



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

**ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY  
PRACTICE: THE CASE OF TOTAL ETHIOPIA SHARE COMPANY**

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**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
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**ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE**  
**AT TOTAL ETHIOPIA SHARE COMPANY**

**BY: BEREKET ASSEFA**

**JANUARY, 2020**

**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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## **ABBREVIATIONS**

CSR	Corporate Social Responsibility
HRPA	Human Resource and Public Affairs
TESC	Total Ethiopia Share Company
CODO	Company Owned Dealer Operator
DODO	Dealer Owned Dealer Operator

## **ABSTRACT**

*Corporate Social Responsibilities (CSR) are becoming increasingly important in today's business world. Companies should care about their stakeholders' interests but at the same time, they should place more emphasis on other areas apart from solely profits making. The prime essence of this study was to assess the practice of CSR in TOTAL Ethiopia S.C. The study used descriptive and mixed research approaches and it is mainly dependent on primary source of data in which four types of structured questionnaire was developed to get data from respondents composed of dealers/customers, community and employees while managers of the company were interviewed. To meet the research objective the researcher used convenience sampling techniques and procedures to select the samples from each stakeholder's category. Respondents from the total population were selected. The findings depicts that the employees awareness towards concept of CSR is at its lowest level, but it is good to have basic knowledge about it. It is possible to conclude from the survey different items listed in the study believed that it's practical to views CSR in business organizations. The stakeholders' perceptions on components of CSR include economic, ethical, legal, and philanthropic responsibilities agreed that items listed are important aspects to business organizations socially responsible activities. The prioritization of CSR to the company includes philanthropic, next ethical, then economic and finally legal responsibilities. The company needs to allocate enough amount of budget and focus on training and developing mechanisms that help to communicate with the stakeholders.*

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

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

One of humankind's greatest challenges of the century is ensuring sustainable, objective, and balanced development. The needs of current and future generations cannot be met unless there is respect for natural systems and international standards protecting core social and environmental values. Corporate social responsibility (CSR) has emerged as a significant concept since the 1930s in the U.S. (Bakan, 2005; Carroll, 1999). Scholars explain the objectives in integrating CSR throughout corporations' strategies. As Hine and Preuss (2009) state, "the purpose of CSR is to reconcile, as a function of both governance and operational capacities, the social, economic and environmental responsibilities of the corporation" (p.382).

At the same time, industry has faced a variety of concerns related to environmental and ethical issues for decades. Spence (2011) points out, in the energy industry, oil and gas companies face environmental risks, health and safety risks, liability risks, and reputational risk, which are critical to the corporations' long-term success. Therefore, the energy industry is likely to meet higher standards of environmental performance and labor management, and energy companies are legally or voluntarily to fulfill obligations and gain compliance with a range of international standards, protocols, and principles (Hine & Preuss, 2009).

It is important to recognize that governments play an important role in environmental protection and that encouraging energy efficiency is not equivalent to solving many confounding problems of corporate social responsibility for business. For instance, the BP oil spill in the Gulf of Mexico was one of the greatest environmental tragedies in U.S. history. BP has been working on environmental restoration projects in the Gulf Coast as part of their CSR events. BP acknowledged its role in causing catastrophic damage and has spent more than \$14 billion on response activities ("Deep water Horizon," 2013). According to BP's sustainability report (2011), in response to the Gulf of Mexico accident in 2010, BP introduced wide-ranging activities aimed at enhancing safety and risk management within the group and earning back trust.

However, the U.S. government still criticized BP for inadequate response to stop what was unfolded into an environmental catastrophe (Robertson & Lipton, 2010).

Moreover, some scholars accused BP for intentionally muddying the extent of the oil spill and disguising the evidence (Cherry & Sneirson, 2011). As Cherry and Sneirson argued, BP, like many other companies, acted in an environmentally responsible manner in regard to establishing a “green” image or proving profitable. The leading energy companies have dramatically improved capacity and revenues, leading to huge profits for those businesses. According to the Center for American Process, the five top oil companies, namely BP, Chevron, ConocoPhillips, Exxon Mobil, and Shell, earned combined total of \$93 billion in 2013, or \$177,000 per minute (Weiss & Peterson, 2014). Because the availability of inexpensive fossil fuels has dramatically driven economic growth, offering great opportunities for people to achieve higher standard of living, the energy industry can be a remunerative market for those companies who are good at their practices (Spence, 2011).

At the same time, energy corporations have experienced an intense rise in corporate social responsibility practices over the past decade. The Nobel laureate Milton Friedman witnessed that “In such an economy, there is one and only one social responsibility of business-- to use resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deception or fraud” (Friedman, 1962, p.55). CSR is also referred to as the “shareholder value- oriented” perspective. Since the leading energy companies stretched their business into the global market, their environmental practices and labor management have been questioned and investigated by global stakeholders. The potential legal risks and environmental damages mean that governments, NGOs, and customers will continue to inquire about the safety and legitimacy of energy companies’ practices so as to reduce the risk of harm or damage to the environment or humans. Roberts et al. (2002) claim, “companies that take corporate citizenship seriously can advance their reputations and operational efficiency, while reducing their risk exposure and encouraging loyalty and innovation” (Roberts et al., 2002, p.7). Therefore, the investigation of CSR principles and the practices of energy corporations is more important and is perceived as being relevant to other industries.

The paper did not attempt to provide with a detailed and guaranteed list of CSR activities that would suit to TOTAL Ethiopia S.C, . Rather the paper focused on general principles and approaches to CSR concept that can be grasped and used by TOTAL Ethiopia S.C as a springboard towards excellence in CSR. The paper will also provide a guide to responsible business on how to identify and apply principles of corporate social responsibility in TOTAL Ethiopia's. It's believed that introducing CSR implementation concept can enrich and bring also competitive advantages for similar companies which would like to engage themselves strategically in CSR.

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

Total Ethiopia Share Company is a global integrated energy producer and provider, a leading international oil and gas company, and the world second ranked solar with SunPower Corp. Globally TOTAL has 100,000 employees working in 130 countries worldwide, are committed to better energy that is safer, cleaner, more innovative and accessible to as many people as possible.

In Africa in addition to exploration, production and renewable energies, TOTAL is active across the entire petroleum products supply chain (Service station Network, General Retail, Lubricants, aviation fuels, bitumen and LPG). TOTAL introduced in Ethiopia in the late 19th century, during the reign of Haile Selassie. TOTAL as a Petroleum Product Distribution Company was first established in 1950 as one of the oil companies in Ethiopia. It was first established under the name of Société Française des Pétroles de Somalie (SFPS). It quickly went on to become TOTAL Mer Rouge (TMR).TMR was engaged in distribution of TOTAL petroleum product i.e. Fuel, lubricants, Light Petroleum Gas (LPG) and Tar. After more than 40 years operation in the country in September 1997 the name TOTAL Mer Rouge was changed and organized in accordance with the Ethiopian commercial law by a new name Total Ethiopia S.C. TOTAL Ethiopia officially acquire Mobil Oil East Africa – Ethiopian branch since the end of 2006. After the acquisition, Total Ethiopia operates as a market leader in the country. Its registered capital is Birr 88,125,716.

Today, the company operates with 170+ operational retail network stations three aviation depots at Bole International Airport, Mekelle and Bahir Dar and a new modern international standard depot construction completed in Oromia Regional State

Dukem town 37 Km South of the capital, Addis Ababa, with an investment of 270M ETB. TOTAL is on the verge to acquire another new aviation depot in Amhara Regional State near Lalibela. More than 500 contracted fuel trucks transporting over 700 million liters of fuel per year. 245 internal permanent and contracted employees engaged in non-core activities of the company. The company created more than 4000 job opportunities for its partners. Total Ethiopia is also a citizen company promoting actively road safety, fight against malaria, product quality and renewable energies such as solar.

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

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

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

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



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

The motivation for CSR is likely to be strictly familiar and the private sector cannot be expected to be effectively engaged in a sustainable CSR drive. Paradoxically, it is precisely in a developing country context that the need for CSR type initiatives is most subtle (Jamali & Mirshak, 2007).

In due fact presently all over the world consumers, employees and social communities have become more and more attentive of CSR efforts of companies and base their relationship with them based on this. Accountability is one of the processes whereby a company seeks to ensure integrity.

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

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

#### **1.4. Research Question**

This study attempt to address the following questions:

1. how policies and principles of CSR implemented in TOTAL Ethiopia S.C.?
2. What attitudes have been observed on customers/dealers caused by CSR practice of TOTAL Ethiopia S.C.?

3. What are the perception of the community on Corporate Social Responsibility(CSR) practice of TOTAL Ethiopia S.C.?
4. How did the staff members in various functional areas of the organization understand, percieve the practice of CSR in TOTAL Ethiopia S.C.?

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

### **1.5.1. General Objective**

The general purpose of this study is to show how far a CSR activity and effort has gone in TOTAL Ethiopia S.C.and how the effort is viewed by the Dealers/Customers , employees and society and how they react to it.

### **1.5.2. Specific Objective**

These are the specific objectives that the researcher would like to achieve:

- To assess the actual practice of CSR in the company,
- To assess perceptions of customers/dealers of TOTAL Ethiopia S.C. on Corporate Social Responsibility.
- To assess the effect of CSR on community towards the company.
- To assess how the staff members in various functional areas of the organization see the practice of CSR.

## **1.6. Significance of the Study**

Corporate social responsibility has witnessed revival in management literature in recent years probably due to a renewed focus on corporate governance and ethical practices of companies world-wide (Hinson, Boateng, Madichie, 2010). Basically, the motivation for undertaking this study is premised on the belief that significantly, it will generate knowledge and enhance social research, thereby improving the understanding of CSR, not just as a management tool or instrument that ensures informed policy making, but also as a form of social order that encourages institutional commitment to fully humanizing the business environment particularly in TOTAL Ethiopia S.C.

The output from the research help TOTAL Ethiopia, social organizations policy developers and other concerned parties to take some remedial actions or corrective measures on the problems identified in the research.

It also serve as a stepping stone for other researchers who aspire to make depth study about the issue under the study. In addition, importantly, this research will educate clients in deciding on whether the industries are really fulfilling its responsibility to the environment or is just showing off to promote its business and finally to fulfill the Research Methods course assignment requirement.

### **1.7. Scope of the Study**

This research tries to assess the practice of CSR in TOTAL Ethiopia S.C, and the perception of the stakeholders towards the company. In this research stakeholders, represents (Dealers/Customers, employees, the society and shareholders). Here dealers and customers as synonymously used jointly in many parts of the study since dealers are the service station owners who directly purchase the product of the product from the company and resell to the beneficiaries .Due to this dealers are customers of the company the company has around 179 station dealers operating here in Addis Ababa and up country, however, the research work focused on station dealers based in Addis Ababa. Community also chosen from Oromia regional State Dukem town Gogecha Kebele 37Kms away from the capital where the company secure a plot from the regional municipality as an industrial zone by displacing. Besides, the research is limited to disclosing the prevailing crude information with regard to the practice of the subject matter. No specific CSR efforts were discussed in the research and only its general term used in assessing its effect.

### **1.8. Limitations of the Study**

Some respondents felt uncomfortable to express their true opinion on the subject matter. This research does not show other TOTAL affiliates operating in the overseas and it is believed that the data collected through personal observation from the existing customers and community members might not give the full picture as these customers and members of the community might resort to giving only a positive reply to avoid any conflict of interest.

During the data collection, there was widespread unrest in many regions of Oromia including Dukem town. Due to this and related causes, some respondents were reluctant to avail and disclose the required information.

More over regarding to the nature of the research, it shall not be taken as the final generalized result on the subject matter but useful as the springboard to further study on the subject matter not as the final output.

## **1.9. Organization of the Paper**

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

## **CHAPTER TWO**

### **RELATED LITERATURE REVIEW**

#### **2.1. Introduction to Corporate Social Responsibility**

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

#### **2.2 Theories of Corporate Social Responsibility**

Among the attempts to clarify CSR theories, there is a considerable heterogeneity of theories in illustrating different aspects of CSR. Garriga and Mele (2004) categorized the CSR theories into four groups with emphasis on the different aspects of social reality: economics, politics, social integration and ethics. As Crane et al. (2008, p. 48) have stated, the ethics theories explore the relationship between business and society and should be embedded with ethical values. There are four main groups of ethics theories, which depend on the previous researches, including "Corporate Social Performance", "Shareholder Value Theory", "Stakeholder Theory", and "Corporate Citizenship theory" (Crane et al., 2008). Following this idea, this study focuses on the discussion of four theories so as to a clarification about the responsibilities of business in society.

### **2.2.1 Theory 1: Corporate Social Performance**

Carroll (1979) outlined an initial definition of ‘Corporate Social Performance (CSP)’, and pointed out that an entire spectrum of obligations to society must encompass the economic, legal, ethical, and discretionary categories of business performances. These four categories were also known as Carroll’s hierarchy of corporate responsibilities. In 1991, Wood (1991, p.693) added a detailed definition of CSP by mentioning that CSP is the “configuration in the business organization of principles of social responsibility, processes of response to social requirements, and policies, program and tangible results that reflect the company’s relations with society.” In addition, Wood (1991) expanded the definition of CSP by presenting the CSP model, which includes principles of CSP, the processes of corporate social responsiveness, and outcomes of corporate behavior. Principles of CSP, in Wood’s model, embrace the principle of legitimacy, the principle of public responsibility, and the principle of managerial discretion. The concept of ‘principle of legitimacy’ has originated with Davis’ statement, which represents how businesses obtain the legitimacy and power from society. However, if businesses do not use power in an appropriate way, then they will lose it (Davis, 1960). ‘Principle of public responsibility’ focuses on the social responsibility of business because business and society are interrelated with each other. Wood’s depiction of ‘principle of managerial discretion’ explains that the duties of managers and other employees should be structured to deploy discretion toward socially responsible and ethical outcomes (Wood, 2010).

According to Wood (2010), the processes of social responsiveness comprise certain types of processes for environmental scanning, stakeholder management and issues management. In Wood’s model, ‘processes of social responsiveness’ is rooted in an understanding of analysis on the environmental issues, including social, political, legal, and ethical environments, and its impact on the engagement with stakeholders (Wood, 2010). In addition, issues management can allow business to investigate and monitor social or political issues such as public affairs officials.

Wood’s (2010) major contribution was to implement a crucial missing part into earlier CSP models. The earlier model offered by Carroll (1979) did not include the outcome variable. Thus, Wood’s research went further than simply reflecting the earlier research. Wood developed the outcome variable in his model. “Outcomes and impacts

of performance,” is conceptualized as comprising three effects – effects on people and organizations, effects on the natural and physical environments, and effects on social systems and institutions. As articulated by Wood (1991), the ‘outcomes of corporate behavior’ represents a significant piece of the CSP model with emphasis on the assessment of CSP. According to Wood (1991), the corporate behavior should be fairly and objectively evaluated at varying levels of effects. The positive and negative effects are equally to be assessed. Some of these include: the positive impacts on job creation and creation of new technology, and the negative impacts on the disposal of hazardous waste and political corruption.

### **2.2.2 Theory 2: Shareholder Value Theory**

Shareholder value theory focuses on shareholder utility maximization with purpose in maximizing the economic value of the corporation for its shareholders (Crane et al., 2008). The view of shareholder utility maximization was promulgated by many scholars, and the names that were prevalent in that period include Friedman (1970), Ross (1973), Jensen and Meckling (1976). Nobel laureate Milton Friedman was an influential contributor to the early shareholder value theory. In 1962, he proposed, along with his wife Rose Friedman: “In such an economy, there is one and only one social responsibility of business — to use resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deception or fraud” (Friedman, 1962, p.133). In addition, Friedman (1970) set forth an initial definition of the “shareholder value- oriented” approach: “the only one responsibility of business toward the society is the maximization of profits to the shareholders, within the legal framework and the ethical custom of the country”. Shareholder Value Theory encompasses a range of philosophical assumptions, including that human beings act in pursuit of equal opportunity and property is regarded as an absolute right (Crane et al., 2008).

As Crane et al. (2008) said, the controversial part of this theory is the complete separation of the functions of the public and private spheres. It rejected the responsibilities for the consequences of business activities.

Although Friedman's views of ‘Shareholder Value Theory’ is supported by many corporations who are seeking huge profits especially in Anglo-Saxon countries, many

scholars criticized that shareholder maximization value only focuses on short-term profit and ignores the stakeholders' interests. As a result, the corporations need to establish good relationships with all stakeholders such as employees, customers, suppliers, and local communities (Crane et al., 2008; Hosmer, 1995; Kotter and Heskett, 1992). In addition, the focus on property rights in Shareholder Value Theory gave way to modern theories of property, which question the earlier definition of property. For example, capital is no longer used to describe the asset of corporations in the modern world. Actually, people who work in the corporation are its most important asset (Handy, 1997).

### **2.2.3 Theory 3: Stakeholder Theory**

With the severe voices of criticism on the shareholder theories from multiple scholars, it is not surprising that 'Stakeholder Theory' gained prevalence during the mid-1980s (Jamali, 2008).

Freeman (1984) first proposed the stakeholder concept in his 1984 book "Strategic Management: A Stakeholder Approach." This book provided a new perspective to extend corporations' responsibilities beyond shareholders. After reading his book, Jonker and Foster (2002) also pointed out that Freeman created a generic stakeholder map, and re-conceptualized the nature of the corporation to promote and support the legitimization of new forms of managerial action. In contrast to the 'shareholder theory', the 'stakeholder theory' incorporates the external environment of the corporation with emphasis on the role of internal and external stakeholders, such as employees, suppliers, shareholders and customers. When it comes to 'stakeholders', Freeman (1984) defined it as "any group who can affect or is affected by the achievement of the firm's objectives" (p.25).

Clarkson (1995) provided another definition of 'stakeholders' by arguing that "the term stakeholders refers to "persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective." Clarkson (1995) also distinguished primary and secondary stakeholders by defining the "primary stakeholder group" as "one without whose continuing participation the corporation



cannot survive as a going concern” (p.106). Typically, the primary stakeholder group includes shareholders, investors, employees, customers, suppliers, governments and communities (Clarkson, 1995). In his paper, Clarkson also addressed that the relationships between corporation and primary stakeholder group are characterized by mutual interdependence. Further, Clarkson (1995) identified the ‘secondary stakeholder groups’ as those “who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival. The media and a wide range of special interest groups are considered as secondary stakeholders under this definition” (p.107).

Clarkson (1995) explains the principle ideas of ‘stakeholder theory’ by mentioning “the firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm activities. The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services” (quoted from Crane et al., 2008). Based on Freeman’s stakeholder model, the concept of CSR can be defined as “corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract” (Jones, 1980, p. 56-60).

In addition, other scholars such as Donaldson and Preston (1995) captured the implication of the stakeholder concept by noting that stakeholders can be identified by their interests in the affairs of the corporation, and “the interests of all stakeholders have intrinsic value” (p. 81). Clarkson (1995) has made one of the most sound definitions of this theory as follows:

“The corporation itself can be defined as a system of primary stakeholder groups, a complex set of relationships between and among interest groups with different rights, objectives, expectations, and responsibilities. The corporation's survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group, so that each group continues as a part of the corporation's stakeholder system. Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system” (Clarkson, 1995, p.106-107).

The stakeholder theory has established a rich array of theoretical tools to explore the natures, interests, and managements of corporations. According to Donaldson and Preston (1995), the theory can be used to operationalize the function of the corporation which includes the identification of moral or philosophical assumption and management of corporations (p.71). As Donaldson and Preston (1995) noted, “The stakeholder theory has been used to describe (a) the nature of the firm (Brenner & Cochran, 1991), (b) the way managers think about managing (Brenner & Molander, 1977), (c) how board members think about the interests of corporate constituencies (Wang & Dewhirst, 1992), and (d) how some corporations are actually managed (Clarkson, 1991; Halal, 1990; Kreiner & Bhambri, 1991)” (p.70). The stakeholder theory can be applied to the management literature. For example, Collins and Porras (1994) noted that stakeholder management has been used quite extensively in many companies and provides a guideline, which can lead to business success in the long term. But it is important to note that what is required is further research to establish sound conclusions on the relationship between stakeholder theory and financial performance (Berman et al., 1999).

By extending the economic approach to CSR, extensive empirical research has been conducted to assess the correlation between corporations’ social responsibility and financial performance, and yielding different results. Some scholars found that there was a positive relationship between economic performance and social responsibility such as the “content of pollution control disclosures” research conducted by Belkaoui (Belkaoui, 1976). Other studies also identified the relationship between economic performance and CSR. According to Weber (2008), there are 127 published studies empirically investigating the relationship between companies' corporate social performance and their financial performances between 1972 and 2002. Multiple researchers found a positive correlation between CSR and financial performance of corporations (e.g. Frooman, 1997; Griffin and Mahon, 1997; Roman et al., 1999).

In addition, Wagner et al. (2001) analyzed the relationship between environmental and economic performance and found mixed results in their quantitative empirical research. Similarly, Margolis and Walsh (2003) conducted a meta-investigation of 127 multiple regression studies and found mixed results, but all studies concluded that there was a dominant positive relationship between the two variables. On the other

hand, compared to the positive relationship found in research, sustainability researchers found a U-shaped relationship between economic performance and CSR (Schaltegger & Synnestvedt 2002, p. 314; Steger 2006, p. 417).

Specifically, for instance, Wagner and Schaltegger (2004) tested the hypothesis of an inverse U-shaped relationship between environmental activities and economic performance. They concluded when companies display a higher level of pursuing an environmental strategy oriented towards shareholder value, they will be more likely to have a stronger relationship between environmental activities and economic performance than other companies without such a strategy. As discussed previously, the results that represented relations between CSR and financial performance are different, because scholars adopt different ways to operationalize the two variables (Choi et al., 2010; Orlitzky et al., 2003).

Since various studies explored the multiple dimensions of a company's CSR, this study is an attempt to use stakeholder theory measuring CSR in this area by examining the relationship between stakeholder relationship and corporation financial performance. A number of studies have been conducted empirically by using the instrumental stakeholder theory. For example, Berman et al. (1999) pointed out that the way in which a corporation deals with the various aspects of stakeholder relationships will have an impact on its financial performance. The authors analyzed five main stakeholder areas which are related to company focus on five major stakeholder areas important to company operations: employees, the natural environment, workplace diversity, customers and issues of product safety, and community relations. Bagnoli and Watts (2003) also concluded that companies that deliver superior social performance are more likely to perform better in financial performance by attracting socially responsible Dealers/Customers.

Further, Choi et al. (2010) studied the relation between CSR and corporate financial performance by using the stakeholder-weighted index measurement. They documented a positive and significant relation between CSR and corporate financial performance. These findings enhanced empirical research in stakeholder theory, and suggested the important aspects of CSR to primary stakeholders that can improve their financial performance. Therefore it is worthwhile to use stakeholder theory to explore the relations between the two variables in a specific industry. However, a

related study investigating the correlation between the disclosure of stakeholder relations on corporations' websites and financial performance in energy industry could not be identified. Consequently, given the literature of exemplar studies in particular and the stakeholder theory research in general, this study is an attempt to use stakeholder theory to explore CSR communication in a specific industry by investigating how leading energy companies employ their websites with emphasis on stakeholder relations. Based on the preceding information, this study seeks answers to the following research question, building on efforts that explored the relationship between stakeholder and company financial performance:

#### **2.2.4. Theory 4: Corporate Citizenship Theory**

Most recently, more and more businesses have been engaging in philanthropic activities and making donations to the community (Crane et al., 2008). As Crane et al. (2008) noted, "This has been understood as an expression of good corporate citizenship." In Epstein's definition, "Good (corporate) citizenship" refers to the concept that a company provides assistance to community well-being through its financial and non-monetary contributions. This was deemed for many years to be the essence of socially responsible business behavior (Epstein, 1989). Since the 1990s, the term of "Corporate Citizenship" has been widely used as equivalent to CSR by academics (Matten et al., 2003).

In addition, Logsdon and Wood (2002) draw on a detailed study on global corporate citizenship which emphasizes that the linguistic change from corporate social responsibility to corporate citizenship includes a profound change in normative understanding of how companies should act with respect to their stakeholders. Meanwhile, Windsor (2001) demonstrated an understanding of "Corporate Citizenship" by noting "as a managerial movement that effectively substitutes a different conception, as well as language, for responsibility." An extended conceptualization of corporate citizenship has been elaborated by Matten and Crane (2005).

In explaining the basic idea of extended corporate citizenship, Matten and Crane (2005) described "Corporate Citizenship" as the role of the corporation in administering citizenship rights for individuals and acknowledged that the corporation

administers certain aspects of citizens for other constituencies, including employees, customers, shareholders, and wider constituencies with no direct transactional relationship to the company. In addition, with this conceptualization of corporate citizenship, “Corporate citizenship is more theoretically grounded and more descriptive of a particular role that some corporation are playing” (Matten & Crane, 2005, p.174). Matten and Crane (2005) also suggest that there has been a shift in responsibility for protecting citizenship rights away from governments to corporations because of globalization. As they argued, “the notion of citizenship can be most appropriately introduced to management theory as a way of descriptively framing the empirical relationship of the individual to the corporation, regardless of one's normative assumptions about what role corporations should play” (Matten & Crane, 2005, p. 175).

Matten and Crane's model of corporate citizenship provides compelling arguments for taking the social role of the corporation into account. As Crane et al. (2008) summarized, “First, the corporation is a provider of social rights (by supplying or not supplying individuals with social services which provide the individual with the freedom to participate in society, such as education, health care, and other aspects of welfare). Second, the corporation is an enabler of civil rights (enabling or constraining citizens' civil rights, which provide freedom from abuses and interference by third parties). Third, the corporation is a channel for political rights (Being an additional conduit for the exercise of individual' political rights, which permit active participation in society)” (p.73).Overall, the extended view of “Corporate Citizenship” focuses on the roles and actions of the corporation in the process of administering, enabling, and channeling these citizenship rights (Matten & Crane, 2005), providing a descriptive approach for addressing “the social and ethical dimensions of business and its role in expecting and defending human rights” to CSR (Crane et al., 2008, p.73). Moreover, the “Corporate Citizenship” theory provided a global perspective on the state of the practice in addressing business issues in a global arena associated with universal human rights (Crane et al., 2008). Furthermore, as Gardberg and Fombrun (2006) stated, citizenship programs are strategic investments in certain circumstances, which “can help globalizing companies neutralize their alien futures by strengthening community ties and by enhancing their reputation among potential local employees, customers, and regulators” (Crane et al., 2008, p.74).

## **2.3 Corporate Social Responsibility in Global Dimensions**

21<sup>st</sup> century's world is more interconnected, more globalized than ever. It has to be noted that ongoing globalization will not cease but it is expected the globalization will go forward as well as national borders will slowly be pushed to the background as free movement of capital, persons, information and liberalization of trade take a step forward. It would be foolish to think the CSR concept and CSR movement will stay aside this global trend. Recent history of CSR proved the CSR is as globalized as all other areas of human activity.

Globalization of CSR has been further driven by global problems and issues such as for example global climate change, lack and contamination of fresh and drinking water, pollution of environment, decrease of biodiversity, decrease of arable land, and hunger and extreme poverty. As solving of these highly complex issues would be inefficient at a local level, global approach and involvement of profit and non-profit sectors and governments all around the world is needed. Similarly global approach in CSR and carried out at a global level is more efficient than CSR conducted only locally; and CSR can and as recent history has already proved is helping tackle above-mentioned issues.

Due to these and also various other reasons global CSR is growing and should not be overlooked. To say that much of the world differs from the Europe in this area is like saying that there is one set of rules for the world and one for the Europe. Actually, it is more a question of global harmonization. A company's social behavior at home and abroad should be a reflection of itself no matter what. If a company behaves well as a good corporate citizen in its parent company but is guilty of social misbehavior in other countries then there is a corporate hypocrisy that could come back to haunt this company. A reputable company operating in more countries should have a code of ethics and CSR policy that govern its employees and subsidiaries world-wide. To say that at home country a company will do things one way, but in a third world country the same company will do something else because the laws are less stringent is simply wrong. For CSR to add positive value it must be practiced everywhere, regardless of jurisdiction or national borders. If an enterprise operates in more countries, to simply write a CSR policy for the home country is not sufficient.

The recent movement of CSR to a proactive orientation is not only a result of increased knowledge but also mirrors and works within a context of evolving global standards of human rights and the increased collaboration of corporate, non-governmental and governmental organizations in the development, monitoring, and implementation of human rights and environmental protection standards. Especially practical connections between human rights and CSR are very powerful. Both human rights and CSR are concerned, among other freedoms, with the freedom of speech, freedom of movement and the right to earn a living wage for a day's work.

The emerging generation of CSR carries with it the recognition that a global framework is important for all organizations, both large and small. A global CSR is responsive to the multiple cultures, value sets, and communicative practices of different nations while recognizing that organizational contexts are no longer bounded by the nation state. Fundamental changes are emerging within the new generation of CSR. This transformation is strongly associated with dynamic processes of globalization including:

- The intensification and deepening of material, political, and cultural exchange;
- The development of global consciousness through processes of reflexivity;
- The disembodiment of events and institutions which permits new realignments and restructuring of social interaction across time and space;
- Compression of time and space; and
- The rapid diffusion of ideas and knowledge enabled through new information technologies.

## **2.4. Corporate Social Responsibility in Europe**

### **2.4.1. General Aspects of Sustainable Development and Corporate Social Responsibility in Europe**

Over the recent years the debate about CSR has spread very rapidly across Europe, particularly as a part of the intense discussion about sustainability and globalization. Discussion on sustainability and sustainable development to a certain degree preceded

debate about CSR nevertheless today both these immensely important topics are discussed and dealt with hand-in-hand.

As far as sustainable development is concerned, it has been a fundamental objective of the European Union since 1997 and also it was enshrined as article 2 of the EU Treaty. It is supposed to underpin all EU policies and actions as an over-arching principle. The EU first formulated its Sustainable Development Strategy during the 2001 Gothenburg European Council. Although sustainable development was embedded in the EU Treaty, its implementation remained a problem. In February 2005, the EU Commission took stock and confirmed that a number of unsustainable trends continue to worsen. The updated EU Sustainable Development Strategy was adopted by the European Council in June 2006. It is an overarching strategy for all EU policies which sets out how can be met the needs of present generations without compromising the ability of future generations to meet their needs. The Sustainable Development Strategy deals in an integrated way with economic, environmental and social issues and lists the following seven key challenges:

- Climate change and clean energy;
- Sustainable transport;
- Sustainable consumption and production;
- Conservation and management of natural resources;
- Public health;
- Social inclusion, demography and migration; and
- Global poverty.

It is not accidental that above-mentioned seven key challenges of sustainable development are also challenges for CSR. Despite the fact that CSR is not the same as sustainable development and cannot be used interchangeably, they are so mutually interconnected that achieving one without involvement of the other is impossible and would certainly fail. That is also the reason why the EU put the accent on both – sustainable development as an objective to be achieved and a way of life and CSR as an appropriate tool and standard for entrepreneurs and organizations.

## **2.4.2 Corporate Social Responsibility Pyramid Developing Countries**



In considering the most popular model Carroll's (1991) CSR Pyramid, comprising economic, legal, ethical, and philanthropic responsibilities this is almost entirely based on research in an American context (Visser, 2008). A modified CSR pyramid, originally explained by Carroll, can be used when describing CSR in developing countries in which, economic responsibilities still get the most emphasis. However, philanthropy given the second highest priority, then legal and ethical responsibilities these give a fair view for the CSR (Visser, 2008). Developing countries, suffer from a shortage of foreign direct investment, as well as high unemployment and widespread poverty, in this case economic responsibilities concern job creation and establishment of local businesses besides just being profitable. The philanthropic responsibilities are expected to a larger extent in these areas due to severe social and environmental problems. In developing countries it is strong indigenous tradition philanthropy to help people in need. Other important reasons include the socio-economic needs; improve the prospects of the communities, reliant on foreign aid or donor assistance and also early stage of maturity in CSR and; they are sometimes equating CSR and philanthropy. However, many developing countries are depending on foreign aid in these matters. Concerning legal responsibilities, there is usually a smaller focus on legal issues in developing countries. This is mainly due to the poor legal infrastructure development, and often lacks independence, re-sources, and administrative efficiency for full functioning of legal framework. Finally, the ethical responsibilities are given little attention in many developing countries (Visser, 2008).



**Figure 2.1: The CSR pyramid in developing countries (Visser, 2008)**

### **2.4.3 Development of Corporate Social Responsibility in Africa**

Corporate social responsibility (CSR) is a growing consideration for businesses. The Country Review Reports (CRRs) compiled through the African Peer Review Mechanism (APRM) provide a unique lens through which CSR application in Africa can be gauged. Increasingly, thinking on the subject is moving beyond philanthropy to demands for the systemic integration of social concerns into business planning. In Africa, despite advanced thinking on the subject, its application across most of the continent remains in its infancy – ad hoc and of limited effectiveness. The very terms of CSR in Africa are contested: legislated demands are frequently ignored, while debates rage about appropriate business obligations towards workers. Corporate social investment (CSI) is unevenly applied and attracts criticism for failing to address key problems. This policy briefing appeals for greater encouragement of CSR and CSI, recognizing its voluntary nature while stressing the advantages of taking a systemic, integrated approach to it.

If it has ever been accepted that the business of business is strictly business, that time has passed. The world over, companies are facing increasing demands that they look beyond their own interests and prioritize those of the societies in which they operate. Accommodating these demands is becoming an unavoidable element of doing business. This carries with it potential costs and possible benefits. How these challenges are managed will have a profound influence on the orientation and conduct of business in the years to come.

CSR has become a popular tagline. In Africa, which is struggling to reconcile economic growth with developmental benefits, this is a growing strategic issue. The expectation on the part of governments and civil society that business should ‘give back’ is a powerful impulse. As a result, the APRM has shown an interest in CSR initiatives.

This policy briefing emerges from a recent research report on corporate governance, as seen through the APRM CRRs.<sup>2</sup> Looking at the six states of the Southern African Development Community that have undergone review – Lesotho, Mauritius,

Mozambique, South Africa, Tanzania and Zambia – it analyses what they reveal about CSR in Africa, and explores the corresponding policy implications.

#### **2.4.4 The African CSR Experience**

A major African contribution to corporate governance thinking has been to entrench considerations of stakeholders' interests in business operations. This is meant to contribute to sustainability, in relation both to companies and to the economies within which they operate. This position has been developed by South Africa's influential King Committee on Corporate Governance and is the operating assumption of the APRM.

From this approach to corporate governance comes an orientation towards CSR. In Zadek's terms, it is a second- if not third-generation approach, assuming business obligations and demanding integrated, systemic responses. In conception, Africa's expectations of CSR are expansive. In practice, although expanding, the uptake of corporate governance and CSR in Africa remains uneven. Companies' obligations to their stakeholders – in other words, excluding CSI – illustrate this well.

In some fields, these obligations have been legislated. However, a running theme throughout the APRM reports is that African states' regulatory systems are inadequately implemented. Thus, the APRM reports note that mandatory labour and environmental requirements are badly enforced and in some cases simply ignored. This suggests that for much of the continent, CSR has barely begun, even in first-generation terms. CSR extends beyond legal requirements; indeed, the reports demonstrate that the terms of CSR in Africa remain contested. A common invocation around wage levels and working conditions is the notion of 'fairness'. This is simultaneously a prime CSR consideration and an unstable guide to action. While calling for 'fairness', the reports are inconsistent in their treatment of how to achieve this.

For example, Tanzanian workers are described as 'shockingly underpaid' – but the report notes that wage levels must reflect 'productivity, competitiveness and affordability',<sup>6</sup> allowing companies to mature to long-term sustainability. In Zambia, by contrast, the call is unambiguously for higher wages, since 'cheap labour does not

necessarily improve the competitiveness of industries as it leads to lower productivity of human power'.<sup>7</sup>

The different approaches adopted by these reports underline the difficulty involved in managing CSR in underdeveloped economies. There are few easy or uncontroversial trade-offs.

## **2.5. Corporate Social Responsibility (CSR) in Ethiopia**

The notion of Corporate Social Responsibility is generally perceived as a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

Is the sole mission of business enterprises, public or private, small or gigantic to find ways of bagging lucrative profits out of their business dealings at the expense of everything else? This is a question raised by many.

CSR is becoming more mainstreamed as forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society. It is argued that "Sustainability isn't just important for people and the planet, but also is vital for business success".

As Ethiopia is a nation with a rapidly growing economy and widely spreading private and public enterprises competing for profits, the issue of ethical business operation and social responsibility come in to question. Undertaking socially responsible initiatives is not necessarily an act of charity but a truly win-win situation, where ethical and responsible corporations are very likely to maintain good will of their products and services and establish a sustainable business. Not only will the companies appeal to socially conscious Customers and employees, but they will also make a real difference in the world. Accordingly, one should keep in mind that in CSR, transparency and honesty about what one's business enterprise is doing are paramount to earning the public's trust.

Murad Issa, who conducted his MA research on CSR explains what a company's CSR strategy constitutes: actions to ensure the company operates honorably and ethically, actions to protect and sustain the environment, actions to enhance employee well-being and make the company a great place to work, actions to promote workforce diversity, and actions to support philanthropy, participate in community service and

better the quality of life worldwide, bottom-line attaining excellence in economic, social and environmental dimension.

He also gave details in his review of a survey on the Ethiopian company trends in relation to CSR. Accordingly, it is found that there is 100 percent positive attitude in implementing CSR, where as 40 percent of companies are positive on periodical disclosure of information. It is interesting that, 80 percent believe in fair wages & security of employment in principle, yet in cross validation 69 percent of employees not happy with companies' policies. 71 percent of customers thought they were manipulated by business corporations 75 percent of general public not pleased with CSR from Ethiopian companies.

Nevertheless, integration of CSR strategies in profit-driven corporations is guaranteed to reward investors and entrepreneurs with increased reputation and buyer support, reduced risk of reputation-damaging incidents, lower turnover costs and enhanced employee recruiting and workforce retention, increased opportunities for revenue enhancement, support for the long-term interests of owner/shareholder which of course are manifestations of sustainable business practices, as explained by Murad.

There are emerging entrepreneurs in Ethiopia, who are said to be good models in incorporating CSR strategies in their businesses. Social entrepreneurs like Kibret Abebe of Tebita Ambulance, Yasser Bagersh of Our Father's Kitchen passionately preached on how they were and are well paid back by giving away. Yasser confirms that, business owners like that of himself need to dedicate themselves in helping out the society, not necessarily in a form of charity, but in an ethical and responsible manner and the payments for that are far more than mere profit.

In general, it is true that decisions made behind closed doors about social responsibility are very tricky since people will never know where donations are really going unless companies engage employees and Dealers/Customers in giving back.

In its nature, CSR is a topic which extends across several policy areas like corruption, ethics, environment, gender and labor issues where the government is supposed to act on it. Hence, the government need to take research based actions in enforcing CSR strategies in Ethiopia, since it has a pivotal role in ensuring sustainable economic

growth while concurrently mitigating social and environmental impacts of business both in the country and around the world.

## **2.6. Who are the Stakeholders?**

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

Primary Stakeholders have a direct stake in the organization and its success, therefore they are most influential. These include:-

- Shareholders and investors
- Employees and Managers
- Customers
- Other Partners (Suppliers)

Secondary Stakeholders influential as well, especially in affecting reputation and public standing, but their stake in the organization is more indirect. These include:

- Government and regulators
- Civic institutions
- Social pressure groups
- Media and academic commentators
- Trade bodies
- Competitors

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

The figure below is trying to summarize business and stakeholder's in holistic approach.

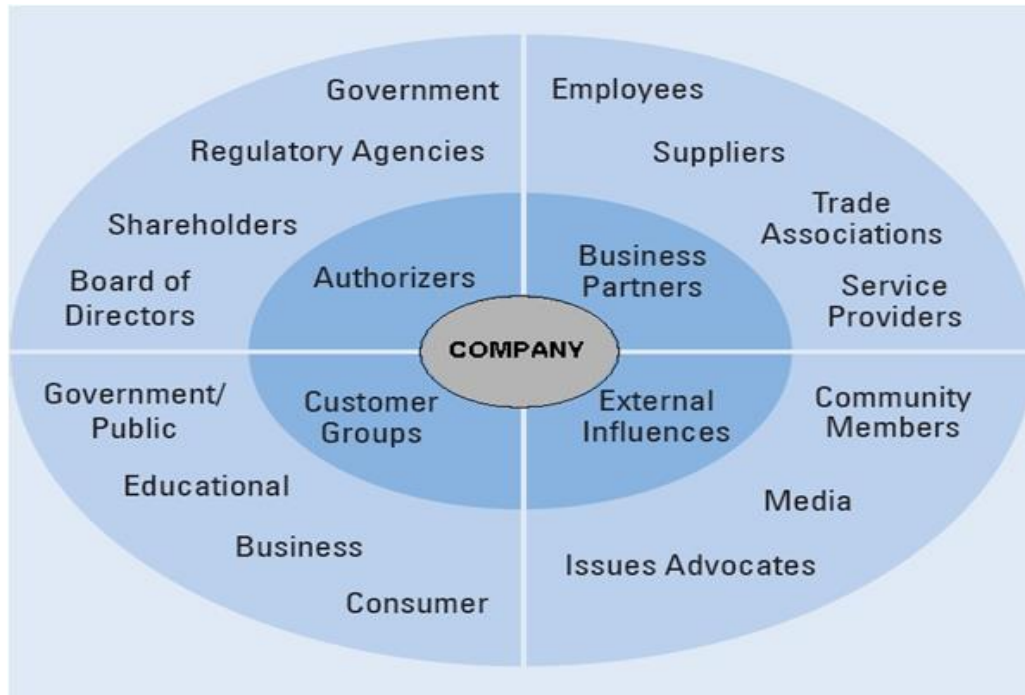


Figure 2.2 Stakeholders of Corporate Social Responsibility (Carroll and Buchholtz, 2008.)

## 2.7. Principles of Corporate Social Responsibility

Crowther and Aras in their book of “Corporate Social Responsibility” have put three basic principles, which together compile all CSR activities. These are:-

1. Sustainability
2. Accountability
3. Transparency

It further entails that the concept of sustainability is merely focuses on as to how the present actions will reflect and affect the future usability of same action. If resources are utilized presently, then they are no longer available in the future, and this is of particular concern if resources are finite in quantity. Therefore at some point in the future there should be an alter- native that fulfill the function currently provided by these resources. For instance paper industry has a policy to replant and replace the harvested plants and this has an effect both in terms resources availability and cost on future need. Sustainability therefore implies that society must use no more of a resource than can be regenerated.

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

## **2.8. Why Companies Engaged In CSR?**

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

- Moral obligation-
- Sustainability
- Reputation
- Increased sales and market share
- Improved brand positioning
- Improved image and power
- Increased ability to attract, motivate, and retain employees

## **2.9. Business Benefits of Corporate Social Responsibility**

Kivivirta (2010) lists business pay backs originating from CSR activities. These benefits are positive effects on company image, reputation, employee motivation, retention and recruitment, cost savings, revenue increase from higher sales and market share, and CSR related risk reduction or management. Cost savings tend to be the easiest way to begin CSR activities. Cost savings can arise from material substitution, lower energy consumption, reduced material storage and handling costs or reduced waste disposal. A company handling CSR aspects well can have better access to capital since some investors may pay attention to social and environmental performance and give preference to companies handling these aspects well. The financial services companies have a significant role in offering financing. They can have an effect on the companies applying finance by requiring better CSR behavior. Business case refers to a call for an investment in a project or initiative that promises to yield a sufficient return to justify the spending. In the case of CSR this means that the organization will be



better off financially by attending not only its core business but CSR as well. Four general types of the business case for CSR are cost and risk reduction, profit maximization and competitive advantage over industry rivals, reputation and legitimacy, and synergetic value creation meaning finding win-win situations between the company and its stakeholders.

## **2.10. The Corporate Social Responsibility Pyramid**

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

### **2.10.1. Economic Responsibility**

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

### **2.10.2. Legal Responsibilities**

Carroll (1991) explains that it is essential for a corporation to perform in a consistent way with expectations of government and law and also comply with

different states, federal, and local principles. He further list that it is essential to be an honest corporation and successful organization that is being defined as one and that also achieves its legal responsibilities. Carroll (1991) also explains that it is essential for a corporation to provide goods and services that at least reaches up to the minimal law regulations (Carroll, 1991)

### **2.10.3. Ethical Responsibilities**

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

### **2.10.4. Philanthropic Responsibilities**

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



Figure: 2.3. The Corporate Social Responsibility pyramid, based on Carroll (1991)

## 2.11 .Responsibility To Stakeholders

The managers of companies can best promote the long-term viability of an enterprise by balancing the needs of its stakeholders with the financial requirements of sustaining and growing a business (UNCTAD, 2008). Shareholders are the investors of one company and are the core factors for its development. Carroll (1991) also suggested a company should perform in a manner consistent with maximizing earnings per share.

- Responsibility to Employees: An enterprise's present and future employees are important to the companies interested in remuneration, plans and intentions of the business, working conditions, job prospects, health and safety, management of risks, industrial relations, and personnel development opportunities (UNCTAD, 2008). Sybille (2006) suggested that firms should provide employees with a fair and safe working environment as well as protection against employees in labor law.
- Responsibility to Local Communities (Surrounding community): Issues related to economic development are often the primary area of interest for companies' surrounding community. Equally among a community's primary interests are issues related to the control of local health, safety and education projects and security risks and information on community complaints about corporate activities and handling. In some contexts, the local community may also have concerns about the impact of companies' operations on culture.

Such impacts can result from the development of new products or services, or from generation of domestic migration (UNCTAD, 2008). Good companies are expected to build good relationships with local communities. When making plans and activities, the organizations should take into account its impacts on communities. There is a program of support for community projects and activities that is appropriate to the organization and the needs of the community. There is a procedure to ensure that risks to public safety resulting from the organization's products and operations are minimized.

- **Responsibility to the Government and their institutions:** Governments are interested in the way in which enterprises assume responsibilities toward society, in the voluntary initiatives of enterprises in this field and in the impact of enterprise's social engagement. Governments need such information to help them formulate social and economic policies, as well as to help identify gaps in regulation and enforcement (UNCTAD, 2008). Responsibility to the government is also mainly in the dimension of social responsibilities. The company should abide by laws and administrative rules and regulations and subject itself to the supervision of the government and must submit fiscal reports and statements as required and accept supervision by finance and tax authority.
- **Responsibility to Creditors:** The financial markets consist of different stakeholders, including owners/shareholders, lenders, banks, rating agencies and analysts. Corporate responsibility information required by the financial sector includes the financial consequences of overall strategy of companies, risk and reputation, obey laws and regulations, impact of plant additions or closures and similar decisions (UNCTAD, 2008). Include protect the interests and benefit of creditors, such as timely information during a company merger, decrease of registered capital and liquidation.
- **Responsibility to the Environment:** Many organizations are currently becoming more environmentally friendly in their operations. Many companies prepare limited, qualitative, nonfinancial information mostly through an annual report, but some large companies, particularly those operating in environmentally sensitive industrial sectors have started disclosing significant quantitative and qualitative information on the issue.

- **Responsibility to Customers:** CSR initiatives can also contribute much to strengthening a firm's competitive advantage through enhancing its relationships with its customers (Okpara & Wynn, 2012). According to Pelozo and Shang (2011) customer value can increase by CSR activities, or it may develop new sources of customer value, organizations can gain a competitive advantage.
- **Responsibility to Suppliers:** By working closely with business partners or suppliers, organizations can reduce complication and costs and increase quality. Relationships with alliance and joint venture partners and with franchisees are equally important with competitive bidding in selection of suppliers. In the long run building relationships may result in reasonable prices, terms and expectations together with quality and reliable delivery by adopting socially and environmentally responsible practices (EU, 2001).

## **2.12 Importance of CSR to Energy Industry**

According to BP annual report (2013), the huge population and economic growth are the main drivers of global energy demand. More specifically, the world's population is expected to increase by 1.7 billion from 2012 to 2035. At the same time, energy security represents a challenge in its own right. More than 60% of the world's known reserves of natural gas are in just five countries, and more than 80% of global oil reserves are located in nine countries, most of which are distant from the hubs of energy consumption.

CSR has never been more prominent on the corporate agenda than it is today; its historical origins and the uncertainty about the societal obligations of business notwithstanding.

CSR has been one of the leading topics at recent World Economic Forum (WEF) meetings. A report from the WEF (2011-2012) observed that the three key pressures of "corporate competitiveness, corporate governance and corporate citizenship, and the linkages between them, will play a crucial role in shaping the agenda for business leaders in the coming decade" (Nazari, Parvizi, & Emami, 2012)

It is important to note here that the term CSR also refers to “the kinds of things companies do in their efforts to navigate these swirling currents of changing expectations, expectations that have never loomed larger in the daily lives of companies, including oil and gas companies” (Spence, 2011). With the popularity of CSR sector, the energy industry is seeing huge increases in the proportion of corporations engaging in CSR activities. For example, in the Gulf of Mexico restoration, BP rolled out the campaign under the title of “Our continuing commitment to the Gulf” (BP Sustainability Review 2011, 2011). Further, BP also stressed that “Engaging with local communities is a vital element of our work” (BP Sustainability Review 2011, 2011), which paints BP as a company that values the communities it works with. “Continuing commitment and engagement” played an important role in the communication with stakeholders. “Restoring the environment” and “Restoring the economy” are the key components through the whole process of the event (BP Sustainability Review, 2013, p.10). These two key components also prove the importance of CSR and indicate that CSR goes beyond an abstract idea to form tangible social influences in communicating one’s company values and enhancing an organization's social impact.

### **2.13. Conceptual Framework of the Study**

After reviewing numerous empirical findings the following conceptual framework is developed for this research. The conceptual framework of the research is developed by blending different factors from different writers. As it has been said above the primary stakeholders, in whom it is now described in the outer hemisphere of the below drawing, are shareholders, Employees, Community and Dealers/Customers. Shareholders in the context of this study refer to Leadership Team (LT).

. The other stakeholder’s i.e. employee, community and Dealers/Customers have no contextual change from their original meaning so does on this study.

The responsibility of business through its owners or managers primarily is to produce and sell products and services that society wants and to sell them at fair prices. Prices that society thinks represent the true value of the goods and services delivered and that provide business with profits adequate to ensure its survival and growth and to reward owners. While thinking economic responsibility, business employs many management concepts that are directed towards financial effectiveness - attention to revenue, costs, investment, strategic decisions making,

and focused on long term financial performance etc. of the organization. Therefore, first and foremost owners should satisfy their own financial interest as it is their primary reason for investment.

In the second place, business has legal due diligence that should follow laws and regulations under which it operates. Business is expected to comply with the laws and regulations promulgated by federal, state and local governments at the ground rules under which business must operate. Businesses are expected to pursue their economic missions with the framework of the law. The laws include timely settlement of relevant taxes, applying environmental laws, meeting up product legal standards and fulfilling of contractual obligations.

Because laws are essential but not adequate, ethical responsibilities are needed to embrace those activities and practices that are expected or prohibited by society even though they are not codified into the law. Ethical responsibilities include full scope of norms, standards, values, and expectations that reflect what Dealers/Customers employees shareholders, and the community regard as fair, just, and consistent with respect for protection of stakeholders moral rights. Issues not covered by law due to the reason related to new coming changes or matters under public debate, business need to look at options to apply by considering the great ethical principles of moral philosophy. Thus, this nature of ethical view makes it dynamic interplay with legal responsibility category. Businesses are expected to operate at levels above the required law.

The fourth one is issues related to voluntary, discretionary, or philanthropic responsibilities. The amount and the nature of this action is merely voluntary, guided only by the business is its own desire only to engage in social activities that are not mandatory or required by law.

**Table 2.1 Economic and Legal components of Corporate Social Responsibility**

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

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

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



**Table 2.2 Ethical and Philanthropic Components of Corporate Social Responsibility**

Ethical and Philanthropic Components of Corporate Social Responsibility	
Ethical Components ( Responsibilities)	Philanthropic Components ( Responsibilities)
1. It is important to perform in a manner consistent with expectations of the society	1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society.
2. It is important to recognize and respect new or evolving ethical moral norms adopted by society.	2. It is important to assist the fine and performing arts.
3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals.	3. It is important that managers and employees participate in voluntary and charitable activities within their local communities.
4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically.	4. It is important to provide assistance to private and public educational institutions.
5. It is important to recognize that corporate integrity and ethical behavior go beyond	5. It is important to assist voluntarily those projects that enhance a community's quality Of life.

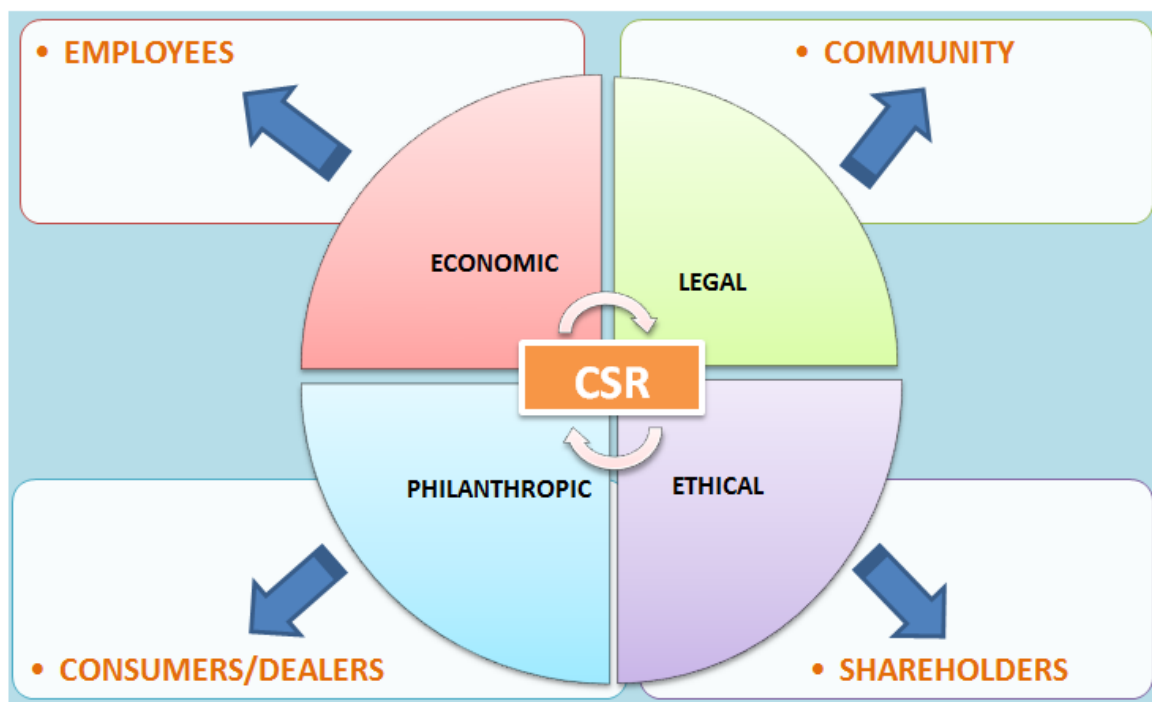
In general, business has a responsibility for each for the categories in terms of performing at the required level that is the societal expectation from the business.

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

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

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

The conceptual frame work on Fig 2.4 below portrays the four components of CSR, beginning with the basic building block of the economic performance at the first. At the same time, business is expected to obey law, because law is society’s codification of acceptable and unacceptable practices. In addition, there is business’s responsibility to be ethical. At its most basic level, this is the obligation to do what is right, just and fair ad to avoid or minimize harm to stakeholders (employee, consumers, the community and others). Finally, business is expected to be good corporate citizen to fulfill its philanthropic responsibility.



**Figure 2.4: Conceptual Framework of the Study, Model Adopted from Carroll and Buchholtz, 2008.**

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Research Approach**

In order to achieve the stated objectives, a descriptive and mixed approach had been utilized. As a result both quantitative data and qualitative data were gathered to reach in meaningful findings. The rationale for choosing a mixed approach for the study is mainly due to the nature of the problem under study and the group involved in it. Frequently, researchers that use mixed methods employ a research design that uses both quantitative and qualitative data to answer a particular set of questions.

##### **3.1.1 Qualitative Research Approach (Gathering Insights)**

This study used qualitative method not only to gather information and opinions but also to inquire the richness of emotions and motivations of the respondents.

##### **3.1.2 Quantitative Research Approach (Establishing Statistical Reliability)**

This study also used quantitative research approach to utilize detailed questionnaires distributed to respondents, generalized larger population and to conduct comparisons between two or more groups. It also gave a great deal of flexibility in analyzing the results.

#### **3.2. Data Sources**

The study utilized both primary and secondary source to incorporate and categorize the data, which is relevant with each source.

##### **3.2.1 Primary Sources of Data**

Primary sources introduced to collect initial material useful to know Company employees', customers and community the opinion on the level of CSR in the company. Surveys, observations of CSR activities at its operation premises and some outlets, interviews of customers, employees and communities as well as logs (objective data sources).

### 3.2.2 Secondary Sources of Data

Secondary sources such as annual performance reports, office memos on CSR activities, company strategy papers and various publications used to collect relevant data. Different comments given by customers at different outlets also used as a source obtained from records of company's department.

### 3.3. Target Population

The target population, which the survey undertakes comprised employees of the company, community and dealers/customers of company. Functional and capability managers who are responsible for the implementation of the strategy of the company got special attention on this research because they have ample knowledge about at the study.

### 3.4. Sampling Size & Sampling Technique

To achieve the research objective, sample size was determined based on the simplified formula proposed by Yamane (1967) (as cited in Israel 2003).

#### A. EMPLOYEES:

**TABLE 3.A- TOTAL ETHIOPIA PERMANENT EMPLOYEES**

S/N	Type	Female		Male		Total
		Frequency	Percentage	Frequency	Percentage	
1	Regular	38	23.3	125	76.7	163
2	Young Graduates	5	62.5	3	37.5	8
3	Expats	1	25.0	3	75.0	4
TOTAL		44	25.1	131	74.9	<b>175</b>

**Source:** HRP A of TESC, 2019

TOTAL ETHIOPIA S.C. has 175 permanent employees. The sample size was determined based on the following simplified formula proposed by Yamane (1967) (as cited in Israel 2003).

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

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

$$\frac{175}{1+175(0.1)^2} = 64 \text{ Hence } n=64$$

Convenience sampling technique was employed to get individual respondent from each department. From the total 64 questionnaires, 55 of them (86%) were completed and used for analysis.

**B. DEALERS/CUSTOMERS:**

Table 3.B TOTAL ETHIOPIA LIST OF STATION DEALERS

S/N	DESCRIPTION	No	DESCRIPTION	No
1	CODO - Addis Ababa	33	CODO - Up-Country	55
2	DODO - Addis Ababa	9	DODO - Up-Country	82
TOTAL		<b>42</b>		137

TOTAL ETHIOPIA S.C. has 42 station dealers operating in Addis Ababa who purchase the company's products. The sample size was determined based on the following simplified formula proposed by Yamane (1967) (as cited in Israel 2003).

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

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

$$\frac{42}{1+42(0.1)^2} = 30 \text{ Hence } n= 30$$

Convenience sampling technique employed to get individual respondent from each department. From the total 30 questionnaires, 21 of them (70%) were completed and used for analysis.

C. **COMMUNITY:** Community chosen from Oromia regional State Dukem town Gogecha Kebele which is 37 Kms away from the capital city .The kebele has around 78 households and this figure taken as a sample size. Using the sample size determination formula proposed by Yamane (1967) (as cited in Israel 2003), 44 households used for analysis.

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

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

$$\frac{78}{1+78(0.1)^2} = 44 \text{ Hence } n = 44$$

D. **SHAREHOLDERS / OWNERS:** In such a company like TOTAL, shareholders' interests are represented by company managers. Therefore, CSR manager of the company reflect the companies CSR interest on behalf of the owners as managers legally represent them. Hence Internal Communication and Corporate Social Responsibility Department manager of the company selected as a respondent conveniently.

**Table 3.2 Summary of Sample Size Determination**

S/N	Categories	Target Population	No of respondents	% Rate of Response	Remark
1	Employees	64	55	86	Formula
2	Community	44	44	100	From Gogecha Kebele-Dukem Town
3	Station Dealers/Customers	30	21	70	From Addis Ababa
4	Shareholder /Manager	1	1	100	Representative of the owners
<b>TOTAL</b>		<b>155</b>	<b>121</b>		

### **3.5 Data Collection Method**

In light of the research methodology this research will use, quantitative and qualitative data collection methodology to collect variety of data.

Among the various ways of data collection methodologies, questionnaire, interview and observation will be assumed to be useful.

### **3.6. Method of DATA Analysis**

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

### **3.7. Ethical Considerations**

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

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

*Organizational approval* - the researcher gets approval and obtains a written recommendation letters from St Mary's University and Total Ethiopia S.C. The letters explain the idea and purpose of the research and used in order to contact the concerned members of the respondents.

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

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

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

- To assess the actual practice of CSR in the company,
- Assess perceptions of stakeholders of TOTAL Ethiopia S.C On corporate social responsibility
- To assess the effect of CSR on Stakeholders attitude towards the company
- To assess how the staff members in various functional areas of the organization see the practice of CSR

As mentioned in the research methodology part, questionnaire was used as primary data collection method and distributed to the respondents by categorizing them in to three. The first type of questionnaire was distributed to Dealers/Customers of the company, accordingly, 30 questionnaires were distributed, and 21 of them were filled and returned correctly. The second type of questionnaire were sent out to the community of TOTAL Ethiopia S.C based in Dukem town Gogecha Kebele, 60 questionnaires were distributed for them and among those 44 questionnaires were returned safely. The last one was for the employees of TOTAL Ethiopia S.C.64 questionnaires were distributed for them and only 55 of them were collected fully as depicted hereunder.

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



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

## **Corporate Social Responsibility Actions in TOTAL Ethiopia**

Total Ethiopia, as a responsible Company in its Sustainable Development Program (SDP) has initiated the following Corporate Social Responsibility Programs:

### **1. Education Programs**

- Donated computers ,Printers, Servers and accessories to government and private schools, Addis Ababa University, Assosa University, Metu University, technical, Vocational and educational colleges,
- Donated science laboratory equipment, Valued at 6000 Euros, to the Addis Ababa University Science faculty.
- Signed MOU with Addis Ababa and Bahirdar Universities, as part of TOTAL's young graduate program, to sponsor research and development projects that focus on fuel industry activities improvements and to identify high-Profile students for potential employment at Total Ethiopia. The universities benefit from providing a more hands-on experience in the energy sector for their students. To date, Total Ethiopia has successfully recruited Six Ethiopian Young Graduates for its Young graduate Program.
- Donated 450,000ETB to the Gogicha Primary elementary government school, located just behind the Dukam depot. This support included class room maintenance and construction of rest rooms, school fences, water pipelines and final completion of unfinished class rooms, it also included the contribution of supplementary books, student assistance and playground equipment.
- Donated 21 computers and accessories to Dukam town education bureau, secondary schools and TVET College.

### **2. Support to Small and Medium Scale Enterprises**

TOTAL Ethiopia announced the winners of the challenge **”Start upper of the Year by TOTAL,”** a program initiated by the group in 34 African Countries simultaneously. The objectives of this contest is to identify, reward and accompany the best, most innovative projects developed by young companies(Less than Two years old) in Ethiopia .The winning projects will garner the **” Startupper of the year 2016 by Total”** label and receive both financial support and professional coaching from Total Ethiopia.

A jury of professional selected ten semifinalist in Ethiopia based on their innovativeness, originality, daring, the project’s development potential and capacity to improve the population’s living conditions. Based on the candidates’ defense and presentation of the project, the jury chose three winners among the semi finalists. The ‘Startupper of the Year by TOTAL’ challenging is part of TOTAL’s global initiative to support the socio-economic development of all the countries in which it operates worldwide.

### **3. Environment Programs**

Total Ethiopia for its restoration of Green Areas Program and in collaboration with several schools, College students, Ethiopian Red Cross members and local youth groups, planted more than 18,000 seedlings in the Kara, Entoto, Gurara and Dukem forestation areas of Addis Ababa and Dukem town.

### **4. Health Program**

- Total Ethiopia, in partnership with the local NGOs, DKT Ethiopia and Ethiopia Business Collaboration against HIV/AIDS (EBCA), demonstrated and distributed HIV/AIDS awareness education materials and condoms for low-income women and house maids who bought kerosene from TOTAL retail network stations in Addis Ababa.
- In collaboration with ministry of health and Malaria Consortium, Total Ethiopia distributed malaria awareness kits, brochures, guidebooks, posters and mousticator games for the last seven years, to malaria high-risk zone schools and towns in the country.
- Donated a server to Hosanna town government hospital to assist with patient admissions, pharmacy management and the payment and inventory control systems.

- Total Ethiopia sponsored Inter Aide with 376,100 ETB contribution to improve durable access to safe drinking water and sanitation for the vulnerable populations of Dechi Denaba Kebele and the Gena woreda –Dawro zone.

## **5. Safety Programs auspicious**

As per the HSEQ (Health, Safety, Environment and Quality) charter of TOTAL, the company believes that that the best customer satisfaction is achieved not only through its business excellence but by preventing and avoiding accidents that may cause injury or illness, fire, property or environment damage and loss of business.

- Djibouti Corridor Road safety Awareness Campaign for heavy truck drivers is a project initiated by Total Ethiopia in collaboration with the Federal Transport Authority (FTA) .Its intention is to reduce road transport accidents along the Djibouti corridor which ids directly in line with announced government objectives.
- Together with the FTA, Total Ethiopia conducted a pilot program with training sessions over 12 months at Awash Arba, Logia and Gewane.1575 heavy truck drivers were trained along the Total corridor. Total Ethiopia has contributed 750,000 ETB and will contribute an additional 1,153,535 ETB along with its partners to continue the program in the future.
- TESC in collaboration with UNECA and motor and insurance companies, donated 200,000 copies of a Road Safety Educational Guide to the Ministry of education. The guidebooks were distributed to 20,000 primary elementary schools of Ethiopia .These special Guides are linked with the country’s required curriculum and they focus on reducing the number of road accidents in parallel with the country’s campaign program ’’LET’S TAKE CARE IN THE STREETS’’
- As part of its CSR initiative, TESC donated 10 Road safety Cubes to ten primary and elementary schools located in the high-risk zones of Addis Ababa.
- A one month Road safety Awareness training Program was implemented in collaboration with the MOT, the Child fund Ethiopia, the Addis Ababa Road & transport Authority and the Education bureau. In total, more than 1,200 students, ages 6-13 years of old, were trained.

As per the HSEQ (Health, Safety, Environment and Quality) charter of TOTAL, the company believes that that the best customer satisfaction is achieved not only through

its business excellence but by preventing and avoiding accidents that may cause injury or illness, fire, property or environment damage and loss of business.

TOTAL as an international company its main annual HSE objectives of the company is to incur zero accidents. To achieve its target, TOTAL has deployed its key tools called “TOTAL’S 12 GOLDEN RULES.” Based on the feedback and lesson learned, 90% of the high severity potential accidents and near misses that occur in operations can be avoided by strictly following the Golden rules that is applied to all staff and employees of contractors in all operations of TOTAL controls.

### **TOTAL’S 12 GOLDEN RULES**

- |  |   |
|--|---|
| 1. Risk Situations                                   | 7. Work on Power Systems                            |
| 2. Traffic: Pedestrians/Machinery/ Vehicles/Cyclists | 8. Confined Spaces                                  |
| 3. Body Mechanics and Tools                          | 9. Excavating Work                                  |
| 4. Protective Equipment                              | 10. Work at Height                                  |
| 5. Work Permits                                      | 11. Change Management                               |
| 6. Lifting   | 12. Simultaneous<br>Operations and<br>co-activities |

### **6. Community Development /capacity Building programs**

During the last two years TESC:

- Donated 100m<sup>3</sup> water storage tanker to the Dukem town water and sewerage Enterprise worth 400,000 ETB.
- Donated 370,000 ETB to rehabilitate the access road for Gogecha kebele farmers village in Dukem town
- Donated Computers and accessories as well as furniture to the Addis Ababa Red Cross Society, local NGO’s, Sub city and woreda Administration offices.

## **4.2. Discussion and Analysis of Results from Dealers/Customers**

### **4.2.1. Demographic Characteristics of the Respondents**

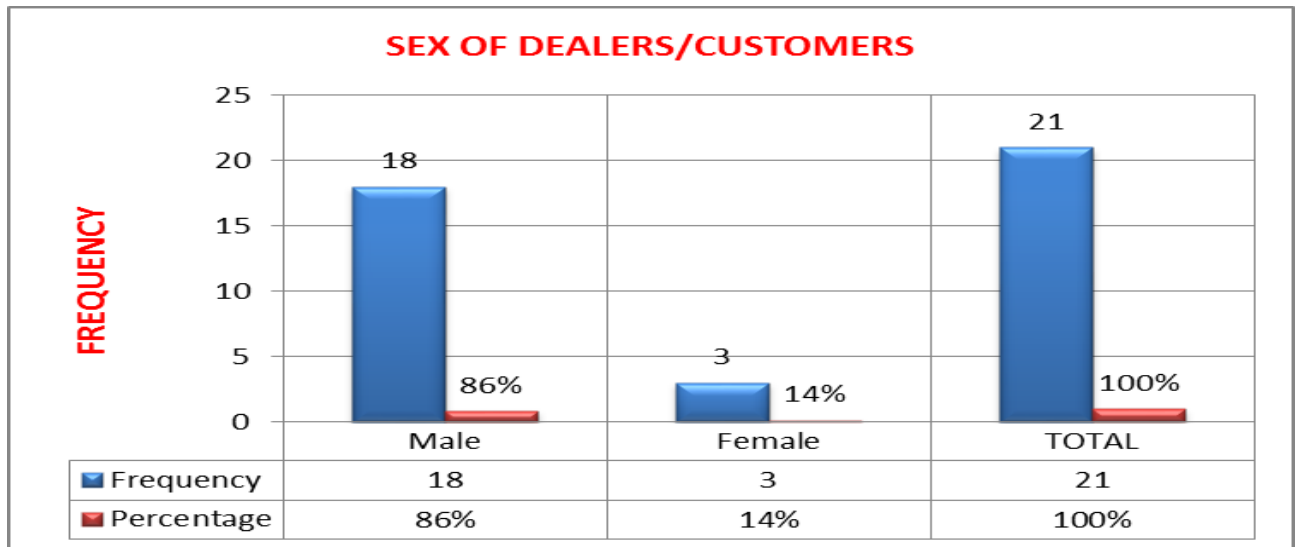
This section gives an overview over demographic characteristic of 21 Dealers/Customers who **usually** consume the products of TOTAL Ethiopia S.C. From the survey, information about sex, age, family responsibility, employment status, and salary of the respondents were gathered and presented as below.

**Table 4.1 Demographic Characteristics of Respondents-Dealers/Customers**

S/N	Demography	Respondents	Frequency	Percentage
1	Gender	Male	18	86
		Female	3	14
		<b>TOTAL</b>	<b>21</b>	<b>100</b>
2	Age Group	18-28		0
		29-39	4	19
		> 39	17	81
		<b>TOTAL</b>	<b>21</b>	<b>100</b>
3	Responsibility in household	Father	16	76
		Mother	3	14
		Children	2	10
		Other	0	0
		<b>TOTAL</b>	<b>21</b>	<b>100</b>
4	Employment Status	Employed	21	100
		Self-Employed	0	0
		Unemployed	0	0
		Student	0	0
		<b>TOTAL</b>	<b>21</b>	<b>100</b>
5	Income Range	< 2000	0	0
		2001-4000	0	0
		40001-6000	0	0
		> 6001	21	100
		<b>TOTAL</b>	<b>21</b>	<b>100</b>

Source: Own survey (2019).

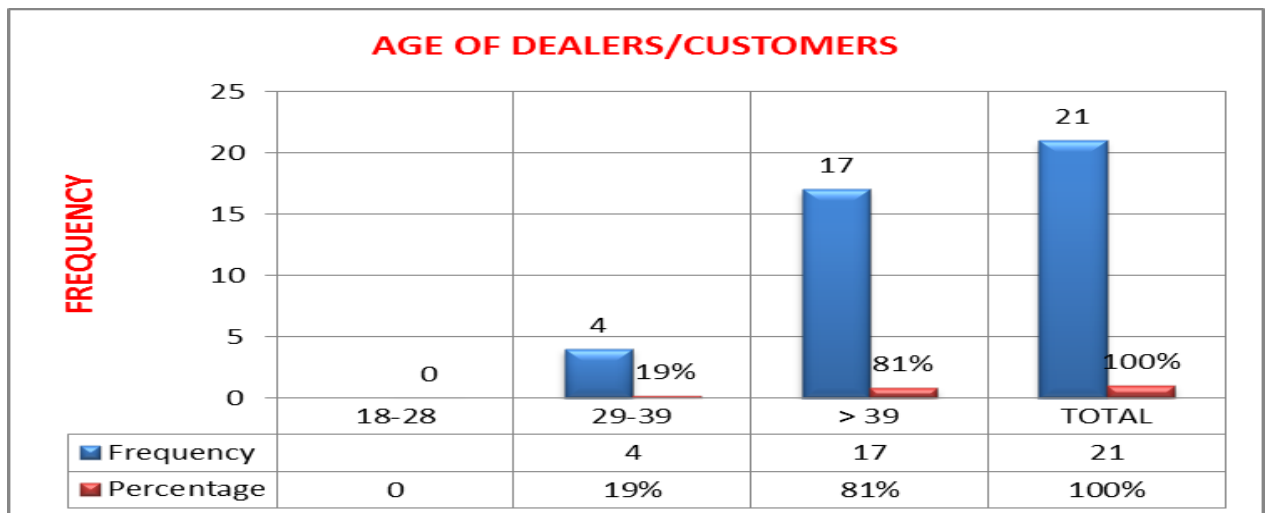
**Figure 4.1.1 Sex of Dealers/Customers**



Source: Own survey (2019).

As clearly shown from the above Figure 4.1.1, 18 (86 %) of the respondents are male and the remaining 3 (14 %) are female. So, from this we can say that most of the Dealers/Customers of TOTAL Ethiopia S.C are male.

**Figure 4.1.2 Age of Dealers/Customers**

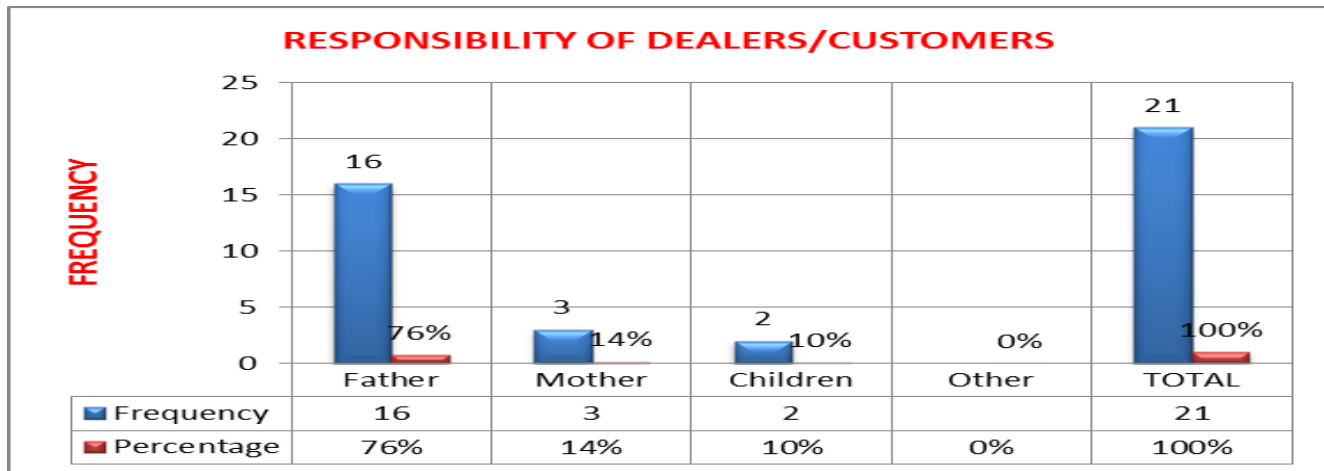


Source: Own survey (2019)

Age is next demographic factor that statistical summary provided in the above Figure 4.1.2. As observed, the dominant age groups 17 (81%) of the total respondents belong to the age group of Above 39 years, followed by 4 (19%) of respondents whose age group is between 29 and 39. This shows that majority of the respondents included in the study were above the age of 39. In line with their

responsibility on their family, their age shows that they are good enough to understand about corporate social responsibility.

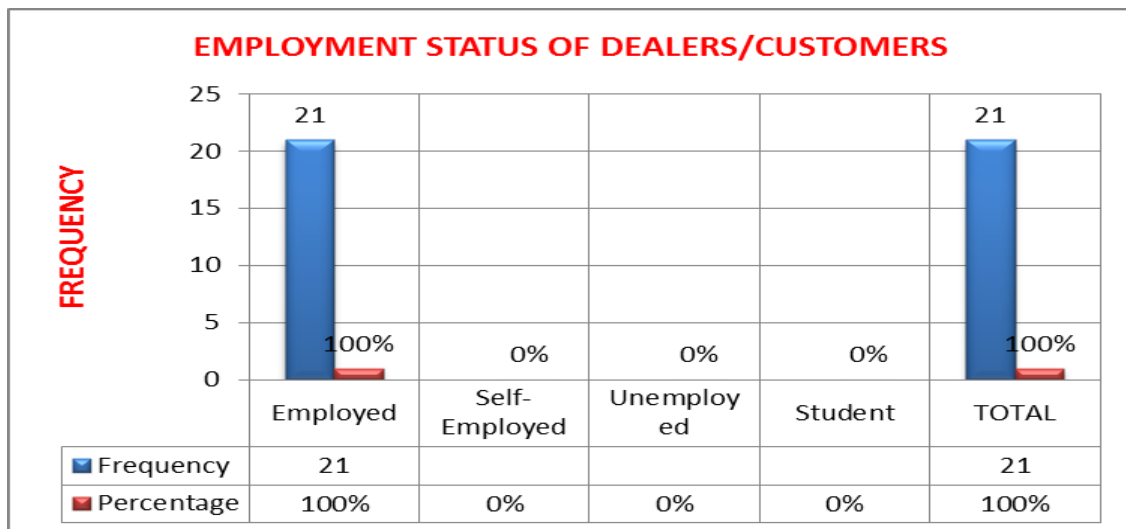
**Figure 4.1.3 Responsibility of Dealers/Customers**



Source: Own survey (2019).

As it can be seen in the above Figure 4.1.3, 16 (76 %) of the respondents are fathers and 3(14%) of them are Mothers. From the remaining fractions, 2 (10 %) of them are children. From this we can understand that most of the respondents are responsible for their family since they are fathers and mothers. So we can assume that their answer is based on the knowledge of responsibility.

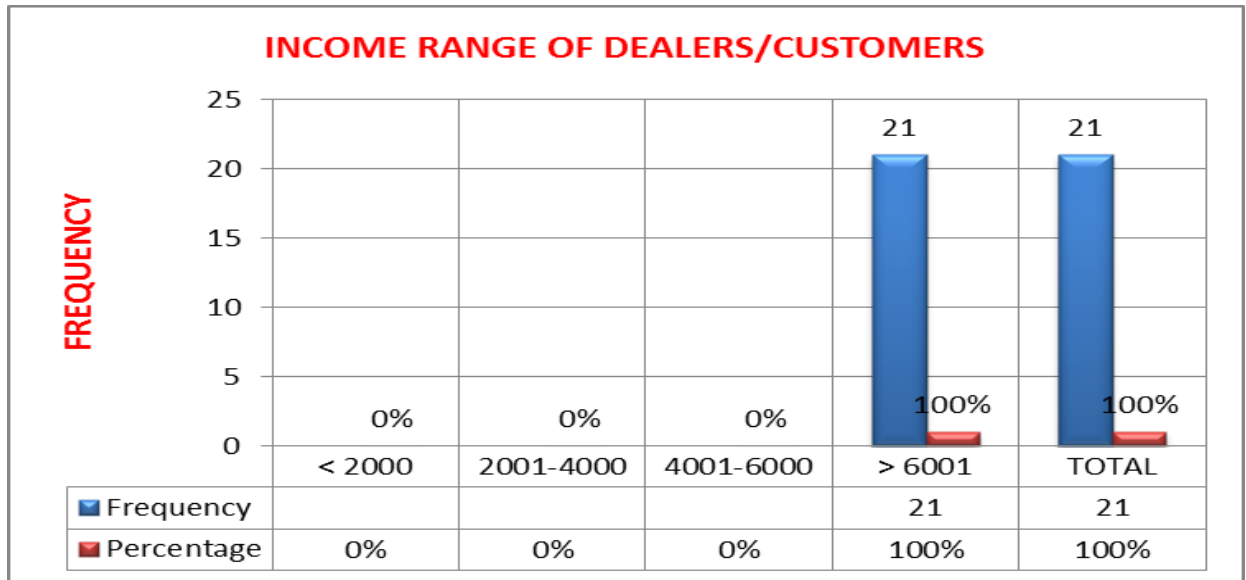
**Figure 4.1.4 Employment status of Dealers/Customers**



Source: Own survey (2019).

Concerning respondents Employment status, the above Figure 4.1.4 shows, all of them which is 100 % are employed. From this we can understand that all the Dealers/customers of TOTAL Ethiopia S.C are employed.

**Figure 4.1.5 Income range of Dealers/Customers**



Source: Own survey (2019).

Figure 4.1.5 also displays monthly income levels of the respondents' in this study. It shows that 100 % of respondents earn monthly income of above 6000 birr. From this one can understand that all the respondent earn monthly income of above 6000 birr.

#### **4.2.2. Dealers/Customers Awareness towards CSR of the Company**

In this section, Dealers/ Customers of TOTAL Ethiopia S.C were asked about their perception towards the act of the company's CSR in relation with the products, advertisement, charity, and other points.



**Table 4.2: Dealers/Customer's Awareness towards CSR of the company**

S/N	Description	Total	Yes		No	
			Frequency	Percentage	Frequency	Percentage
1	Do you trust TOTAL products are safe to consume?	21	19	90.5	2	9.5
2	Do you see TOTAL S.C strive to improve the quality of its product?	21	15	71.4	6	28.6
3	Does TOTAL quickly respond and address to Dealers/Customer's problems?	21	17	81.0	4	19.0
4	Do you think the advertisements of the company are made in a socially responsible way?	21	18	85.7	3	14.3
5	Do you know any social development/donation activity of the company?	21	16	76.2	5	23.8
6	Are you aware of any environment damaging activity of the company?	21	3	14.3	18	85.7
7	Are you aware of any unethical behavior of the company?	21	6	28.6	15	71.4

Source: Own survey (2019).

**A. Dealers/Customer's confidence towards the products of the company**

Safety is the most important point in for consuming products and services of every company.

At this point the Dealers/Customers were asked if they are comfortable to consume the products of TOTAL Ethiopia S.C. As we can see from the table 4.2, most of the Dealers/Customers which are 19 (90.5%) of them indicated that the products safe to consume. The remaining 2(9.5%) of the respondents believed that it is not safe to use the products. From this, we can understand that TOTAL Ethiopia S.C is providing safe products to its Dealers/Customers and build good confidence on their mind.

### ***B. Perception towards Quality Improvement***

In order to become competent in the market and satisfy the needs of customer's, quality improvement plays crucial role for every company especially to those who engaged in stiff competition. This improvement should be visible to the Dealers/Customers to test the difference and comment on it. Dealers/Customers on this study were asked if they were able to identify any quality improvement trials made by the company. One can identify from the table below that 15 (71.4 %) of them were able to notice quality improvements made by the company. The remaining others which is 6(28.6 %) of the respondents did not see any of those quality improvement actions of the company.

### ***C. Company's response to the complaint and problems of the Dealers/Customers***

Corporate Social responsibility with Dealers/Customers starts with providing best quality products and responding to their complaints. Dealers/Customers need to know that the company is working based on their needs and wants. Dealers/Customers of TOTAL Ethiopia S.C were asked if the company tried to address their complaints and problems. About 17(81%) of them were able to test the company's care for them and tried to respond for their complaints while the others, which mean 4(19%) of them, still have some complaints and problems that were not addressed by the company. From this, one can understand that there is a complaint management system stretched by the company to address the problems of its stakeholders in a socially responsible way.

### ***D. Advertisements of the Company***

Advertisement is one of the best tools of competition in the market. It is important to reach different types of Dealers/Customers in different segments and introduce the products and services of the company especially when there are improvements and newly launched products. Socially responsible company needs to be careful when preparing those advertisement and promotional campaigns. They should be in line with the laws and regulations of the country as well as ethics and norms of the community. Dealers/Customers are the first one to test those advertisements and promotions. Dealers/Customers of TOTAL Ethiopia S.C were asked if the company's advertisements are designed in socially responsible way and the below

table shows that most of the Dealers/Customers 18 (85.7%) agreed with the idea while the remaining 3 (14.3%) of them believed that it is irresponsible. This shows that the company is working good in case of advertisements but it still need some amendments to make it fully socially responsible.

#### ***E. Perceptions of Dealers/Customers towards Charitable activity of the company***

Socially responsible company would provide donations to the society and to those who needs it more. There should be a given amount of budget allocated for charity and donations. This will help the company to build its image in the mind of Dealers/Customers, society and regulating body of the country. Respondents of this research were asked if they notice any donations and charitable activities made by the company. Only 16(76.2 %) of them were able to recognize charitable activities of the company while the others 5(23.8%) of them do not know anything about donation of the company.

#### ***F. Environmental Protection of the Company***

It is mandatory to protect the environment from, damage, and save the world to the coming generation. There are rules and regulations that forces companies especially oil and energy companies to protect their surrounding environment since their waste pollute the environment. Many companies only focus on their surrounding environment but there are many situations that can affect the environment in many places they sale their products. Respondents were asked if they notice any environmental damaging activity made by the company or employees of the company. Based on the data on the table, one can understand that most of the respondents 18(85.7 %) confirm that the company is not acting on the ways that damage environment while the remaining 3(14.3%) of them noted that the company is polluting the environment.

#### ***G. Ethical Behavior of the Company***

The above table shows that the respondents idea about ethical acts of the company. They were asked if they know any unethical acts of the company that violate the norms and ethics of the society. About 6(28.6%) of respondents believed that the company is running unethically on the way that can affect the

norms and values of the country while the remaining 15(71.4%) of them confirms that the company is completely ethical.

### 4.3. Discussion and Analysis of Results from Community

#### 4.3.1. Demographic Characteristics of the Respondents

This section gives an overview over demographic characteristic of 44 community members of TOTAL Ethiopia S.C. From the survey, information about sex, age, family responsibility, employment status and salary of the respondents were gathered and presented as below.

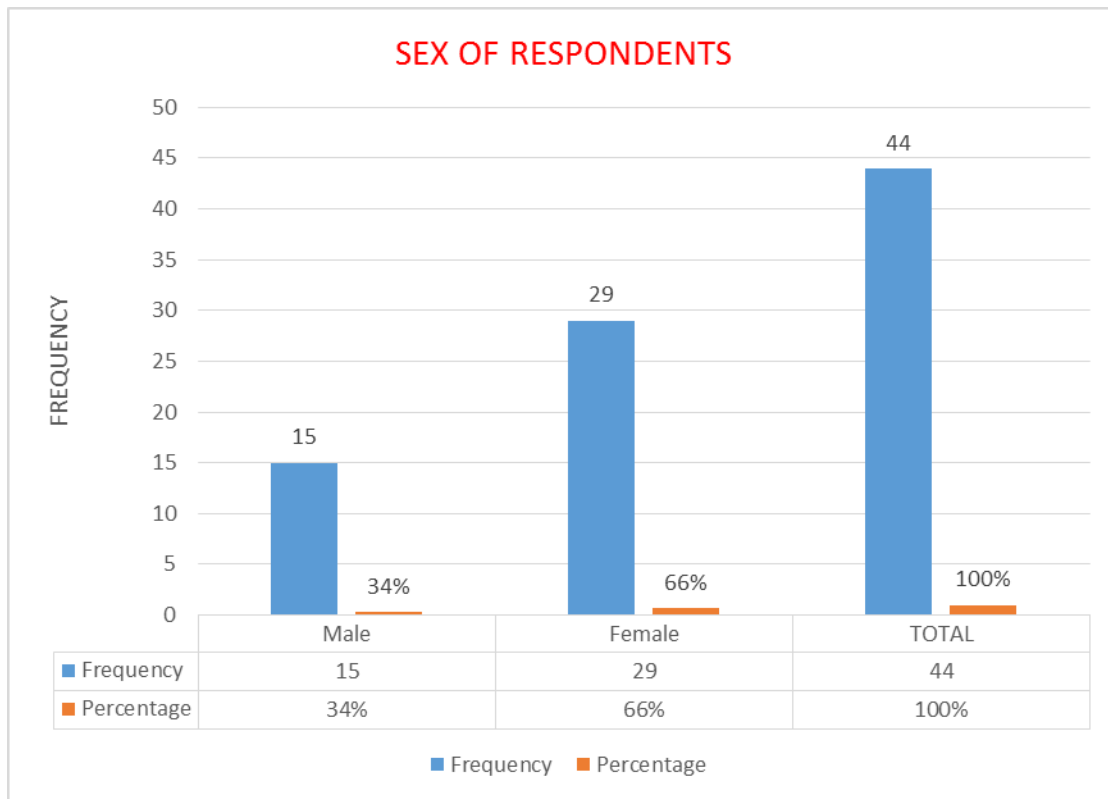
*Table 4.3 — Demographic Characteristics of Respondents- Community*

S/N	Demography	Respondents	Frequency	Percentage
1	Gender	Female	15	34
		Male	29	66
		<b>TOTAL</b>	<b>44</b>	<b>100</b>
2	Age Group	18-28	11	25
		29-39	17	39
		> 39	16	36
		<b>TOTAL</b>	<b>44</b>	<b>100</b>
3	Responsibility in household	Father	19	43
		Mother	13	30
		Children	7	16
		Other	5	11
		<b>TOTAL</b>	<b>44</b>	<b>100</b>
4	Employment Status	Employed	12	27
		Self-Employed	17	39
		Unemployed	11	25
		Student	4	9
		<b>TOTAL</b>	<b>44</b>	<b>100</b>
5	Income Range	< 2000	20	45
		2001-4000	15	34
		40001-6000	7	16
		> 6001	2	5
		<b>TOTAL</b>	<b>44</b>	<b>100</b>

Source: Own survey (2019).

## 8A. Sex of the respondents

Figure 4.3.1 Sex of Communities

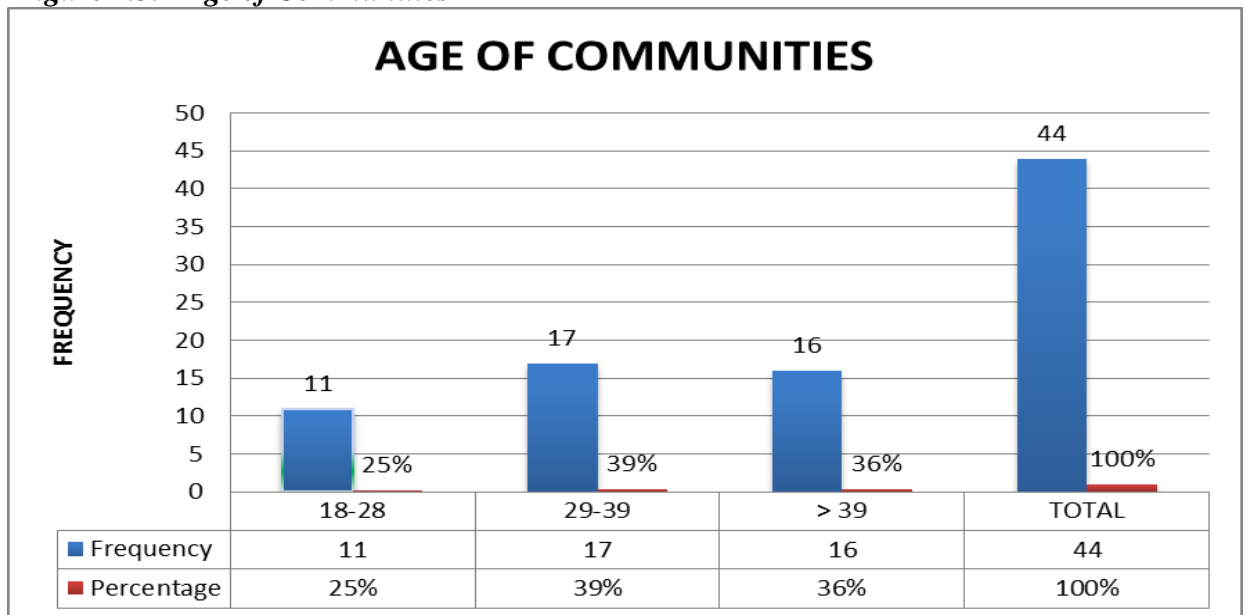


Source: Own survey (2019).

As clearly shown from the above Figure 4.3.1, 29 (66%) of the respondents are male and the remaining 15 (34%) are female. So from this we can say that most of respondents concerning community are male.

## B. Age of the Respondents

Figure 4.3.2 Age of Communities

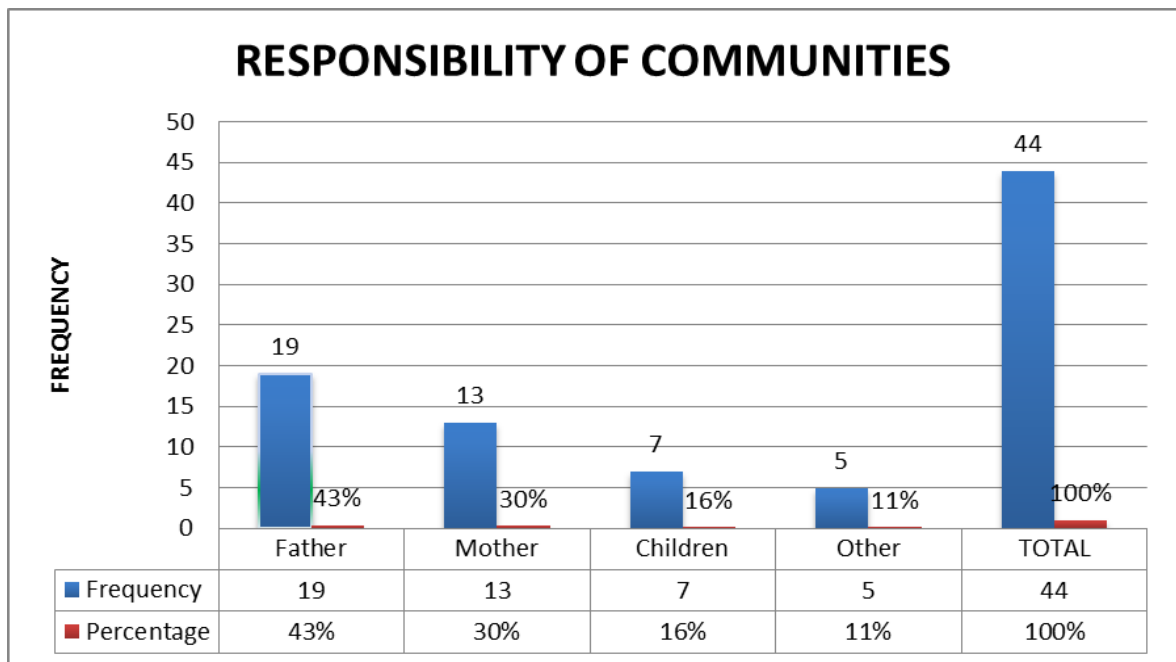


Source: Own survey (2019).

Age is next demographic factor that statistical summary provided in the above Figure 4.3.2 showed the age intervals of respondents. As observed from the above table the dominant age groups 17 (39%) of the total respondents belong to the age group between 29-39 years, followed by 16 (36 %) of respondents whose age group is Above 39. The remaining 11(25 %) of the respondents are between the age of 18 and 28. This shows that majority of the respondents included in the study were above the age of 29. In line with their responsibility on their family their age shows that they are good enough to understand about corporate social responsibility.

### C. Responsibility of Respondents on Their Family

Figure 4.3.3 Responsibility of Communities

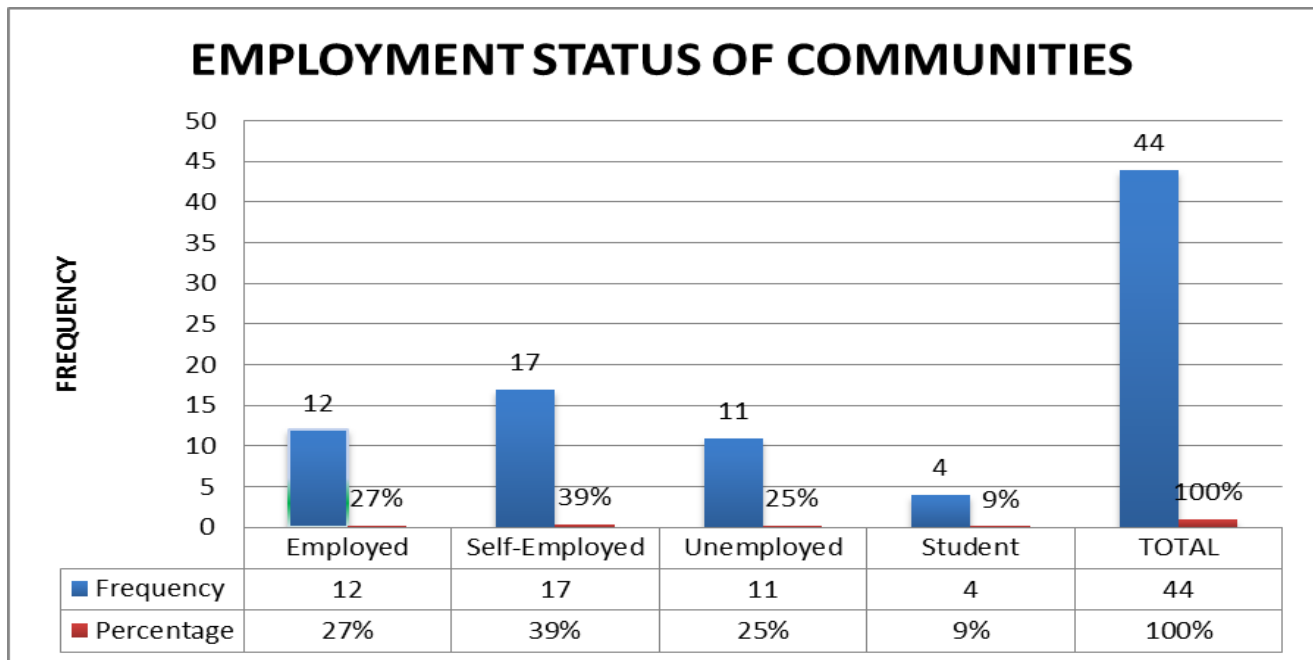


Source: Own survey December 2019

The above Figure 4.3.3 shows that 19 (90%) of the respondents are Married and 2(10%) respondents are single. We can understand that most of the respondents are responsible for their family since they are married. Therefore, we can assume that their answer is based on the knowledge of responsibility.

## D. Employment Status of the Respondents

*Figure 4.3.4 Employment status of Communities*



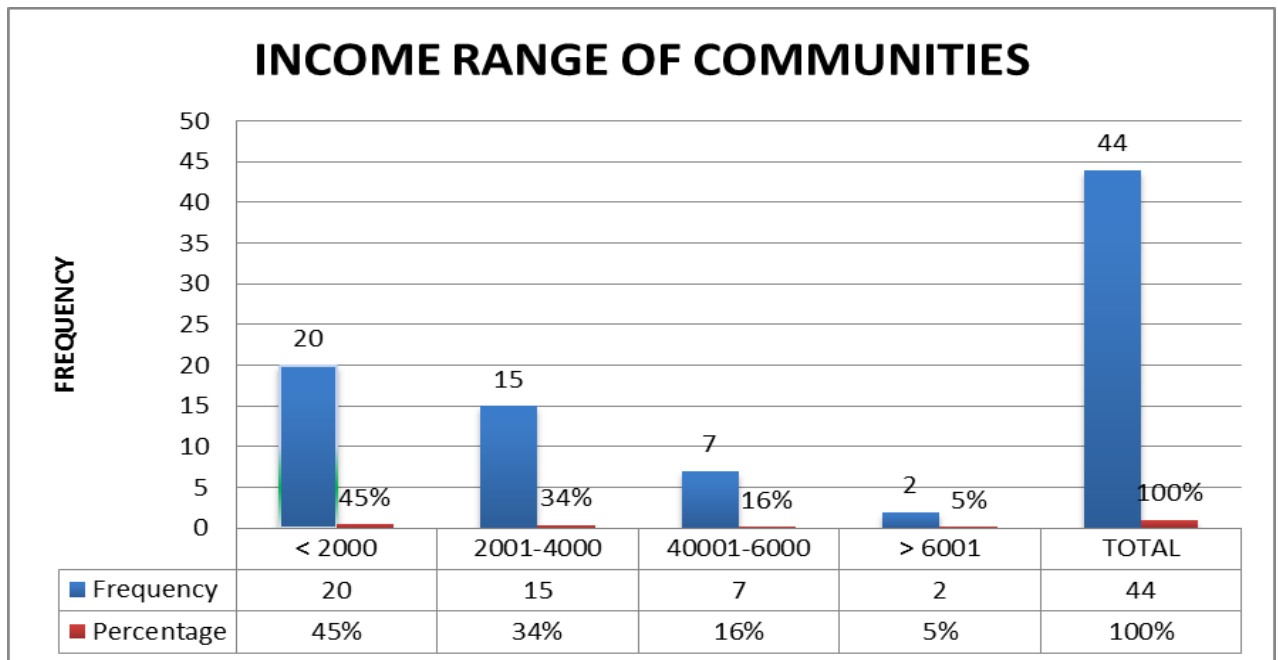
Source: Own survey (2019).

Concerning respondents Employment status, the above Figure 4.3.4 shows, majority of them which is 17(39 %) are self-employed followed by employed which is 12(27 %) unemployed ones and students accounts 11 (25%) and 4 (9 %). From this we can understand that most of the communities around TOTAL Ethiopia S.C are self-employed.



## E. Monthly Family Income of the Respondents

Figure 4.3.5 Income range of Communities



Source: Own survey (2019)

Figure 4.3.5 also displays monthly income levels of the respondents' in this study. It shows that generally 20 (45%) of respondents earn below 2000 birr per month, 15 (34%) respondents' income ranges between 2001-4000 birr, 7 (16%) included in the income level that range between 4001-6000 birr and the remaining 2 (5%) which is the lowest proportion of respondents earn monthly income of above 6000 birr. From this one can understand that majority of the respondent earn below 2000 birr that show most of the respondents are found low and medium income level of the society.

### 4.3.2. Communities Awareness towards CSR of the Company

In this section, communities of TOTAL Ethiopia S.C were asked about their perception towards the act of the company's CSR in relation with the products, wastage, infrastructure charity and other points.

**Table 4.4: Communities Awareness towards CSR of the company**

S/ N	Community Awareness	Total	Frequency		Frequency		Total Percentage
			Yes	Percentage	No	Percentage	
1	Does TOTAL quickly respond and address to problems?	44	19	43.2	25	56.8	100.00
2	Do you think the advertisements of the company are made in a socially responsible way?	44	36	81.8	8	18.2	100.00
3	Do you know any social development/donation activity of the company?	44	10	22.7	34	77.3	100.00
4	Does the organization have an open dialogue with the local community?	44	15	34.1	29	65.9	100.00
5	Does the company offer training opportunity to the people from the local community?	44	13	29.5	31	70.5	100.00
6	Are you aware of any environment damaging activity of the company?	44	8	18.2	36	81.8	100.00
7	Do you aware of any un-ethical behavior of the company?	44	9	20.5	35	79.5	100.00
8	Do you feel safe about the products and the plant of the company?	44	14	31.8	30	68.2	100.00

Source: Own survey (2019).

**A. Company's Response to the Complaint and Problems of the Community**

As long as the company is close to the community, there is obviously going to share something together. When there is something that glues them together, there must be problems and compliant in resource sharing. The company is expected to handle those complaints and problems in the correct way. Community around TOTAL Ethiopia S.C was asked if the company is handling their situations in case of complaints and problems in the right way at the right time. About 19(43.2%) of them were able to test the company's care for them and tried to respond for their complaints while the others which mean 25(56.8%) of them still have some complaints and problems that were not addressed by the company. From this one can understand that there is a gap in complaint management of the company which still needs to be addressed. Socially responsible company should respond quickly to the problems of its stakeholders especially to those who are very close.

### *B. Advertisements of the Company*

When advertising and promoting the company's products and services, the idea, norms and values of the community should be considered and it should be in a socially responsible way. Community around TOTAL Ethiopia S.C were asked if the company's advertisements are designed in socially responsible way and the above table shows that most of the respondents 36(81.8%) agreed with the idea while the remaining 8 (18.2%) of them thought that it should be advertised in a responsible way.

### *C. Perceptions of Community towards Charitable activity of the company*

Just like mentioned above, companies are expected to involve in humanitarian activities and needs to provide some charity especially for the surrounding community. The community needs to feel the company as their own. Donation and provision of infrastructures will help them to develop such feelings. Respondents of this research were asked if they receive or notice any donations and charitable activities made by the company. About 10 (22.7%) of them were able to recognize charitable activities of the company which does not mean that the company do not involve in the community but the promise given when displaced from the land does not reimburse the work while the others 34 (77.3%) of them replied that they know anything about donation of the company.

### *D. Discussion with the Community*

The company needs to communicate with the community regularly to clear things out. They are expected to discuss about the safety, wastage disposal system, job opportunities, and other matters. This kind of discussion helps the company and the community to come close to each other. People around the company were requested if they participate or heard of any of discussions and meetings organized by the company. Among them, 15 (34.1%) of them gives the confirmation about it but the remaining 29(65.9%) of them doesn't participate or heard of any discussions or meeting prepared by the company. From this one can say that the company is not working with the community satisfactorily

#### *E. Training Opportunity by the Company*

As long as the company exists in the community it is expected to provide different job and training opportunity to the people around the company. These opportunities help the people to create a sense of belongingness with the company. 13 (29.5%) of them believe that the company is providing enough training and job opportunity to the local community but the remaining 31 (70.5%) of them noted that the company needs to either ration or provide the opportunity to other parts of communities as well .

#### *F. Environmental Protection of the Company*

Now days, the world now facing tough time with climate and environmental changes. Multinational companies like TOTAL working globally in 130+ countries worldwide should be committed to safer, cleaner, more innovative and accessible energy to the people. Aanalysis of questionnaire mentioned that many companies give due attention for preserving the surrounding environment of their plant. Representatives of the local community were asked if the company affects their environment. Based on the data on the table above one can understand that most of the respondents 8 (18.2%) confirm that the company has a significant negative effect on the surrounding environment while the remaining 36 (81.8%) of them believed that the company is doing fine with the environment.

#### *G. Ethical Behavior of the Company*

The above table shows ideas of the representatives of the local community about ethical acts of the company. They were asked if they know any unethical acts of the company that violate the norms and ethics of the society. From all, 35 (79.5%) of them thought that the company is running unethically on the way that can affect the norms and values of the community while the remaining 9 (20.5%) of them confirms that the company is doing well in this regard.

#### *H. Community's Confidence towards the Company*

As long as it is an Oil company distributing hydrocarbons and the extremely dangerous LPG product, it is obvious that it is going to create feeling of insecurity to the surrounding community in different ways. Most importantly, safety is the most important for the society around the company. The plant is located around Dukem. Though the company deployed world class safety management system, there are a lot of responsibilities expected from the company especially in creating awareness to avoid their feeling that one day the 500m<sup>3</sup> tank capacity of LPG product will

explode and ruin their village. As we can see from the table above, most of the respondents which are 30 (68.2%) percent of them confirmed that the company is not safe for the community. The remaining 14(31.8%) percent of the respondents indicated that the company is safe for them.

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

##### 4.4.1. Demographic Characteristics of the Respondents

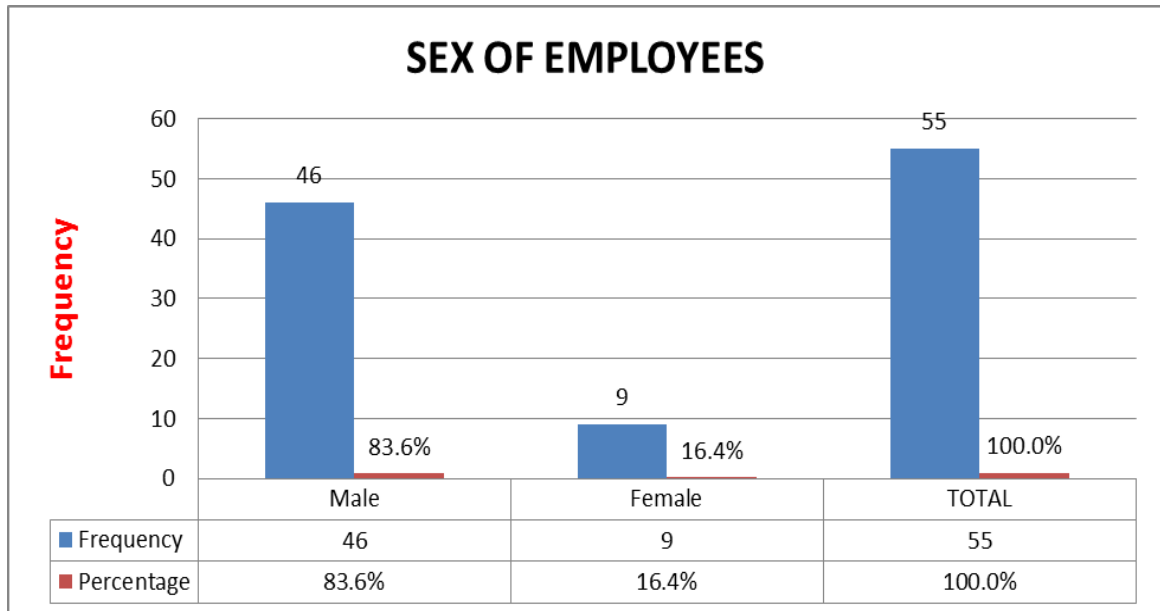
*Table 4.5 — Demographic Characteristics of Respondents- Employees*

S.N	Demography		Respondents	Frequency
1	Sex	Male	46	<b>Percentage</b>
2	Age	Female	9	83.60
		<b>TOTAL</b>	<b>55</b>	16.40
		Under 25	3	<b>100.00</b>
3	Marital Status	25-34	19	5.50
		35-44	21	34.50
		45-50	6	38.20
		51 and above	6	10.90
		<b>TOTAL</b>	<b>55</b>	10.90
		Single	22	<b>100.00</b>
4	Academic position	Married	33	40.00
		<b>TOTAL</b>	<b>55</b>	60.00
		High school graduate		<b>100.00</b>
5	Income level	Technical school graduate	8	0
		College Diploma	31	15
		BA/BSc Degree	13	56
		Master's Degree	3	24
		PhD	0	5
		<b>TOTAL</b>	<b>55</b>	0
		Below 2000	0	<b>100</b>
		2001-4000	0	0.0
		4001-6000	4	0.0
		Above 6000	51	7.3
		<b>TOTAL</b>	<b>55</b>	92.7

Source: Own survey (2019).

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

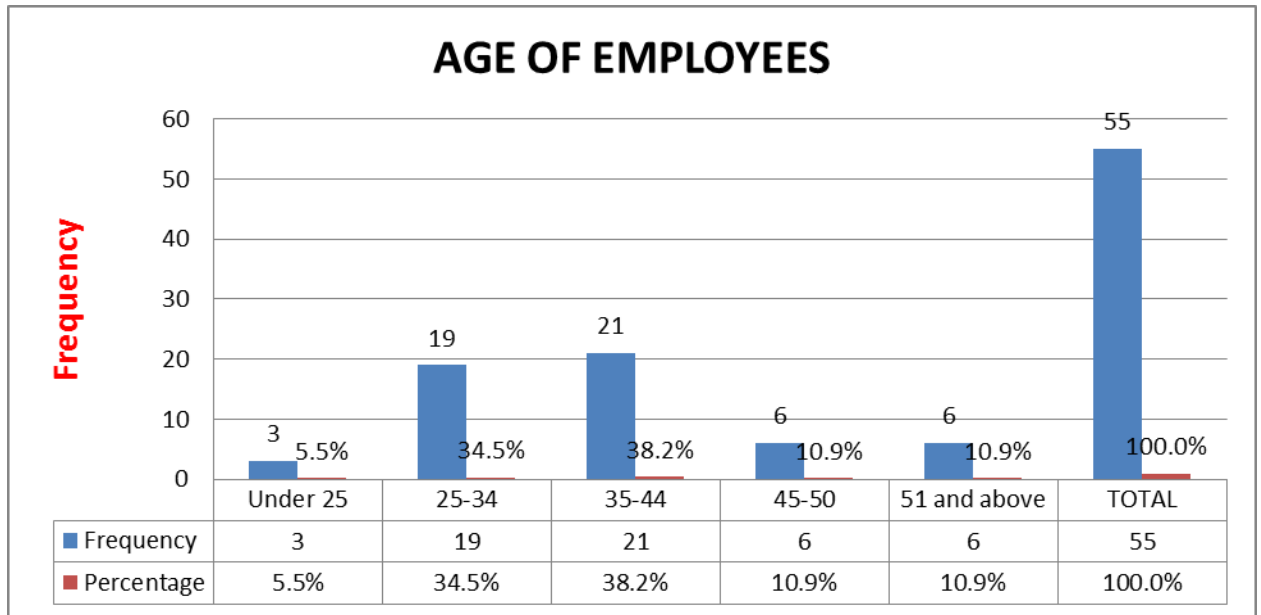
*Figure 4.5.1 Sex employees*



Source: Own survey (2019)

Sex is one demographic factor, which shows the gender differences of respondents that participated in this study. As observed from the Figure 4.5.1 above, out of the total 55 respondents, male respondents were 46(83.6%) and the remaining 9(16.4%) were female. Thus, majority of the sample respondents were male among the employees influenced by CSR activities of the organizations. This does not mean men are most important part of gender influenced by CSR activities of the organization rather because of the random selection of the respondent. More over there is no enough or clear relationship that supported by scientific research between gender and CSR activities of the organizations.

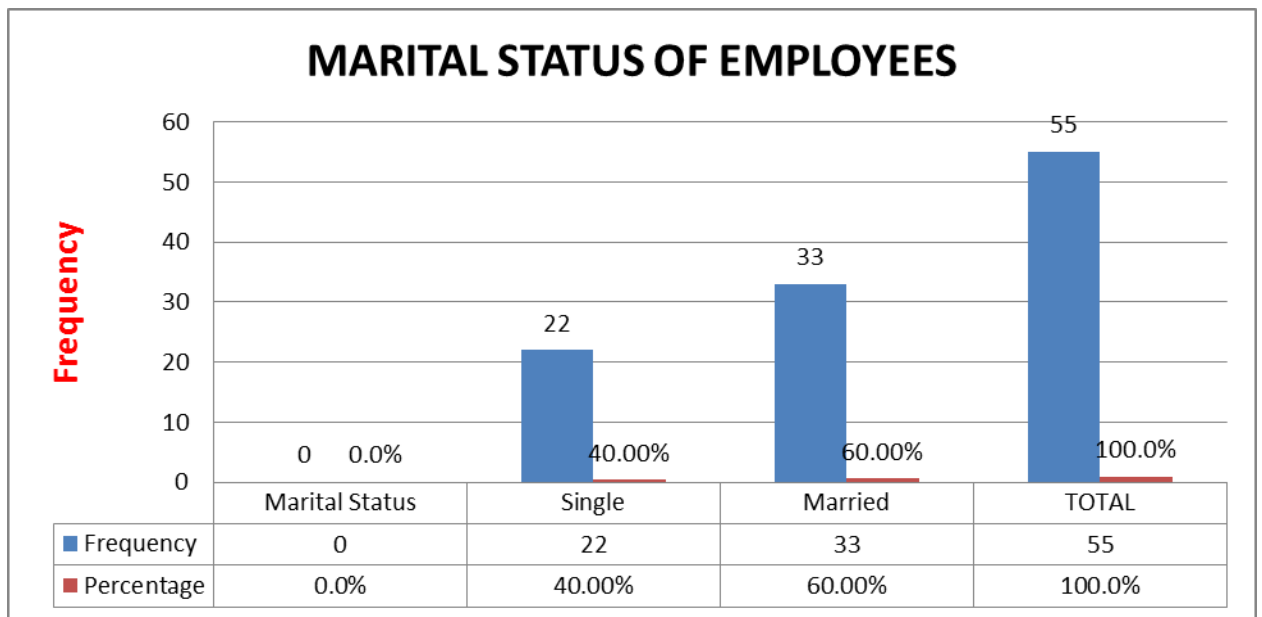
**Figure 4.5.2 Age of employees**



Source: Own survey (2019).

Age is next demographic factor that statistical summary provided in the above Figure 4.5.2 showed the age intervals of respondents. As observed from the above table the dominant age groups, 21(38.2%) of the total respondents belong to the age group of 35-44 years, followed by 19(34.5%) respondents whose age group is 25-34 years, 6(10.9%) of the respondents above the age group 51 years and 6(10.9 %) respondents included in the age interval of 45-50 years. The remaining age groups 3(5 %) are below 25 years. This shows that majority of the respondents included in the study were at their maturity stage which helps them to understand social responsibility. however the respondents for the study of CSR activities of the organizations dominated by young productive age generation, which is most important part of the society that needs coordinated assistance from government and business organizations.

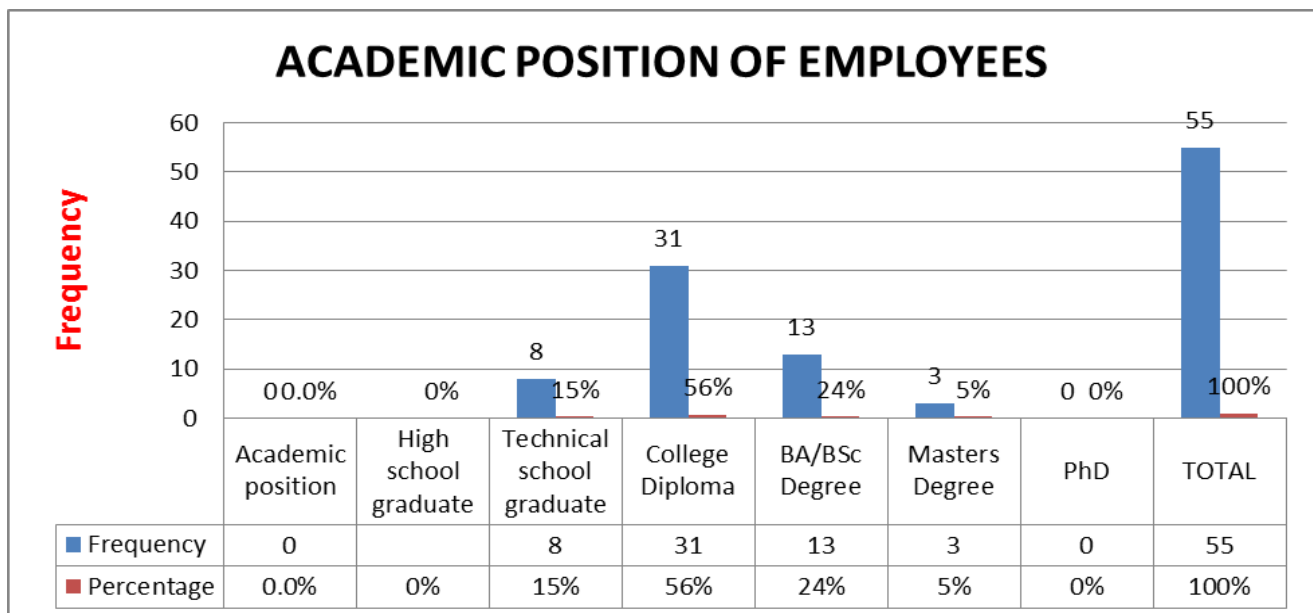
**Figure 4.5.3 Marital status of employees**



Source: Own survey (2019).

Figure 4.5.3 shows that majority (60%) of the respondents are Married. Meanwhile, 22 or 40 % respondents are single.

**Figure 4.5.4 Academic position of employees**



Source: Own survey (2019).

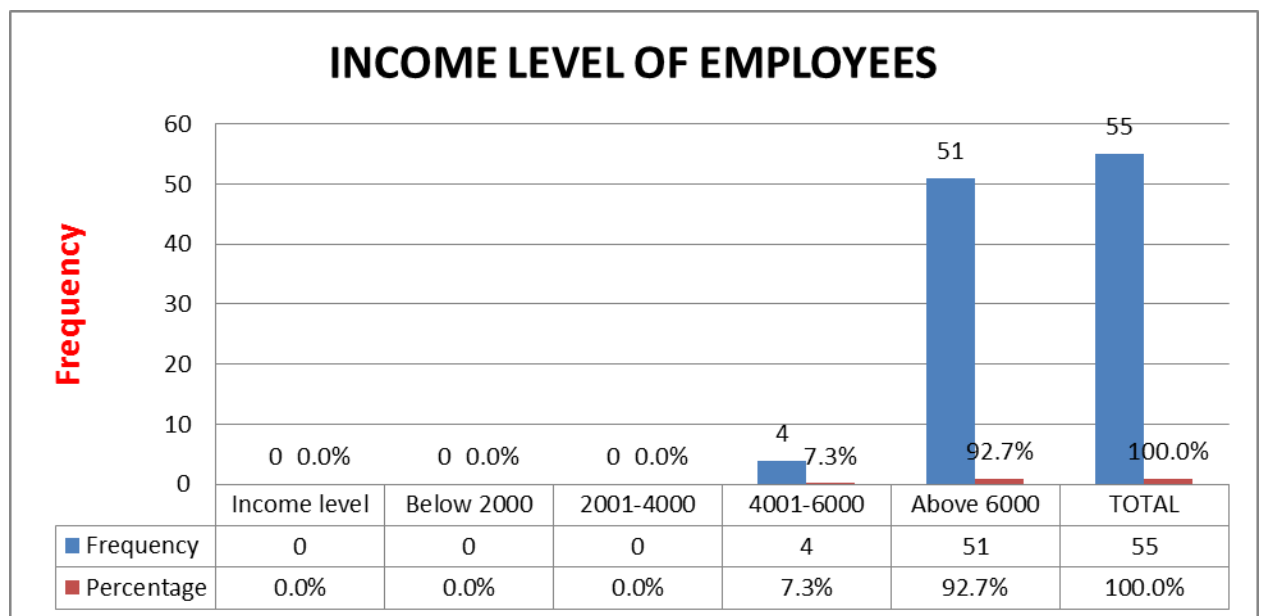
Figure 4.5.4 also displays educational level of the respondents to find out the educational back- ground of respondents in this study. Education assumed basic to any stakeholders of the business organizations especially the employees in



getting knowledge and access to information about CSR. Therefore, it measured by the current education level of respondents.

The findings were as indicated in the Figure 4.5.4 above out of 55 sample respondents include; 8(15%) respondents are technical school graduates ,13(24%) respondents are first degree holders, college diploma holders of respondents cover 31(56%) of the total respondents. In addition the remaining 3(5%) are master holders. From this, we can understand that the largest proportion of the respondents fall under the categories of first degree holders and diploma level.

**Figure 4.5.5 Income level of employees**



Source: Own survey (2019).

The last demographic factor explained in this section was monthly income levels of the respondents' in this study. It shows that generally 4(7.3%) of respondents earn 4001-6000 birr per month, and 51(92.7%) proportion of respondents earn monthly income of above 6000 birr. From this one can understand that majority of the respondent that 51(92.7%) earn above 6000 birr.

#### **4.4.2. General Information about Corporate Social Responsibility**

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

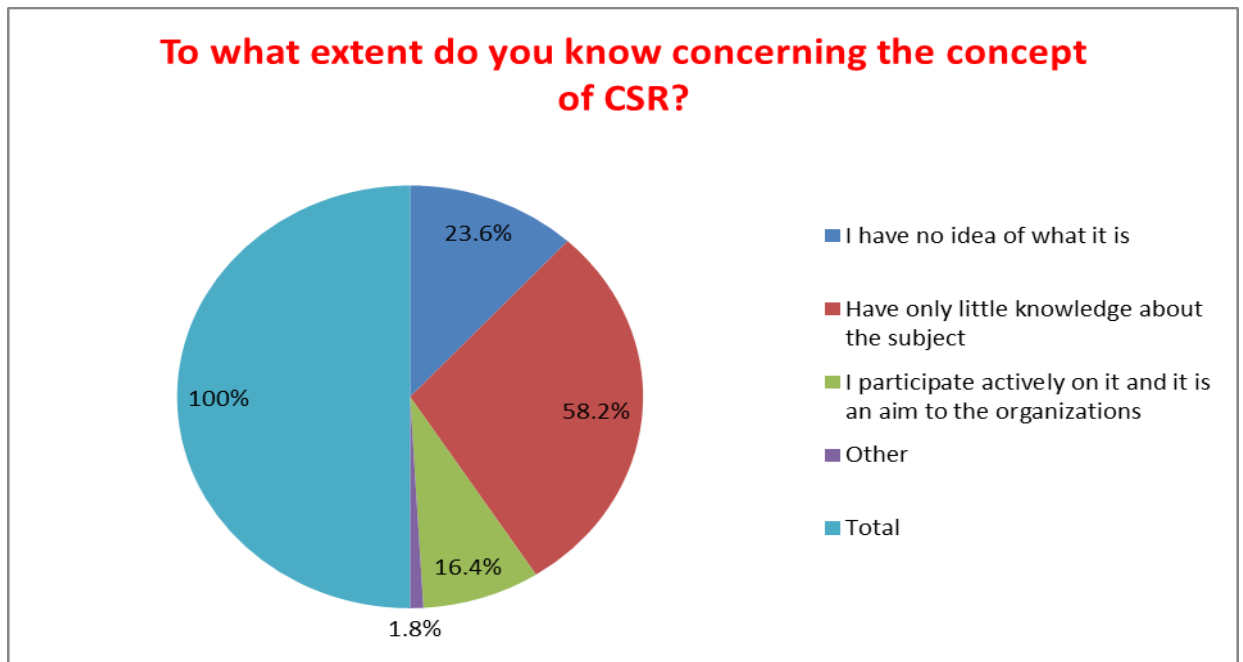
**Table 4.6: Knowledge of Respondents towards CSR**

1	To what extent do you know concerning the concept of CSR?	Frequency	Percent
	I have no idea of what it is	13	23.60
	Have only little knowledge about the subject	32	58.20
	I participate actively on it and it is an aim to the organizations	9	16.40
	Other	1	1.80
	<b>Total</b>	<b>55</b>	<b>100</b>
2	What do you think the most important source of knowledge that you have towards the concept of CSR?	Frequency	Percent
	Participation in training courses and/or seminars	11	20.00
	Participation in workshops	9	16.40
	Research in the Internet	6	10.90
	From different Medias	18	32.70
	I have not been doing any effort on the matter	7	12.70
	Others	4	7.30
	<b>Total</b>	<b>55</b>	<b>100</b>
3	What do you think social responsibility means to the organizations?	Frequency	Percent
	To accomplish the environmental legislation	13	23.60
	To integrate volunteering actions	9	16.40
	To promote equal opportunities between women and men at all levels	8	14.50
	To integrate ethics or develop an ethical code	14	25.50
	To assume social and environmental care in organizations activities	7	12.70
	Others	4	7.30
	<b>Total</b>	<b>55</b>	<b>100</b>

Source: Own survey (2019).

**1. To what extent do you know concerning the concept of CSR?**

**Figure 4.6.1 Knowledge of employees towards CSR**

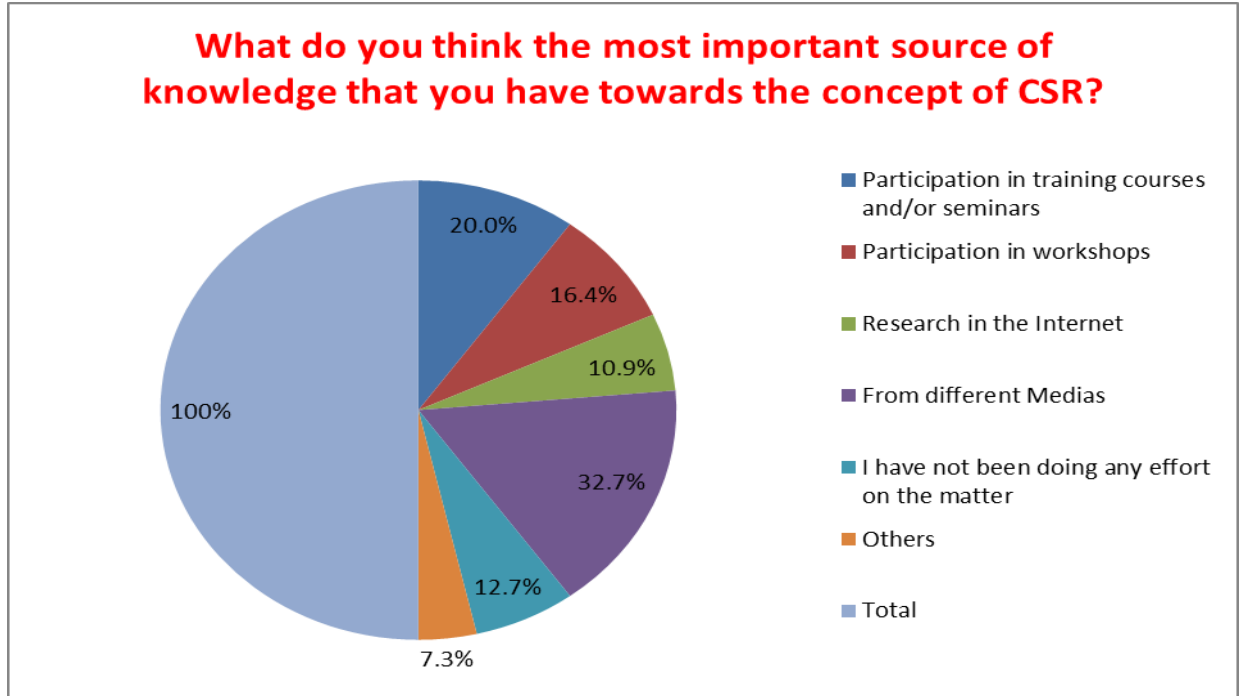


Source: Own survey (2019).

As illustrated in the above figure 4.6.1 the respondents asked whether they have basic knowledge concerning the concept of CSR. Based on the question the respondent chose their level understanding towards CSR concept. From 55 respondents 32(58.2%) of them confirm that they have little knowledge about the subject of CSR , which means respondents have some basic idea about the subject of CSR. 13 (23.6%) of the respondents have no idea about the concept of CSR. The rest respondents, which accounts to 9 (16.4%) confirmed they are well aware about the CSR concept and consider it as the aim of business organizations. Generally from the above findings we can conclude that majority of employees have basic knowledge about the concept related to CSR activities in business organizations.

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

**Figure 4.6.2 Knowledge of employees towards CSR**



Source: Own survey (2019).

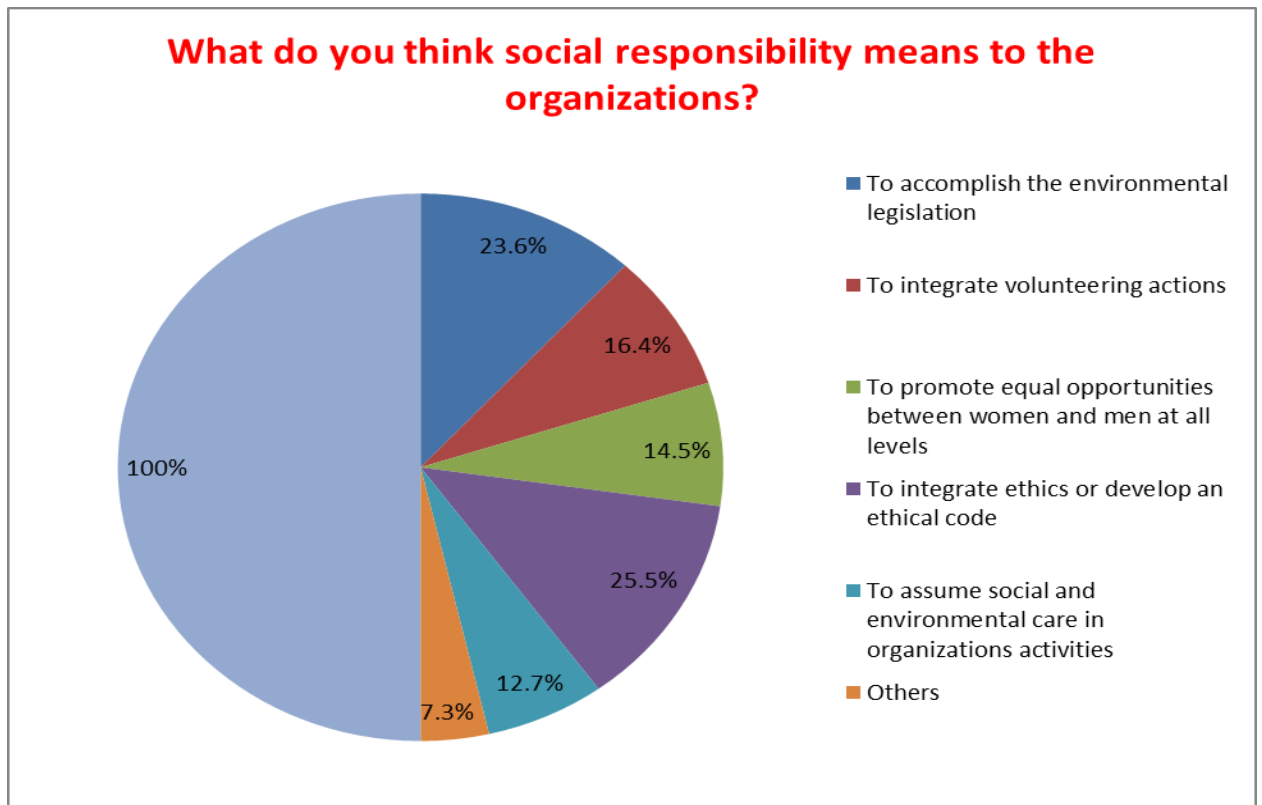
Employees of the business organizations they have various source of information to get Knowledge about company’s socially responsible activities. As shown figure 4.6.2, the respondents give their opinion about the most important sources of CSR knowledge. Majority of respondents that is 18(32.7%) and 11(20%) reply as they believe media and participation in training courses and/or seminars are the most important sources of knowledge respectively. In addition, still others which accounts to 9(16.4%) and 6(10.9%) respondents have an opinion that they got it through the participation in workshop and research in the internet respectively as most important sources for them.

To the other end, respondents who have not been doing any effort to gather knowledge on the subject matter of CSR concept are about 7(12.7%). Apart from this, 4(7.3%) respondents out of the total sample respondents have stated that their source of knowledge from other means. These include from relatives of individuals and still other groups of the respondent mention books concerning in the issue of

CSR. From the above finding one can understand that employees of the organizations can have different alternative to get information about the concept of CSR the most dominant sources are different media and participation in training courses and/or seminars.

### 3. What do you think social responsibility means to the organizations?

Figure 4.6.3 Knowledge of employees towards CSR



Source: Own survey (2019).

As demonstrated in figure 4.6.3, the respondents asked to give their opinion about how social responsibility explained by the business organizations. The table shows that the response rate of stakeholders about the meaning of CSR in the organizations. The most important meanings to the respondent that they agree the social responsibility of business organizations is “To integrate volunteering actions "and” To accomplish the environmental legislation” with respondent rate of 14(25.5%) and 13(23.6%) respectively. The other most important meaning of social responsibility is integrate ethics or develop an ethical code which is 9(16.4%) and 8(14.5%) creation of equal job opportunity without any discrimination in gender would give meaning what CSR to the organization. In addition, respondents also believe that assuming social and environmental care in organizations activities

by the business organizations is also another response received, as replied by 7(12.7%) respondents from the total sample size.

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

#### **4.4.3. Employees Level of Awareness towards Corporate Social responsibility**

At this section, awareness of the employees was assessed towards CSR. They were asked about different perspective of CSR. Results of their answer are discussed below in table 4.7.

**Table 4.7: Employees awareness towards CSR**

<b>S/N</b>	<b>Statements</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
<b>1</b>	Being as profitable as possible	Frequency	10	4	26	8	7	<b>55</b>
		Percentage	18.2	7.3	47.3	14.5	12.7	<b>100</b>
<b>2</b>	Maintaining strong competitive position	Frequency	3	18	4	21	36	<b>82.3</b>
		Percentage	3.6	21.9	4.9	25.5	44.1	<b>100</b>
<b>3</b>	Maintaining high level of operating efficiency	Frequency	0	4	22	12	17	<b>55</b>
		Percentage	0.0	7.30	40.00	21.80	30.90	<b>100</b>
<b>4</b>	Be a law-abiding corporate citizen	Frequency	6	16	9	15	9	<b>55</b>
		Percentage	10.90	29.10	16.40	27.30	16.40	<b>100</b>
<b>5</b>	Provide goods and services that meet minimal legal requirement	Frequency	7	4	8	28	8	<b>55</b>
		Percentage	12.70	7.30	14.50	50.90	14.50	<b>100</b>
<b>6</b>	Perform with expectations of societal morals and ethical norms	Frequency	7	8	3	11	26	<b>55</b>
		Percentage	12.7	14.5	5.5	20.0	47.3	<b>100</b>
<b>7</b>	Benefits and charitable expectations of society assist the fine and performing arts	Frequency	4	8	18	7	18	<b>55</b>
		Percentage	7.30	14.50	32.70	12.70	32.70	<b>100</b>
<b>8</b>	Developing practical solutions in the organizations, on the environment management level	Frequency		7	3	20	25	<b>55</b>
		Percentage	0.0	12.70	5.50	36.40	45.50	<b>100</b>
<b>9</b>	Developing solutions on Work & Life Balance for employees	Frequency		3	2	27	23	<b>55</b>
		Percentage	0.0	5.5	3.60	49.10	41.80	<b>100</b>

Source: Own survey (2019).

With regard to the first issue that deals with maximizing earnings per share that accounts 8(14.5%) respondents agree on this issue , 4 (7.3%) disagree to consider maximizing earnings per share as the important way to view CSR in the organizations, 26 (47.3%) are neutral to this item. The other group of respondents' accounts to 7 and 10 respond in the two extreme rates that are strongly agree and strongly disagree with the response rate of 12.7% and 18.2 % respectively.



As far as maintaining strong competitive position expresses CSR in organizations, 21(25.5%) agree and 36(44.1%) strongly agree. Other respondents 4, 18 and 3 with response rate of 4.9%, 21.9% and 3.6% said neutral, disagree and strongly disagree respectively.

The table also shows the response rate on maintaining high level of operating efficiency is found to be 21.8%, 30.9%, 40% ,and 7.3% says agree, strongly agree, neutral, and disagree respectively. To the item being as profitable as possible, maintaining strong competitive position and maintaining high level of operating efficiency with mean value of 2.93, 3.28 and 3.73 respectively have agreed that they are the ways by which CSR expressed in the organizations.

As shown in the table 15(27.3%) and 9 (16.4%) of respondents agree and strongly agree on the issue of being a law-abiding corporate citizen. It means respondents believe that it is important item to express CSR views in business organizations. In addition to those who agree on the issue, 9, 16 and 6 respond as neutral, disagree and strongly disagree with the response rates of 16.4%, 29.1% and 10.9% respectively. Almost 28(50.9%) and 8(14.5%) of respondents agree and strongly agree on the noted to provide goods and services that meet minimal legal requirements respectively. Respondents also reply neutral, disagree and strongly disagree with the response rates of 8(14.5%), 4(7.3%) and 7(12.7%) respectively.

Table 4.7 also shows that 11(20%) and 26(47.3%) of respondents agree and strongly agree on the issue of performing with expectations of societal morals and ethical norms. Respondents also reply neutral, disagree and strongly disagree with the response rates of 3(5.5%), 8(14.5%) and 7(12.7%) respectively. Moreover, as illustrated in the above Table 4.7 response illustrated for the idea "benefits and charitable expectations of society aid the fine & performing arts", with response rate 7(12.7%), 18(32.7%), 18(32.7%) ,8(14.5%) and 4(7.3%) which represent agree, strongly agree, neutral , disagree and strongly disagreement respectively. Almost 20(36.4%) and 25(45.5%) of respondents agree and strongly agree on the issue of Developing practical solutions in the organizations on the environment management level respectively. The remaining 3(5.5%), and 7(12.7%) fall on neutral and disagree with the idea.

In relation with developing solution on work and life balance for employees, most respondents 27(49.1%) of them agrees with the idea followed by 23(41.8%) which represented by strongly agree. 2(3.6%) and 3(5.5%) reply neutral, and disagree.

#### 4.4.4. Employee’s perception towards Company’s CSR activity

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

##### A. Economic Perception

*Table 4.8: Economic Components.*

S/N	Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	The company is committed to being as profitable as possible	Frequency		2	13	8	32	<b>55</b>
		Percentage	0.0	3.6	23.6	14.5	58.2	<b>100</b>
2	The company strives to maintain a strong competitive position	Frequency		2	8	14	31	<b>55</b>
		Percentage	0.0	3.6	14.5	25.5	56.4	<b>100</b>
3	The company strives to maintain a high level of operating efficiency	Frequency		7	12	8	28	<b>55</b>
		Percentage	0.0	12.7	21.8	14.5	50.9	<b>100</b>

Source: Own survey (2019).

In Table 4.8 presents the data on issues that define stakeholders' perceptions on economic responsibilities of the company. Consequently the respondents on the issue to decide on importance of maximizing earning per share to shareholders of the organization, majority of the respondent 32(58.2%) strongly agreed that the company is striving to increase its profitability as much as possible and 13% of

them are neutral about the idea. Additionally, 8(14.5%) and 2(3.6%) respondent's stands on agreed and disagreed with the idea respectively. This can show that the employees were able to see the company's commitment towards profitability. This means that respondents consider this item as important to organizations to decide economic responsibility of organization CSR activities

The following subject is in the economic responsibility of organization CSR activities is that the company's struggle to maintain strong competitive position. Table 4.8 shows that 14(25.5%) and 31(56.4 %) of the respondents agree and strongly agree with the idea while the remaining 8 (14.5%) and 2(3.6%) respondents stay neutral and disagree respectively. In conclusion, the respondents believe that the company is committed to keep up strong competitive position for the organization to meet economic responsibility for their stakeholders. This may because respondents believe that obtaining strong competitive position is an important source of high economic strength of the organizations, which is very useful in implementing CSR activities towards their stakeholders.

Based on the Table 4.8, 8(14.5%) and 28 (50.9%) of the respondents respectively agree and strongly agree with the organizations' level of commitment to keep up a high level of operating efficiency. This means respondents believed that maintaining a high level of operating efficiency is important and crucial to organization in achieving economic responsibility of CSR. 12(21.8%) of them stay neutral about the point and only 7(12.7%) of them disagree with it. This means that employees were able to appreciate the commitment of the company on maintaining its operating efficiency.

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

In addition to the survey result above the interview part of the study with managers of the company cover under this study also revealed that, the organization is always striving to fulfill its economic goal in socially responsible way. The companies follow different ways to handle customer complain in their products. Most of them use financing the operation providing special privilege in training and development to CODO and DODO dealer/Customers, return the product and substitute the defective product when dealing with product quality. Most of them stets that developing loyal relationship with the customer is the most fundamental thing to the long run business partnership between the company and Dealers/Customers. These companies also try to improve their product through different ways. This finding is consistent with research study in Nigeria by O. Okpara and Wynn (2012), which shows economic responsibilities of CSR to make profits and enhance shareholder wealth are the main motives of the business organizations.

## B. Legal perspectives

*Table 4.9: Legal Components*

S/N	Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	The company always acts in a manner consistent with expectations of Government.	Frequency	10	11	7	23	4	55
		Percentage	18.2	20.0	12.7	41.8	7.3	100
2	The company always tried to be a law- abiding corporate citizen	Frequency	4	11	9	25	6	55
		Percentage	7.3	20.0	16.4	45.5	10.9	100
3	The company makes every effort to fulfill their legal obligations.	Frequency	3	10	8	29	5	55
		Percentage	5.5	18.2	14.5	52.7	9.1	100
4	The company provide goods/services that meet legal requirements	Frequency	6	7	7	26	9	55
		Percentage	10.9	12.7	12.7	47.3	16.4	100

Source: Own survey (2019).

The data in Table 4.9 clearly shows the respondents perceptions on legal components of CSR in TOTAL Ethiopia S.C, which is one of important social responsibility of business organizations towards the stakeholders.

The first point in the same table show that 23(41.8%) and 4(7.3%) respondents respectively agree and strongly agree that the company is doing business in the way consistent with government expectation is important. From this, the respondents consider doing business with government expectation is important to carry out their CSR aim to stakeholders and society at large. To the other end 10(18.2%) and 11(20%) respondents respectively strongly disagree and disagree with the idea while the remaining 7(12.7%) stays neutral with the point. From the results of interview made with the CSR manager of the company almost all of them describe that the company is acting accordingly with the rules and regulations of the government. This shows there is high level of awareness in the company whether the company is complying with the rules or not.

The other point in the legal responsibility of organization CSR activities are being law-abiding citizen. At this point majority of the respondents which is 25(45.5%) and 6(10.9%) were agreed and strongly agree with the idea. To the other end 11(20%) and 4(7.3%) of them respectively disagree and strongly disagree with it. The remaining 9(16.4%) of them stays neutral at this point. From this we can understand that the employees of TOTAL Ethiopia S.C believe that their employer is law abiding citizen and involve in legal businesses.

The third issue in case of legal responsibility is fulfilling legal obligation. Regarding this, the greatest number of respondents 29(52.7%) and 5(9.1%) agree and strongly agree with the idea which means the company is operating in its best ability to fulfill its legal obligation to meet the legal responsibility of CSR activities by the organizations. Among the others, 8(14.5%) of them stay neutral with it while the remaining 10(18.2%) and 3(5.5%) disagree and strongly disagree with the point respectively.

In line with this point, CSR manager of the company were also asked about their opinion. From their answer, one can understand that the company is totally fulfilling

its legal responsibility in terms of tax and many other different perspectives. When we conclude this idea, from the employee's response represents that employees are satisfactory with company's act and deeds in terms of fulfilling legal obligation.

Regarding the last point in this category, which is providing goods/services that comply with legal requirements, 26(47.3%) and 9(16.4%) of respondents agree and strongly agree with it respectively. Among the others, 7(12.7%) are neutral while the remaining 7(12.7%) and 6(10.9%) proportion of the respondents disagrees and strongly disagree with the idea. This shows that most of the respondents think that the company is providing lawful products and service to the society and Dealers/Customers.

In summary of the above discussions from Table 4.9, one can understand that the company is doing good job and strongly supported by the employees in complying with the legal requirements.

### **C. Ethical Components**

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

**Table 4.10: Ethical responsibilities of employees**

S/N	Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	The company always acts in a manner consistent with societal ethical norms.	Frequency		17	12	22	4	55
		Percentage	0.0	30.9	21.8	40.0	7.3	100
2	The company prevents ethical norms from being compromised in line with achieve corporate goals.	Frequency	9	11	14	13	8	55
		Percentage	16.4	20.0	25.5	23.6	14.5	100
3	The company tries to do what is expected morally or ethically.	Frequency	0	17	13	22	3	55
		Percentage	0.0	30.9	23.6	40.0	5.5	100
4	The company knows that ethical behavior goes beyond simple compliance with laws and regulations.	Frequency	2	15	11	23	4	55
		Percentage	3.6	27.3	20.0	41.8	7.3	100

Source: Own survey (2019)

The first point in the above table asks the respondents if they thought the company is running in a manner that consistent with societal ethical norms. Among them greatest number 22(40%) agree with the idea followed by 17(30.9%) of them who represents Disagree about the concept. The remaining 12(21.8%) and 4(7.3%) stays neutral and strongly agrees with the point. This indicates that most of the respondents agree on importance of ethical norms to carry out organizations CSR goals. This may because of high value that the society gives to the moral norms. CSR Manager of the company was also asked about the point on the interview. He confirmed that the company is striving to understand the point out and respect the societal ethical norms that should be respected by everyone around TOTAL Ethiopia S.C as a legal person, it is expected to support these norms in order to comply with the answer for this issue as it is important to go organization with

ethical norms of the society. No respondent is available to strongly disagree with the concept.

The other point in the table asks the respondents if they believed that the company is achieving its corporate objective without compromising the ethical norms. Majority 14(25.5%) of the reply reaches on neutral followed by 13(23.6%) and 11(20%) represented by agree and Disagree about the concept. The two extremes which are strongly agreed and strongly disagree are represented by the 8(14.5%) and 9(16.4%). This belief may result from the emerging concept of the modern business environment organizations should critically look after to the moral requirements by their stakeholder beyond performing traditional business operation that is generating profit.

The third item on the same table shows that 22(40%) and 17(30.9%) of the responses lies in two contradicting points which is agree and disagree about the company's trial to do what is expected morally and ethically. Of the remaining points 13(23.6%) of them lies on neutral and 3(5.5%) of them strongly agreed with the idea. From this, one can understand that the company is working on the ways that respect moral and ethical standards of the society.

Finally, respondents were asked if they believed that the company knows that ethical behavior goes beyond respecting rules and regulations. Among them, 23(41.8%), 4(7.3%), 15(27.3%) and 2(3.6%) respondents agree, strongly agree, disagree and strongly disagree respectively. The remaining respondents with the vote of 11(20%) of the respondents remains neutral. From this, we can infer that the company knows ethical behavior goes beyond respecting rules and regulations.

When we generalize, the results of table 4.10 based on the assessed data, the company is in good situation in terms of ethical responsibility and resumes strengthening its policy, and procedure especially in case of respecting societal norms and ethics as recognizing about it is the responsibility of the corporations and part of CSR activities.

The interview conducted with the CSR manager about implementation of ethical responsibilities by their business organizations indicates that there is formal code



of conduct designed by the company both in Group and affiliate level that helps to respect societal norms and ethics. The manager was also asked if there are any follow up mechanism used by the company to control the acts of its employee. There should be some proper procedure that helps the employees and the society to complain about wrongful acts of the company.

#### **D. Philanthropic responsibilities**

Under this section, the results get from the respondents, which represent the employees in relation with philanthropic responsibility of the company. This section includes charity to the society, supporting arts, helping public educations and helping projects that help to reduce poverty. The results were discussed as below.

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

S/N	Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	The company always acts in a manner consistent with philanthropic and charitable expectations of society.	Frequency	2	6	9	27	11	<b>55</b>
		Percentage	3.6	10.9	16.4	49.1	20.0	<b>100</b>
2	The company strives to assist the fine and performing arts.	Frequency	4	5	2	29	15	<b>55</b>
		Percentage	7.3	9.1	3.6	52.7	27.3	<b>100</b>
3	The company provides assistance to private and public educational institutions.	Frequency	1	3	2	37	12	<b>55</b>
		Percentage	1.8	5.5	3.6	67.3	21.8	<b>100</b>
4	The company assists projects that enhance a community's "quality of life" and poverty alleviation.	Frequency	0	2	2	36	15	<b>55</b>
		Percentage	0.0	3.6	3.6	65.5	27.3	<b>100</b>

Source: Own survey (2019)

Based on the results in the above table, about 27(49.1%) and 11(20%) of respondents have agreed and strongly agreed with the idea that indicates the

company is acting in a way that meets the expectation of the society in terms of charity. Respectively followed by 9(16.4%) of them that chooses to stay neutral. Among the remaining respondents 6(10.9%) and 2(3.6%) of the respondents put their choice to disagree and strongly disagree respectively. In other words, the organization has high involvement in charitable and philanthropic expectations of the society in which they perform their business activities. From this, we can understand that the company is working in ways that meet the society's expectation.

Regarding help to the fine and performing arts, finding shows that 29 (52.7%) and 15(27.3%) respondents choose agree and strongly agree among the alternatives respectively, which is witnessed that societies and art schools like Alliance Ethio-Francis and artistic works hosted inside the school used to get sponsorship and incentive for those who do artistic activities. As response received from the above result, we can understand that the company is doing well at this point. To the other end 2 (3.6%), 5(9.1%) and 4(7.3%) of the respondents are neutral, disagree and strongly disagree that the company is trying to support and give incentive to the society.

Educational institutions plays vital role for both the society and the company. It is the main source of professionals for different organizations. Most companies are expected to support the surrounding educational institutions as a main component of CSR. Employees of TOTAL Ethiopia S.C were asked if they know about any activity of the company that supports the surrounding community. Among the respondents, 37(67.3%) and 12(21.8%) agree and strongly agree with the idea respectively that the company is supporting educational institutions. while about 2(3.6%) of them remains neutral. Small portion of the employees which is 3(5.5%) and 1(1.8%) of them disagree and strongly disagree with it respectively. In conclusion, from the result one can understand and witnessed that that the company has a CSR pillar both in Group and affiliate level. Out of the six pillars, "Education Program" is the first and the most given high emphasis by the company which could be model for other MNCs and rivals operating in Ethiopia.

The final issue of the Table 4.11 deals about the employee's opinion if they know any activity of the company for supporting projects that enhance a community's

"quality of life" and poverty alleviation" 36 (65.5%) and 15 (27.3%) of them are aware of works of the company about the issue and agree and strongly agree with the idea respectively. This shows that most of the respondents believed that the company is very strong in assisting projects that enhance a community's "quality of life" and poverty alleviation which is important philanthropic responsibility of the CSR activities of the organizations. 2(3.6%) of the remaining respondents choose to stay neutral about the point. To the other end, about 2(3.6%) of the respondents disagree with the idea of supporting projects that intend to alleviate poverty. To meet their important goal of profitability business organizations expect to expand and keep up their profitability throughout the time, as they believe the purpose of business is business, but beyond these thinking business organizations should serve the society from which all their production and revenue come.

When we summarized the above table based on their result, one can understand that the company is very strong in terms philanthropic activities. Among the components of CSR, philanthropic plays greater role for the company's relationship with the society. Giving training opportunity to the local community is the other responsibility that modern business organizations assume in parallel with their achieving their corporate objectives.

Based on the results get from managers of the company, they admit that the company has strong stance in relation with philanthropic components. From the above results, it is good and to be disseminated experience across the other rival companies.

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

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

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

**Table: 4.12. Importance of CSR Responsibility (components)**

S/N	Statements		Not-at-all important	Not important	Neither or nor important	Important	Very-Important	Total
1	Economic responsibilities	Frequency	0	11	15	13	16	<b>55</b>
		Percentage	0.0	20.0	27.3	23.6	29.1	<b>100</b>
2	Legal responsibilities	Frequency	12	0	7	18	18	<b>55</b>
		Percentage	21.8	0.0	12.7	32.7	32.7	<b>100</b>
3	Ethical responsibilities	Frequency	0	15	7	7	26	<b>55</b>
		Percentage	0.0	27.3	12.7	12.7	47.3	<b>100</b>
4	Philanthropic responsibilities	Frequency	3	12	2	2	36	<b>55</b>
		Percentage	5.5	21.8	3.6	3.6	65.5	<b>100</b>

Source: Own survey (2019).

#### A. Economic Responsibility (Components)

According to the above Table 4.12, 16(29.1%) and 15(27.3%) of respondents that represent employees of the organization thought that economic responsibilities are very important and neither important nor unimportant respectively. The remaining 13 (23.6%) and 11 (20%) of the respondents thought that economic responsibilities are important and not important. From this we can understand that the company needs to fulfill its economic responsibilities for its success. This means respondents believed that it is important and crucial to the organizations achieving economic responsibility of CSR which considered as a fundamental part of CSR.

#### B. Legal Responsibility (Components)

The same table above also shows that 18(32.7%) and 18(32.7%) of respondents of the total sample answered as important and very important for legal responsibility respectively. This indicates that majority of the respondents think that the legal

responsibility of CSR is important to the organizations, to meet their important corporate goals of business organizations. They expect to respect and obey the law of federal, regional state and local laws. Few respondents 12(21.8%) also think that the legal responsibility of business organizations is not at all important CSR activities, as it should totally on voluntary basis. The remaining 7(12.7%) of them stays neutral about its importance

#### C. Ethical responsibility (components)

Table 4.12 also describes about the importance of ethical responsibility to the organization CSR activities. Most respondents of this study 26(47.3%) confirmed that components of ethical responsibilities are very important for the organization in attain the CSR goals supported by 7(12.7%) of them as it is important. 15(27.3%) of others among the remaining respondents believe that it is not important. The remaining 7(12.7 %) of them stays neutral about its importance. From this one can understand that most employee respondent believe that ethical responsibility is important implemented by the business organizations. Ethics is important for narrowing the gap between the legal business activity and the reality exist in the society.

#### D. Philanthropic responsibility (components)

In relation with philanthropic responsibility of the organization, 36(65.5%) of the respondents believe that it is very important to have it as strategies that are also supported by 2(3.6 %) of the total respondents saying it is important. In modern way of conducting business companies require to perform activities beyond their corporate mission that are useful to the stakeholders. However, there are also few respondents who consider philanthropic responsibilities as not important and not at all important for them with response rate of 12(21.8%) and 3 (5.5%) respectively. The remaining 2 (3.6%) of the respondents stays neutral on this point. These respondents believed that the purpose of business is business.

#### 4.4.6. The Pay Back or Benefit to Socially Responsible Organizations

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

S/N	Do you expect that organization's CSR (social or environmental efforts) activate to pay back or give benefit to the organization?	Frequency	Percentage	Cumulative Percentage
	Yes, by decreasing production cost per unit	0	0	0
2	Yes, by adding value to products	15	27	27
3	Both, decreasing production cost unit and adding value		0	0
4	Yes, by improving company image in general	40	73	73
5	No, I don't expect CSR efforts to pay back	-	-	-
<b>TOTAL</b>		<b>55</b>	<b>100</b>	<b>100</b>

Source: Own survey (2019).

The above table describes about the pay back of CSR activity to the organization itself. Respondents from the representatives of employees were asked if they believe that the company's CSR activity bounce back for the organization and help itself through different forms. About 40 (73 %) of them noted that it helps the company through developing its image in general. 15(27%) from the remaining respondents confirmed that the company's act on CSR will help it through adding value to its products.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Summary and Major Findings**

Corporate social responsibility over the past half a century evolved into a modern and widely accepted concept. It represents a comprehensive concept related to the role of business in global market and development. CSR is based on the presumption that the stakeholders expect companies to perform responsibly in terms of reducing negative outcomes resulting from their operation and for the most part profit-orientated objectives of their undertaking. Various definitions and approaches to CSR coexist today, some determined by socio-cultural and economic situation in a given country, some by the political system and belief.

TOTAL Ethiopia S.C realized the importance of involvement in CSR practices from economic, social, ethical and philanthropic issues. The study was initiated to understand the practice of CSR in TOTAL and to assess the policies and principles of CSR implemented in TOTAL Ethiopia, the judgments of various stakeholders on Corporate Social Responsibility (CSR) practice of TOTAL, the attitudes observed on customers caused by CSR practice of TOTAL and understanding of the staff members in various functional areas of the organization about the practice of CSR in TOTAL. This study was conducted in TOTAL Ethiopia S.C with the general objective of assessing the effect of CSR on the attitude of its stakeholder's. To answer the research questions, self-managed interviews and questionnaires were developed in to three types for the community, employee, and Dealers/Customers of the company while the interview is made with CSR manager of the company. Questionnaire and interview were the main source of data for this study. General and Specific objectives of the study were addressed briefly. The major results of this study discussed hereunder.

#### **5.2. Conclusions**

Companies should operate as good corporate citizens within their communities or even the world. In today's business world, more companies are seeking ways to achieve these four levels (Legal, Ethical, Economical and Philanthropic) simultaneously and contribute to the well-being of society while maintaining

profitability. Many of them have been working hard to modify their corporate structures and incorporate strategies in order to establish a socially responsible corporate culture and become a responsible corporate citizen, as they understand this will benefit the company, employees, Dealer/customer and community in the long run. Companies are also expected to go beyond profit, to conduct business ethically and responsibly by obeying the law, regulations and should act in an ethical manner towards all stakeholders.

❖ **Dealers/Customer's confidence towards the products of the company**

Safety is the most important point in for consuming products and services of every company. In relation to this, most of the sample Customers indicated that the products are safe to consume and helped them to build good confidence.

❖ **Perception towards Quality Improvement**

In order to become competent in the market and satisfy the needs of customer's, quality improvement plays crucial role for every company especially to those who engaged in stiff competition. This improvement should be visible to the Customers to test the difference and comment on it and hence, Customers in this regard were able to identify and witness quality improvement made by the company.

❖ **Company's response to the complaint and problems**

Corporate Social responsibility with Dealers/Customers starts with providing best quality products and responding to their complaints. Many of them were able to identify the company's care in handling and responding their complaints. From this, one can understand that there is a complaint management system stretched by the company to address the problems of its customers in a socially responsible way. In contrast with this, the community members of the Gogecha kebele unveiled their dissatisfaction in addressing and handling their complaints.

❖ **Advertisements of the Company**

Advertisement is one of the best tools of competition in the market. It is important to reach different types of Dealers/Customers in different segments and introduce the



products and services of the company especially when there are improvements and newly launched products. Socially responsible company needs to be careful when preparing those advertisement and promotional campaigns. They should be in line with the laws and regulations of the country as well as ethics and norms of the community. The finding revealed that customers and community members of TOTAL Ethiopia S.C agreed that company's advertisements are designed in socially responsible way.

#### ❖ **Perceptions towards Charitable activity of the company**

Socially responsible company would provide donations to the society and to those who needs it more. There should be a given amount of budget allocated for charity and donations. This will help the company to build its image in the mind of Dealers/Customers, society and regulating body of the country. The finding showed that Customers were able to recognize charitable activities of the company. However, majority members of the community members of do not recognize charitable activities.

#### ❖ **Environmental Protection of the Company**

It is mandatory to protect the environment from, damage, and save the world to the coming generation. There are rules and regulations that forces companies especially oil and energy companies to protect their surrounding environment since their waste pollute the environment. Many companies only focus on their surrounding environment but there are many situations that can affect the environment in many places. Most of respondents in this regard confirmed that the company is not acting on the way that damage and pollute the environment.

#### ❖ **Ethical Behavior of the Company**

It is essential for a corporation to prevent ethical norms from being compromised in order to achieve corporate goals. Good Corporation is being defined as doing what is expected morally or ethically, and that is very essential. The finding revealed that most of customers thought that the company is running ethically on the way that cannot affect the norms and values of the country. However when we came to the response of the community, surprisingly majority of them noted that

the company running unethically the way that can affect the norms and values of the community. As heard and interviewed from the community, the company and the regional delegates promised us to do lot such as building clinics, improving livelihoods ,constructing road and etc when displacing us from our land but the company did only few of the given promises. It is found that the company needs to bond or glue the relationship with customer and community in relation to corporate social responsibility

#### ❖ **Discussion with the Community**

The company needs to communicate with the community regularly to clear things out. They are expected to discuss about the safety, wastage disposal system, job opportunities, and other matters. This kind of discussion helps the company and the community to come close to each other. People around the company were requested if they participate or heard of any of discussions and meetings organized by the company. Most of the community members replied that they do participate or heard of any discussions or meeting prepared by the company. From this, one can say that the company is not working with the community satisfactorily.

#### ❖ **Training Opportunity by the Company**

As long as the company exists in the community it is expected to provide different job and training opportunity to the people around the company. These opportunities help the people to create a sense of belongingness with the company. Most of them believe that the company is failed to provide enough training and job opportunity to the local community .

#### ❖ **Environmental Protection of the Company**

Now days, the world is facing tough time with climate and environmental changes. Multinational companies like TOTAL working globally in 130+ countries worldwide should be committed to safer, cleaner, more innovative and accessible energy to the people. In this regard it was foundout that the company has been giving due attention for preserving the surrounding environment of the plant. Representatives of the local community were asked if the company affects their environment. Majority noted that the company is doing well with the environment.

### ❖ **Community's Confidence towards the Company**

As long as it is an Oil company distributing hydrocarbons and the extremely dangerous LPG product, it is obvious that it is going to create feeling of insecurity to the surrounding community in different ways. Most importantly, safety is the most important for the society around the company. The plant is located around Dukem. Though the company deployed world class safety management system, there are a lot of responsibilities expected from the company especially in creating awareness to avoid their feeling that one day the 500m<sup>3</sup> tank capacity of LPG product will explode and ruin their village. The finding showed that the company is not safe for the community.

### ❖ **Employees level of awareness towards Corporate Social Responsibility**

❖ The result revealed that concerning the concept of CSR, most employees have basic knowledge about CSR in which the most frequent means of getting and source of knowledge towards the concept obtained from different Medias, Participation in training courses and seminars. Employees of the company also perceive that the company has the CSR package to accomplish the environmental legislation, to integrate ethics and develop an ethical code.

Moreover, the main tenacity of the company to take part in CSR activity is to maintain strong competitive position and high level of operating efficiency, to be a law-abiding corporate citizen, to provide goods and services that meet minimal legal requirement, to perform the expectations of societal and ethical norms which manifest their level of awareness about CSR Meeting the benefits and charitable expectations of society and assisting the fine and performing arts, developing practical solutions in the organizations and developing solutions on Work & Life Balance for employees are some of the points raised and discussed while assessing the employees Level of Awareness towards Corporate Social responsibility.

❖ **Employee’s perception towards Company’s CSR activity**

Concerning the economic components, the company is always committed to being as profitable as possible to maintain its strong competitive position, and a high level of operating efficiency.

Concerning the legal components, the company acts in a manner consistent with expectations of the government by providing goods/services that meet legal requirements by remain as a law- abiding corporate citizen, makes every effort to fulfill their legal obligations.

Concerning the ethical components, the company acts in a manner consistent with societal ethical norms from being compromised in line with achieving corporate goals, The Company also knows that ethical behavior goes beyond simple compliance with laws and regulations.

Concerning the philanthropic components, the company also acts in a manner consistent with philanthropic and charitable expectations of society by assisting the fine performing arts, supplementing private and public educational institutions and supports projects that enhance a community’s “quality of life” and poverty alleviation

❖ **Employees Perception towards the Importance of CSR for the Company.**

Employees were asked to rate the importance of the four components of CSR. Philanthropic responsibility takes the first place followed by ethical responsibilities. Economic and legal components of CSR take the third and fourth place respectively.

❖ **Organization Pay Back In Implementing CSR (Social or Environmental Efforts)**

- ❖ The pay back that needs a company to act in a socially responsible way differs from company to company. Most sample employees noted that it helps the company through developing its image and the remaining respondents confirmed that the company’s act on CSR will help it through adding value to its products as, if the company considered as

"socially irresponsible", customer and community can make influence through not buying the product and shifting to other substitute customers and products.

It is observed and recorded in the interview session of this research that the top management confirmed that there are social and philanthropic functions carried out by TOTAL Ethiopia S.C. such as Education program, Support to small and medium scale enterprise, Environment program, Health program, Safety programs, Community development/capacity building, etc. Even though some of the above functions are not hidden from the public arena, members of the community did not boldly confirm that these engagements are adequately executed by the company in such a way that meets the stakeholders' expectation.

### **5.3. Recommendations**

Based on the findings and discussions, the following feasible recommendations are forwarded

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

This can be done through:-

- Different advertisements and sales campaigns in due respect the norms and ethics of the society. It will help the company to build good image on the stakeholders mind and show the company's commitment level towards different perspectives and to create mutual understanding.
- Bi-yearly community engagement program such as celebrating the TOTAL community day, tree planting day, mountain climbing day, annual sporting events day, etc.

- ❖ Adequate attention by the company leadership team that leads to come up different social programs together with the stakeholder's participation that zoom and focus only on societal responsibility function should be in place as earliest as possible. This will be done by delegating few members of the management and employees, workers union representatives, community leaders, Dukem town Mayor Office representatives and consumers elite person etc. The committee will pledge the program through brainstorming the current challenges, trends and opportunities landed that will alleviate or help alleviate one of the society or community challenge with affordable resource. It is clear that this will not be easy and takes some days and weeks to implement, but regularly follow up and communication with stakeholders is critically important to the success of proposed CSR. This definitely raises the bar of employee belongingness, customer loyalty and community engagement.
  
- ❖ Even if it is judged by community that company's engagement in CSR is minimal, it doesn't seem that there is a mechanism that stakeholders clearly know what is being carried out by the company in relation to CSR. Thus, there must be a communication channel that cascades information and updates across and down up to the shop floor level. This can be done by creating through the Company-community notice board announcement, or through other local community communication channels.

Extending intensive workshop or training programs to the employees scoping around CSR how it works in modern world, and in different MNCs to increase the level of knowledge that the employees have on CSR. This can also be given along with different trainings or can be done through small gatherings like cookies and cake club in the organization so that employees can have access to grasp what CSR means and its achievements made by the company. Concerning the support for Small businesses and enterprises, majority of the community agreed that sometimes the training is job and operation related, the company is offering training opportunity. From our witness, TOTAL is needs to a lot more in this regard. The company has a CSR package "Support to Small and Medium Scale Enterprises" program" which support and chosen any best small and medium scale enterprises emerged from the community via contest and this contest is to identify, reward and accompany the best, most

innovative projects developed by young companies in Ethiopia .The winning projects will garner the” Startupper of the year by Total” label and receive both financial support and professional coaching from Total Ethiopia. The group in 34 African Countries initiates the program simultaneously. A jury of professional selected ten semifinalists in Ethiopia based on their innovativeness, originality, daring, the project’s development potential, and capacity to improve the population’s living conditions. Based on the candidates’ defense and presentation of the project, the jury chose three winners among the semifinalists. The ‘Start upper of the Year by TOTAL,” challenging is part of TOTAL’s global initiative to support the socio-economic development of all the countries in which it operates worldwide. Though the company has such a package across the affiliates, based on the responses get from the surrounding community, TOTAL Ethiopia S.C needs to do a lot more in this regard.

- ❖ To perform CSR activities satisfactorily, TOTAL is expected to be more serious on their day to day CSR function and should resume in expanding and incorporating CSR as one of its main objective to be accomplished. This can be manifested though:
  - Establish committee that incorporate members from each stakeholders category
  - Provide training and awareness creating activities;
  - Prepare policies and rules to control CSR implementation.
- ❖ Finally, focusing on CSR draws the attention of many stakeholders including the Community, mass media, public policy makers, academia, and environmentalists’ at large .These days, the country is pursuing developmental state policy and busily engaged in expanding industrial zones in various regional states of the country. When we glance at the status quo in Ethiopia, the notion of CSR is very emerging and new, as it has been introduced and catch the attention of the stakeholder recently, which has also a huge blow and impact for the dwellers.

Bundle of benefits packages and huge incentives such as tax holiday from 10-15 years, long periods of land leasing from 60-80 years, customs facilitation and summary procedures in securing permits can empower companies to simultaneously discharge their Social Responsibilities. In our country where working Environmental Impact Assessment (EIA) associated with various issues and is subject to controversy, deploying and displacement of community took in place. Without proper EIA and M&E (Monitoring and Evaluation) framework of CSR, it would be difficult to mortgage the local community and environment. Whether implemented at the outskirts of the country or in and around metropolis, CSR should not let and needs to avoid the pronouncement of saying “the fit will survive and the unfit will die”

It's also believed that any development should be pursued according to the International, constitutional, Societal framework, with respect the ethno-linguistic settlement patterns, specific needs and rights to access the development through community representation and effective participation. Hence, the target of the CSR should be beyond building reputation and increasing competitive advantage over the rival firms for both local and Multinational Companies (MNCs), rather it has to change the lives of the community. Beside CSR policies should have empowered the community and suburbs first before infrastructural development of roads, the schools, recreational centers, the railways, the highways, the specialized clinics and hospitals put in effect. Unless we educate our poor first, who is going to use the development? The rich class? The already educated class?



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## **Appendices**

### **APPENDIX I ST MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM**

#### **QUESTIONNAIRE TO BE COMPLETED BY EMPLOYEES OF THE ORGANIZATION**

##### **INTRODUCTION**

Dear respondents, this questionnaire, is designed for the purpose of doing a research entitled “PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY AT TOTAL ETHIOPIA SHARE COMPANY” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

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

I thank you for your cooperation!

With Regards  
Bereket Assefa

### General Instruction

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

### Part I. Background Information

- Please put a “Y” mark on your choices

1. Sex                      A. Male                       B. Female

#### 2. Age group

- A. Under 25                       D. 45-50   
B. 25-34                       E. 51 and above   
C. 35-44

#### 3. Marital Status:

- A. Single                       D. Separated   
B. Married                       E. Widowed   
C. Divorce

#### 4. The highest level of education you achieved

- A. High school graduate                       C. College Diploma                       E. Masters   
B. Technical school graduate                       D. First Degree                       F. Third Degree   
(PhD)

#### 5. What is your monthly income?

- A. Below Birr 2,000                       C. Birr 4,001 - Birr 6,000   
B. Birr 2,001 - Birr 4,000                       D. Above Birr 6,001

## **PART II: Main body of the Questionnaire**

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

- A. I have no idea of what it is
- B. I have only little knowledge about the subject
- C. I participate actively on it and it is an aim to the organizations
- D. Please specify if there is other:

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

- A. Participation in training courses and/or seminars
- B. Participation in workshops
- C. Research in the Internet
- D. From different Medias
- E. I have not been doing any effort on the matter

Please specify if there is other: \_\_\_\_\_

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

- A. To accomplish the environmental legislation
- B. To integrate volunteering actions
- C. To promote equal opportunities between women and men at all levels
- D. To integrate ethics or develop an ethical code
- E. To assume social and environmental care in organizations activities

Please specify if there is other: \_\_\_\_\_



4. Employees level of awareness towards Corporate Social Responsibility (CSR).

Response range:

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

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

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

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

No	Variable	1	2	3	4	5
<b>Economic responsibilities (components) of CSR</b>						
1	The company is committed to being as profitable as possible	1	2	3	4	5
2	The company strives to maintain a strong competitive position	1	2	3	4	5
3	The company strives to maintain a high level of operating efficiency	1	2	3	4	5
4	The company believes that its success described as being always profitable.	1	2	3	4	5
<b>Legal responsibilities (components) of CSR</b>						
1	The company always acts in a manner consistent with expectations of Government.	1	2	3	4	5
2	The company strives to comply with various Federal, regional laws and regulations	1	2	3	4	5
3	The company always tried to be a law-abiding corporate citizen	1	2	3	4	5
4	The company makes every effort to fulfill their legal obligations.	1	2	3	4	5
5	The company provide goods/services that meet legal requirements	1	2	3	4	5
<b>Ethical responsibilities (components) of CSR</b>						
1	The company always acts in a manner consistent with societal ethical norms	1	2	3	4	5
2	The company always recognize and respect societal ethical moral norms	1	2	3	4	5
3	The company prevents ethical norms from being compromised in line	1	2	3	4	5
4	The company tries to do what is expected morally or ethically.	1	2	3	4	5
5	The company knows that ethical behavior goes beyond simple compliance with laws and regulations.	1	2	3	4	5
<b>Philanthropic responsibilities (components) of CSR</b>						
1	The company always acts in a manner consistent with philanthropic and charitable expectations of society.	1	2	3	4	5

2	The company strives to assist the fine and performing arts.	1	2	3	4	5
3	The company participate in voluntary and charitable activities within their local communities	1	2	3	4	5
4	The company provides assistance to private and public educational institutions.	1	2	3	4	5
5	The company assists projects that enhance a community's "quality of life" and poverty alleviation.	1	2	3	4	5

6. Importance of CSR responsibility (components).

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

1=Not-at-all important, 2=Not important, 3=Neither Important nor Unimportant, 4=Important, and 5=Very Important

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

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

- A. Yes, by decreasing production cost per unit
- B. Yes, by adding value to products
- C. Both, decreasing production cost unit and adding value
- D. Yes, by improving company image in general
- E. No, I don't expect CSR efforts to pay back

8. Do you think that TOTAL Ethiopia S.C is strictly obeys the law in any aspects of the business

- A. Yes
- B. No

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

Response range

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

no	Characteristics	Circle Only one Option in 1-5				
		1	2	3	4	5
1	Does the company promote honest/ethical employee behavior?					
2	Does the company have commitment to safe place workplace ethics?					
3	Does the company protect employee from any sort of harassment?					
4	Does the company provides/pays portion of medical and education due by employees					
5	Does the company categorized as employee friendly/courteous/responsive?					

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

A. Yes

B. No

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

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**THANK YOU AGAIN FOR YOUR COOPERATION!!!**

**ST MARY’S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MBA PROGRAM**

**QUESTIONNAIRE COMPLETED BY DEALERS/CUSTOMERS /DEALERS**

INTRODUCTION

Dear respondents, this questionnaire, is designed for the purpose of doing a research entitled “PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY AT TOTAL ETHIOPIA SHARE COMPANY” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

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

I thank you for your cooperation!

## Section 1: Identification

*Survey Site*

S. No	Location	Name
01	City (see Code 1)	
02	Sub-City/Woreda	
03	Specific Location	

## Section 2: Demographics

### 1. What is your gender?

A. Male  B. Female

### 2. Age?

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

## Section 3: Consumption

1. Does TOTAL Ethiopia S.C quickly respond and address to consumer problems?

A. Yes  B. No

2. Do you see TOTAL Ethiopia S.C strive to improve the quality of its product?

A. Yes  B. No

3. Do you know of any corporate and social responsibility initiatives of TOTAL Ethiopia S.C ?

A. Yes  B. No

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

- A. Donation to organizations having social or environmental utility
- B. Sponsorship of sport and cultural events
- C. Cause Related Marketing campaign
- D. Partnership projects of social solidarity
- E. Corporate foundation
- F. Corporate voluntary
- G. None

If other, specify

5. Do you think the advertisements of the company are made in a socially responsible? Way?

A. Yes  B. No

6. If No, why? -----

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

A. Yes  B. No

8. If yes, please specify-----

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

A. Yes  B. No

If yes, please specify-----

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

A. Yes  B. No

If yes, please specify-----

11. Which one of the below do you know TOTAL Ethiopia S.C is currently working on?

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

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**QUESTIONNAIRE COMPLETED BY THE COMMUNITY**

INTRODUCTION

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I thank you for your cooperation!



## Section 1: Identification

### Survey Site

S. No	Location	1.1 Name
01	City (see Code 1)	
02	Sub-City/Woreda	
03	Specific Location	

### Section 2: Demographics

#### 1. What is your gender?

A. Male  B. Female

#### 2. What is your responsibility in the household?

A. Father  C. Children   
B. Mother  D. Other (specify)

#### 3. Age?

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

#### 4. Employment Status?

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

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

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

#### Section 3: Main body

#### 6. Do you trust TOTAL Ethiopia S.C factory is safe for the surrounding community?

A. Yes B. No

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

8. Does TOTAL Ethiopia S.C quickly respond and address to communities problems?

A. Yes

B. No

9. Do you aware of any corporate and social responsibility initiatives of TOTAL Ethiopia S.C?

A. Yes

B. No

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

A. Donation to organizations having social or environmental utility

B. Sponsorship of sport and cultural events around the community

C. Cause Related Marketing campaign

D. Partnership projects of social solidarity

E. Corporate foundation

F. Corporate voluntary

G. None

H. Other

11. Do you think the advertisements of the company are made in a socially responsible? Way?

A. Yes

B. No

12. If No, why? -----

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

A. Yes

B. No.

14. If yes, please specify-----

15. Does the organization have an open dialogue with the local community on adverse, controversial, or sensitive issues that involve business organizations (e.g. accumulation of waste outside, vehicles obstructing roads or footpaths)?

A. Yes

B. No

16. Does the company offer training opportunity to the people from the local community (e.g. apprenticeships or work experience for the young or disadvantaged group)?

A. Yes

B. No.

17. Do you aware of any environment damaging activity of the company in the surrounding community?

A. Yes

B. No.

18. If yes, please specify-----

19. Do you aware of any ethical behavior of the company?

A. Yes

B. No.

If yes, please specify-----

20. Which one of the below do you know TOTAL Ethiopia S.C is currently working on.

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

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**Interview Questions for Top and Middle level Management**

INTRODUCTION

Dear respondents, this interview checklist, is designed for the purpose of doing a research entitled “PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY AT TOTAL ETHIOPIA SHARE COMPANY” for the partial fulfillment of the requirement for the award of Master of Art degree in Business Administration.

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I thank you for your cooperation!

With Regards

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

A. Economic

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

B. Legal

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

C. Ethical

1. Does your business organization have a formal code of conduct?
2. Do top managers monitor the potential negative impacts of activities on community?
3. How do you explain fairness toward co-workers as an integral part of your employee evaluation process?
4. Is there any confidential procedure for employees to report any misconduct at work (such as stealing or sexual harassment)?
5. Are salespersons and employees required to provide full and accurate information to all customers?

D. Discretionary or philanthropic

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

## **DECLARATION**

I declare that this thesis is my own work and has not been submitted in any form for another degree or diploma at any university or other institute of tertiary education. Information derived from the published and unpublished work of others has been acknowledged in the text, and a list of references is given. Used information sources and background materials are quoted in the enclosed list of bibliography.

Bereket Assefa

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