to know how the respondents are near to operation of industries that make them understand corporate social responsibility easily based on the above, 68.8% of the respondents are operation staff (non-managerial staff and lower and middle level managers) that have been working on manufacturing, the rest 31.3% are top level managers that have been involved as policy makers and direction givers in terms of corporate social responsibility strategy and other strategic issues. As for their experience

the researcher wants to know how the respondents experienced in each industry. As we can understand from the figures above the result implies most of the respondents have enough work experience in the industries.

### **Do you have awareness about Corporate Social Responsibility (CSR)?**

The Corporate Social Responsibility (CSR) awareness of management members at all levels in each METEC industries showed in the following table

Table 4.1: CSR awareness of management members

<b>Corporate Social Responsibility Awareness (Question - 7)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	47.4	47.4	47.4
	Partially	29	50.9	50.9	98.2
	Not Known	1	1.8	1.8	100.0
	Total	57	100.0	100.0	

Source: Own survey, January, 2016

As presented in the above table 47.4% of the management member respondents have awareness of corporate social responsibility (CSR), 50.9% of management members have partial awareness and 1.8% does not know the issues, this implies that half of the management members do not have clear knowledge of corporate social responsibility. Therefore, from the result of respondents we can understand that part of METEC management members partially lack CSR awareness.

### **What do you think the most source of knowledge that you have towards the concept of CSR?**

Table 4.2: Source of CSR knowledge of management members

<b>Source of CSR Knowledge (Question - 8)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	METEC Staff training & development programs	30	52.6	52.6	52.6
	School/University courses	14	24.6	24.6	77.2
	Search engine/Internet	11	19.3	19.3	96.5
	Other	2	3.5	3.5	100.0
	Total	57	100.0	100.0	

Source: Own Survey, January, 2016



The researcher asked the above question in order to find out management members source of corporate social responsibility knowledge. The result shows that most of the respondent's source of CSR knowledge is METEC Staff training & development programs. In addition to staff training and development programs, school/university courses have 24.6% contributions as sources of CSR knowledge of the respondents. As result showed in the table above, 19.3% of the management members CSR source of knowledge is search engine/Internet and 3.5% from other peer group and different organization's websites. This implies that METEC staff training and development program were not participate all management members at all level to create equal sense of understanding. Therefore, METEC should equally and strictly communicate CSR policies and objectives to management members through staff training and development program and other convenient communication medias in the industries.

**What are the benefit/s/ to be generated by the METEC from designing and implementing the CSR initiatives?**

The result shows that all management member respondents replied as corporate social responsibility initiatives have provided significant benefits to organizations image, reputation, employee motivation, positive impact on the well-being of the community, enhance employee retention, creates employment opportunity, and decreases environmental risk reductions. As we can understand from the above result all the respondents believes that the CSR policy gave positive benefit to the organization.

**How your organization does measures the benefit/s/ obtained from CRS initiatives?**

As the result shows METEC CSR benefits have been measured based on the numbers of employment opportunities created, number of mega projects formed, programs undertaken, employee loyalties increased, number of roads and schools constructed, numbers of new engineering technologies emerged and social events sponsored ... etc. Therefore, the researcher understood the measurement mechanisms of CSR initiative benefits.

**What are the main business objective/s/ to be achieved in designing and implementing CSR initiatives/policy to the organization?**

As the respondents replied the main objectives of the company are by meeting local and international standards and work ethics to create conducive working environment to its staff, to promote company reputation, manufacture industrial machineries, capital goods and industrial spare parts, expand and enhance engineering and technological capabilities through creating partnership for the integration and interfacing industrial resources, to build technological capabilities of the country's defense forces through identifying existing and potential needs based on research and development.

**What methods and techniques used to protect internal and external environment during business operations at corporate and individual industry levels?**

The respondents result shows that the techniques used to protect internal environment were by implementing international standards that satisfy internal customers like management members , whereas techniques used to protect external environment were by developing waste management and emission controls mechanism, produced energy saving electrical material and recycling scraps and other the like techniques. Moreover, from collected questionnaires the researcher observed different insights from same management members on their responses. Therefore, it is advisable to communicate all management members how to protect internal and external environments on their business operations.

## What do you think about the METEC embarking on the CSR?

As for the expectation of managerial staff on embarking on corporate social responsibility, the following table showed its result.

Table 4.3: Embarking on corporate social responsibility

<b>METEC Embarking on CSR (Question - 13)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Necessary	27	47.4	47.4	47.4
	Compulsory	14	24.6	24.6	71.9
	Voluntary	12	21.1	21.1	93.0
	Beneficial	4	7.0	7.0	100.0
	Total	57	100.0	100.0	

Source: Own survey, January, 2016

The researcher asked the above question in order to find out how important the respondents think METEC embarking on corporate social responsibility. The result shows that 47.4% of the respondents understood the necessity of embarking on corporate social responsibility, 24.6% of the respondents aware as compulsory, 21.1% of the respondents take as voluntary and the rest 7% of the management members understood as beneficial for the organization. This implies that management members do not have clear knowledge of corporate social responsibility and METEC did not communicate CSR initiatives and policies to management at all levels.

## What impact has the CSR project / program had on the well-being of community?

Table 4.4: CSR Impact on the well-being of Community

<b>METEC CSR Impact on the well-being of Community (Question - 14)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Positive	46	80.7	80.7	80.7
	Negative	2	3.5	3.5	84.2
	Neutral	6	10.5	10.5	94.7
	Not known	3	5.3	5.3	100.0
	Total	57	100.0	100.0	

Source: Own survey, January, 2016

The result shows that 80.7% of respondents replied as corporate social responsibility have positive impact on the well-being of the community, whereas 3.5% thought as CSR

has negative impact, 10.5% as neutral impact and 5.3% replied as not known. As we can understand from the above result, almost all the respondents believe that the CSR program and project has positive impact on the well-being of the community. Additionally the result implies that METEC should communicate CSR program and project impact on the well-being of the community to management members through different reporting awareness creation means.

**METEC has incorporated CSR issues into corporate Missions and Values while formulating its Mission and Values.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.5: Descriptive summary of managerial staff

S/No	Items		1	2	3	4	5
15	METEC has incorporated CSR issues into corporate Missions and Values while formulating its Mission and Values.	Frequency	1	0	5	31	20
		Percent	1.8	0	8.8	54.4	35.1
16	METEC sets CSR Codes, Standards, Management systems and reporting guidelines to institutionalize or formalize CSR policy in the organization.	Frequency	2	3	23	18	11
		Percent	3.5	5.3	40.4	31.6	19.3
17	METEC CSR policy has direct linkage with overall organizational strategic plan.	Frequency	1	9	9	23	15
		Percent	1.8	15.8	15.8	40.4	26.3
18	METEC has allocated budget for Corporate Social Responsibility initiatives?	Frequency	1	8	12	25	11
		Percent	1.8	14.0	21.1	43.9	19.3

Source: Own Survey, January, 2016

As presented in table 4.5 above, 54.4% of the management member respondents agree, 35.1% strongly agree as METEC incorporated CSR initiatives in organization's mission and values while its formulation. Whereas, 1.8% strongly disagree and 8.8% of the respondents undecided as METEC incorporated CSR initiatives in organization's mission and values while formulation. Therefore, from the result of respondents we can

understand that the management members are not equally understood the concepts of CSR initiatives in the mission and values.

**METEC sets CSR Codes, Standards, Management systems and reporting guidelines to institutionalize or formalize CSR policy in the organization.**

As illustrated in the table 4.5 above the result shows that 40.4% of respondents were undecided, 31.6% were agreed, 19.3% were strongly agreed, 5.3% were agreed against, and the rest 3.5% were strongly disagreed.

As we can understand from the above result, almost all respondents were not knew as CSR codes, standards, management systems and reporting guidelines sets to institutionalize or formalize CSR policy. The result implies that METEC should communicate codes, standards, management systems and reporting guidelines to management members.

**METEC CSR policy has direct linkage with overall organizational strategic plan**

As indicated in table 4.5 above shows that 40.4% of respondents were agreed, 26.3% were strongly agreed, 15.8% were disagreed, 15.8% were undecided and 1.8% was strongly disagreed as METEC CSR policy has linkage with organizational strategic plan. The result shows most of the respondents knew the linkage between corporate social responsibility policy with organizational strategic plan. Therefore, transparency may lack in communicating organizational strategic plan and organizations should communicate to management members at all levels.

**METEC has allocated budget for Corporate Social Responsibility initiatives?**

As indicated in table 4.5 above, 43.9% of respondents were agreed, 21.1% were undecided, 19.3% were strongly agreed, 14.0% were disagreed, and the rest 1.8% were strongly disagreed as METEC allocate budget for Corporate Social Responsibility initiatives and implementations. As we can understand from the above result, to implement CSR program METEC allocated budget which support the initiatives.

**METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.6: Descriptive summary of managerial staff

S/No	Items		1	2	3	4	5
19	METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.	Frequency	1	11	15	19	11
		Percent	1.8	19.3	26.3	33.3	19.3
20	METEC always communicate and involve stakeholders (employee, customer, supplier, environmental group, suppliers, community...etc) in its CSR actions and evaluations.	Frequency	2	10	20	16	9
		Percent	3.5	17.5	35.1	28.1	15.8
21	METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.	Frequency	2	9	16	17	13
		Percent	3.5	15.8	28.1	29.8	22.8
22	METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.	Frequency	1	6	11	24	15
		Percent	1.8	10.5	19.3	42.1	26.3

Source: Own Survey, January, 2016

As the table 4.6 above shows, 33.3% of respondents replied as corporate social responsibility policy have equal perception among stakeholders whereas 26.3% of the respondents undecided, 19.3% of the respondents strongly agreed, 19.3% disagreed and 1.8% of the respondents were disagreed with equal perceptions among stakeholders from CSR policy point of view. As we can understand from the above percentage result, almost all the respondents believe that the CSR program and project has no equal perception among stakeholders. Additionally the result implies that METEC should revise CSR policies that bring effect on all stakeholders equally.

**METEC always communicate and involve stakeholders (employee, customer, supplier, environmental group, suppliers, community...etc) in its CSR actions and evaluations.**

As we can understand from the table 4.6 above, the result shows that 20.0 % of respondents were undecided, 16.0% were agreed, 10.0% were disagreed, 9.0% were strongly agreed, and the rest 2.0% were strongly disagreed as METEC always communicate and involve stakeholders (employee, customer, supplier, environmental group, suppliers, community...etc) in its CSR actions and evaluations.. As we can understand from the above result, METEC do not equally communicate and involve stakeholders in its CSR actions and evaluations. Therefore, CSR policy communication and stakeholder involvement should be revised.

**METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.**

As presented in table 4.6 above, 29.8% of respondents were agreed, 28.1% were undecided, 22.8% were strongly agreed, 15.8% were disagreed and 3.5% was strongly disagreed as METEC always measures customer Satisfaction and incorporate its feedback in the opportunities for improvement. Even if the result shows most of the respondents agreed with customer satisfaction measurements helps for opportunity for improvement other respondents have doubt on the action. Therefore, communication may lack in communicating customer feedback to management members at all levels and they should be communicated equally.

**METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.**

As table 4.6 above illustrated, more than 66.4% of the respondents agree and strongly agree the existence ethical pricing policy which is consistent for all types of customers. The existence of ethical pricing method which includes all customers helps for effective CSR communication and alleviates biasness among customers. Therefore, the percentage of respondents' shows as METEC follows ethical pricing policy for its product transactions.

**METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.7: Descriptive summary of managerial staff

S/No	Items		1	2	3	4	5
23	METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.	Frequency	1	10	3	28	15
		Percent	1.8	17.5	5.3	49.1	26.3
24	METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.	Frequency	2	10	16	18	11
		Percent	3.5	17.5	28.1	31.6	19.3
25	METEC facilities (goods and services) easily accessible in all geographical areas.	Frequency	5	8	9	24	11
		Percent	8.8	14.0	15.8	42.1	19.3
26	METEC provides continuous training and development for its employees on production process and sales issues.	Frequency	3	4	11	27	12
		Percent	5.3	7.0	19.3	47.4	21.1

Source: Own Survey, January, 2016

As for the above questions, more than 75.4% of the respondents agree and strongly agree as METEC produces standardized ethical product which can promote and build industry reputation. Therefore, the percentage of respondents' shows as METEC follows product standardization policy which directly focuses on organization's reputation, environment protection and improves society's wellbeing.

**METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.**

The result of table 4.7 above shows that 31.3% of respondents were agree, 28.1 were undecided, 19.3% were strongly agree, 17.5% were disagree and 3.5% was strongly disagree as METEC advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard. The result shows most of the respondents replied METEC advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.



**METEC facilities (goods and services) are easily accessible in all geographical areas.**

As presented in table 4.7 above, 42.1% of respondents were agree, 19.3% were strongly agree, 15.8% were undecided, 14.0% were disagreed and 8.8% was strongly disagreed as METEC facilities (goods and services) were easily accessible in all geographical areas. Even if the result shows most of the respondents agreed with METEC facilities (goods and services) were easily accessible in all geographical areas other respondents have doubt on the accessibilities. Therefore, the organization should check its accessibility to reach all geographical areas.

**METEC provides continuous training and development for its employees on production process and sales issues.**

As table 4.7 above 47.4% of respondents were agree, 21.1% were strongly agree, 19.3% were undecided, 7.0% were disagree and 5.3% was strongly disagree as METEC provides continuous training and development for its employees on production process and sales issues. It means most of the respondents' organizations implement training for employees and the rest don't have. CSR should be part of good business practice and include staff training appropriately. The main reason for education and training program is to ensure so that the staffs are comfortable with the system and increase the expertise and knowledge level of the employs. Moreover training improves knowledge, skills and attitudes, increase confidence, motivation and job satisfaction (Fill and Mullins, 1990). Since the purpose of training is to improve knowledge, skill and attitudes to job satisfaction it is better to know as organizations provide training for employees. Accordingly the result of the above question finding indicate among the respondents most percentage of them replied that METEC has been offering training and the rest relatively some percentage of the respondents replied that their particular organizations didn't offer training to their employees. As matter of fact organizations that don't give training for their employees, the understanding about CSR will be lower and it will have negative impact for production process and sales.

**METEC has certified for some quality standards (e.g. ISO 9001, 14001, 26000 ...etc).**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.8: Descriptive summary of managerial staff

S/No	Items		1	2	3	4	5
27	METEC has certified for some quality standards (e.g. ISO 9001, 14001, 26000 ...etc).	Frequency	1	8	23	11	14
		Percent	1.8	14.0	40.4	19.3	24.6
28	METEC use CSR criteria of both (social and environmental) partner selection.	Frequency	2	11	17	17	10
		Percent	3.5	19.3	29.8	29.8	17.5
29	METEC has a business system which ensures professional development of its employees (career-development plans).	Frequency	3	10	9	24	11
		Percent	5.3	17.5	15.8	42.1	19.3
30	METEC has program to control/overview the consumption of energy and water in its operation/s.	Frequency	2	12	12	22	9
		Percent	3.5	21.1	21.1	38.6	15.8

Source: Own Survey, January, 2016

As indicated in table 4.8 above 40.0% of respondents were undecided, 24.6% were strongly agree, 19.3% were agree, 14.0% were disagree and 1.8% was strongly disagree as METEC has certified for some quality standards (e.g. ISO 9001, 14001, 26000) ...etc. The result shows half of the respondents undecided and disagrees as METEC has got certified for all its industries for international standards. Additionally, 85% of respondents further commented as METEC certified for very few industries which has direct impact on its production and marketing activities. Since the main objective of corporate social responsibility is to meet some local and international standards to protect environments and society wellbeing METEC should work on international and local standards to get certified for all industries.

**METEC use CSR criteria of both (social and environmental) partner selection.**

Table 4.8 above presented that 29.8% of respondents were undecided, 29.8% were agree, 19.3% were disagree, 17.5% were strongly agree, and the rest 3.5% were strongly disagreed as METEC use CSR criteria of both (social and environmental) partner selection. As we can understand from the above result, METEC do not have criteria for both social and environmental partner selection which meets some CSR and other local

and international standards. Therefore, CSR policy should include partners' selection criteria and should be communicated to all management staff.

**METEC has a business system which ensures professional development of its employees (career-development plans).**

As indicated in table 4.8 above, 42.1% of respondents were agree, 19.3% were strongly disagree, 17.5% were disagree, 15.8% were undecided, and the rest 5.3% were strongly disagreed as METEC has a business system which ensures professional development of its employees (career-development plans). As we can understand from the above result, most of the respondents replied as METEC have a business system which ensures professional development of its employees (career-development plans). The career development plan of the organization is also contributes to the succession plan of the organization to get new managers of all levels of management members.

**METEC has program to control/overview the consumption of energy and water in its operation/s.**

As indicated in table 4.8 above, 38.6% of respondents were agree, 21.1% were undecided, 21.1% were disagree, 15.8% were strongly agree, and the rest 3.5% were strongly disagreed as METEC has program to control/overview the consumption of energy and water in its operations. As the result indicates most percentages of the respondents replied as METEC has mechanism to control energy and water consumption. The existence of energy and water consumption techniques will contribute for a better environmental management which enhances green energy. Therefore, CSR policy of the organization is much more contributing to the work of environmental groups study for better understanding and its management.

**METEC environmental management policy complies with national and international standards (ISO, EMAS).**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.9: Descriptive summary of managerial staff

S/No	Items		1	2	3	4	5
31	METEC environmental management policy complies with national and international standards (ISO, EMAS).	Frequency	2	6	21	19	9
		Percent	3.5	10.5	36.8	33.3	15.8
32	METEC provides training for its employees on environmental protection issues.	Frequency	2	5	20	20	10
		Percent	3.5	8.8	35.1	35.1	17.5
33	METEC support and sponsor civil society, local sport and and cultural activities.	Frequency	0	6	2	29	20
		Percent	0	10.5	3.5	50.9	35.1

Source: Own Survey, January, 2016

Table 4.9 above presented that, 36.8% of respondents were undecided, 33.3% were agree, 15.8% were strongly agree, 15.8% were strongly agree, and the rest 3.5% were strongly disagreed as METEC environmental management policy complies with national and international standards (ISO, EMAS). The result shows most of the respondents' undecided as METEC environmental management policy complies with national and international standards. Additionally, the respondents commented that METEC has designed national and international standards for few industries which have direct impact on production and marketing activities.

**METEC provides training for its employees on environmental protection issues.**

Table 4.9 above presented that 35.1% of respondents were agree, 35.1% were undecided, 17.5% were strongly agree, 8.8% were disagree and 3.5% was strongly disagree as METEC provides training for its employees on environmental protection issues. More than half percentage of the respondents replied as METEC provides training for its employees on environmental protection issues. The main reason of training on environmental protection is to ensure awareness, expertise and knowledge level of employees how to protect environments they working in and contributes to the planets

they are operating their business. Moreover training improves knowledge, skills and attitudes, increase confidence, motivation and job satisfaction (Fill and Mullins, 1990).

#### **METEC support and sponsor civil society, local sport and and cultural activities.**

Table 4.9 above presented that, more than 86.0% of the respondents agree and strongly agree the existence of support and sponsor for civil society, local sport and and cultural activities. The existence of support and sponsor for civil society helps for effective CSR policy implementation and get trust from public at large. Therefore, the percentage of respondents' shows as METEC follows ethical pricing policy for its product transactions.

#### **4.1.2. Descriptive Statistics Part of METEC Non-Managerial staff respondents**

##### **Gender, Age group, Marital status, Education background, Position and Years of Experience of the respondents**

As for the gender of the respondents 44.6% of them were females the rest 55.4% were males whereas the respondent's age groups below 20 years 1.2%, from 21-30 years 83.1%, 31-40 years 9.6%, 41-50 years 4.8% and above 51 years were 1.2%. The marital statuses of the respondents were 78.3% single, 20.5% married and the rest 1.2% widowed. When we examine education background of the respondents 54.2% have first degree, 42.2% graduated in college diploma, 1.2% of the respondents have certificate and 2.4% have second degree and above. Their position in their respective industries 100% non-managerial employees who have experience 1-5 years 81.9%, 6-10 years 8.4%, 11-15 years 3.6% the rest 6.0% have more than fifteen years of work experience in their respective industries.

The researcher asked education of the respondents to know how the respondents understand the subject matter easily as for the above question result the respondents have relatively enough capacity to understand the subject matter. As for their experience the researcher wants to know how the respondents experienced in each industry. As we can understand from the figures above the result implies most of the respondents have enough work experience in the industries.

### Do you have awareness about Corporate Social Responsibility (CSR)?

The Corporate Social Responsibility (CSR) awareness of non-managerial staff in each METEC industries showed in the following table

Table 4.10: CSR awareness of management in the industries

Corporate Social Responsibility Awareness (Question - 7)					
Descriptions		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	47.4	47.4	47.4
	Partially	29	50.9	50.9	98.2
	Not Known	1	1.8	1.8	100.0
	Total	57	100.0	100.0	

Source: Own Survey, January, 2016

As presented in the above table 47.4% of the respondents have awareness of corporate social responsibility (CSR), 50.9% of stfaa has partial awareness and 1.8% does not know the issues, this implies that most of the staff has clear knowledge of corporate social responsibility. Therefore, from the result of respondents we can understand that METEC non-managerial staff has Corporate Social Responsibility awareness.

### What do you think that the most source of knowledge that you have towards the concept of CSR?

Table 4.11: Source of CSR knowledge

Source of CSR Knowledge (Question - 8)					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	METEC Staff training & development programs	33	39.8	39.8	39.8
	School/University courses	29	34.9	34.9	74.7
	Search engine/Internet	18	21.7	21.7	96.4
	Other	3	3.6	3.6	100.0
	Total	83	100.0	100.0	

Source: Own Survey, January, 2016

The researcher asked the above question in order to find out non-managerial staff source of corporate social responsibility knowledge. The result shows that 39.8% of the respondent's source of CSR knowledge is METEC Staff training & development programs. In addition to staff training and development programs, school/university courses have 34.9% contributions as sources of CSR knowledge of the respondents. As result showed in the table above, 21.7% of the employees CSR source of knowledge is search engine/Internet and 3.6% from other peer group and different organization's

websites. This implies that METEC staff training and development program do not participate all employees to create equal sense of understanding. Therefore, METEC is advisable to equally and strictly communicate CSR policies and objectives to employees through staff training and development program and other convenient communication Medias in the industries.

**METEC has designed and implemented Corporate Social Responsibility policy.**

Table 4.12: Implementation of CSR policy

<b>METEC has Designed and Implemented CSR policy (Question - 9)</b>					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	7.2	7.2	7.2
	Disagree	8	9.6	9.6	16.9
	Undecided	12	14.5	14.5	31.3
	Agree	45	54.2	54.2	85.5
	Strongly Agree	12	14.5	14.5	100.0
	Total	83	100.0	100.0	

Source: Own Survey, January, 2016

The researcher asked CSR policy formulation and implementation to crosscheck the reality of its implementation and based on the above, 54.2% were agree, 14.5% strongly agree, 14.5 undecided, 9.6% disagree and 7.2% strongly disagree on the formulation and implementation of the policy. The above result implies METEC has formulated and implemented CSR policy in its business operations.

**Do you aware that METEC embarks on any CSR project / program that are beneficial to the people in your community?**

As for the expectation of non-managerial employees on embarking on corporate social responsibility, the following table showed its result.

Table 4.13: Embarking on corporate social responsibility

<b>METEC Embarking on CSR (Question - 10)</b>					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	37	44.6	44.6	44.6
	Partially	31	37.3	37.3	81.9
	Undecided	9	10.8	10.8	92.8
	Not Known	6	7.2	7.2	100.0
	Total	83	100.0	100.0	

Source: Own Survey, January, 2016

The researcher asked the above question in order to find out how important the respondents think METEC embarking on corporate social responsibility. The result shows that 44.6% of the respondents understood the necessity of embarking on corporate social responsibility, 37.3% of the respondents partially know, 10.8% of the respondents in doubt and the rest 7.2% of the employees do not know. The result implies that most of the non-managerial staff understood as corporate social responsibility programs and projects are beneficial to the people.

**What impact has the projects / program had on the community ?**

Table 4.14: CSR project impact on the society

<b>CSR program impact on the community (Question - 11)</b>					
	Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Positive	58	69.9	69.9	69.9
	Negative	5	6.0	6.0	75.9
	Neutral	13	15.7	15.7	91.6
	Not Known	7	8.4	8.4	100.0
	Total	83	100.0	100.0	

Source: Own Survey, January, 2016

The result shows that 69.9% of respondents replied as corporate social responsibility have positive impact on the well-being of the community, whereas 6.0% thought as CSR



has negative impact, 15.7% as neutral impact and 8.4% replied as not known. As we can understand from the above result, almost all the respondents believe that the CSR program and project has positive impact on the well-being of the community. Additionally, the result implies that METEC is advisable to communicate CSR program and project impact on the well-being of the community to employees through different reporting and awareness creation methods.

**METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.15: Descriptive summary of non-managerial staff

S/No	Items	1	2	3	4	5	
12	METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.	Frequency	9	17	7	40	10
		Percent	10.8	20.5	8.4	48.2	12.0
13	METEC strongly strives to comply with quality standards (e.g. ISO 9001, 26000 ... etc)	Frequency	4	12	28	26	13
		Percent	4.8	12.5	33.7	31.3	15.7
14	METEC provides training for its employees on environmental protection issues.	Frequency	7	16	17	31	12
		Percent	8.4	19.3	20.5	37.3	14.5
15	METEC reuse or recycle used materials and scraps?	Frequency	6	10	20	33	13
		Percent	7.2	12.0	24.1	39.8	15.7

Source: Own Survey, January, 2016

As presented in table 4.15 above, 48.2% of respondents replied as corporate social responsibility policy have equal perception among stakeholders whereas 8.4% of the respondents undecided, 12.0% of the respondents strongly agreed, 20.0% disagreed and 10.8% of the respondents were strongly disagreed with equal perceptions among stakeholders from CSR policy point of view. As we can understand from the above percentage result, most of the respondents believe that the CSR policy has no equal

perception among stakeholders. Additionally the result implies that METEC should revise CSR policies that bring effect on all stakeholders equally.

**METEC strongly strives to comply with quality standards (e.g. ISO 9001, 26000 ... etc)**

Table 4.15 above shows that, 33.7% of respondents were undecided, 31.3% were agree, 15.7% were strongly agree, 14.5% were disagree and 4.8% was strongly disagree as METEC has certified for some quality standards (e.g. ISO 9001, 14001, 26000) ...etc. The result shows half of the respondents knew as METEC has certified for international standards. Additionally, respondents further commented as METEC certified for very few industries which has direct impact on its production and marketing activities. Since the main objective of corporate social responsibility is to meet some local and international standards to protect environments and society wellbeing METEC should work on international and local standards to get certified for all industries.

**METEC provides training for its employees on environmental protection issues.**

As presented in table 4.15 above, 37.3% of respondents were agree, 20.5% were undecided, 19.3% were disagree, 14.5% were strongly agree and 8.4% was strongly disagree as METEC provides training for its employees on environmental protection issues. More than half percentage of the respondents replied as METEC provides training for its employees on environmental protection issues. The main reason of training on environmental protection is to ensure awareness, expertise and knowledge level of employees how to protect environments they working in and contributes to the planets they are operating their business. Moreover training improves knowledge, skills and attitudes, increase confidence, motivation and job satisfaction (Fill and Mullins, 1990).

**METEC reuse or recycle used materials and scraps?**

As table 4.15 result shows, 39.8% of respondents were agree, 24.1% were undecided, 15.7% were strongly agree, 12.0% were disagree and 7.2% was strongly disagree as METEC reuse or recycle used materials and scraps. More than half percentage of the respondents replied as METEC reuse or recycle used materials and scraps The main

reason of reuse and recycle of scraps is to protect the environment from manmade pollutions, and the practice protect environments they working in.

**METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.16: Descriptive summary of non-managerial staff

S/No	Items		1	2	3	4	5
16	METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.	Frequency	5	12	16	35	15
		Percent	6.0	14.5	19.3	42.2	18.1
17	METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.	Frequency	5	13	16	30	19
		Percent	6.0	15.7	19.3	36.1	22.9
18	METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.	Frequency	6	14	12	37	14
		Percent	7.2	16.9	14.5	44.6	16.9
19	METEC facilities (goods and services) easily accessible in all geographical areas.	Frequency	11	15	14	28	15
		Percent	13.3	18.1	16.9	33.7	18.1

Source: Own Survey, January, 2016

As per the table 4.16 above, more than 60.3% of the respondents agree and strongly agree the existence ethical pricing policy which is consistent for all types of customers. The existence of ethical pricing method which includes all customers helps for effective CSR communication and alleviates biasness among customers. Therefore, the percentage of respondents' shows as METEC follows ethical pricing policy for its product transactions.

**METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.**

As indicated in table 4.16 above, more than 59.0% of the respondents agree and strongly agree, 19.3% undecided, and 21.7% disagree and strongly disagree as METEC produces standardized ethical product which can promote and build industry reputation. Therefore, the most percentage of respondents shows as METEC follows product standardization policy which directly focuses on organization's reputation, environment protection and improve society's wellbeing.

**METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.**

Table 4.16 above indicated that, 44.6% of respondents were agree, 16.9% were strongly agree, 16.9% were disagree, 14.5% were undecided and 7.2% was strongly disagree as METEC advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard. The result shows most of the respondents replied METEC advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.

**METEC facilities (goods and services) are easily accessible in all geographical areas.**

As presented in table 4.16 above, 33.7% of respondents were agree, 18.1% were strongly agree, 18.1% were disagree, 16.9% were disagreed and 13.3% was strongly disagreed as METEC facilities (goods and services) were easily accessible in all geographical areas. The result shows that half the respondents respondents agreed with METEC facilities (goods and services) were easily accessible in all geographical areas, other respondents have doubt on the accessibilities. Therefore, the organization is advisable to check its accessibility to reach all geographical areas.

**METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.17: Descriptive summary of non-managerial staff

S/No	Items		1	2	3	4	5
20	METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.	Frequency	12	12	17	32	10
		Percent	14.5	14.5	20.5	38.6	12.0
21	METEC always recognize and respect societal ethical norms.	Frequency	5	15	15	35	13
		Percent	6.0	18.1	18.1	42.2	15.7
22	METEC voluntarily participates in charitable activities with in its local communities.	Frequency	3	15	10	35	20
		Percent	3.6	18.1	12.0	42.2	24.1
23	METEC assist projects that enhance community’s “equality of life” and poverty alleviations.	Frequency	10	11	18	28	16
		Percent	12.0	13.3	21.7	33.7	19.3

Source: Own Survey, January, 2016

In the table 4.17 above, the result shows that 38.6% of respondents were agreed, 20.0% were undecided, 14.5% were strongly disagree, 14.5% were undecided and 12.0% was strongly agree as METEC always measures customer Satisfaction and incorporate its feedback in the opportunities for improvement. Even if the result shows most of the respondents agreed with customer satisfaction measurements helps for opportunity for improvement other respondents have doubt on the action. Therefore, communicating customer feedback to employees through available reporting system and Medias.

**METEC always recognize and respect societal ethical norms.**

As presented in table 4.17 above, 42.2% were agree, 15.7% strongly agree, 18.1% undecided, 18.1% disagree and 6.0% strongly disagree as METEC always recognize and respect societal ethical norms. Therefore, the most percentage of respondents shows METEC always recognize and respect societal ethical norms by participating different public events.

**METEC voluntarily participates in charitable activities with in its local communities.**

As the result of table 4.17 above shows that, 42.2% of respondents were agree, 24.1% were strongly agree, 18.1% were disagree, 12.1% were undecided and 3.6% was strongly disagreed as METEC facilities (goods and services) were easily accessible in all geographical areas. The result shows that most of the respondents agree as METEC voluntarily participates in charitable activities with in its local communities by sponsoring different large public projects and social events. Therefore, currently METEC industries have got great recognition in the society.

**METEC is assist projects that enhance community’s “equality of life” and poverty alleviations.**

As indicated in table 4.17 above shows that, 33.7% of respondents were agree, 21.7% were undecided, 19.3% were strongly agree, 13.3% were disagree and 12.0% were strongly disagree as METEC assist projects that enhance community’s “equality of life” and poverty alleviations. The result shows most of the respondents agreed with METEC assists various public projects in construction, agriculture, education, engineering and other various sectors that enhance equality of life and poverty alleviation

**METEC always communicate corporate social responsibility activities to its employee.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.18: Descriptive summary of non-managerial staff

S/No	Items		1	2	3	4	5
24	METEC always communicate corporate social responsibility activities to its employee.	Frequency	6	15	17	34	11
		Percent	7.2	18.1	20.5	41.0	13.3
25	The organization has commitment to safe work place ethics?	Frequency	7	17	6	34	19
		Percent	8.4	20.5	7.2	41.0	22.9
26	METEC has a business system which ensures professional development of its employees (career-development plans).	Frequency	6	15	18	31	13
		Percent	7.2	18.1	21.7	37.3	15.7
27	METEC offers fair compensation and reward package for its employees.	Frequency	15	17	25	17	9
		Percent	18.1	20.5	30.1	20.5	10.8

Source: Own Survey, January, 2016

As table 4.18 above result shows that 41.0% of respondents were agree, 20.5% were undecided, 18.1% were disagree, 13.3% were strongly agree and 7.2% were strongly disagreed as METEC always communicate corporate social responsibility activities to its employee. The result shows that half of the respondents agree as METEC always communicate corporate social responsibility activities to its employee. Therefore, communicating CSR activities to employees helps the organization to be trusted by its employee and society at large.

#### **The organization has commitment to safe work place ethics?**

The result of 4.18 above shows that 41.0% of respondents were agree, 22.9 % were strongly agree, 20.5% were disagree, 7.2% were disagree and 8.4% were strongly disagree as METEC has commitment to safe work place ethics. The result shows that most of the respondents agree as METEC has commitment to safe work place ethics for its employees and working environment.

#### **METEC has a business system which ensures professional development of its employees (career-development plans).**

As presented in table 4.18 above shows that 37.3% of respondents were agree, 21.7% undecided, 18.1% disagree, 15.7% strongly agree and 7.2% was strongly disagree as METEC provides professional training and development of its employees helps for career-development plans.

It means, most of the respondents agree on professional training and development of its employees helps for career-development plans for employees. CSR should be part of good career development practice. The main reason for professional development program is to ensure so that the staffs are comfortable with the system and increase the expertise and knowledge level of the employees.

#### **METEC offers fair compensation and reward package for its employees.**

The researcher asked the question to crosscheck fair compensation and reward system. Therefore, according to table 4.18 above shows that 30.1% of respondents were undecided, 20.5% agree, 20.5% disagree, 10.8% strongly agree and 18.1% strongly

disagree as METEC offers fair compensation and reward package for its employees. More than half percentage of the respondents replied as METEC offers fair compensation and reward package for its employees. The main reason of fair compensation and reward system helps the organization to retain employees.

**METEC provides higher education opportunities for its employees to enhance their knowledge and skill.**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.19: Descriptive summary of non-managerial staff

S/No	Items		1	2	3	4	5
28	METEC provides higher education opportunities for its employees to enhance their knowledge and skill.	Frequency	8	16	16	27	16
		Percent	29.6	19.3	19.3	32.5	19.3
29	The organization protect employee from any sort of harassment?	Frequency	8	11	24	29	11
		Percent	9.6	13.3	28.9	34.9	13.3
30	METEC provides continuous training and development for its employees on production process and sales issues.	Frequency	8	15	18	25	17
		Percent	9.6	18.1	21.7	30.1	20.5

Source: Own Survey, January, 2016

The result of table 4.19 above shows that 32.5% of respondents were agree, 19.3% undecided, 19.3% disagree, 19.3% strongly agree and 9.6% strongly disagree as METEC provides higher education opportunities employees to enhance their knowledge and skills. This means that more than half percent of the respondents agree on education opportunities of its employees helps for career-development plans for employees.

**The organization protect employee from any sort of harassment?**

As indicated in table 4.19 above shows that 34.9% of respondents were agree, 28.9% undecided, 13.3% disagree, 13.3% strongly agree and 9.6% strongly disagreed as METEC organization protect employees from any sort of harassment. The result shows that half of the respondents agree as the organization developed harassment protection regulation in its CSR policy. The harassment regulation will provide equality between genders and create conducive work environment in the organization.



**METEC provides continuous training and development for its employees on production process and sales issues.**

As the result of table 4.19 above shows that 30.1% of respondents were agrees, 21.7% undecided, 20.5% strongly agree, 18.1% disagree and 9.6% strongly disagree as METEC provides training for its employees on production and sales issues. More than half percentage of the respondents replied as METEC provides training for its employees on production and sales issues. The main reason of training is to ensure awareness, expertise and knowledge level of employees how to produce and sale the product.

#### **4.1.2 Descriptive Statistics Part of METEC Customer respondents**

**General Information (Gender, Age, Responsibility in the family, Responsibility in the organization, Relationship and length being consumer)**

Based on the survey result, among the respondents 42.3% were females and the rest 57.7% were male customers. Additionally 42.3% of respondents age range were between 18 -28 years, 42.3% were 29-39 years and customers whose age ranges above 39 years were 15.4%. The customers responsibility in their respective family were 23.1% were mothers, 36.4% were fathers, 26.9% were children and 15.4% were other family representatives and their responsibility in their business 42.3% were manager, 42.3% were non-manager and 15.4% were others. The relationship that customers have with METEC is 3.8% were wholesaler, 19.2% were distributor, 26.9% were supplier, 7.7% were retailer and 42.3% were direct consumers. The mentioned customers have been worked with METEC from 1-3 years were 61.5%, 4-7 years were 30.8% and 8-10 years were 7.7%.

As for the above six general questions , the age of the respondents that are above 18 years old and between 18-39 years old comprises a significant percentage that indicates most customers are in the productive age group for them to make business effectively .When we see the gender of the respondents most customers in the survey were male. In other side among the respondents responsibilities in their business were fathers and in business relationships were suppliers and the status responsibility in the business owner manager.

### **Do you trust METEC's products are safe to consume?**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.20: Descriptive summary of customer

S/No	Items		Yes	No
7	Do you trust METEC's products are safe to consume?	Frequency	21	5
		Percent	80.8	19.2
8	Does METEC quickly respond and address to consumer problems?	Frequency	12	14
		Percent	46.2	53.8
9	Do you see METEC strive to improve the quality of its product?	Frequency	19	7
		Percent	73.1	26.9

Source: Own Survey, January, 2016

As illustrated in table 4.20 above, we can understand that the percentage of the most respondents replied as the organization's product safe to the consumer. Therefore, product safety will enhance sales volume and promote organization's reputation in the society.

### **Does METEC quickly respond and address to consumer problems?**

As indicated in table 4.20 above, among the respondents 53.8% of them are not comfortable in addressing consumer problems and 46.2% were agree in responding to their problems. The result shows that the organization partially responds to customers problems. The problem solving measure will have the possibility to decrease the consumers' satisfaction and decrease their number from time to time and eradicate number of customers.

### **Do you see METEC strive to improve the quality of its product?**

As presented above in table 4.20, the respondents 73.1 % of them were agree as METEC strive to improve the quality of its products and the rest 26.9% were not comfortable on the improvement. The result is consistent with the above in addressing consumer problems.

**METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.**

Table 4.21: Standardized ethical products

<b>METEC produces standardized ethical products (Question - 10)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	26.9	26.9	26.9
	Disagree	3	11.5	11.5	38.5
	Undecided	2	7.7	7.7	46.2
	Agree	11	42.3	42.3	88.5
	Strongly Agree	3	11.5	11.5	100.0
	Total	26	100.0	100.0	

Source: Own Survey, January, 2016

As for the above questions 42.3% of the respondents were agree, 26.9% were strongly disagree, 11.5% disagree, 11.5% were strongly agree and 7.7% were undecided as METEC produces standardized ethical product which can promote and build industry reputation. Therefore, the most percentage of respondents shows as METEC follows product standardization policy which directly focuses on organization's reputation, environment protection and improve society's wellbeing.

**Do you know any corporate and social responsibility initiatives of METEC?**

Table 4.22: Corporate social responsibility initiative

<b>Awareness of METEC CSR initiatives (Question - 11)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	61.5	61.5	61.5
	No	10	38.5	38.5	100.0
	Total	26	100.0	100.0	

Source: Own Survey, January, 2016

As presented in the above table 61.5% of the respondents have awareness of corporate social responsibility initiatives and 38.5% of the respondents have partial awareness, this implies that most of the customers have clear knowledge. Therefore, from the result of respondents we can understand that customers have corporate social responsibility initiative.

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

Table 4.23: Organizations CSR action

<b>Which actions of the Company do you aware? (Question - 12)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Donation to social and/or environmental programs	1	3.8	3.8	3.8
	Cause Related Marketing Comparing partnership projects of social solidarity	20	76.9	76.9	80.8
	Corporate foundation	4	15.4	15.4	96.2
	Other	1	3.8	3.8	100.0
	Total	26	100.0	100.0	

Source: Own Survey, January, 2016

As presented in the above table 76.9% of the respondents were agree with corporate social responsibility initiatives depends on cause related marketing, 15.4% were depends on corporate foundation, 3.8% were were depends on donation to social and/or environmental programs and 3.8% were depends on others. Therefore, from the result of respondents we can understand that corporate social responsibility initiatives depend on cause related marketing.

**Do you think the advertisements of the METEC are made in a socially responsible way?**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.24: Descriptive summary of customer

S/No	Items		Yes	No
13	Do you think the advertisements of the METEC are made in a socially responsible way?	Frequency	17	9
		Percent	65.4	34.6
14	Do you know any social development activity of the organization?	Frequency	12	14
		Percent	46.2	53.8
15	Do you know any environmental damages activity of the organization?	Frequency	5	21
		Percent	19.2	80.8
16	Do you think that METEC offer ethical/indiscriminated price?	Frequency	16	10
		Percent	61.5	38.5
17	Do you think that METEC deliver its product on site using its logistics?	Frequency	9	17
		Percent	34.6	65.4

Source: Own Survey, January, 2016

As indicated in table 4.24 result shows that, 65.4% of respondents were agree as the advertisement is made in socially responsible way, 34.6% were not made in socially responsible way. The result shows most of the respondents replied METEC advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standards. These realities of the product will results in sales volume enhancement and increases organizations reputation.

**Do you know any social development activity of the organization?**

As illustrated in table 4.24 above, among the respondents 53.8% were not comfortable with social development activity of the organization, 46.2% of the respondents were comfortable. The result shows most of the respondents were not comfortable as METEC participates on social development activities. Therefore, it is advisable to include various development activities in to the CSR policy, communicate activities done to customers through available Medias, awareness creation programs and on customers day.

**Do you know any environmental damages activity of the organization**

Table 4.24 above shows, among the respondents 80.8% were not knew environmental damage activities, 19.2% of the respondents were considered environmental damage activities. Respondents who considered environmental damage were further commented as METEC were not give attention on waste emission to areas it is working. The result shows most of the respondents were not considered environmental damage activities of METEC. Therefore, it is advisable to collect suggestions and information from all customers and business runners to include in the opportunities for improvement on the environmental damage activities.

**Do you think that METEC offer ethical/indiscriminate price?**

As indicated in table 4.24 above, among the respondents 61.5% were comfortable with product distribution price, 38.5% of the respondents were considered unethical product distribution price. Respondents who considered unethical product price were further commented as METEC distributes product for customers of the same type with different product price. The result shows most of the respondents were agree as the organization distributes products with same price for same types of customers. One of the corporate

social responsibility practice are offering same price for same products to all types of customers. Therefore, to retain customers the organization is advisable to fix same selling price for same types of products and customers

**Do you think that METEC deliver its product on site using its logistics?**

As presented in table 4.24 above, the result shows that 65.4% of respondents were replied as METEC not delivered products on the site, 34.5% respondents were used organizations logistics facilities transport their products. The result shows that most of the respondents did not get logistics facilities and considered themselves as discriminated. Therefore, the organization is advisable to provide logistic facilities to customers those have same purchasing power.

**To what extent are you satisfied in business relationship with METEC?**

Among the respondents 50.0% were good, 38.5% were not good, 7.7% were very good and 3.8% were excellent with METEC in business relationships. Respondents whom were not satisfied with business operations are raised complaints connected with product availability and on time delivery. The result shows most of the respondents were satisfied in business relationships. Therefore, to increase customers' satisfaction to same level it is advisable to conduct customer satisfaction survey for all types of customers and take measure as results found. Additionally, the organization should revise its production schedule to avail products on time.

**METEC implement activities in post-sale service customers' trainings**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

Table 4.25: Descriptive summary of customer

S/No	Items	1	2	3	4	5	
19	METEC implement activities in post-sale service customers' trainings.	Frequency	7	7	3	9	0
		Percent	26.9	26.9	11.5	34.6	0.0
20	Corporate Social Responsibility guarantees the customers' confidence level and corporate loyalty.	Frequency	4	6	1	8	7
		Percent	15.4	23.1	3.8	30.8	26.9

Source: Own Survey, January, 2016

In table 4.25 above the result shows that 34.6% were agree, 26.9% disagree, 26.9% strongly disagree and 11.5% undecided as METEC implement activities in post-sale service customers' training. The result shows that most of the respondents did not get post sales training to aware about products sold. . Therefore, the organization is advisable to provide post sales training to customers about the products, usage, maintenance and handling to create awareness.

**Corporate Social Responsibility guarantees the customers' confidence level and corporate loyalty.**

As presented in table 4.25 above, result shows that 30.8% were agree, 26.9% strongly agree, 23.1% disagree, 15.4 strongly disagree and 3.8% undecided as METEC Corporate Social Responsibility guarantees the customers' confidence level and corporate loyalty. The result shows that most of the respondents believes as corporate social responsibility guarantee and enhance customers' level of confidence. Therefore, it is advisable to continue in corporate social responsibility initiatives in its business operations.

**Which one of the following do you know METEC is currently working on?**

Table 4.26: METEC current activities

<b>Activities METEC is currently working on (Question - 21)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Give employment opportunity to the community	12	46.2	46.2	46.2
	Initiative to use environmental friendly packaging	1	3.8	3.8	50.0
	Maintains waste reduction and management program	1	3.8	3.8	53.8
	Participate in all above activities	12	46.2	46.2	100.0
	Total	26	100.0	100.0	

Source: Own Survey, January, 2016

The researcher asked the above question to know customers understanding on current METEC activities and its result. Among the respondents 46.2% were known as METEC Give employment opportunity to the community, 3.8% focused on initiative to use environmental friendly packaging, 3.8% considered as METEC maintains waste

reduction and management program and 46.2% considered as METEC participated in all above activities. The result shows most of the respondents replied organization's current activities focused on all above mentioned activities. Therefore, the mentioned activities made the organization responsible to the society at large.

**Do you know any unethical behavior during its business transaction (have you faced procedural justice problem)?**

Table 4.27: Procedural justice problem

<b>METEC unethical behavior during its business transaction (Question - 22)</b>					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	38.5	38.5	38.5
	No	16	61.5	61.5	100.0
	Total	26	100.0	100.0	

Source: Own Survey, January, 2016

The result shows that 38.5% of respondents were considered unethical behavior during business operations whereas 61.5% were not. The result shows that most of the respondents replied as METEC stick to business procedures in its operations. Therefore, since the main organization's establishment is military mission, its business operators should take trainings on how to handle customers.



## 4.2. Results of Nonparametric Test (Chi-square test of independence) Analysis

### 4.2.1. Managerial staff Chi-square result analysis

Table 4.28: Management staff chi-square result

<b>Dependent Variable</b>	<b>Independent Variable</b>	<b>Chi-square Value</b>	<b>Level of significance (P-Value)</b>
Organization reputation	Ethical product	25.033	0.043
	Ethical price	25.107	0.021
	Ethical promotion	46.429	0.005
	Convenient Place	37.967	0.002
Social Wellbeing	Ethical product	14.132	0.032
	Ethical price	12.480	0.012
	Ethical promotion	31.643	0.002
	Convenient Place	18.618	0.024
Environmental Protection	Ethical product	29.854	0.019
	Ethical price	27.030	0.041
	Ethical promotion	36.354	0.003
	Convenient Place	36.646	0.002
Employee Wellbeing	Ethical product	30.014	0.018
	Ethical price	37.617	0.002
	Ethical promotion	23.528	0.017
	Convenient Place	35.365	0.004
Customer satisfaction	Ethical product	56.163	0.000
	Ethical price	34.067	0.000
	Ethical	41.945	0.000
	Convenient Place	25.518	0.031

Source: Own Survey, January, 2016

The level of significance (p-value) of chi-square test of independence, and alpha value measures the association between independent and dependent variables. As presented in table 4.28 above, the levels of significance for all variables are less than the alpha values. The independent variables which are ethical marketing tools statistically have significant relationships with dependent variables which are the organization's performance. Therefore, METEC corporate social responsibility initiatives have strong association with marketing tool ethics.

#### 4.2.2. Non-managerial staff Chi-square result analysis

Table 4.29: Non-Managerial staff Chi-square

<b>Dependent Variable</b>	<b>Independent Variable</b>	<b>Chi-square Value</b>	<b>Level of significance (P-Value)</b>
Organization reputation	Ethical product	38.487	0.001
	Ethical price	13.875	0.008
	Ethical promotion	18.458	0.038
	Convenient Place	12.804	0.017
Social Welfare	Ethical product	38.067	0.001
	Ethical price	29.491	0.021
	Ethical promotion	27.243	0.039
	Convenient Place	41.664	0.000
Environmental Protection	Ethical product	34.834	0.004
	Ethical price	25.594	0.020
	Ethical promotion	22.915	0.016
	Convenient Place	33.267	0.007
Employee Wellbeing	Ethical product	35.909	0.003
	Ethical price	11.324	0.019
	Ethical promotion	26.718	0.045
	Convenient Place	44.404	0.000
Customer satisfaction	Ethical product	45.899	0.000
	Ethical price	42.491	0.000
	Ethical	64.335	0.000
	Convenient Place	33.702	0.006

Source: Own Survey, January, 2016

As per the result of Table 4.29 above, the observed level of significance (p-value) is less than alpha value for all variables same to management members. This indicated that, the independent variables statistically have significant relationship with dependent variables. This means, the organization's performance has been affected by ethical marketing tools of the organization.

### 4.2.3. Customers Chi-square result analysis

Table 4.30: Customer Chi-square Result

<b>Dependent Variable</b>	<b>Independent Variable</b>	<b>Chi-square Value</b>	<b>Level of significance (P-Value)</b>
Organization reputation	Ethical product	20.035	0.019
	Ethical price	6.937	0.039
	Ethical promotion	2.751	0.005
	Convenient Place	1.463	0.033
Social Welfare	Ethical product	17.784	0.022
	Ethical price	2.410	0.002
	Ethical promotion	5.749	0.024
	Convenient Place	5.381	0.046
Environmental Protection	Ethical product	1.976	0.040
	Ethical price	0.006	0.037
	Ethical promotion	0.079	0.008
	Convenient Place	0.079	0.018
Customer satisfaction	Ethical product	0.751	0.045
	Ethical price	0.248	0.019
	Ethical	6.801	0.009
	Convenient Place	2.331	0.027

Source: Own Survey, January, 2016

As presented in the table 4.30 above the customer's chi-square of independence result shows, the level of significance for all variables was less than alpha value. Therefore, we can understand that dependent variables statistically have strong association with all independent variables. Moreover, the result shows that, customers have strong understanding on METEC marketing tool ethics and its performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATION**

Under this chapter, the researcher summarized findings based on chapter four analyses. The conclusion part elaborates answers for research questions and research objectives based on the findings. Succeeding the conclusion part of the study, the researcher recommends best practice and solutions for the findings of the study.

#### **5.1 Summary of Findings**

Based on the analysis made in chapter four the following summary are made on the assessment of corporate social responsibility as a marketing tool of F.D.R.E Metals and Engineering Corporation /METEC/ corporate level and its selected industries. Although there are some established CSR initiative policy at corporate level and cascaded to its industries because of its recent start the concept in the METEC has not fully practiced.

The study summarizes that even though the extent of implementation and understanding differs at corporate level and from one industry to other; all industries have been using corporate social responsibility policy tools, techniques and assessment models in unorganized way. Despite the fact the organizations corporate social responsibility initiatives main objectives are to create conducive working environment to its staff, to create employment opportunity, to enhance social wellbeing, to protect environment and promote company reputation by providing fair products and services to society, the employees of the organization at all level were not communicated equally and did not have clear views. In addition to that METEC were not conduct customer satisfaction survey and include the feedback in opportunities for improvement.

As observed from the analysis, METEC were not certified most of its industries for international standards. This implies that, in the absences of various standards organizations could not fulfill its CSR initiatives as needed. On the other hand, METEC does not have well-organized CSR guidelines and designed reporting and follow up systems.

This study shows from the result of non-parametric (chi-square test) analysis that there is a significant relationship between CSR initiatives and performance of the organization. Better CSR initiatives implementation the greatest organization's reputation and society well-being.

## **5.2 Conclusions**

Based on the analysis made in chapter four the following conclusions are made on the relationship between corporate social responsibility and marketing tools to answer basic research questions and objectives.

METEC current corporate social responsibility approaches are creating employment opportunity, using environmental friendly packages, maintaining waste reduction and management programs in its activities. To undertake these activities METEC have included ethics in its marketing tools. The concept of designing ethics in its marketing tools is to influence its performance and promote organizations reputation, enhance social wellbeing, environmental protection and protect employees' wellbeing.

Among the benefits derived from implementing CSR activities are; social well-being have enhanced, different mega projects and infrastructures have constructed, environmental risk have decreased, and various industries have constructed to enhance social equality of life.

METEC implemented internationally proved management systems and good practice to protect internal customers and implemented international standard to protect external environment as techniques. Among the techniques used waste management and emission controls mechanism, produces energy saving electrical material and scraps recycling are the majors. To meet corporate social responsibility objective METEC used ethical marketing tools to influence its performance and to accomplish organization's strategic issues.

Additionally, the survey indicates that there is a direct relationship between ethical marketing tools and organizations performance and the better existence of corporate social responsibility the higher the improved performance. This has led us to conclude

that METEC has implemented CSR initiatives to accomplish organizations strategic issues rather than using as traditional marketing tools.

### **5.3 Recommendation**

To build organization image and stakeholders confidence, it is better to produce standardized quality product with consistent pricing, ethical advertisement and also highly participate on environmental protection activities during its business operation. On the implementation of CSR and achievements it's by far better to communicate employees, customers and community through formal communication network.

The communication can be done through:-

- Providing formal training on corporate social responsibility policy and strategies. It will help employee to understand basic principles and practice to support the initiatives.
- Different community engagement program such as great victory day celebration, public holiday, annual report and sporting events.
- Different posters, organization official website, and customers and consumers activation program.

With regard to quality product development, consistent pricing, promotion and place facilities that contributes goodness to organizations reputation and society well-being, adopting international standards and revise local quality management system could be the most quality problem addressing mechanism. In terms of product pricing METEC should set consistent price for all types of customers in all geographical areas. Regarding to organization's product advertisement reality, it should be same what is produced and what is said on the media.

To address internal and external customer's complaints it is important to develop clear system how complaints are being addressed. It is such an important tool that the organization keeps the truck of its quality record alignment with its customers and consumers. To facilitate such things METEC has modern quality testing laboratory as a sub-unit.

For the effective CSR initiatives METEC should establish CSR management team or unit to meet the objectives based planned activities and the capacity. This will be responsible for monitoring, measuring and controlling the implemented CSR plans and create awareness to employees to effectively meet the objectives same in all industries.

High performance and achievements mainly depends on having a well trained staff. Therefore, the organization should give due attention in capacitating its staff with the required knowledge and skill specially training of ethical practices related with CSR principles. These should be implemented at the extent of setting budget and make training and development as part formal line of business continuously.

Finally, to adequately meet the CSR objectives, METEC expected to be more serious on its day-to-day CSR functions and should incorporate CSR as one among other main objectives to be accomplished. This can be achieved through:-

- Prepare policies and procedures to control CSR implementation.
- Allocate budget to meet the CSR objectives.
- Provide training and awareness creating activities.
- Moreover, focus on society major problems and activities that reduce cost of life, and make them socially responsible by communicating stakeholders.

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# APPENDICES

## Appendixes - I

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MANAGEMENT**  
**MBA PROGRAM**

**QUESTIONNAIRE COMPLETED BY TOP, MIDDLE AND LOWER LEVEL  
MANAGEMENT**

Dear respondent, this questionnaire is designed for the purpose of doing a research entitled "Assessment of Corporate Social Responsibility / CSR/ as a Marketing Tool: The Case of Federal Democratic Republic of Ethiopia Metals and Engineering Corporation (METEC)" for the partial fulfillment of the requirement for the award of Masters of Art in Business Administration.

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

I would like to thank you for your cooperation in advance!

With Best Regards

Legesse Hailu

## General Instruction

- Do not write your name in any part of the questioner.
- Your honest response is vital for the success of the study.
- Put tick mark, circle and/or write precise answer to the best of your knowledge for questions followed by blank spaces as provided.

### PART I. Background Information

- Please respondent put "✓ or Circle" mark on your choices.

1. Sex    Male                       Female
2. Age group
  - A. Below 20 years
  - B. 21 - 30
  - C. 31 - 40
  - D. 41 - 50
  - E. 51 and Above
3. Marital Status:    Single             Married             Divorced             Widowed
4. The highest level of education you achieved
  - Below grade 10
  - 12<sup>th</sup> grade complete
  - Certificate
  - College Diploma
  - Fist Degree
  - Masters
  - PhD
5. Your position held in the METEC?
  - A. Top Level Manager
  - B. Middle Level Manager
  - C. Lower Level Manager
  - D. Non-Managerial Staff
6. For how long you have worked for METEC?
  - A. 1-5 Year/s
  - B. 6- 10 Years
  - C. 11- 15 Years
  - D. above 15 Years

### PART II: Awareness of CSR

7. Do you have awareness about Corporate Social Responsibility (CSR)?
  - A. Yes
  - B. Partially
  - C. Undecided
  - D. Not known
8. What do you think the most source of knowledge that you have towards the concept of CSR?
  - A. METEC staff training and development programs.
  - B. School/University courses.
  - C. Search engine/Internet.
  - D. Other. Please specify if other

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9. What are the benefit/s/ to be generated by the METEC from designing and implementing the CSR initiatives?
- \_\_\_\_\_
- \_\_\_\_\_
10. How does your organization measures the benefit/s/ obtained from CRS initiatives?
- \_\_\_\_\_
- \_\_\_\_\_
11. What are the main business objective/s/ to be achieved in designing and implementing CSR initiatives/policy to the organization?
- \_\_\_\_\_
- \_\_\_\_\_
12. What methods and techniques used to protect internal and external environment during business operations at corporate and individual industry levels?
- \_\_\_\_\_
- \_\_\_\_\_
13. What do you think about the METEC embarking on the CSR?  
 A. Necessary      B. Compulsory      C. Voluntary      D. Beneficial
14. What impact has the CSR project / program had on the well-being of community?  
 A. Positive      B. Negative      C. Neutral      D. Not known

**PART II: CSR Implementation**

Response Range: 1= Strongly Disagree    2= Disagree    3= Undecided    4= Agree    5= Strongly Agree

No.	Variables	1	2	3	4	5
15	METEC has incorporated CSR issues into corporate Missions and Values while formulating its Mission and Values.					
16	METEC sets CSR Codes, Standards, Management systems and reporting guidelines to institutionalize or formalize CSR policy in the organization.					
17	METEC CSR policy has direct linkage with overall organizational strategic plan.					
18	METEC has allocated budget for Corporate Social Responsibility initiatives?					
19	METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.					
20	METEC always communicate and involve stakeholders (employee, customer, supplier, environmental group, suppliers, community...etc) in its CSR actions and evaluations.					



21	METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.					
22	METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.					
23	METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.					
24	METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.					
25	METEC facilities (goods and services) easily accessible in all geographical areas.					
26	METEC provides continuous training and development for its employees on production process and sales issues.					
27	METEC has certified for some quality standards (e.g. ISO 9001, 14001, 26000 ...etc).					
28	METEC use CSR criteria of both (social and environmental) partner selection.					
29	METEC has a business system which ensures professional development of its employees (career-development plans).					
30	METEC has program to control/overview the consumption of energy and water in its operation/s.					
31	METEC environmental management policy complies with national and international standards (ISO, EMAS).					
32	METEC provides training for its employees on environmental protection issues.					
33	METEC support and sponsor civil society, local sport and and cultural activities.					

Is there any further information that you consider valuable to the organization's application of CSR? \_\_\_\_\_

\_\_\_\_\_

**Thank you again for your cooperative**

Appendix - II

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MANAGEMENT**  
**MBA PROGRAM**

**QUESTIONNAIRE COMPLETED BY EMPLOYEES OF THE**  
**METEC**

Dear respondent, this questionnaire is designed for the purpose of doing a research entitled "Assessment of Corporate Social Responsibility as a Marketing Tool: The Case of Federal Democratic Republic of Ethiopia Metals and Engineering Corporation (METEC)" for the partial fulfillment of the requirement for the award of Masters of Art in Business Administration.

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

I would like to thank you for your cooperation in advance!

With Best Regards

Legesse Hailu



9. METEC has designed and implemented Corporate Social Responsibility policy.  
 A. Strongly Disagree B. Disagree C. Undecided D. Agree E. Strongly Agree
10. Do you aware that METEC embarks on any CSR project / program that are beneficial to the people in your community?  
 A. Yes B. Partially C. Undecided D. Not known
11. What impact has the projects / program had on the community?  
 A. Positive B. Negative C. Neutral C. Not known

**PART II: CSR Implementation**

Response Range: 1= Strongly Disagree 2= Disagree 3= Undecided 4= Agree 5= Strongly Agree

No.	Variables	1	2	3	4	5
12	METEC Corporate Social Responsibilities (CSR) policy has equal perception among stakeholders (employee, customer, environmental group, supplier and community...etc) of the organization.					
13	METEC strongly strives to comply with quality standards (e.g. ISO 9001, 26000 ... etc)					
14	METEC provides training for its employees on environmental protection issues.					
15	METEC reuse or recycle used materials and scraps?					
16	METEC always follow ethical pricing policy which is consistent for all types of (governmental, non-governmental and private) customers.					
17	METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.					
18	METEC Advertisement policy and other ethical promotional mix exactly fit with reality of the organization and its standard.					
19	METEC facilities (goods and services) easily accessible in all geographical areas.					
20	METEC always measures customer satisfaction and incorporate its feedback in the opportunities for improvement.					
21	METEC always recognize and respect societal ethical norms.					
22	METEC voluntarily participates in charitable activities with in its local communities.					

23	METEC assist projects that enhance community's "equality of life" and poverty alleviations.					
24	METEC always communicate corporate social responsibility activities to its employee.					
25	The organization has commitment to safe work place ethics?					
26	METEC has a business system which ensures professional development of its employees (career-development plans).					
27	METEC offers fair compensation and reward package for its employees.					
28	METEC provides higher education opportunities for its employees to enhance their knowledge and skill.					
29	The organization protect employee from any sort of harassment?					
30	METEC provides continuous training and development for its employees on production process and sales issues.					

Is there any further information that you consider valuable to the organization's application of CSR?

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**Thank you again for your cooperative.**

Appendix - III

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MANAGEMENT**  
**MBA PROGRAM**

**QUESTIONNAIRE COMPLETED BY METEC CONSUMERS**

Dear respondent, this questionnaire is designed for the purpose of doing a research entitled "Assessment of Corporate Social Responsibility as a Marketing Tool: The Case of Federal Democratic Republic of Ethiopia Metals and Engineering Corporation (METEC)" for the partial fulfillment of the requirement for the award of Masters of Art in Business Administration.

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I would like to thank you for your cooperation in advance!

With Best Regards

Legesse Hailu

Do you agree to take part in this survey?

1. Yes                       2. No

## General Instruction

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- Put tick mark, circle and/or write precise answer to the best of your knowledge for questions followed by blank spaces as provided.

## PART I. Background Information

1. What is your gender?

1. Male                       2. Female

2. What is your responsibility in the household?

- A. Father                       B. Mother                       C. children

D. other (specify) \_\_\_\_\_

3. What is your responsibility in the organization?

- A. Manager                       B. Non-manager                       C.                      other                      (specify)

\_\_\_\_\_

4. Age

- A. 18-28     C. above 39

B. 29-39

5. What is your linkage with METEC as:

- A. Whole Seller                       C. Supplier                       E. Other

B. Distributor     D. Retailer

Specify if other, \_\_\_\_\_

6. For how long you are customer with METEC?

- A. 1-3 year/s     C. 8 - 10 years

B. 4-7 years     D. above 10 years

## PART II. Consumption

7. Do you trust METEC's products are safe to consume?

- A. Yes     B. No

If no, please specify in what condition the product is unsafe?

\_\_\_\_\_

8. Does METEC quickly respond and address to consumer problems?  
 A. Yes  B. No
9. Do you see METEC strive to improve the quality of its product?  
 A. Yes  B. No
10. METEC always produces standardized ethical products to build and promote organization's reputation, environment protection and improve society's wellbeing.  
 A. Strongly Disagree B. Disagree C. Undecided D. Agree E. Strongly Agree
11. Do you know of any corporate and social responsibility initiatives of METEC?  
 A. Yes  B. No
12. If yes, which actions of the company do you aware?  
 Donation to social and/or environmental programs  
 Sponsorship of sport and cultural events  
 Cause related marketing comparing partnership projects of social solidarity  
 Corporate foundation  
 Other  
 If other, specify \_\_\_\_\_
13. Do you think the advertisements of the METEC are made in a socially responsible way?  
 A. Yes  B. No   
 If no, why \_\_\_\_\_
14. Do you know any social development activity of the organization?  
 A. Yes  B. No   
 If yes, please specify \_\_\_\_\_
15. Do you know any environmental damages activity of the organization?  
 A. Yes  B. No   
 If yes, please specify  
 \_\_\_\_\_
16. Do you think that METEC offer ethical/indiscriminated price?  
 A . Yes  B. No   
 If no, please specify  
 \_\_\_\_\_
17. Do you think that METEC deliver its product on site using its logistics?  
 A .Yes  B. No



