

St. Mary's University
Faculty of Business
Department of Management

**An Assessment of Corporate Social Responsibilities in Flower
Industry of Ethiopia: the case of Sher Ethiopia Private Limited
Company**

By:

Serkadis Kassa

June 2014

SMU

Addis Ababa

**A Senior Essay Submitted to the Department of Management
Business Faculty St. Mary's University**

**In Partial Fulfillment of the Requirements for the Degree of
Bachelor of Arts in Management**

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Approved By The Committee Of Examiners

Department Head

Signature

Advisor

Signature

Internal Examiner

Signature

External Examiner

Signature

Acknowledgments

I take this opportunity to thank God for helping me this far and giving me the courage to succeed in my study.

I also take this opportunity to express my profound gratitude and deep regards to my research advisor Ato Meselu Fanta for his exemplary guidance, monitoring and constant encouragement throughout the course of senior research.

I am obliged to express a deep sense of gratitude to my sister Bethlehem Kassa and my friend Genet Teklehaimanot for their cordial support, valuable information and guidance, which helped me in completing this task through various stages.

Lastly, I thank staff members of Sher Ethiopia PLC and EHPEA, for their assistance with collection of data during the period of my assignment.

Table of Contents

	Page
Acknowledgments	i
Table of Contents.....	ii
List of Tables	iv
Acronyms and Abbreviations	v
CHAPTER ONE: Introduction	1
1.1. Background of the Study	1
1.2. Statement of Problem.....	3
1.3. Research Questions.....	4
1.4. Objective of the Study	4
1.4.1. General Objective	4
1.4.2. Specific objectives.....	4
1.5. Significance of the Study	5
1.6. Delimitation of the Study.....	5
1.7. Research Design and Methodology	5
1.7.1. Research Design	5
1.7.2. Population and Sampling Techniques	6
1.7.3. Type of Data Collected.....	6
1.7.4. Method Of Data Collection	6
1.7.5. Data Analysis Methods.....	7
1.8. Organization of the Study	7
CHAPTER TWO: Review of Related Literature	8
2.1 Corporate Social Responsibilities	8
2.2 Triple Bottom Line	9
2.3 Cost Associated with CSR.....	11
2.4 The Role of Government in CSR.....	11
2.5 History of Floriculture in Ethiopia.....	12
2.6 CSR Practice of Ethiopian Floriculture Industry	12
2.6.1 Social Sustainability.....	13

2.6.3 Economical Sustainability.....	16
2.7 MPS Market Label.....	16
CHAPTER THREE: Data presentation, Analysis, and Interpretation.....	18
3.1. Data Presentation	18
3.1.1. Characteristics of the Study Population.....	18
3.1.2. Details of Respondents.....	19
3.1.3. Sher Ethiopia Employees Response.....	21
3.2. Internal Sources and Management Interview Analysis	27
3.2.1. Sher Ethiopia Managers Response.....	27
3.2.2. EHPEA Public Relations Manager Responses	29
CHAPTER FOUR: Summary, Conclusions, and Recommendations.....	31
4.1. Summary of the Major Findings	31
4.2. Conclusions.....	32
4.3. Recommendations.....	34
Bibliography	
Appendices	

List of Tables

	Page
Table - 1: General Characteristics of the Respondents	19
Table - 2: Occupational Safety and Health	21
Table - 3: Conditions of Employment.....	22
Table - 4: Conditions of Employment.....	23
Table - 5: Use and Handling of Chemicals	23
Table - 6: Social Welfare	24
Table - 7: Benefit Plans.....	25
Table - 8: Labor Union Condition.....	25
Table - 9: Shows Environment Protection	26

Acronyms and Abbreviations

BTC	Belgian Development Agency
CB	Certification Bodies
CSR	Corporate Social Responsibility
EHDA	Ethiopia Horticulture Development Agency
EHPEA	Ethiopia Horticulture Producer and Exporters Association
EUREP	European Retail Platform (European Retail Organization)
GAP	Good Agricultural Practice
ILO	International Labor Organization
MPS	Milieu Project Sierteelt (Market Label)
PLC	Private Limited Company
PR	Public Relations
SMT	Senior Management Team
SQ	Socially Qualified

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The inquiry of the notion of Corporate Social Responsibility (CSR) is still in its ‘embryonic stage’. One of the earliest contributors on the subject of CSR had associated this promising concept with philanthropy and discretionary spending. In practice, businesses engage themselves in internal or external CSR activities beyond the rationale to maximise their profits. The CSR behaviour is usually manifested in their assistance to other organisations and/or individuals in diverse fields including humanitarian, medical and social cases, environmental causes, cultural, heritage protection, philanthropic activities and sport related initiatives. (Carroll, 2009:107)

The globalized thinking of business concepts has led the business world towards a more advanced and well established system of transaction which business organizations are required to provide best quality with environmental friendly and socially responsible products and services. Today, companies are working towards attaining the CSR of a business which concerned with benefit to all stakeholder groups by incorporating social, economic and environmental practices in to their business strategy. (Carroll, 2009:107)

On the other hand governance plays a great role in the companies’ business performance by using ethical business practice. In the meantime the CSR practice of a company mainly uses the governance system as a means to incorporate the social, economic and environmental concern in to the business decision making process. Nowadays, as a new phenomenon governance and CSR are well established in the developed world than that of the developing one in which unlike the developed countries the concept of new governance is not practiced in most of developing countries rather it takes the old traditional focus of owner manager relationship (Carroll, 2009:107).

In addition, it is not common to find a specific form of CSR practices in the developing world otherwise it could be seen from business perspectives. Since Ethiopia is one of the developing countries the philosophy of CSR is not well developed. However, currently there are some good starts by some industries like the horticulture sector. So we will see how flower farm is practicing CSR.

Ethiopia is one of the countries in Africa which has huge potential for the development of different varieties of flowers. Even though the Floriculture export development sector in Ethiopia started only recently, the industry has scored significant positive developments. Currently more than 84 foreign and local companies are engaged in the cultivation of Cut Flower export. The majority of the companies operating in the sector are owned by foreign investors in the form of sole proprietorship or partnership.

Ethiopia next to Kenya is the second largest supplier and exporter of flowers from Africa. In terms of foreign exchange earnings, the country has generated 212.56 million USD from the sector in the budget year of 2011/12 and created new employment opportunities in both production and processing. Women in particular benefited from these opportunities and now 70% of the 50,484 workers employed in the industry. The largest proportion of Ethiopian flower exports is shipped to Europe, however, flower industry is exporting its high quality flowers, vegetables and fruit to over 100 market destinations throughout the world. The industry increased its export volume from 37.65 to 93.01 tons between 2004/05 and 2011/12 which is an increase of 247 per cent (EHDA, 2012:7).

SHER Ethiopia is one of the largest and first flower farms in Ethiopia. After successfully setting up a flower farm in Kenya, in 2004 the founders of SHER Ltd. were asked by the government of Ethiopia to set up a similar project in the country. They started business in 2005 by building the largest flower farm in Ethiopia which is 500hct and worth of 80 Million Euro. Half of the land has been developed into green houses. SHER Ethiopia have a total of 8,000 staff, all have permanent employment contracts. SHER Ethiopia P.l.c is located in Eastern Oromiya Zone Zeway Town which is 160km from Addis Ababa. Currently the company covers 65% of Ethiopia's flower export market and produces 40 different types of flowers. The company exports all its products to international stores. Out of the total 95% of the product is sold in the Dutch auction.

This study paper assessed the emerging practice of CSR in Ethiopia particularly in SHER Ethiopia P.l.c.

1.2. Statement of Problem

In recent years there have been series of arguments, debates and controversies among businessmen, academics, government officials and the society in general on what should be the principle objectives or business enterprises.

Over the years, managers have neglected the problems created by corporate firms to their host communities. These problems possess a lot of threat and sometimes make life difficult for these communities. The privilege giving to organization to operate in the society stems from the act that society believes that there is a mutual interdependency existing between them, that is, the organization and the society (Carroll, 2009:111).

The relationship between organizations and their host community has become increasingly important. The decision made in an organization may influence community prosperity and also national and even internationally economic activity might be affected. An example of these problems is the on-going crisis in the Ziway region which has led to the demolition of resources.

However, the Flower Industry in general, is accused for environmental and socio-economic problems. The major environmental concerns are high water consumption, application of inorganic fertilizers, pesticides, pollution and waste disposal. In addition, socio-economically the industry has a problem like labors are suffering from health problems due to toxic chemicals. Moreover, the industry has also created land holding problems (Friends of Ethiopia, 2007). Therefore, this paper studied these problems from the perspective of CSR using the below research questions as pillars.

The above prompted the researcher with deep sense of burden to these communities to demand CSR from these large firms and show the need in helping the society solve some of their problems, especially to raise the awareness of philanthropic donations to the needs of these communities and provide the community with some social amenities.

In view of the above, the researcher has taken up the issue of social responsibility in the Floriculture sector in Ethiopia and used Sher Ethiopia as a case study to examine the extent of the company's involvement in CSR.

1.3. Research Questions

In its attempt to examine the company's current state in terms of discharging CSR, the study tried to address the following research questions:

1. How is CSR practiced in SHER Ethiopia Plc?
2. What are the major CSR problems in SHER Plc?
3. How Employees' Health & Safety situations are practiced in SHER Plc?
4. What is the environmental implication and use of natural resources in SHER Ethiopia Plc?

1.4. Objective of the Study

This study has have both general and specific objectives

1.4.1. General Objective

The general objective of the study was to make an assessment on corporate social responsibilities in flower industry of Ethiopia: the case of sher Ethiopia private limited company.

1.4.2. Specific objectives

In line with the above mentioned general objective, this research addressed the following specific objectives:

- To indicate how CSR practiced in Sher Ethiopia Plc.
- To identify the major CSR problems in Sher Plc.
- To investigate whether Employees Safety and Health situations are practiced in SHER Plc.
- To point out the environmental implication and use of natural resources in Sher Ethiopia Plc.

1.5. Significance of the Study

Every research have a role to play for improvement and modernization. Based on this fact the study will contribute the following for the improvement in the industry.

The study of social responsibility of a business organization is hoped to be of benefits not only to students, businessmen/women, government, customers, community, stockholders, academics, but the whole society. Climate change, the scarcity of resources and an increasingly globalized economy and labor market are changes which need to be addressed within the context of sustainable development. The study also hopes to highlight the problem associated with social responsibility and to make use of the analysis to improve the working situations thereby minimizing the problems of social responsibility conflict in that organization and its environment as well. The study will inform all at large, the need for CSR not only to the firm, but to the society at large.

Finally, to give a starting point to other researchers who wishes to study further in the area and to help the researcher gain experience in doing researches

1.6. Delimitation of the Study

The research delimits the study on Sher Ethiopia P.l.c located in Zeway Town which is 160km from Addis Ababa. Sher started business in 2005, thus, the time frame of this research is from its starting year September 2005 up to February, 2014. The reason why the place had been preferred by the student researcher is the seriousness of the problem that student researcher observed and the opportunity to get data with personal relation of some employees.

1.7. Research Design and Methodology

1.7.1. Research Design

The research design has been formulated in order to elicit genuine information from the main resource of data who are the employees. Thus, the study was conducted using descriptive research design since it is the student researcher's belief that this method will bring findings that can meet the objectives of the study.

1.7.2. Population and Sampling Techniques

The population of the study was composed to the Public Relations manager of Ethiopian Horticulture Producer & Exporter Association (EHPEA), two Senior Management Team (SMT) members of the PLC, and employees of Sher Ethiopia. Because of the reason that the number of employees was difficult to determine and get complete list of these employees the student researcher was forced to take total sample of 135 employees using non probability sampling technique particularly using convenience sampling technique.

1.7.3. Type of Data Collected

In adopting any method in research study, it is imperative to put into consideration the approach that yields the most productive result relevant to the problems at hand. In this regard, data for this study/research is gathered from the following sources.

- Primary source
- Secondary source

Primary Source of Data

Primary data are first hand data obtained from the respondents. The research used both interviews and questionnaires to obtain relevant data from the respondents.

Secondary Source of Data

Secondary data are data that is obtained from review of related literatures of opinions of experts in the subject matter. These data were obtained from text books, magazine, newspaper, from private professionals, public and academic libraries.

1.7.4. Method Of Data Collection

The method of the data collection was both questionnaire and interview. The student researcher constructed a questionnaire which consists of different item that contains both open and close ended questions, with multiple options for the respondent to choose. The student researcher also interviewed EHPEA's PR Manager. Also, the student researcher distribute questionnaire to selected employees of the farm.

1.7.5. Data Analysis Methods

Data were collected, sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. The collected data from both primary and secondary data was analyzed using qualitative and quantitative method.

1.8. Organization of the Study

The research report is organized in four chapters. The first chapter One contains introduction of the study which has background, statement of the problem, research Questions, objectives of the Study, Significance of the Study, delimitation of the study, research Design and Methodology, and Organization of the Study. Chapter two contains review of Related Literature. Chapter three contains data presentation, Analysis, and Interpretation of. Finally, chapter four contains summary of the major findings, Conclusions, and Recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Corporate Social Responsibilities

It is very difficult to have an agreed definition that clearly reveals the concept of CSR. For the purpose of this paper, we will look at definitions of CSR which will help us to analyze the problem statement. This section overviews some literatures about CSR and provides some key concepts under the context of economic, social and environmental perspective in the area and how it is defined.

CSR is complex area with an interdisciplinary focus which includes human rights, environmental responsibility, and diversity of management, sustainability and philanthropy (William, 2010:103). CSR concerned with treating stakeholders of the firm ethically or in a responsible manner. It is a new phenomenon as well as the business practices associated with it. “Ethically or responsible” means treating stakeholders in a manner deemed acceptable in civilized societies with regard to social, economic and environmental responsibility. Stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation.

Another broad definition given by International Institute for Sustainable Development is a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and societies. Similarly according to William CSR is a complex area with an interdisciplinary focus which includes human rights, environmental responsibility, and diversity of management, sustainability and philanthropy. To ensure a long term economic, social and environmental sustainability one organization should identify its relevant and appropriate procedures to develop specific competence and undertake profitable investment (Idowu & Fiho, 2009:235).

Based on the above definitions CSR has developed as common was expressing a broad concepts of business concerns such as environmental protection, workers right, consumers and suppliers protection and its behavior on social issues like health, safety under the consideration of profit making. This paper theoretical frame work mainly focuses around on

triple bottom line which is a powerful way to grasp the industries CSR practice and measure its success in terms of economy, environment and the society.

2.2 Triple Bottom Line

This concept explained how it can be useful for business, policy makers and economic development practitioners as base for formulating CSR theories. Triple bottom line is an accounting framework that incorporates three dimensions of performance: social, environmental and financial. This differs from traditional reporting frameworks as it incorporates environmental and social measures that can be difficult to assign appropriate means of measurement. The triple bottom line is made up of "social, economic and environmental". Using this 3 pillars today companies prefer to use their sustainability framework under this approach. Most companies report using the triple bottom line performance measurement. However there are most important key elements of CSR drivers but the most important business competitiveness is to incorporate a triple bottom line effect into their corporate practice, it becomes as one of a framework for approaching and reporting. (William, 2010:123)

Still companies have difficulties to define their sustainability accounting measure. According to William, today's challenge for companies to come up with accountability for sustainable development is to combine and report the financial, social, environmental and use this ethical accounting reporting for decision making for future sustainable development. These three traditional sustainability measures, examined through academic dialogue are presented below.

Economic Measures

Economic sustainability deals with an economic growth of an organization should be increased in overtime and this profit should be earned without the impact of environmental degradation or from negative social impact. It is related to enhancing the living standard of citizens through increasing of income, giving education, health care, job creation and so on and on the other hand it is directly associated with an economic growth at the aggregate. Studies and company experience reveals that there is a clear positive relationship between CSR practice and their economic performance and others vice versa. However, current researchers acknowledge that positive financial performance is gained by attainment of a high level of CSR practice. Economic variables should be variables that deal with the bottom line and the flow of money. It could look at income or expenditures, taxes, business climate factors, employment, and business diversity factors. Specific examples include:

- Personal income

- Cost of underemployment
- Establishment churn
- Establishment sizes
- Job growth
- Employment distribution by sector
- Percentage of firms in each sector
- Revenue by sector contributing to gross state product (William, 2010:124)

Environmental Measures

The term environment has different definition and scope around the world, some countries put in a very limited way and others give broader and holistic understanding (William, 2010:125). This implies that each country has its own regulation on environment based on its context. Environmental sustainability includes safeguarding of species on the earth. Environmental variables associated with natural resources consumption and degradation, give potential influences to its viability. Some examples include:

- Sulfur dioxide concentration
- Concentration of nitrogen oxides
- Selected priority pollutants
- Excessive nutrients
- Electricity consumption
- Fossil fuel consumption
- Solid waste management
- Hazardous waste management
- Change in land use/land cover (William, 2010:124)

Social Measures

Social sustainability deals with non-market entities or social aspect of an activity that deals with outside of market framework. Societies can influence the CSR activity of business through their right as a consumer, and business in turn can influence societies through practices of a high level of CSR activity. This third dimension of sustainability is becoming more significant since in this globalized world, people need to be participated in critical decisions that might concern them either by themselves or by representative (External Agency). Social variables refer to social dimensions of a community or of life and social capital. Some examples include

- Unemployment rate
- Female labor force participation rate

- Median household income
- Relative poverty
- Percentage of population with a post-secondary degree or certificate
- Average commute time
- Violent crimes per capita
- Health-adjusted life expectancy (William, 2010:125)

Business models should design on the basis of social needs and every organization hope to reach this potential market to make a profit, socially and environmentally sustainable. Otherwise a company will fail to compete with those companies which design their business model as a good CSR framework. Fair Trade and Ethical Trade companies require ethical and sustainable practices from all of their suppliers and service providers and a business which is planning to work with Fair Trade or Ethical Trade perspective must design their business model as per triple bottom line.

2.3 Cost Associated with CSR

The practice of CSR results in some costs which might have an immediate or long term benefit. The nature in general and governance of value chain in particular has an effect on the cost benefit analysis which is core to the value chain analysis. Compliance with CSR standards is a key for the interface between conventional value chain analysis and an approach to the value chain analysis which incorporates an understanding of CSR.

For the supplier the cost and benefits of complying with standards are possibly determined by the separate system of legal regulations and CSR standards, the party who pays monitoring cost, the accessibility of auditors locally, the relative size of the supplier and the like. Nevertheless, the possible costs of buyer include establishing and communicating the standards and monitoring the compliance by suppliers, advice and assistance and reporting to relevant stakeholders.

2.4 The Role of Government in CSR

Though yet the debate on the role of government as a promoter or driver of CSR exists, we will focus on those literatures that support the ‘driver’ in order to frame our theoretical model from the empirical context. Governments have a role in driving the CSR practice in a business society by initiating a sustainable business practice. Conventionally CSR is a voluntarily business practice which also entails the governments’ role with respect to social and

environmental concerns further depict the role government adopt for applicable CSR approach as two axes; one with four key public sector roles and the other with ten key themes that reflects public sector activities. In general, the approach involves issues like setting minimum requirement which is included in the legal framework (legislative) called ‘mandating’ role; the other issue is providing incentives and guidelines on content for firms to participate in CSR activities called ‘facilitating’ role; resolving social and environmental deficiencies through integrating supportive skills and inputs from civil society, private and public sectors (engagement with multi-stakeholder) is also another one called strategically ‘partnering’ and also political support and publicity called ‘Endorsing’ role. Moreover each activities/themes has a definite relation with each of the public sector roles which also include encouraging and ensuring compliance, setting framework for business participation in public policy, establishing environmental management system, and developing, supporting and implementing codes of conduct and the like (Mesay, S. & Samson, M., 2011:17)

2.5 History of Floriculture in Ethiopia

The origin of the industry in Ethiopia can be traced back to thirty years ago. When summer flowers for export were grown on state farms. Ethio-flora, a state owned flower farm begun exporting seasonal flowers to Europe. The type of flower was only summer flower. (Embassy of Japan, 2008:3). Under the new economic reform two Ethiopian firms, private owned Meskel flower and Ethioflora started their operation in 1997 with a few hectares of land. However, they faced some difficulties because of insufficient experience and knowledge about the business and moreover, governmental support was so minimal in supplying suitable land, financing and transporting of flowers to the market. A turning point for flower industry development is arrival of Golden Rose in 1999 from UK and showed Ethiopia’s potential to grow quality roses. Since then, foreign direct investment has increased rapidly, especially from The Netherlands. Today the total amount of land used for flower production has gone from the few hectares to 1,442 hectares. Moreover, the numbers of actively exporting farms increased to more than 84. (EHDA, 2012:7)

2.6 CSR Practice of Ethiopian Floriculture Industry

Since the industry is at its infancy stage and the government as well as optimistic society of the country were very pleased at the beginning observing that it will increase the nation’s foreign exchange problem and give a work opportunity of many jobless society. However, through time the initial reputation of the industry diminish after some opposition party parliament members and some press releases of information that the industry has a negative

impact on social and environmental aspect quoting as a reference Kenyans flower industry. These group claims the fact is that many flower investors in Ethiopia are came from Kenya after they are evicted from Kenya for their contribution of environmental degrading on Lake Naivasha. For instance, all Africa newspaper in its 21 February 2006 publication reported that five major flower farms from Kenya abandon to Ethiopia for Lake Naivasha. (Allafrica, 2006)

Many Ethiopian environmental activists still argue that environmental policies or standards, labor regulations are not implemented by many companies within the industry as per the standards provided by the government. This concern are related to labor right (working condition) and environmental issue like applying of too much inorganic fertilizers, chemicals especially pesticides that can harm the workers and environment. (Belwal & Chala, 2008:216).

This section tries to see the CSR aspect of the industry with relate to three dimensions: Economy, environment and society. The economic dimension includes issues such as wealth creation. Society refers to the social impacts of the industry including employee issues, health, job creation, safety and land grabbing issues. The environmental dimension considers ecological factors and their impact.

2.6.1 Social Sustainability

i) Job opportunity for local labor

The industry shows a growing trend in the past 5 year and its related labor force is increasing from time to time. Currently, the industry gives more than 50,000 employment opportunity directly and 150,000 employees indirectly, Of which 70% of the total work force are women, who had difficulties previously in possessing permanent job within the country and job is created around rural area where there is high rate of unemployment.

Basically the total labor composition can be fallen in to three major groups managerial, technical and manual. The labor part is provided by the local work force and the capital intensive or high –skilled part is filled by imported skilled labors that have a high expertise in the field. These combinations give the local work force the opportunity to gain experience and knowledge while working with a new technology and experienced workers (Taylor, 2010:74)

In addition, labor issues are growing over through time to time in the industry. These labors are suffering a pain in their health because of chemicals as well as denial of their right from

exercise. Basically most field workers in the flower farms are uninformed about the harm of the chemicals. These people are, who resides around the farms location, forcibly or with their consent give their farm lands to the new flower investors. Their knowledge level of how far these chemicals damage their organism is very low. Human right activists argue that workers are suffering a disease as a result of exposed to hazardous chemicals at their working place since most of them do not wear any kind of protective equipment. Most of the time women are vulnerable to exploitation. As per an interview made with some former flower farm workers with Addis Fortune that it is a common thing to observe someone is vomiting or collapse while they are spraying pesticides. (Friends of Ethiopia, 2007).

Another social crisis that flower farms cause is land holding problem. Initially land is owned in the country by the state and has the right to evict land owner with the appropriate compensation. Now day's local farms are give up their lands to the new flower industries for a place which lack infrastructure and unfertile land. (Friends of Ethiopia, 2007). These farmers are either convinced or forced to sell their lands with compensation. The problem is they lack the knowledge how to manage the given compensation to handle their future lives, but they spent it for unusual purpose and soon they will become unemployed and income less. (Ethiopia Flower Exports, 2010)

2.6.2 Environmental Sustainability

Environmental sustainability means a sensible use of our huge (but finite) natural resources so that they are not dissipated negligently thus degrading the quality of life for future generations (Andrew & Karl, 2006:179). Problems related to air & water pollution, soil erosion, water scarcity, deforestation are becoming one of the main reasons for adverse impact on the environment. Here are main environmental impacts of the Ethiopian cut flower. One of the major nature of flower farm is it consumes a high amount of water. E.g. One hectare of a flower farm consumes over 900 cubic meter water per month. (Organic Consumers Association, 2006) some study show that about 90% of flower is made up with water. This means that exporting flower is like exporting water. Despite the use of high level water by flower farms, they are very reluctant to use an effective way irrigation system that will lead the case much worse (Ethiopian Review, 2010). Recent research showed that there is a loss of natural capacity in river Awash. Since most farms follow the step of the Awash Rift Valley or its tributaries around the Great Rift Valley to construct their farm sites. The river is exposed to an open air irrigation scheme and its results to a high level of evaporation. The Great Rift Valley ecosystem is a habitat for diverse wild life and serves as a fish pond for many

fisheries. In the future, water expected to displace oil as the greatest resource challenge, and Water is central thing for survival and without it, life would be impossible. Water is a central component of Earth's ecosystems, providing important controls on the weather and climate and it should be given a high consideration for conservation. Another negative aspect of the flower industry is the application of excessive inorganic chemicals. These chemicals are very dangerous for human health and as well as for the environment. These chemicals are basically constituted with a large amount of fertilizers and pesticides. E.g. on May 2009 issue of Addis Fortune newspaper reported that one flower company (Top Flower Company), opens a file against two individuals, who are associates of the Dutch Horticultural Consulting Company due to their wrong advise given to the company that to apply a wrong type of fertilizer on its farms. (Afrogada, 2010) Pesticides are another threat for environmental sustainability. It has a capacity of contaminating organisms, soil & water. Due to its highly volatility nature, is estimated that only 0.1 percent of the total applied pesticide attain its intended goal but the rest 99.9 percent leaves as an air pollutant. (Getu, 2009:246)

It is believed that the Sector usually uses more pesticides than conventional ones. E.g. recent data from Ethiopian Agricultural research Institute show that “18 of the 96 insecticides and pesticides imported by the flower farms were not on the MPS-code list (the list of pesticides registered in Ethiopia) and similarly for 19 of the 105 fungicides.” (Ecologist, (2009). Besides the above environmental problems the flower farms are accused on waste disposal. It removes so many hazardous wastages in different forms that can harm environment. Most farms are accused by the local people that wastes disposal system is so irresponsibly. e.g. an agronomist from one flower farm give a statement to a newspaper that empty used pesticide and fertilizer containers are buried underground without neither sealed nor inline up space which is completely far from governmental procedure. (Ethiopian flower export, 2010). In addition to this the floriculture industry is facing a new global pressure from environmentalists arguing that all that transportation means (Ships, trucks, planes) that uses fossil fuels during the process of delivering cut flowers from farms to customer hands emits a considerable amount of CO₂ that will result in both air and water pollution. Recently consumers are much concerned on ‘food miles’, which is a term used for assessing its environmental impact of a product from the time of its production up to it reaches consumers hand. The total amount of carbon emitted from flower production is estimated between 7.7 and 8.9 kg per kilogram sold flowers. The transport by plane is responsible for the main part of emissions, but from the total amount of emission some other means are contributing for the cause like the production itself and of the required materials as well as through the transport of employees from and to the farms (Flora Culture International, 2010)

2.6.3 Economical Sustainability

Almost all African countries based their economy on exporting of agricultural products. Many of them often rely largely on a single agricultural products (such as coffee, cocoa, cotton, tea) for generating foreign exchange revenue. Coffee which has the lion share of export commodities in Ethiopia have shown currently a slow world demand and downward trend of in its real price. As a result, a need for diversification of agricultural exports into a higher value, non-traditional products after taking a lesson from other sub-Sahara region countries like Kenya, Tanzania and others which have shifted their attentions into exporting nontraditional horticultural product (such as, cut flowers and plants, fresh and processed fruits and vegetables). Floriculture in a new product to export and contain a huge potential to earn foreign exchange, the quality of flower which is exported by Ethiopia is currently meet with respect of the international market demand .It attracts several buyers around Europe and USA, getting utmost consideration for exports presently in Ethiopia and one of the prospect product that is going take the position of coffee which is the major source of foreign exchange. During September 2010 the Ethiopian Agriculture and Rural development state minster announces that the country earned over 250 million dollar revenue within 10 months of period of time in 2010. The industry foreign earning power is increasing at a considerable rate through time to time. The government is expecting its revenue to be increased more than triple within five years from the industry and According to the Ethiopian horticulture producers and export association in each year there is an increase of 25% up to 30% in terms of total earning.

Observing the freshness of the industry it can be said that in the next few years it will generate a substantial amount of foreign currency. Currently Kenya is the major flower exporter to the international market. However, more investors are entering into the industry and some farms are taking an expansion projects due to the incentives given by the government including tax holiday for five years, land and infrastructure ,e.g. roads construction, power, telecommunication, water supply. (Ethiopian flower Export, 2010)

2.7 MPS Market Label

According to (Getu, 2009:259), a number of Dutch owned floriculture farms are operating in Ethiopia and more than 65% of the flower products are exported to the Dutch markets. Due to this trade relation the flower industry is largely regulated by the MPS market system and the EHPEA Code of Practice that was inspired by it.

MPS stands for ‘Milieu Project Sierteelt’ or roughly translated as Floriculture Environmental Project the certification standard applied for floricultural products; it was established by the

Dutch auctions. Currently it is an international organization active in more than 50 countries. MPS focuses on a series of certificates in the areas of quality assurance, the environment and social aspects both for growers as well as traders and auctions. MPS gives growers a modular construction of certification of which the best known is environmental management system MPS-ABC with optional modules for social qualification MPS-SQ and MPS-GAP. (BTC 2010)

Suppliers of flowers are increasingly required to comply with MPS registration especially with retail channels that requires strict compliance of the requirement and in which flower and plants are often traded through. As the Dutch Flower Auction Association, the VBN, initiate MPS registration it bears a share of costs which has a benefit of minimizing the additional expenses for flower companies (MPS 2011).

MPS-ABC is an Environmental registration system where A is the most environmentally friendly rating scale. The system is based on data recording and reporting by the participants and based on their achievement they are awarded points. The requirements include usage of crop protection agents, fertilizers, energy and waste. Participants are awarded a qualification four times a year namely MPS-A, B or C based on the total number of points achieved. MPS Socially Qualified (QC) establishes standards for a good working environment that include health and safety and terms of employment and is constructed on the basis of universal human rights, the codes of conduct of local representative organizations and International Labor Organization (ILO) agreements. MPSGAP is a certification for compliance with demands from the retail sector and is based on the criteria formulated by the EUREP (European Retail Organization) for safe, sustainably-cultivated, high-quality and traceable products. These criteria are expressed in Good Agriculture Practice (GAP). MPS-GAP is benchmarked with the GLOBALGAP flower and plants scheme. (BTC 2010)

Moreover, compliance with MPS requirements is verified and certified by Certification Bodies (CB) which has an agreement to that effect with MPS. Certification bodies can also select an external audit agency for a general auditing that includes company visit, certification audit where inspection during harvest time is take place and also a follow up audit which is required when it is unable to check all control points. (MPS 2009)

In Ethiopia though the market is highly related with Dutch market, quite a few flower companies have complied and involved in the MPS certification system of which MPS A take the lead and the rest are certified with MPS C, D and MPS-SQ. (Getu, 2009:266)

CHAPTER THREE

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

This chapter of the senior research had been presented and interpreted from data collected through questionnaire and interview. Flower farms globally face a challenge from environmental activists. It is accused for negative impact due to the concern arises for environmental and social sustainability. An economic success like increasing hard currency is more important for developing countries like Ethiopia. The findings from the research on CSR practices in Sher Ethiopia PLC's are presented below with the three pillars of CSR which are economic, environmental and social sustainability.

3.1. Data Presentation

3.1.1. Characteristics of the Study Population

A questionnaire was distributed to employees at function level. The total number of questionnaire distributed was 135, out of this questionnaire distributed, 120 of the respondents were properly completed and returned. 10 were wrongly completed and the last five were not completed and the student researcher had to void the fifteen questionnaire. Interview responses by the SMT of the PLC, EHPEA staff is also included in the findings.

This analysis was done based on the sample respondent. The student researcher basis her analysis and interpretation on the data returned from the employees of Sher Ethiopia Plc and interview responses by Sher Ethiopia Plc SMT members who are the Public Relations and Human Resources Managers, and lastly EHPEA's Public Relations manager. The employees were asked to mention their Sex, Age, Education level, how long they have worked in their current post, type of employment and level of salary in the background of the respondents' part.

Out of the seven Sher Ethiopia SMT members two were interviewed. Also, EHPEA Public Relations manager were interviewed. In addition, all the managers interviewed holds MBA degrees and works for the respective organizations more than a year.

3.1.2. Details of Respondents

Table - 1: General Characteristics of the Respondents

No.	Description		Respondents in No	Respondents in %
1	Sex	Female	96	80%
		Male	24	20%
		Total	120	100%
2	Age	18 – 35	76	63%
		36 -45	33	28%
		Above 46	11	9%
		Total	120	100%
3	Education Level	Primary	23	19%
		Secondary	46	38%
		Certificate	22	18%
		Diploma	29	24%
		Degree	0	0%
		Above Degree	0	0%
		Total	120	100%
4	Employment Status	Temporary < a year	0	0%
		Permanent	120	100%
		Total	120	100%
5	Year of Service	> a year	11	9%
		1 to 3 years	97	81%
		Above 3 years	12	10%
		Total	120	100%
6	Salary Scale	Less than 1000	20	17%
		1000 to 3000	89	74%
		Above 3000	11	9%
		Total	120	100%

Source: Primary Data

As it is shown in item 1 of Table 1 96(80%) of the respondents were female and the rest 24(20%) were male. This show us majority of the staff are female which is unusual in most companies which are labor intensive but in favor of the female since women have difficulties having their own job it is also an important source of income and one way escaping from being dependent on their husbands or family. This is one feature of the flower industry which gives positive image to the flower farms that contributes for the general economy. This makes Sher Ethiopia flower farm as new engine that drives job creation which is a key to real economic sustainability.

As indicated in item 2 of the same table 76(63%) are between the age of 18 to 36 years old, 33(28%) between the age of 36 to 45 years old and 11(9%) are above 46 years old. This show us more than half of the workforce is between the age of 18 to 36 who is recognized as youth and a driving force to one country's economy growth. This is another feature of the industry which gives a positive image for the sector that contributes to the general economy.

Item 3 of Table 1 consists about education level of the employees where 23(19%) have found to be primary school graduates, 46(38%) of the respondents are secondary school graduates, 22(18%) have a certificate, 29(24%) are graduates and have a diploma none of the employees have a degree or more than that. This indicates that the PLC is concerned about their staff skill

Item 4 of Table 1 indicates employment status of the respondents which 120(100%) of the respondents found to have a permanent employment status. In most of privet sectors in Ethiopia it is rare to see permanent employment status but in the flower farm all staff including the laborers has permanent employment status. This means employees have job security and sustainable income.

Item 5 of Table 1 shows year of service in the PLC which 11(9%) of the respondents works for less than one year, 97(81%) works one to three years and the remaining 12(10%) works more than three years. One can say there is smaller rate of turnover which can indicate staff is happy in their current posts or there are no other options to move elsewhere if the latter is the reason this can support the finding stated above that Sher Ethiopia created direct job opportunities for the community which is a positive image for the sector for economical sustainability.

Item 6 of Table 1 shows salary scale of respondents and 17% of the respondents get less than 1,000 ETB per month, 74% receives between 1,000 to 3,000 ETB and the rest 9% receives more than 3,000 ETB. A significant proportion of the respondent's salary lays between 1,000 to 3,000 ETB/month which is a huge among when comparing with the country's GDP per

capita. This is also additional feature of the flower farms which gives positive image for the sector that contributes to the general economy.

3.1.3. Sher Ethiopia Employees Response

Table - 2: Occupational Safety and Health

No.	Description	Very high		High		Moderate		Low		Very low		Total	
		#	%	#	%	#	%	#	%	#	%	#	%
7.	How do you rate the company's suitable arrangement for health & safety and welfare that provide sufficient protection for the employees?	39	33%	13	11%	17	14%	51	42%	-	0%	120	100%
8.	How do you rate extent of health & safety policy implementation?	41	34%	18	15%	13	11%	46	38%	2	2%	120	100%
9.	How is the company's commitment to prevent sexual harassment in the organization?	36	30%	13	11%	18	15%	46	38%	7	6%	120	100%

Source: Primary Data

In item 7 of Table 2 the employees were requested to rate the company's suitable arrangement for health & safety and welfare that provides sufficient protection for the employees 39(33%) of the respondents said it is very high, 13(11%) of them responded high, 17(14%) of the respondent employees responded moderate and 51(42%) responded low. As it is shown above majority rated the company do not have suitable health & safety and welfare arrangement for employees which is an indication the farm pays little attention for social sustainability.

With respect to item 8 of table 2 requests the employees to rate the extent of health & safety policy implementation in the farm. 41(34%) of the respondent staffs responded very high, 18(15%) responded high, 13(11%) responded moderate, 46(38%) responded low and 2(2%) responded very low. From the data indicated above we can deduce that almost half of the respondents, 49%, said the farm gives either or very high attention for employee's health & safety which is an indication there is no sound social sustainability practice.

Item 9 of Table 2 requests employees to rate the company's commitment towards preventing sexual harassment in the farm. 36(30%) rated very high, 13(11%) rated high, 18(15%) rated moderate, 46(38%) rated low and 7(6%) very low. This is a clear indication that women are vulnerable for sexual harassment in the farm.

Table 3: Conditions of Employment

No.	Questions		in No.	in %	Remark
10	Do you have access to clean drinking water in the farm?	Yes	106	88%	
		No	14	12%	
		Neutral	0	0%	
		Total	120	100%	
11	Do you receive basic induction training in relevant topics, including farm employment and OSH procedures and health and hygiene before you start working in Hazardous places?	Yes	116	97%	
		No	0	0%	
		Neutral	4	0%	
		Total	120	97%	
12	Do you receive on job/going trainings on how to use farm equipment in the farm so that you won't forget the first training?	Yes	107	89%	
		No	7	6%	
		Neutral	6	5%	
		Total	120	100%	

Source: Primary Data

According to item 10 of table 3 which asks employees to point out the place where they access to clean drinking water 106(88%) of the respondent workers in the farm had access to clean drinking while they are on duty and the remaining 14(12%) of the respondent workers who did not have access to clean drinking water bring clean water from their respective houses to work. Based on the data indicated above the student researcher can infer that most of most of the respondents are getting clean water while they are on duty.

Item 11 of table 3 requests if employees receive a basic induction training in relevant topics, including farm employment and OSH procedures and health and hygiene, protection of the environment before they start work in the farm. 116(97%) responded yes and 4(3%) responded no. As majority of the respondent said yes this confirms the farm practices what is written in the code of conduct which puts a requirement of basic formal training for staff to make sure they are familiar with farm equipment and hazardous in the farm welfare of the employees which is also one of the requirements to declare social sustainability is practice in the farm.

Item 12 of Table 3 is a continued question from item 5 which requests if employees receive on job trainings on how to use materials in the farm so that they will not forget the first training. 107(89%) responded yes 7(6%) responded no and 6(5%) were neutral. Significant number of respondents assures the farm obtained on job training this is one of the essentials for wellbeing of the employees.

Table - 4: Conditions of Employment

No.	Questions		Respondents in No.	Respondents in %	Remark
13	Does your employer provide medical care for you?	Yes	120	100%	
		No	0	0%	
		Neutral	0	0%	
		Total	120	100%	

Source: Primary Data

As indicted on Item 13 of Table 4 all 120(100%) of the respondents answered yes for the question if the employers provide medical care for staff and their immediate families. In line with the data indicated above we can deduce that this is a huge thing for employees' welfare since even the social workers in the country are not covered for medical care.

Table - 5: Use and Handling of Chemicals

No.	Questions		in No.	in %
14	Is your position exposed to occupational hazard?	Yes	96	80%
		No	24	20%
		Neutral	0	0%
		Total	120	100%
15	Are there facilities for washing/bathing after applying pesticides?	Yes	116	97%
		No	0	0%
		Neutral	4	0%
		Total	120	97%
16	Is safety cloth provided for staff working in the hazards places?	Yes	106	88%
		No	14	12%
		Neutral	0	0%
		Total	120	100%
17	How often do you receive replacements for old health & safety cloth?			
	Less than six months		17	14%
	Six months		34	28%
	One year		57	48%
	More than a year		12	10%
		Total	120	100%

Source: Primary Data

According to item 14 of Table 5 indicated in the previous page which requests employees to indicate their position/occupation vulnerability to hazards places. 96(80%) responded yes, 24(20%) responded no. This clearly indicates that majority of the staff works in hazardous places and the farm needs to work very hard to make sure employees have suitable working conditions since this is one of the requirements towards social sustainable practice.

For the request if there is facilities of washing/bathing for employees after applying pesticides? On item 15 of table 5 116(97%) responded after spraying the flowers, the workers wash themselves and sometimes their clothing at the facilities provided and 4(3%) replied No they don't receive the service in the farm.

As it is showing on item 16 of Table 5 the response for the request if safety cloth provided for staff working in the hazards places? 106(88% responded yes 43(36%) responded no. thought significant number replied yes safety & health issue should be addressed for all staff.

Item 17 of Table 5 is a follow up question from above and requests how often employees receive replacement for old or wore-out safety close/material 1(14%) replied less than six month, 34(28%) every six month 57(48%) responded every year and 12(10%) replied more than a year. Nonetheless, some employees reported that they have to demand it.

Table – 6: Social Welfare

No.	Questions		Respondents in No.	Respondents in %
18	Does your company provide free education for your children under the age of 18?	Yes	120	100%
		No	0	0%
		Neutral	0	0%
		Total	120	100%

Source: Primary Data

As it is indicated on item 18 of Table 6 for the request about if the farm provides free education for employees children under the age of 18 all 120(100%) respondents replied yes the farm provides free education for their children which is a great deal and positive impact to address welfare of employees.

Table – 7: Benefit Plans

19	What benefit plans does your company offer to its employees? Please, choose from the following alternatives.	Total	
		#	%
A	Maternity Leave	120	100%
B	Paternity Leave	0	0%
C	Job Related Training	107	89%
D	Health & Safety Training	116	97%
E	If other specify	0	0%

Source: Primary Data

Item 19 to Table 7 requests employees what kind of benefit plan provided by the farm. All 120(100%) replied there is maternity leave, 0(0%) said no paternity leave, 107(89%) responded job related training is available, and finally 116(97%) said health & safety training is available. This implies that most of the basic benefits are provided by the farm which are indications of good social sustainability practice specially the maternity leave since most of the employees are female if it was not applicable it will create frustration to female employees.

Table - 8: Labor Union Condition

No.	Questions		Respondents in No.	Respondents in %
20	Does active Labor Union exist in the farm	Yes	92	77%
		No	0	0%
		I do not know	28	23%
		Total	120	100%
21	If your answer is “Yes” are you a member?	Yes	16	13%
		No	76	64%
		Neutral	0	0%
		Total	92	77%
22	If answer “No” you are not a member can you give your reason?			
A	The management does not allow		0	0%
B	Could not raise the membership fee		54	44%
C	Do not know the procedure		6	5%
D	Do not know the benefits of being member		13	11%
E	They do not trust unions		3	3%
		Total	76	63%

Source: Primary Data

Item 20 of table 8 requests if a Labor Union exist in the farm a great deal from the proportion of the respondents 92(77%) responded it exist while 28(23%) replied they do not know. This indicate that few employs does not know about the Labor Union existence and the farm management should communicate this with staff in order to fulfil one of the requirements in the code of conduct.

Item 21 of table 8 is a follow up question which asks employees whether they are a member of the union or not 44(37%) replied they are a member 46(38%) replied they are not members and 30(25%) choose to be neutral.

Under item 22 on table 8 employees who said they are not a member were asked to give their reasons why they are not member which 17(14%) said because they never heard of the labor union, 37(31%) responded could not raise the membership fees, 6(5%) said they don't know the procedure, 13(11%) do not know the benefit of being a member and 3(3%) responded they do not trust unions. This implies that employees do not have good information about the Labor Union and farm management should encourage employees so that they can say they have fulfilled welfare of employees.

Table - 9: Shows Environment Protection

No.	Description	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	
		#	%	#	%	#	%	#	%	#	%	#	%
23	Do you agree your company takes the necessary action to prevent water pollution?	48	40%	23	19%	0	0%	37	31%	12	10%	120	100%
24	Does your company follows the procedure about usage of water per certain area in the farm?	22	18%	11	9%	87	73%	0	0%	0	0%	120	100%

Source: Primary Data

Item 23 of Table 9 requests if employees agree the farm takes the necessary action to prevent water pollution? 48(40%) strongly agree, 23(19%) agree, 37(31%) disagree, 12(10%) strongly disagree. However, great deal of proportion of the employees agreed the company works to

prevent water contamination but the respondent who replied against it is also not a small number this tells us the farm have to work more to prevent water contamination.

Item 24 of Table 9 requests to give the magnitude of the farm towards following the procedure about usage of water per certain area in the farm? 22(18%) responded strongly agree, 11(9%) responded agree, 87(73%) were neutral, and none of the respondents choose disagree and strongly disagree. As one can see most of the respondents choose neutral may be they do not have technical knowledge regarding the usage per area so the concerned body should give such kinds of information to farm employees.

3.2. Internal Sources and Management Interview Analysis

3.2.1. Sher Ethiopia Managers Response

Interview was conducted with two of the SMT members of the farm who are the Human Resources and Public Relations Managers. Based on the questions presented by the student researcher below are the responses of the managers.

The organization's main objective to engage in CSR activities is to improve competitive advantage, employee satisfaction, social benefit & protection of environment, good public image, marketing and advertising strategy and most of all to support the community. The above is also clearly stated in the code of ethics which the company's CSR activities guided.

The PLC works with an independent company called Afriflora. Afriflora cultivates produces and sells sustainably grown roses according to Fair-trade principles. Since Share Ethiopia is a member of this company the employees benefit from the sales of flowers through fair-trade. For example if the price of one cut flower is €1 as per fair-trade principles it will be sold for 2 euro and the one euro will be spend for CSR activities for the employees and society. An independent committee formed from employees and management who make sure the profit received through fair-trade goes direct to CSR activities.

When the student researcher has informal conversations with the employees most of them does not know how the CSR activities are funded this shows the company did not communicate this clearly with the employees.

The EHPEA Training Department provides trainings and capacity building activities to help farms implement the EHPEA Code of Practice. After completion of courses, trainees are assessed and follow up visits are made to farms to help the trainees put their learning into practice.

When interviewing EHPEA the student researcher confirmed the Training Department was established in 2007 to provide trainings and capacity building activities to help farms implement the EHPEA Code of Practice. Courses have been developed to meet farms needs in the areas of safe use of pesticides, good agricultural practices, farm safety, protection of the environment and internal auditing. Training is designed to meet the industry needs and has been provided for farm workers, supervisors and members of the management team. So far, the trainings provided are practical and participatory and are delivered on individual farm sites or in clusters.

Sher Ethiopia built a Hospital which gives free service for the employees and their family and with small charge for Zeway's Town community. This hospital is built in 2009 and worth 100 million birr the hospital have modern equipment built-in which makes it the second finest hospital in the country following the Korean Hospital in Addis Ababa.

Sher Ethiopia built a school from Kindergarten to 9th grade which the employee's children attend for free and with a small amount fee for the community. What makes the school different from other schools in the zone and which is not common practice in other government or private schools is; it gives language option for students. At the time of registration if parents prefers their children to take the class in Oromifa language the student will be assigned to Oromifa class if the parents prefers Amharic same will be practiced. This arrangement is up to grade 7th above 8th grade the education system is in English language. The school also accept students from poor family and provides with meals, stationary and uniforms throughout the year in addition to the free education service it provides.

Sher Ethiopia also built international standard stadium in the town and create a football team who takes part in the national league. Sher Ethiopia also built a higher court for the Zone which has all the necessary equipment and broadband internet. In last kiremt season the PLC with the employees participated in a voluntary planting activity in the surrounding area and planted more than 26 thousand plants and staff is assigned to monitor the healthy growth of the plants afterwards.

In collaboration with Norwegian Government Aid the PLC built a water treatment plant which recycles the west water. In previous years the west water used to be a big problem but now it will be recycled and used in the farm. Sher Ethiopia in the current year started using artificial germs (integrated pest management control system Imps) as pesticides instead of chemical products as the result it prevents the bad small in the green houses and decreases the consequences in the environment.

When the student researcher was in the farm distributing the questioners she has a privilege visiting the newly build plant and usage of the artificial germs.

EHPEA does periodic supervision on our products. EHPEA also have a Code of Practice which is a voluntary sector standard developed by the sector to guide, monitor and communicate the social and environmental performance of flower and cuttings farms engaged in production for export. The code sets requirements for good agricultural practices, protection of the environment, worker Welfare and employment practices at three levels Bronze, Silver and Gold.

The student researcher confirmed this by going into the EHPEA's office and interviews their PR manager. The list of activates required to gain one of the listed certificates is also clearly indicated in the Code of Proactive for Sustainable Flower which is found in the association's website.

We can say our company does not conserve water and land treatment directly because we didn't have the resources so far but we are engaged with voluntary planting exercise. As you may know most of our water need is fulfilled from Lake Zeway and to conserve the balance in the current year we planted more than 26 thousand plants in Zeway surrounding and assigned our staff to make sure the health growth of the plants.

3.2.2. EHPEA Public Relations Manager Responses

Ethiopian EHPEA established in September 2002 and have garnered broad recognition by the Government of Ethiopia, other national and international stakeholders. Presently, it is led by Executive committee and Audit Committee consists of five and three members respectively who are elected by the general assembly of members. For running its day-to-day activities, EHPEA hired an Executive Director supported by Assistant Executive director and other three-support staffs.

The association is financed from members' contribution and training fees. It provides label certification programs to farms which is guided by the code of practice. There are three label of certification on the bases of their CSR activities, the other service we provide to the farms is staff trainings this will be done on the farms request our staff will go to the farms and provide health & safety, farm equipment use, handling of fertilizers and pesticides, etc... the other service we provide to the farms is consultancy for example when a new investors wishes to come to the country and start the investment we will facilitate for them. We also have a

resource center anyone who wishes to find collections on horticulture development can come and benefit from the services.

The certification needs to be renewed annually in order to get certified the farms needs to practice what is written on the code of conduct. Our code of conduct is a 117 pages document which has detailed criteria requirements to demand the certification. So the firm needs to practice what is written in the code of conduct to acquire the certificates.

CHAPTER FOUR

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

This chapter summarizes and concludes the findings of the research and forwards possible recommendations.

4.1. Summary of the Major Findings

The Flower industry in Ethiopia faces a challenge from Environmental activists like other global flower industries. It is accused due to the concerns arises for environmental and social sustainability. Economic success has positive image and it is more important for developing countries like Ethiopia.

- With respect to general characteristics of respondents 96(80%) of the respondents were female, and most 76(63%) of them were found in the age range of 18-36, while most of the respondents 97(81%) found to be above secondary school.
- On the other hand all 100% of staff has permanent employment status, majority of respondents 97(81%) worked for the farm between 1 to 3 years and 89(74%) of the respondents salary scale was between the range of 1000 to 3000 ETB per month.
- Concerning occupational safety and health 52(44%) of the respondents said the farm provides sufficient protection for employees.
- On the subject of the farm's extent on implementing safety and health policy 59(49%) of the respondents rated very high and high.
- Significant number of the respondents 57(48%) of the employees said the farm provides replacement for the safety materials in a year time.
- Most employees 53(44%) rated low and very low the farm's commitment to prevent sexual harassment in the farm.
- 106(88%) of the employees said they have access for clean drinking water while they are on duty.
- Regarding basic induction training 116(97%) said the farm provides staff with induction training prior they start working in the farm. 107(89%) also said they receive on the job training so that they won't forget the first training.

- Concerning medical care all 100% of the respondents responded they receive free medical care for them and immediate families at the Hospital build by the farm.
- Majority of respondents 69(58%) said their positions is exposed to hazardous.
- Most respondents 106(88%) said the farm provide safety cloth for staff who works in hazardous places.
- All 100% of the respondents said the farm gives free education for their children in the school build by the farm.
- Most of the respondents 71(59%) said the farm takes the necessary action to prevent water pollution.
- From the interview conducted the company is engaged different activities to support the surrounding community and staff some of the major actives are the hospital build by the farm which gives free service for the staff and with minimum charge for the community.
- As per the interview respond the other activities is the school built by the farm which allows employees send their children free of charge and with a very small fee for the community.
- In addition, the farm participate with staff in voluntary planting for example in the current year they planted 26 thousand plants in the surrounding area.
- From interview conducted with EHPEA's PR manager said it is established in 2007 and they are financed from members' membership contribution. They provide trainings for the staff employees and do a follow up audit to make sure they are producing in a socially responsible manner.
- EHPEA also provides the farms three level of certificates which confirms the farms are producing flowers in socially responsible manner.

4.2. Conclusions

From the data analysis of questioner, interview and reading of document the student researcher draw the following conclusions.

Most of the farm workers are female who are between the ages of 18 to 36. Majority of them are above secondary school. In addition to this all employees have permanent employment

status and most employees worked for the farm between 1 to 3 years. Therefore, Sher Ethiopia created job opportunity for young women.

This study reveals that all the farms employees have permanent employment status. It is unusual for other flower farms or even for private companies in the country to have employees with permanent employment status. This means employees have job security and sustainable income. Which is one of the aspects that flower farms play a role in contributing to sustainable economy.

As the finding of the study concerning occupational safety and health and implementation of the policy majority of the staff said the farm provides sufficient protection for employees. But significant number of the respondents said the farm provides replacement for the safety materials in a year time. As a conclusion one can say there is a gap in practice of health and safety since the worn out close cannot protect staff.

Therefore, the company has a very good health and safety policy implementation which is one of the indication that the farm flower productions is socially qualified.

The research show that the farm has minimal commitment to prevent sexual harassment. Since most of the employees are women the company has supposed to take appropriate measures. Therefore, Sher's commitment to prevent sexual harassment in the farm is poor.

On the bases of the study the farm provides staff with basic induction training prior they start working in the farm. The study also reveals the employees receive on the job training so that they won't forget the first training. This concludes that the farm takes responsibility for the staff safety which is one of the indicators of corporate social responsibilities is practice.

The research shows that the employees receives free medical care for themselves and their immediate family and free education for their children from the hospital and school built by the farm. This concludes that the farm pays great attention for the staff wellbeing and their children education which is an indicator of social sustainability practice.

On the bases of the study the company engaged in different activities to support the surrounding community and staff some of the major actives are the hospital build by the farm which gives free service for the staff and their immediate family and with minimum charge for the community.

The other CSR activity is the school built by the farm which allows employees send their children free of charge and with a very small fee for the community.

In addition, the farm participate with staff in voluntary planting for example in the current year they planted 26 thousand plants in the surrounding area.

EHPEA's PR managers said it is established in 2007 and they are financed from members' membership contribution. They provide trainings for the staff employees and do a follow up audit to make sure they are producing in a socially responsible manner.

EHPEA also provides the farms the flower label certification programs this ensure that flowers are grown in a healthy work environment where employees know their rights, they are treated equitably and where the environment is not abused. Sher Ethiopia is not a member of this association but a member of MPS which is an international accredited environmental standard based on registration.

4.3. Recommendations

Based on the facts, major findings and conclusions made so far, the student researcher of this study has come up with different issues that need improvement and some issues which needs to be keep up. Therefore, the following recommendations are forwarded.

- The farm should be encouraged since it created job opportunity for the local most importantly for women both directly and indirectly. This aspect plays a role in contributing sustainable development considering the effect on economic sustainability.
- It is strongly suggested that the farm should give staff replacement of worn-out safety materials on time. This can be done by making sure there is enough stock in the store and minimizing approval process to get replacement. Though the farm provides employees with necessary health and safety materials as an indicator of employees wellbeing which is base for social sustainability practice they do not give replacement on time.
- No single initiative may effectively and efficiently resolve the problem of sexual harassment in the flower farm. Women workers should be empowered through trainings. If the workers are empowered they will assert their rights without permanently being reliant on outsiders to fight on their behalf.

- The farm should be encouraged for the free medical services they provide for their staff and immediate families and for free education services they provide for their employees children.
- The farm also needs to be encouraged for the voluntary planting and water treatment activities they carry out to protect the environment since air and water pollution are the main factors for environmental degradation.
- EHPEA also provides the farms the flower label certification programs this ensure that flowers are grown in a healthy work environment where employees know their rights, they are treated equitably and where the environment is not abused. Sher Ethiopia is not a member of this association but a member of MPS which is an international accredited environmental standard based on registration.
- One of the main reasons flower farms acquire flower label certification programs is to be able to find market because the certificate will ensure the flowers are grown where the environment is not abused. In our case the farm is not registered under EHPEA but it is registered under MPS which is an equivalent international authority. This means Ethiopian government has no involvement in this. The government with the help of the actors should find a way to harmonize the system into a single comprehensive national code with international recognition.
- As we have seen on the findings, the industry has both its benefits and drawbacks what the student researcher recommends here is that, the long term negative impact like environmental degradation and social welfare should be given emphasis and due attention and balanced with economic benefits that these flower farms generate.

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Appendices

APPENDIX - A
ST. MARY'S UNIVERSITY
BUSINESS FACULTY
DEPARTMENT OF MANAGEMENT
QUESTIONER DESIGNED TO SHER ETHIOPIA PLC STAFF

Dear respondents:

This questioner is designed for the purpose of conducting a research on CSR(CSR) practice of Sher Ethiopia Plc. And it is a partial fulfillment for a Bachelor Degree in management.

I would like to express my heartfelt appreciates for your cooperation in answering the interview questions.

The information provided the respondent will be kept in strict confidence and used for the purpose of this study only. Thus, the researcher politely requests you to cooperate in providing real and complete information, which is indispensable for the fulfillment of this research.

General Instruction:

1. You don't need to write your name or and identifying remark.
2. Put '✓' mark on the box(s) that suits your best.
3. Give your answers to open ended item in the blank space provided below the items.

Thank you in advance for your cooperation!

PART I – BACKGROUND OF RESPONDENTS

1. Sex: a. Male b. Female
2. Age: a. 18 to 35 b. 36 to 45 c. more than 45
3. Education Level: a. Certificate b. Diploma c. Degree d. other

PART II – QUESTIONS DIRECTLY RELATED TO THE STUDY

Please choose your answer from the given choices and give a description if required

CONDITION OF EMPLOYMENT

4. What is your employment status
 - a. Temporary less than one year contract
 - b. Temporary 1 to 3 years
 - c. Permanent
5. How long have you worked for Sher Ethiopia
 - a. Less than 1 year
 - b. 1 to 3 years
 - c. more than 3 years
 - d. other
6. How long have you been working in your current Position.
 - a. Less than 1 year
 - b. 1 to 3 years
 - c. more than 3 years
 - d. other

OCCUPATIONAL SAFETY AND HEALTH

7. How do you rate the company's suitable arrangement for safety & health and welfare that provide sufficient protection for the employees?
 - a. Very High
 - b. High
 - c. Moderate
 - d. Low
 - e. Very Low
8. How do you rate extent of safety & health policy implementation?
 - a. Very High
 - b. High
 - c. Moderate
 - d. Low
 - e. Very Low
9. How is the company's commitment to prevent sexual harassment in the organization?
 - a. Very High
 - b. High
 - c. Moderate
 - d. Low
 - e. Very Low
10. Do you have access to clean drinking water in the farm?
 - a. Yes
 - b. No
 - c. Neutral
11. If no what is your source of drinking water?
 - a. _____
 - b. _____
12. Do you receive a formal training on how to use farm equipment (OSH) before you start working in the farm?
 - a. Yes
 - b. No
 - c. Neutral
13. Do you receive on job/ongoing trainings on how to use materials in the farm so that you won't forget the first training?
 - a. Yes
 - b. No
 - c. Neutral
14. Does your employer provide medical care for you?
 - a. Yes
 - b. No
 - c. Neutral
15. If yes please describe what type _____

USE AND HANDLING OF CHEMICALS

16. What is the magnitude of your position subjected for occupational hazards?
 - a. Very High
 - b. High
 - c. Moderate
 - d. Low
 - e. Very Low
17. Is safety cloth provided for staff working in the hazards places?
 - a. Yes
 - b. No
 - c. Neutral

18. Are there facilities for washing/bathing after applying pesticides?

- a. Yes b. No C. Neutral

19. How often do you receive replacements for old health & safety cloth?

- a. Less than six months b. Six months c. One year d. More than a year

SOCIAL WELFARE

20. Does your company provide free education for your children?

- a. Yes b. No C. Neutral

21. What benefit plans does your company offer to you? Please mark your choose answer below as appropriate.

- a. Maternity Leave
- b. Paternity Leave
- c. Job Related Training
- d. Health & Safety Training
- e. If other specify

22. Does a Labor Union exist in the farm?

- a. Yes b. No c. Neutral

23. If your answer is yes are you a member?

- a. Yes b. No c. Neutral

24. Please give your reason if answered No _____

ENVIRONMENT PROTECTION

25. Do you agree your company takes the necessary action to prevent water pollution?

- a. Strongly Agree b. Agree c. Neutral d. Disagree e. Strongly disagree

26. Does your company follow the procedure about usage of water per certain area in the farm?

- a. Strongly Agree b. Agree c. Neutral d. Disagree e. Strongly disagree

27. What did you do before you start working for Sher Ethiopia?

- a. Farmer (you or your family own the land Sher Ethiopia is operating currently)
- b. Employed by other flower farm
- c. Employed by other Business
- d. other specify

APPENDIX-B
ST. MARY'S UNIVERSITY
BUSINESS FACULTY
DEPARTMENT OF MANAGEMENT

**INTERVIEW QUESTIONS DESIGNED TO PUBLIC RELATIONS
MANAGER AND SENIOR MANAGEMENT OF SHER ETHIOPIA PLC**

1. Does your company have written CSR program? If yes please choose one:
2. What is your organization main objective to engage in CSR programs?
3. How much per cent of your profit goes to the CSR activities? Is it fixed every year or varies?
4. What kind of monitoring and follow up procedures do you get from the government or other entity?
5. What type of projects has your company assisted the local community?
6. What environmentally related investments and/or expenditures have your company made in the last five years?
7. Has governmental entity made a periodic supervision on your products impact on the environment, social and employees?
8. Do you use water conservation in the rainy season?

Thank you very much for your time and support!

DECLARATION ADVISEES DECLARATION

I, the undersigned, declare that this senior essay is my original work, prepared under the guidance of Ato Meselu Fanta. All sources of materials used to the manuscript have been dully acknowledged.

Name: Serkadis Kassa

Signature: _____

Place of submission: St. Mary's University

Date of Submission: _____

ADVISOR'S DECLARATION

This senior essay has been submitted for examination with my approval as an advisor.

Name: Meselu Fanta

Signature: _____

Date: _____