



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**Assessment of Corporate Social Responsibility practice: the
Case of selected Manufacturing Companies in Addis Ababa**

BY

Elsabeth Degefu

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY,
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DECLARATION

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

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May, 2021

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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May 2021

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ACRONYMS AND ABBREVIATIONS

CSR- Corporate Social Responsibility

MNC – Multi National Companies

Abstract

The overall objective of this study is to assess the practice of corporate social responsibility in the case of selected manufacturing companies; specifically the study try to investigate the company's activity and concern towards the Environment, Legal & Ethical, Customer, Community, and Employee. The research design is a descriptive design, and is basically designed to assess the practice of corporate social responsibility of the companies. The study were used both primary and secondary sources of data. The primary data were collected from respondents through questionnaires. Secondary data were obtained from documents and other different books that are relevant to the study. 5-likert scale Questionnaires was designed and distributed to the societies that are found in surrounding of the companies and employees of the companies. Three manufacturing companies were selected purposely for the study purpose. These companies comprise 1499 employees in number. Out of this, samples of 306 employees were taken to conduct the research. Moreover, the study was considered 385 societies for the study purpose. Consequently, the data collected from the respondents were analyzed using quantitatively i.e. by using descriptive statistical analysis and Non parametric test i.e Friedman test and Cochran test were conducted. The finding of this study concerning the implementation of CSR towards Environment, Customer, Community, Employee Legal and Ethical; indicates that the firms do not properly carryout CSR activities. Depending on the findings the study proposed that Firms should have to see that CSR activities integrate broader societal concerns into business strategy and performance. In addition, to building trust with the community, and giving firms an edge in handling effectively the environment, customers, and employees, the firms should have to act responsibly within the society.

Key Words: *Corporate Social Responsibility, Manufacturing companies, Multinational Companies, Environment, Legal and Ethical, Customer, Community, and Employee*

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CHAPTER ONE

1. Introduction

1.1 Background of the Study

Corporate Social Responsibility (CSR) as a concept entails the practice whereby corporate entities voluntarily integrate both social and environment upliftment in their business philosophy and operations. A business enterprise is primarily established to create value by producing goods and services which society demands. The present-day conception of corporate social responsibility (CSR) implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. The notion of CSR is one of ethical and moral issues surrounding corporate decision making and behavior, thus if a company should undertake certain activities or refrain from doing so because they are beneficial or harmful to society is a central question. Social issues deserve moral consideration of their own and should lead managers to consider the social impacts of corporate activities in decision making. (Porter & Kramer, 2003)

Today, managers of Multinational Companies (MNCs) have found a need that the environment in which they operate should be provided for because their intermediate and macro environments have a direct impact on the attainment of the corporate goals, objectives and mission statement. The purpose of all Profit-making organizations, and even the non-profit making organizations, is to maximize profit and in turn minimize cost, through optimal utilization of available resources to achieve the best results they are capable of Profitability is an important factor to all MNCs, because it is one of the major purpose for which the MNCs are established. (Paul H., 2007)

“Social responsibility (is the) responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization.” (Sydney, 2007)

Corporate social responsibility (CSR) is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or

stewardship, responsible entrepreneurship, and “triple bottom line,” to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability.”(International Institute for Sustainable Development, 2007)

A key point to note is that CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. As issues of sustainable development become more important, the question of how the business sector addresses them is also becoming an element of CSR.(International Institute for Sustainable Development, 2007)

Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner, and thereby establish better practices within the firm, create wealth and improve society.

1.2 Statement of the Problem

The social responsibility concept is based on the principle that business has a greater impact on society that can be measured by profit or loss. Social responsibility can be a difficult concept to grasp because different people have different beliefs as to which actions improve society's welfare (Sherwin, 1983).As a participant in society, the corporate sector should contribute to human and constructive social policies that guide society. The concept of social responsibility is merely a first step towards the social effectiveness of business. It is the philosophy that justifies business involvement in its social community, but philosophy by itself is incomplete. It must be followed by effective social action. In the words of Philosophy without a program is a shadow without substance. Perhaps, one should take, therefore, less of corporate social responsibilities and more of corporate social responses. The former is too suggestive of legalism and the notion of fixed obligations; the latter, more open, permits voluntary and creative undertaking by business on behalf of society's larger need (Sherwin, 1983).

According to Poovan, et.al (2006) almost all corporate websites/ policies/reports talk about their endeavors for CSR which has become a way of ensuring that the organization is fulfilling all the obligations towards society and thus is eligible for the license to operate. It assures that the organization can grow on a sustainable basis. These activities of CSR ranging from small donations to bigger projects for social welfare sustainable practices differ from organization to organization depending on the resources available to an organization for undertaking sustainable practices. Porter & Kramer (2003) argue that business practices of big and successful companies, with plenty of resources at their end, have set the trend for being committed to sustainable practices. Such business houses around the globe show their commitment to social responsibility.

CSR encompasses not only what companies do with their profit, but also how they build the image of their company on the minds of the customer. It goes beyond philanthropic and compliance and addresses how company manage their economic, social and environmental impacts as well as their relationship in all key shares of influence; workforce, market place, the community and the public policy realm”.

The issue contains a broad idea about company’s responsibility. Many business owners reflect that the idea CSR directly related with only their impact on profit contribution. Their main concern is all about how to maximize share holders’ wealth.

As a result of this, different companies whether governmental or private not far from the following problems: Most companies doesn’t have well organized HR policies, there is no social audit mechanism that measure the performance of different companies of CSR practice, the health and safety policy and its practice are often underestimated by the companies, different Companies don’t take any action to pay for health and wellbeing issue, most companies has no strict regulation and policies towards the strategic CSR , there is no strict policy towards philanthropic activity, the removal of vegetation and this will add to dust accumulation, the movement of heavy machinery, hazardous material, noise and vibration, absence of pollution prevention mechanism and there is no occupational health policy.

These are the gap that are not covered and recommended in different literature and research findings, as a result, in order to narrow the gap this research were try to focus on the assessment of CSR on some selected manufacturing companies.

1.3 Research questions

The study tries to answer the following questions:

- What looks like the concern that exists Between the Companies towards the Environment, Legal& Ethical, Customer, Community, and Employee?
- What are the challenges of CSR practices of the companies?
- What are the factors that can affect the practice of CSR in the companies?
- What looks like the companies CSR activity towards the Environment, Legal& Ethical, Customer, Community, and Employee?

1.4. Objective of the study

1.4.1. General objective

The overall objective of this study is to assess the practice of corporate social responsibility in the case of some selected manufacturing companies in Addis Ababa.

1.4.2. Specific objective

Specifically the study tries to achieve the following objectives;

- To compare the companies concern in the implementation of CSR towards the Environment, Legal& Ethical, Customer, Community, and Employee dimensions.
- To identify challenges of CSR practice in the companies.
- To identify factors that can affect the practice of CSR in the companies.
- To investigate the companies CSR activity towards the Environment, Legal& Ethical, Customer, Community, and Employee

1.5. Significance of the study

The study used as a reference for the other researchers. The study also enables Companies owners to tackle failure of their business by suggesting some practical measures to be taken by these businesses concerning corporate social responsibility. It also makes the society cognizant of the problems of the company towards corporate social responsibility. It is believed that this study contributes to the effort of the Company development by pin pointing some problem areas of the business related with corporate social responsibility. It facilitates the contribution of corporate social responsibility for these Companies. Moreover, it also helps as a ground on which to conduct further study on the topic.

1.6. Scope of the Study

The scope of the study is confined to the manufacturing companies such as National Alcohol Factory, St George Brewery factory and Awash Winery Factory that are found in Addis Ababa. It focuses on assessment of Corporate Social Responsibility in these Companies and the Community leaving around the area. This means the research result that we derive from this study may not hold true for other companies.

1.7. Limitation of the study

Some companies did not have confidence in their response fearing the disclosure of confidential information. Although the researcher solved such problems through long communications, the responses based on hesitation might have unbelievable responses. COVID- 19 was also a huge challenge to the study in relation to data collection.

1.8. Organization of the study

The paper consists of five chapters. The first chapter deals with the introduction part that consists of background of the study, statements of the problem, objectives of the study, significances of the study, scope of the study. Chapter 2 contains a review of the related literature. The research design and methodology presented in chapter 3. In chapter four, the results and findings of the study were discussed. Finally, the last chapter deals with the summary of findings, conclusions and recommendations that were forward by the researcher based on the result obtained.

Chapter Two

2. Review of Related Literature

2.1. Introduction

There has been a significant increase in interest in Corporate Social Responsibility (CSR) in recent years (Young and Thyl, 2009; Park and Lee, 2009; Gulyas, 2009; McGehee et al, 2009) and it is now regarded to be at its most prevalent (Renneboog et al, 2008) representing an important topic for research (Burton and Goldsby, 2009).

Recent corporate scandals have attracted public attention and highlighted once more the importance of CSR (Angelidis et al, 2008; Evans and Davis, 2008). Not only has this topic received academic attention (Burton and Goldsby, 2008) but it is becoming a mainstream issue for many organizations (Renneboog et al, 2008; Nijof and Bruijn, 2008).

CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsibly' means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside. The natural environment is a stakeholder. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation.

While there is no universal definition of corporate social responsibility, it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. "People" constitute the company's stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community. Increasingly, stakeholders expect that companies should be more environmentally and socially responsible in conducting their business. In the business community, CSR is alternatively referred to as "corporate

citizenship,” which essentially means that a company should be a “good neighbor” within its host community (Zynia L. Rionda, 2002)

CSR therefore means the ethical behavior of business towards its constituencies or stakeholders. Nevertheless, there are a wide variety of concepts and definitions associated with the term “corporate social responsibility”, but no general agreement of terms.

By any count, the world is changing faster than ever before. Human numbers are growing faster, and the impact of our activities is being felt in more and more ways. This change has profound implications for business, and means that the world of corporate social responsibility (CSR) is at the forefront of this change. So it's worth looking for what are the current trends and where are they heading (Mallen B., 2012).

Attitudes to business and its relationship with society are changed and shaped by outside events. These can be demonstrations of social problems that substantially change the environment within which companies do business, which are partially or wholly caused by business activities. These can be as diverse as extreme climate events raising the profile and public concern about climate change, right through to a run of incidences of corporate corruption. Businesses are calling upon to change behaviors or solve problems because of something external to them.

All organizations, governmental or non-governmental, non-profit or for profit, should do business in the way that maximize positive effects and to minimize negative effects of that business activity. This is the concept of corporate social responsibility (CSR). European Commission (2002) describes CSR a close relationships between companies and societies to tackle social and environmental concerns. They define CSR as:

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Corporate social responsibility (CSR) is a citizenship function with moral, ethical and social obligations between a corporation and its consumers (Maignan I. and O'Ferrell O. 2001). The purpose of the company is to provide return on investment for shareholders and thus corporations

are seen as instruments of creating economic value for those who risk capital in the enterprise (Greenwood M. 2001).

2.2. Operational Definitions and Concepts of CSR

Many CSR definitions were developed by the scholars in the past based on the social, economical, political and environmental context of that period since 1950s. The definitions and comments on them are presented below.

Paul H. (2007), states that corporate social responsibility (CSR) is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and “triple bottom line,” to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability.” These meanings or concepts, however, are very general and they indicate only the other names of CSR. They didn’t point out technical and practical definitions of CSR

Shafiqur R. (2011) supposed that various definitions of CSR cover various dimensions including economic development, ethical practices, environmental protection, stakeholders’ involvement, transparency, accountability, responsible behavior, moral obligation and corporate responsiveness. This definition focused only on the dimensions of CSR despite other dimensions such as health and human rights were existed. Thus, it generalizes the meaning of CSR on its standards or dimensions.

Business for Social Responsibility (2003) defines CSR: Socially responsible business practices strengthen corporate accountability respecting ethical values and in the interests of all stakeholders. Responsible business practices respect and preserve the natural environment. Helping to improve the quality and opportunities of life, they empower people and invest in communities where a business operates. The definitions of Global Corporate Social Responsibility Policies Project (2003) as well as World Business Council for Sustainable Development are also very similar with the definitions of Business for Social Responsibility.

These definitions are good and technical although they didn't include other CSR indicators. The definitions reflect only ethical, environmental, quality of life and community views of CSR.

Hopkins M. (2011), in his concept of Corporate Social Responsibility, Corporate Social Responsibility is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. Ethically or responsibly means treating key stakeholders in a manner deemed acceptable according to international norms. This definition is too broad and focuses on stakeholders of a company. CSR can be considered beyond this, for instance, in terms of the community, the country, the continent as well as globally as a whole.

European Commission (2002) describes CSR as close relationships between companies and societies to tackle social and environmental concerns. They define CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In its new Communication on CSR, the Commission puts forward a new definition of CSR: "the responsibility of enterprises for their impacts on society."

While there is no universal definition of corporate social responsibility, it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. "People" constitute the company's stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community. Increasingly, stakeholders expect that companies should be more environmentally and socially responsible in conducting their business. In the business community, CSR is alternatively referred to as "corporate citizenship," which essentially means that a company should be a "good neighbor" within its host community (Zynia L. Rionda, 2002).

CSR therefore means the ethical behavior of business towards its constituencies or stakeholders. Nevertheless, there are a wide variety of concepts and definitions associated with the term "corporate social responsibility", but no general agreement of terms.

Different meanings in a variety of contexts are raised about the definition of CSR by diverse academic scholars or/and researchers. But, the above definitions more or less included these varieties of concepts on CSR. Meanwhile, as a reference to this study, CSR can be defined as a voluntary as well as obligatory activity of a business or an institution towards labor treatment, consumer protection, community welfare, environmental protection, human rights, transparency and anti-corruption, health and quality of life to enhance economical, social, political, ethical and environmental standards of the society as a whole

2.3. Principles of Corporate Social Responsibility

According to Crowther and Aras (2008:14), there are three basic principles, which together comprise all CSR activities. These are: sustainability, accountability, and transparency

I. Sustainability

Sustainability implies that society must use no more of resource than can be regenerated. This can be defined in terms of the carrying capacity of the ecosystem and described with input output models of resource consumption. (Crowther and Aras, 2008)

II. Accountability

This is concerned with an organization recognizing that its actions affect the external environment, and therefore assuming responsibility for the effects of its actions. This concept therefore implies a quantification of the effects of actions taken, both internal to the organization and externally. More specifically the concept implies a reporting to external stakeholders of the effects of actions taken by the organization and how they affect those stakeholders. (Crowther and Aras, 2008)

III. Transparency

Transparency, as a principle, means that the external impact of the actions of the organization can be ascertained from that organization's reporting and pertinent facts are not disguised within that reporting. Thus all the effects of the actions of the organization, including external impacts, should be apparent to all from using the information provided by the organization's reporting mechanisms. (Crowther and Aras, 2008)

2.4. Different Dimensions of CSR

Dimension of CSR means the areas and scope of the application of CSR as a business agenda. The dimension is determined here in terms of the component of CSR. It is all about the social, ethical and other responsibilities a company should consider in their business operations or the categories of responsibilities falling under the application of CSR. It is generally known that CSR is multi-dimensional in terms of its objectives as it involves the interests of different types of stakeholders. The benchmark principles of CSR encompassing chiefly social, economic and environmental issues are a bearing on its multi-dimensional approach. The range of the interests of the stakeholders either internal or external expands with the change of time in the face of an increase of their expectations from corporations. Nevertheless, there are different opinions and views about determining the dimensions of CSR.

The European Commission Green Paper 2001 identifies two dimensions of CSR; internal and external. The internal dimension includes human resource management, health and safety at work, management of environmental impacts, and natural resources. The external dimensions involve local communities, business partners, suppliers, consumers, human rights and global environment. The internal issues assumed to be those dealing with companies' internal management. Likewise, the external issues concern the external management.

In terms of dimensions of CSR, Carroll's view concerning the different components of CSR is relevant. He holds that CSR consists of four types of responsibilities. They are economic, legal, ethical, and philanthropic responsibilities. Ethical responsibility refers to doing what is right and just, fair and non-harmful; legal responsibility means to obey the law; economic responsibility means to make the company's business profitable and philanthropic responsibility means that company should be a good citizen in the society.

Alexandar Dahlsurd in a recent study attempts to identify the dimensions of CSR. On the basis of the analysis of 37 definitions of CSR developed in majority over the last 10 years, he identifies five dimensions of CSR. They are the voluntary dimension, stakeholder dimension, economic dimension, social dimension and environmental dimension. However, it can be contended that the voluntariness of CSR in the majority of relevant literature has been considered as the nature

of CSR. Similarly the stakeholder aspect of CSR is the current model of CSR. By dimension this book means the size and extent of the application of CSR as a company's business strategy. In this sense, they are not fully suited to the intended concept of dimension.

2.4.1. Ethical and Philanthropic responsibilities

Carroll's (1979, 1991) four-part definition of CSR identifies four categories of responsibilities: economic, legal, ethical and discretionary/philanthropic. These 'responsibilities' are the expectations placed on the corporation by corporate stakeholders and society as a whole. One of the major advantages of Carroll's definition is its expansion of the categories of CSR that McGuire referred to in 1963. McGuire (1963:144) argued: 'The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations.' By identifying and distinguishing the ethical and discretionary/philanthropic categories, Carroll explicitly spelled out what McGuire referred to as the responsibilities that extend beyond the economic and legal responsibilities. Carroll then made the notion of CSR more explicit when he contended that the economic and legal responsibilities are 'required', the ethical responsibilities are 'expected' and the discretionary/philanthropic responsibilities are 'desired'. By doing so, he made a distinction between the traditional and the new responsibilities of the corporation. The classical responsibilities of the corporation which are embodied in its economic and legal responsibilities reflect the old social contract between business and society. Alternatively, the new responsibilities of the corporation which are embodied in the ethical and discretionary/philanthropic responsibilities reflect the new, broader, social contract between business and society.

Since what is debated in the subject of CSR are the nature and extent of corporate obligations that extend beyond the economic and legal responsibilities of the firm, it may be understood that the essence of CSR and what it really refers to are the ethical and philanthropic obligations of the corporation towards society. Kotler and Lee (2005) essentially see CSR in the same way. They define CSR as 'a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.'

2.4.2. Economic and legal responsibilities of business

Economic responsibilities: the economic responsibility of business is ‘to produce goods and services that society desires and to sell them at a profit’ (Carroll 1979:500). By doing so, businesses fulfill their primary responsibility as economic units in society. The critical question is: To what extent should a business pursue profits? Carroll (1991:41) observes that the profit principle was originally set in terms of ‘acceptable profits’; however, the principle transformed to ‘profit maximization’. The doctrine of profit maximization is endorsed by the classical economic view led by the late Milton Friedman (1962) where ‘there is one and only one social responsibility of business – to use its 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 competition without deception or fraud’. Drucker (1954/2006) presents an alternative perspective to the classical economic view. He argues that profit performs three main functions. First, it measures the effectiveness of business activities; second, it provides a ‘risk premium’ necessary for the corporation to stay in business; and third, it insures the future supply of capital. A profitability objective therefore measures not the maximum profits the business can produce, but the minimum it must produce’. (Drucker, 1954/2006:76–77)

It is worth noting that Barnett (2007) provides an argument which seems to indicate that the principle of maximizing shareholder wealth is, in itself, not in the interest of shareholders. Barnett contends that excessive financial performance leads to decreasing the ability of the company to influence its stakeholders. Barnett (2007, p. 808) explains: Doing too well can lead stakeholders to perceive that a firm is not doing enough well. Excessive CFP indicates that a firm is extracting more from society than it is returning and can suggest that profits have risen because the firm has exploited some of its stakeholders in order to favor shareholders and upper management. This can indicate untrustworthiness to stakeholders looking to establish or maintain relations with the firm.

While tension remains between these two views of profit, the notion of an economic responsibility in terms of financial profit to stockholders is accepted and required by both views. One may even argue that maximizing shareholder wealth *in the long run* is an underlying principle of both views. The real difference may be that the classical economic view fails to appreciate the long-term negative effects of the application of the maximization principle in the

short term. In contrast, the opposite view applies the maximization principle for long-term benefits, which entails that such principle may be suppressed in certain short-term considerations.

Legal responsibilities: the legal responsibilities of business refer to the positive and negative obligations put on businesses by the laws and regulations of the society where it operates. Little disagreement exists between the various views on CSR regarding what constitutes the legal responsibilities of business. All views accept the requirement of adherence to the laws and regulations of society. The difference really exists regarding the nature and scope of such an obligation. With respect to the nature of the legal obligations, on the one hand, some views contend that the legal responsibility of business constitutes the totality of the responsibility of business towards society. On the other hand, some argue that laws and regulations constitute but one category of the responsibility of business towards society. For example, Carroll (1991:41) considers the laws and regulations as the ‘codified ethics’ of society. They represent ‘partial fulfillment of the social contract between business and society’.

With respect to the scope of the legal responsibilities, some advocate its expansion to encompass more regulation. They claim that regulation is necessary for the fulfillment of CSR. For example, De Schutter (2008, p. 203) argues that the business case for CSR ‘rests on certain presuppositions about markets and the business environment, which cannot be simply assumed, but should be affirmatively created by a regulatory framework for CSR’. Others oppose such claims and assert that engagement in CSR activities and management of stakeholder relations should continue to remain voluntary. For example, Phillips *et al.* (2003) reject the claim that stakeholder theory, which contends that firm performance is influenced by the firm’s management of its relationships with its stakeholders, promotes expanding or changing laws and regulations. The authors assert that stakeholder theory ‘does not require a change in the law to remain viable’ (Phillips *et al.* 2003, p. 491). The two opposing camps continue to present their arguments to justify the need for the expansion or contraction of the legal requirements imposed on business. Advocates of regulation question the ability of the free market mechanism to support CSR activities (e.g. Valor 2008; Williamson *et al.* 2006). They contend that market failure and the business environment are not rewarding firms engaging in CSR activities. In

contrast, opponents of regulation argue that the free market mechanism promotes the interest of individuals, and in turn society, by rewarding CSR activities that are actually favored by individuals. Corporate social responsibility activities that are not rewarded by the market are those activities that individuals do not value and are therefore unwilling to support. The merit of CSR activities, thus, should be determined by the free market mechanism.

2.5. Theoretical Framework of the Study

There are a variety of theories in the concept of CSR which are designed in different perspectives and which are contradicting each other. In practice, most CSR theory presents four dimensions related to profits (economic), political performance, social demands and ethical values. Thus, this section deals about the theoretical framework of CSR supported by different authors on the basis stakeholder's theory.

From the time of Adam Smith, through the age of industrialization, the Great Depression and the recent half-century globalization and prosperity, the purpose and role of business has been a focus of debate (Post, 2002). Much of the debate has revolved around two elements; namely shareholder theory and stakeholder theory (Rugimbana, 2008). Shareholder theory represents the classical approach to business, according to this theory a firm's responsibility rests solely with its shareholders (Cochran, 1994). On the other hand stakeholder theory argues that organizations are not only accountable to its shareholders but should balance a multiplicity of stakeholders interests (Van Marrewijk, 2003). These two competing views of the firm contrast each other so sharply that stakeholder and shareholder theories are often described as polar opposites (Shankman, 1999).

Stakeholder theory has emerged as an alternative to shareholder theory (Spence, 2001). The term stakeholder explicitly and intendedly represents a softening of (if not a fundamental challenge to) strict shareholder theory (Windsor, 2001). According to Goodpaster (1991) the term "stakeholder" has been invented as a deliberate play on the word "shareholder" to signify that there are other parties having a "stake" in the decision making of the modern corporation in addition to those holding equity positions (Carson, 2003).

Post, (2002) define stakeholders as “individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities and that are therefore its potential beneficiaries and/or risk bearers”. The resources provided by stakeholders can include social acceptance as well as more obvious contributions such as capital, labor and revenue. Halal (2000) argues that the resources contributed by stakeholders are greater than the financial investments of shareholders by roughly a factor of ten. The risks are not only financial exposure but employment and career opportunity, the quality of products and services and environmental impact (Post, 2002; Lorca and Garcis-Diez, 2004). If the firm fails, employees lose their jobs and often their retirement package and health benefits. In line with the benefits provided by stakeholders and the risks borne by them, according to the contribution justice principle, the profits of a firm should be divided among those bearing risk within the organization, in what so ever form.

Donaldson and Preston (1995), in their widely quoted paper, organized a diverse range of articles on stakeholder theory and formulated a three part typology of the theories of stakeholder theory: descriptive, instrumental and normative. Jones (1995) argues that Stakeholder Theory answers the following questions: what happens? (Descriptive) What happens if? (Instrumental) and what should happen? (Normative)

To describe stakeholder theory, as descriptive, argues that it explains specific corporate characteristics and behaviors (Cooper, 2001), thus it describes the corporation as a constellation of cooperative and competitive interests possessing intrinsic values. In support of the theory’s descriptive basis, Donaldson and Preston (1995) point to empirical studies which show that many managers believe themselves, or are believed by others to be practicing stakeholder management often without making explicit reference to stakeholder theory.

The instrumentals imply that it makes a connection between stakeholder approaches and commonly desired objectives such as profitability, stability or growth. Instrumental theory is basically a hypothesis of what will happen if certain courses of action are followed. Donaldson and Preston (1995) identify instrumental uses as making “a connection between stakeholder approaches and commonly desired objectives such as profitability”. One of the earlier arguments

in favor of the instrumental power of stakeholder theory is seen in General Robert Wood's (1950 cited in Clarkson, 1995) assertion that the four parties to any business in order of importance are customers, employees, community and shareholders. He maintained that if the appropriate needs and interests of the first three groups were cared for effectively, the company's shareholders would benefit as a result.

Finally as a normative theory, it is used to interpret the function of the corporation and to identify moral or philosophical guidelines for corporate operations. Normative theory attempts to prescribe what should happen based on moral propriety. Donaldson and Preston (1995) argue that ultimate justification for stakeholder theory is to be found in its normative base. In support for the moral justification of stakeholder theory, Gibson (2000) referred to the theory of deontology. Kant believed that individuals have the right to be treated as ends in themselves and not merely as a means to an end (Shankman, 1999; Metcalfe, 1998).

Post, (2002) believe that effective stakeholder management is a critical requirement for sustaining and enhancing the wealth creating capacity of the organization. Jones (1995) suggests that stakeholder management is a source of competitive advantage, as contracts between organizations and stakeholders will be on the basis of trust and cooperation and therefore less expense will be required in monitoring and enforcing such contracts. Clarkson (1995) argues that failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system and its ability to continue as a going concern. Jarillo (1988) and Jones (1995) argue that collaborative working relations with stakeholders will deliver organizational success.

2.6 Empirical Reviews

CSR practice of the study are described according to ISO 26000 seven fundamental subjects of CSR which are supported by lots of research findings of CSR. These CSR standards are environment, labor practice, human rights, organizational governance, fair operating practice, consumer issues and social development. Thus, on the basis of these standards, empirical studies of the research are summarized and presented below including CSR determinants.

2.6.1. Labor Treatment

Anupam S. and Ravi K. (2012), in their study called “Corporate Social Responsibility Initiatives of Major Companies of India” described CSR with focus on health, education and environment. The study based 12 large scale organizations basically from the IT, FMCG and Auto sectors. The detailed study of CSR initiatives by all these firms has been taken and then scores compiled for all three sectors undertaken for the study vise education, health and environment. Using a combination of case studies and industry - matrices for all three sectors, i.e. education, health and environment sectors the results are discussed. The results indicate that the selected companies (IBM, Tata consultancy service and Nestel) are practicing CSR via the selected CSR standards including labor treatment. These firms are trying to provide different services such as education and training for their skills and long-term career, health care, work life balance and safety facilities.

Dirk M. and Jeremy M. (2004), in their study of CSR standards, described labor treatment seeing that fair wages, working time and conditions, healthcare, redundancy, protection against unfair dismissal, just to name a few examples, have been key issues to which CSR policies have been addressed. Currently, many outlets of Starbucks Coffee in the USA announce that the company is offering to pay the healthcare benefits of all employees (respectively franchisees) who are employed by the company for more than 20 days per month. In general, the theme is firms should respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

2.6.2. Consumer Protection

Consumers are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. For instance, Carroll A. and Shabana M. (2011) in their business cases suggested that CSR initiatives can contribute to strengthening a firm’s competitive advantage, its brand loyalty, and its consumer patronage. Anupam and Ravi (et al, 2012) also stated that consumer protection can be achieved through improved products. In the main, these and other findings indicate that consumer protection can be achieved through different dealings such as:

- Firms should deal with all customer issues in a fair and honest manner, by listening to them and giving sincere consideration to their comments and suggestions.
- They should strive to deliver high value, quality products and services that meet and/or exceed the expectations of their customers.
- They should ensure that all products meet the required safety and environmental standards.
- They will carefully monitor cost issues in order to provide our customers with affordable products.
- They will provide goods and services that can be used for socially beneficial purposes.
- They will actively invest in research, development, and manufacturing improvements that enable them to add value to the customer by consistently creating innovative products and services.

2.6.3. Community Welfare

Nirmala L. (2008) studied about CSR as “the Social and Environmental Impacts of Leather Production”. The study indicates health problems which are related to tanneries. People who work in or live near tanneries are dying from cancer caused by exposure to toxic chemicals used to process and dye the leather. As a result leather companies in different countries should spot the incidence of disease among residents near to tannery. Companies have made public stands against the inhumane slaughter of animals and improper processing of hides. The remedies of the social and environmental injustices are as varied and in some cases as obscure as the victims. In each country, governing agencies should supposedly regulate and watch over the processes involved. Hadi C. and Raveed K. (2011) also described CSR in terms “social values and behavioral issues” in order to reduce unemployment level of the community. These and other research findings on community standard of CSR summarized as:

- Firms should create strategic partnership between civil society, organizations and business gain momentum
- They should participate in local purchase
- Companies should provide various social services in infrastructure, entertainment, health, culture and so on
- Business organizations should produce socially beneficial products

- Dialogue with the local community is also other thing which be considered in community standard of CSR

2.6.4. Environmental Protection

Hadi and Raveed (et al, 2011), on their article “Iranian Corporations and Corporate Social Responsibility: An Overview to Adoption of CSR Themes” explained certain CSR descriptions. They used a combination of qualitative and quantitative methods to identify the CSR themes and measure the priority of each theme, and also the extent to which the Industrial Management Institute (Iran) have contributed toward each of them. The research population primarily includes 100 top - in terms of annual sales - Iranian companies and semi-structured questionnaire are developed and used as instrument. The findings of the article indicate that promotional programs for environment, in environmental group should be designed in CSR strategies and practices of firms.

Shafiqur (et al, 2011), in his study “Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility” stated that environmental protection is one of the dimensions by which CSR described. As a methodology, dimensions of CSR were identified through a content analysis of its definitions. According to Anupam and Ravi (et al, 2012)., the environment can be protected via various measures such as using less water, emitting fewer green house gases and reduction of energy consumptions. CSR standard studies of William and Jose (et al, 2009) proposed that environmental protection using means such as:

- Comply with or surpass set environmental laws, rules and regulations to promote environmental protection and minimize, if not eliminate, environmental risks.
- Companies will continue to work towards developing innovative products that integrate environmental standards, minimize environmental impacts in integrated manner and enhance the social value.
- They will participate in environmental protection and restoration projects.
- They will promote environmental awareness and provide information to their employees to enhance their understanding of environmental issues.

2.6.5. Human Rights

With reference to, William and Jose et al. 2009, study of CSR standards, the CSR standards hinge on many aspects of life such as human rights, treatment of labor, the environment, consumer protection, health, fighting corruption and transparency in reporting. The findings of the study claim that companies are under obligation to respect and promote human rights in their operations. The Universal Declaration of Human Rights of 1948 recognizes the dignity and equality of all persons as members of the global community. This also forms the basis for freedom, justice and peace across the world. Corporations, as organs of society are under obligation to comply wherever they may be operating in the world. It stated that corporations are required to:

- Promote human rights in those countries where they operate.
- Investigate how human rights might be affected by the various types of business operations.
- Ensure that all security personnel respect human rights and comply with the principles of the UN Code of Conduct for Law Enforcement Officials
- Include in their code of conduct, the aspect of respect for human rights.
- Similar to his description about environmental dimension, Shafiqur (et al, 2011), has declared that CSR be treated in terms of human rights

2.6.6. Transparency and Anti-corruption

According to Australian Government (2010) study, social responsibility is premised on fair operating practices, meaning ethical conduct in an organizations dealing with others, including government agencies, partners, suppliers, contractors, competitors and the associations in which they are members. A key issue in fair operating practices is anti-corruption. Corruption can result in the violation of human rights, the erosion of political processes, impoverishment of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth. Socially responsible companies will consequently have in place robust anti-corruption policies and practices, backed up by senior management buy-in, staff training, and reporting, and accountability arrangements. Similar explanation about transparency and anti-corruption are also raised by Shafiqur (et al, 2011).

2.7 Factors Influencing Involvement in Corporate Social Responsibility

Business organizations are established to produce goods and service that society wants and needs. Windsor (2001) agreed that social responsibility is achieved when the corporation conforms to the prevailing norms and expectations of social performance in a given society. Business organization only contributes fully to a society if it is highly efficient, highly profitable and has socially responsible agendas (Coldwell, 2001). Demands for corporate social responsibility (CSR) come from external stakeholders, such as communities and societies with general expectations or governments with explicit requirements of social legitimacy (Wood, 1991). Some of corporate social responsibility (CSR) demands come from internal stakeholders, such as moral and relational needs of employees (Aguilera, Williams, Conley, & Rupp, 2006). Osemene, (2012) discovered that demands for corporate social responsibility come from competitors, customers, pressure group, service quality and legal requirements. While Onwuegbuchi (2009) agreed that demands for corporate social responsibility come from host community, legal requirement, competitors and ethics of the firm or organizations. Moreover, scholars (Maignan& Ralston, 2002) have claimed that the inclination toward socially responsible corporate behavior differs across countries and much more research is needed to recognize why.

2.8. Why are companies engaged in CSR?

Companies that are socially responsible in making profits also contribute to some, although obviously not all, aspects of social development. Every company should not be expected to be involved in every aspect of social development. That would be ludicrous and unnecessarily restrictive. But for a firm to be involved in some aspects, both within the firm and on the outside, will make its products and services (for example financial services) more attractive to consumers as a whole, therefore making the company more profitable. There will be increased costs to implement CSR, but the benefits are likely to far outweigh the costs.

Corporate social responsibility is not a new issue. The social responsibility of business was not widely considered to be a significant problem from Adam Smith's time to the Great Depression. But since the 1930s, and increasingly since the 1960s, social responsibility has become an important issue not only for business but in the theory and practice of law, politics and economics. In the early 1930s, Merrick Dodd of Harvard Law School and Adolf Berle of

Columbia Law School debated the question “For whom are corporate managers trustees?” Dodd argued that corporations served a social service, as well as a profit-making function, a view repudiated by Berle. This debate simmered for the next 50 years, according to Gary von Stange, before it once again sprang into prominence in the 1980s in the wake of the “feeding frenzy atmosphere of numerous hostile takeovers”. This concern for the social responsibility of business has even accelerated since the fall of the Berlin Wall, which symbolized the collapse of communism and (more importantly) the onset of turbo-charged globalization.

Today, more and more companies are realizing that in order to stay productive, competitive, and relevant in a rapidly changing business world, they have to become socially responsible. In the last decade, globalization has blurred national borders, and technology has accelerated time and masked distance. Given this sea change in the corporate environment, companies want to increase their ability to manage their profits and risks, and to protect the reputation of their brands. Because of globalization, there is also fierce competition for skilled employees, investors, and consumer loyalty. How a company relates with its workers, its host communities, and the marketplace can greatly contribute to the sustainability of its business success (Zynia L. Rionda, 2002)

Chapter Three

3. Methodology of the Study

3.1. Design of the Study

The research design is a descriptive design, and is basically designed to assess the practice of corporate social responsibility of the companies.

According to Saunders, Lewis & Thornhill (2000), they described research design as a framework for collecting and analyzing data to answer research questions and meet the objectives of the research by providing good justification for the choice of data sources, methods of collection and technique analysis. This uses a guide for the collection and analyzing the data based on the research questions of the study at hand. Bougie (2013) says that descriptive studies are often used to collect data that describes the characteristics of persons, events, or situations.

3.2. Data Source and Collection Techniques

The study were used both primary and secondary sources of data. The primary data were collected from respondents through questionnaires. Secondary data were obtained from documents and other different books that are relevant to the study. 5-likert scale Questionnaires were designed and distribute to the societies that are found in surrounding of the companies and employees of the companies.

3.3. Population and Sampling technique

This study was concentrate on the three selected companies. These three manufacturing companies were selected purposely because these companies are existed within the central areas of Addis Ababa in which high population are concentrated. These companies comprise 1499 employees in number. Out of this, samples of 306 employees were taken to conduct the research. The sample size is determined based on relation adopted from C.R.Kothari (2004:179)

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 (N - 1) + z^2 \cdot p \cdot q}$$

Where:

n = sample size required

N = number of population

P = estimated variance in population

e = Precision desired, expressed as a decimal

Z = based on confidence level: 1.96 for 95% confidence,

The sample size is calculated as follows:

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 (N - 1) + z^2 \cdot p \cdot q}$$

$$n = \frac{1.96^2 * 0.5 * 0.5 * 1499}{0.05^2 (1499 - 1) + 1.96^2 * 0.5 * 0.5} = 306$$

Stratified random sampling technique was applied. For selection of employees from each company, simple random sampling were applied, to allocate the sample size to each company, the method of proportional allocation was applied. The computation is stated as follows:

Table: 1.1. Selected companies

S. No.	The selected manufacturing companies	Total number of employees	Sample size
1.	National Alcohol Factory	$N_1 = 400$	$n_1 = 306x \frac{400}{1499} = 82$
2.	St. George Brewery Factory	$N_2 = 956$	$n_2 = 306x \frac{956}{1499} = 195$
3.	Awash Winery Factory	$N_3 = 143$	$n_3 = 306x \frac{143}{1499} = 29$

Moreover, the study was considered 385 societies for the study purpose. These 385 societies were determined as a sample based on relation adopted from C.R.Kothari (2004:179). The statistical formula and its computation are stated as follows:

$$n = \frac{Z^2 \cdot p \cdot q}{e^2}$$

$$n = \frac{1.96^2 * 0.5 * 0.5}{0.05^2} = \frac{0.9604}{0.0025} = 384.16 = 385$$

These sample respondents were selected from the society by using Convenience sampling technique.

3.4. Data analysis Technique

To analyze and presenting the collected data, statistical tools like tables and percentages were utilized. Different statistical techniques were employed on the basis of the basic questions stated and on the nature of the data collected. Consequently, the data collected from the respondents were analyzed using quantitatively i.e. by using descriptive statistical analysis (Such as frequencies, average mean values, and standard deviations were conducted using SPSS) and non parametric test i.e Friedman test were conducted to test the concern of the company in CSR implementation towards the Environment, Legal& Ethical, Customer, Community, and Employee. Chocran test also were utilized to analyze the major factor that can affect CSR practice. In addition the collected data were analyzed through qualitative technique.

3.5. Validity of the Instrument

Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure.

To ensure reliability and validity of the instrument, the researcher was conduct pilot test. A pilot study refers to a small study that utilizes a prototype of the research instrument with the objective to test the asserted variables prior to the larger study being conducted (Bernard, 2006:190). This Pilot-testing was identifying ambiguities in the instructions; internal inconsistency, it will help clarify the wording of questions, and it may alert about all issues of the instrument. Also it permits overall reactions including comments on the length of the questionnaire.

3.6. Reliability of the Instrument

Reliability reflects the extent to which a measure instrument brings forth a constant outcome (Kothari, 2004:73-74). A reliable research should be auditable so that if another researcher uses a similar method he/she can obtain similar results. Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacharjee et al, 2012). It can be also defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials.

The quality of the findings of the study accomplished when the reliability of the study achieved corresponding to its validity. The reliability of this study reached its highest level by determining whether the participants feel that they are accurate. This has been realized through brief, clear and concise preparation of questions in the questionnaire. Finally, Cronbach's Alpha test (Nunnally J. 1998) was done and the values are greater than 0.7. Hence, the validity, reliability and practicality of this study have been ascertained.

3.7. Ethical Considerations

Participation in the study is on the voluntary basis and participants were asked for willingness before they are provided the questionnaire. The subjects were also assured that their responses used only for the purpose of the study. An attempt were made first to explain the objectives and significance of the study to the respondents. Name and other identifying information was not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality were maintained by assigning them code numbers instead of names.

Chapter Four

4. Data Presentation and Analysis

The purpose of this chapter is to present the research results. The literature review revealed the need for CSR: is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. All organizations governmental or non-governmental, non-profit or for profit, should do business in the way that maximize positive effects and to minimize negative effects of that business activity.

The key motivation behind this study is to assess the practice of Corporate Social Responsibility in the case of some selected Manufacturing Companies that are found in Addis Ababa and to find out the factors that can affect the practice of CSR in these different companies.

This chapter provides a summary of the data analysis and interpretation of the research findings based on the responses from the respondents who completed the research questionnaires.

This section of the study provides background information on the respondents of the questionnaires and basic information of CSR. Previous studies have been shown that personal characteristics of those responsible individuals in the organization have a significant influence over the CSR activities within an organization. Descriptive statistics were used to analyze the data characteristics in terms of mean and standard deviation and to identify the respondents' response difference between the environmental, customers, employee, and community and legal dimensions, the non parametric; Friedman test applied. In addition to this Chocran test were employed to differentiate the main factors affecting the implementation of CSR.

Response rate

Of the targeted sample 306 employees from the selected companies 282 employees were returned the questionnaires the acceptable yielding response rate is 92%. That is from the targeted sample 195 employees of St. George Brewery companies 175 of them were returned the questionnaires, and the acceptable yielding response rate is 89%. From the targeted sample 82 employees of National Alcohol factory 78 employees were returned the questionnaires, the acceptable yielding response rate is 95% and from the targeted sample 29 employees of Awash Wine Factory 26 employees were returned the questionnaires and the acceptable yielding

response rate is 89%. In addition to this, of the targeted sample of 385 society's 308 of them were returned the questionnaires; the response rate is 80%.

4.1 Personal demographic

The personal demographic variables for which information was obtained included gender, age, companies working experience and level of education. The personal demographics of the samples are presented below:

4.1.1. Gender, Age and Educational Background

Table 1: Gender, Age and Educational background of Respondents

		National Alcohol Factory		St. George Brewery Factory		Awash Wine Factory	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Gender	Female	16	20.5	71	40.6	5	19.2
	Male	62	79.5	104	59.4	21	80.8
	Total	78	100.0	175	100.0	26	100.0
Age	Less than 25	17	21.8	11	6.3	6	23.1
	25-35	37	47.4	98	56.0	17	65.4
	36-46	24	30.8	53	30.3	3	11.5
	Total	78	100.0	13	7.4	26	100.0
Education	12 complete	18	23.1			3	11.5
	Diploma	29	37.2	25	14.3	10	38.5
	degree complete	26	33.3	110	62.9	10	38.5
	above degree	5	6.4	40	22.9	3	11.5
	Total	78	100.0	175	100.0	26	100.0

Source: Own Survey, 2021

It is found that in the National Alcohol Factory male are dominated the business. From the sample taken, 79.5% of the respondents are males. It could be stated the majority of the company workers are male and it is found that in the St. George Brewery Factory male are dominated the business. From the sample taken, 59.4% of the respondents are males. It could be stated the majority of the company workers are male. Moreover, in the Awash Wine Factory male are dominated the company. From the sample taken, 80.8% of the respondents are males. It could be

stated the majority of the company workers are male. Generally, from the above presentation we understand that the majority of the selected manufacturing companies' workers are male.

Descriptive statistics was generated using SPSS statistical software to find frequencies and percentages for the age variable. As we understand from the above table, the majority of the respondents of National Alcohol Factory (47.4%) are found between the ages of (25-35), 30.8% of the respondents are found between the ages of (36-46) and the remaining respondents are found below 25. And also as we understand from the above table, the majority of the respondents of St. George Brewery Factory (56%) are found between the ages of (25-35), 30.3% of the respondents are found between the ages of (36-46) and the remaining respondents are found below 25. This can indicate that the majority of the St. George Brewery company employees are young and energetic.

As we understand from the above table, the majority of the respondents of Awash Wine Factory (65.4%) are found between the ages of (25-35), 23.1% of the respondents are found below 25 and the remaining respondents are found between 36 and 46. From this we understand that the majority of the Awash Wine Company employees are young and energetic. Generally from the above three companies' presentation the majority of the respondents are young and energetic.

In addition from the above table we can understand that, Majority of the respondents of National Alcohol Factory (60.3%) have only diploma and below. Only (39.7%) of the employees' respondents were degree and above degree. It can be stated that the majority of the employees' are with education levels diploma and below.

In addition from the above table we can understand that, Majority of the respondents of St. George Brewery Factory (85.8%) have degree and above. Only (14.3%) of the employees' respondents were diploma holder. It can be stated that the majority of the employees' are with education levels degree and above.

From the above table we can understand that, from the total respondents Awash Wine Factory 50% has degree and above, 38.5% of the employees' respondents were diploma holder. Only 11.5% of the respondents of the company are below diploma. From this we understand that the majority of the employees' are with education levels degree and above.

4.1.2 Familiarity

Employee respondents were asked whether they are familiar with the term CSR and the result was presented in table below.

Table 2: Familiarity on CSR

		National Alcohol Factory		St. George Brewery Factory		Awash Wine Factory	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	Yes	36	46.2	155	88.6	18	69.2
	No	42	53.8	20	11.4	8	30.8
	Total	78	100.0	175	100.0	26	100.0

Source: Own Survey, 2021

As we understand from the above table, the majority of respondents of National Alcohol Factory (53.8%) have no any awareness about corporate social responsibility. The remaining (46.2%) of them have awareness about corporate social responsibility and as we understand from the above table, the majority of respondents of St. George Brewery Factory (88.6%) have awareness about corporate social responsibility. The remaining (11.4%) of them have no any awareness about corporate social responsibility. In addition as we understand from the above table, the majority of respondents of Awash Wine Factory (69.2%) have awareness about corporate social responsibility. The remaining (30.8%) of them have no any awareness about corporate social responsibility. Generally, from the above presentation we understand that the majority of respondents had awareness concerning the concept of CSR.

4.2. General Information about the Firms

4.2.1. Barriers of CSR

Table 3: Barriers of CSR Implementation

	National Alcohol Factory			St. George Brewery Factory			Awash Wine Factory		
	N	Mean	Std. Deviation	N	Mean	Std. Deviation	N	Mean	Std. Deviation
lack of time	78	2.59	1.133	175	3.59	.917	26	1.85	.675
lack of budget	78	2.95	1.005	175	3.31	1.193	26	2.19	.749
lack of coordination	78	3.85	.994	175	3.63	.955	26	3.96	.871
lack of resource	78	3.38	.957	175	3.21	1.151	26	3.27	.962
lack of business strategy and policy related to CSR	78	4.04	.673	175	3.63	1.096	26	4.31	.736
lack of collaboration from local authority	78	3.78	.892	175	3.68	.965	26	4.42	.643
lack of support from top management	78	4.06	.843	175	3.86	.899	26	4.50	.510
Valid N (listwise)	78			175			26		

Source: Own Survey, 2021

As revealed from the above table; the major challenge of the National Alcohol Factory in the implementation of CSR is “lack of business strategy and policy related to CSR” rated (4.04) with standard deviation of (0.673). Similarly, the other major challenge of this company in the implementation of CSR is “lack of support from top management” rated (4.06) with standard deviation of (0.843) in addition to this, “lack of collaboration from local authority” “lack of resource” and “lack of coordination” also expressed as a challenge for CSR implementation with average value of (3.78) (3.38) and (3.85) respectively. On the other hand, lack of budget and lack of time have an average value of below (3). For the implementation of CSR lack of budget and lack of time can be a challenge but their intensity is not as such strong. On the other hand, from the above description we can understand that the biggest challenges of CSR practice are related with that of lack of business strategy and policy related to CSR, lack of support from top management, lack of collaboration from local authority and lack of coordination.

As revealed from the above table; the major challenges of St. George Brewery Factory are in the implementation of CSR is “lack of support from top management” rated (3.86) with standard deviation of (0.899). Similarly, the other major challenge of these companies in the implementation of CSR is “lack of collaboration from local authority” rated (3.68) with standard

deviation of (0.965) in addition to this, “lack of business strategy and policy related to CSR” and “lack of coordination” also expressed as a challenge for CSR implementation with average value of (3.63) and (3.63) respectively. In addition, lack of resource, lack of budget and lack of time also have some challenge on the implementation of CSR in this factory. But their intensity is not as such strong. On the other hand, from the above description we can understand that the biggest challenges of CSR practice are related with that of lack of support from top management, lack of collaboration from local authority, lack of business strategy and policy related to CSR, and lack of coordination.

As we understand from the above table; the major challenge of Awash Wine Factory in the implementation of CSR is “lack of support from top management” rated (4.50) with standard deviation of (0.510). Similarly, the other major challenge of these companies in the implementation of CSR is “lack of collaboration from local authority” rated (4.42) with standard deviation of (0.643) in addition to this, “lack of business strategy and policy related to CSR” and “lack of coordination” also expressed as a challenge for CSR implementation with average value of (4.31) and (3.96) respectively. On the other hand, lack of budget and lack of time have an average value of below (3). For the implementation of CSR lack of budget and lack of time can be a challenge but their intensity is not as such strong. On the other hand, from the above description we can understand that the biggest challenges of CSR practice are related with that of lack of support from top management, lack of collaboration from local authority, lack of business strategy and policy related to CSR, and lack of coordination.

4.2.2. Evaluating CSR contribution of the Companies

According to Freeman (1984) CSR describe and analyze the corporation’s relationship in the society. Freeman is given credit for doing the seminar work on the stakeholder theory which involves taking the interest and concern of all the public into account in arriving at the management decision. Fredrick (1992) furthered on freeman’s work and noted that corporation should adhere to the needs, interest and influences of those affected by their policies and operations. Stakeholder is any individual or group who can affect or is affected by actions, decision policies and practice or goals of the organization (Carroll 1996). According to ethical dimension of international management (2004) stakeholders are people with interest of an

organization and may affect or are affected by organization in some fashion. The stakeholders are considered to be the following: customers, supplier, government, competitors, communities, employees, shareholders and government bodies (Carroll 1999).

One of the objectives of this study is to examine the participation of the firms in terms of environment stewardship, employees, community, customers and ethical and legal aspect. Previous research studies by different authors show that, CSR was viewed to be implemented through stakeholder theory and the main stakeholders include; the environment, community, customers and employees (Sweeney, 2007; Agle and Mitchell, 2008; Vaaland et al, 2008). In line with literature, the following section analyses the extent of various activities undertaken for the benefit of environment, employee, community, customer, and ethical and legal dimension.

4.2.2.1. CSR in Terms of Environmental Protection

The most critical dimension of CSR, especially for manufacturing industries, is protection of the environment. Because, it relates to the community, workers, animals as well as the physical environment such as water bodies, soil, plants and so on. According to World Bank (2004) environment is crucial part of all our lives and it should be a concern in every aspect. A change in the environment can result in all manner of implication both locally and globally. Implementing effective environmental system and safeguard is part of the business process. Environmental standard have established under ISO 14000 addressing the key issues such as pollution, energy consumption and waste are factors for every business to consider. The attention bestowed upon the task of environment is because it is “the primary set of force which an organization must respond” (Miles, et, al, 1998). According to Bourgenoues, (1988) organization strategy, “How an organization defines its relationship to its environment in pursuit of its objective is largely shaped by an organization is task environment. On the subject of CSR in manufacturing industry, environmental protection has described in terms of: Waste reduction; Recycling; Energy Conservation; Reduction of water consumption; Reduction in air pollutant; Organization use environmentally friendly packaging and organizations’ complies with the environmental laws, rules and regulations to promote environmental protection.

Table 4: Responsibility of the Firms towards Environment

		National Alcohol Factory				St. George Brewery				Awash Wine Factory			
		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
West reduction	S.D	21	26.9			-	-			14	53.8		
	D	14	17.9			6	3.4			7	26.9		
	N	9	11.5			17	9.7			2	7.7		
	A	24	30.8			78	45			3	11.5		
	S.A	10	12.8			74	42			-	-		
	Total	78	100			2.85	1.442			175	100		
Recycling	S.D	1	1.3			6	3.4			-	-		
	D	28	35.9			4	2.3			8	30.8		
	N	8	10.3			57	33			3	11.5		
	A	23	29.5			88	50			7	26.9		
	S.A	18	23.1			20	11.3			8	30.8		
	Total	78	100			3.37	1.229			175	100		
Energy Conservation	S.D	5	6.4			10	6			-	-		
	D	39	50			4	2.3			14	53.8		
	N	11	14.1			18	10			6	23.1		
	A	21	26.9			102	58.3			6	23.1		
	S.A	2	2.6			41	23.4			-	-		
	Total	78	100			2.69	1.023			175	100		
Reduction of water consumption	S.D	12	15.4			6	3.4			7	26.9		
	D	32	41			12	6.9			14	53.8		
	N	11	14.1			14	8			2	7.7		
	A	16	20.5			79	45.1			2	7.7		
	S.A	7	9			64	36.6			1	3.8		
	Total	78	100			2.67	1.224			175	100		
Reduction in air pollutant	S.D	11	14.1			6	3.4			10	38.5		
	D	33	42.3			14	8			9	34.6		
	N	7	9			38	21.7			3	11.5		
	A	15	9.2			94	53.7			3	11.5		
	S.A	12	15.4			23	13.1			1	3.8		
	Total	78	100			2.79	1.333			175	100		
Organization use environmentally friendly packaging	S.D	-	-			5	2.9			-	-		
	D	28	35.9			14	8			11	42.3		
	N	3	3.8			35	20			2	7.7		
	A	27	34.6			102	58.3			10	38.5		
	S.A	20	25.6			19	10.9			3	11.5		
	Total	78	100			3.5	1.225			175	100		
your organization complies with the environmental laws, rules and regulations to promote environmental protection	S.D	21	26.9			5	2.9			13	50		
	D	27	34.6			-	-			11	42.3		
	N	5	6.4			36	20.6			1	3.8		
	A	18	23.1			96	54.9			1	3.8		
	S.A	7	9			38	21.7			-	-		
	Total	78	100			2.53	1.346			175	100		

Source: Own Survey, 2021

As it is possible to observe from the above table, out of the total respondents of the National Alcohol Factory (44.8%) of the respondents disagree, (43.6%) agree, while (11.5%) of them indifferent on the subject of waste reduction. As regards recycling, about (37.2%) of employees argue negatively, around (52.6%) of them argue positively and approximately (10.3%) of respondents are neutral. In the case of energy conservation, majorities (56.4%) of the respondents disagree; (29.5%) of them agree and (14.1%) of them are indifferent.

The table also shows that (29.5%) of the responses of employees accepted that the firms tries to reduce water consumption. In contrast, the majority of respondents (56.4%) disagree about the participation of the firms on the reduction of water consumption. But, (14.1%) of the respondents are indifferent concerning the participation of the firms in the reduction of water consumption.

Similarly, concerning reduction in air pollutant the majority of the respondents (56.4%) disagree about the participation of the firms and (24.6%) of the respondents accept positively. But, (9%) of them are indifferent concerning the participation of the firms in the reduction of air pollutant. In addition to this, (60.5%) of the respondents agree for the question organization use environmentally friendly packaging and (35.9%) of the respondents disagree about the issue. But, (3.8%) of the respondents are indifferent concerning the participation of the firms in the use of environmentally friendly packaging. Moreover, out of the total respondents (70.5%) of the respondents disagree, (32.1%) agree, while (6.4%) of the respondents are indifferent on the subject your organization complies with the environmental laws, rules and regulations to promote environmental protection.

As it is possible to observe from the above table, out of the total respondents of the St. George Brewery Factory (3.4%) of the respondents disagree, (87%) agree, while (9.7%) of them indifferent on the subject of waste reduction. As regards recycling, only (5.7%) of employees argue negatively, around (61.3%) of them argue positively and approximately (33%) of respondents are neutral. In the case of energy conservation, majorities (81.7%) of the respondents agree; (8.3%) of them disagree and (10%) of them are indifferent.

The table also shows that (81.7%) of the responses of employees accepted that the firms tries to reduce water consumption. In contrast, only (10.3%) respondents disagree about the participation of the firms on the reduction of water consumption. But, (8%) of the respondents are indifferent concerning the participation of the firms in the reduction of water consumption.

Similarly, concerning reduction in air pollutant the majority of the respondents (66.8%) agree about the participation of the firm and (11.4%) of the respondents accept negatively. But, (21.7%) of them are indifferent concerning the participation of the firms in the reduction of air pollutant. In addition to this, (69.2%) of the respondents agree for the question organization use environmentally friendly packaging and (10.9%) of the respondents disagree about the issue. But, (20%) of the respondents are indifferent concerning the participation of the firms in the use of environmentally friendly packaging. Moreover, out of the total respondents (76.6%) of the respondents agree, (2.9%) disagree, while (20.6%) of the respondents are indifferent on the subject your organization complies with the environmental laws, rules and regulations to promote environmental protection.

As it is possible to observe from the above table, out of the total respondents of the Awash Wine Factory (79.7%) of the respondents disagree, only (11.5%) agree, while (7.7%) of them indifferent on the subject of waste reduction. As regard to recycling, about (30.8%) of employees argue negatively, around (57.7%) of them argue positively and approximately (11.5%) of respondents are neutral. In the case of energy conservation, majorities (53.8%) of the respondents disagree; (23.1%) of them agree and (23.1%) of them are indifferent.

The table also shows that only (11.5%) of the responses of employees accepted that the firms tries to reduce water consumption. In contrast, the majority of respondents (80.7%) disagree about the participation of the firms on the reduction of water consumption. But, (7.7%) of the respondents are indifferent concerning the participation of the firms in the reduction of water consumption.

Similarly, concerning reduction in air pollutant the majority of the respondents (73.1%) disagree about the participation of the firms and (15.3%) of the respondents accept positively. But, (11.5%) of them are indifferent concerning the participation of the firms in the reduction of air pollutant. In addition to this, (50%) of the respondents agree for the question organization use environmentally friendly packaging and (42.3%) of the respondents disagree about the issue. But, (7.7%) of the respondents are indifferent concerning the participation of the firms in the use of environmentally friendly packaging. Moreover, out of the total respondents (92.3%) of the respondents disagree, (3.8%) agree, while (3.8%) of the respondents are indifferent on the

subject your organization complies with the environmental laws, rules and regulations to promote environmental protection.

To seek further interpretation from the above table the aggregate mean of the responses of workers of National Alcohol Factory indicated that 2.9 which lie below the average value in terms of environmental protection, from this we understand that the company involvement towards environmental protection is not good.

The overall average value of respondents of Awash Wine Factory concerning environmental issue indicates that 2.43. This overall average value is at “disagree” level of response scale. From this we understand that the company involvement towards environmental issue is low.

In addition, the aggregate mean of the responses generated from St. George Brewery Factory indicated that 3.9 which lie above the average value, in terms of environmental protection from this description we understand that the company somehow has good experience when we compare it with the National Alcohol and Awash Wine Factory in the implementation of CSR towards Environmental protection.

From the above analysis we can understand that the involvements of the companies in the implementation of CSR towards Environmental protection are not good. Specially, National Alcohol Factory and Awash Wine factory have no good experience interms of CSR implementation towards Environmental issue, but St. George Brewery Company is better than that of the above mentioned two companies in the implementation of CSR towards Environmental issue.

In addition to this, the mean of the responses of the societies concerning environmental issue is 2.83, which is also below average value. To sum up, the description reflects that the firms practicing CSR concerning environmental protection is not well.

4.2.2.2. CSR in Terms of Customer issues

Consumers are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. For instance, Carroll A. and Shabana M. (2011) in their business cases suggested that CSR initiatives can contribute to strengthening a firm's competitive advantage, its brand loyalty, and its consumer patronage. Anupam and Ravi (et al,

2012) also stated that consumer protection can be achieved through improved products. In the main, these and other findings indicate that consumer protection can be achieved through different dealings such as; Firms should deal with all customer issues in a fair and honest manner, by listening to them and giving sincere consideration to their comments and suggestions; they should strive to deliver high value, quality products and services that meet and/or exceed the expectations of their customers; they should ensure that all products meet the required safety and environmental standards; they will carefully monitor cost issues in order to provide our customers with affordable products; they will provide goods and services that can be used for socially beneficial purposes; they will actively invest in research, development, and manufacturing improvements that enable them to add value to the customer by consistently creating innovative products and services.

A customer is a king for a firm, because, survival of a firm is directly relates to customers. If this is the case, the firm should protect the needs, interests, health of customers. For the case of this discussion, customer issues described in five terms or variables such as your company supply clear and accurate information and labeling about the product and service, quality assurance criteria adhered to your production, your company resolve customers complain in a timely manner; your company is committed to provide value to customers and product accessibility addressed and the responses of the respondents were summarized in the following table.

Table 5: Business Responsiveness of Firms towards Customer

	National Alcohol Factory				St. George Brewery				Awash Wine Factory				
		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
Your company supply clear and accurate information and labeling about the product and service	S.D	1	1.3	4.22	0.962	-	-	4.41	0.645	-	-	4.54	0.761
	D	5	6.4			-	-			1	3.8		
	N	8	10.3			15	8.6			1	3.8		
	A	26	33.3			73	41.7			7	26.9		
	S.A	38	48.7			87	49.7			17	65.4		
	Total	78	100			175	100			26	100		
Quality assurance criteria adhered to your production	S.D	1	1.3	4.08	1.078			4.35	0.719	-	-	4.12	1.211
	D	9	11.5							5	19.2		
	N	9	11.5			25	14.3			2	7.7		
	A	23	29.5			63	36			4	15.4		
	S.A	36	46.2			87	49.7			15	57.7		
	Total	78	100			175	100			26	100		
Your company resolve customers complain in a timely manner	S.D	-	-	3.71	1.152	5	2.9	4.08	0.847	2	7.7	3.27	1.430
	D	18	23.1			-	-			9	34.6		
	N	12	15.4			26	14.9			3	11.5		
	A	23	29.5			89	50.9			4	15.4		
	S.A	25	32.1			55	31.4			8	30.8		
	Total	78	100			175	100			26	100		
Your company is committed to provide value to customers	S.D	2	2.6	3.81	1.140	-	-	4.35	0.795	-	-	4.08	1.164
	D	14	17.9			-	-			5	19.2		
	N	5	6.4			35	20			1	3.8		
	A	33	42.3			43	24.6			7	26.9		
	S.A	24	30.3			97	55.4			13	50		
	Total	78	100			175	100			26	100		
Product accessibility addressed	S.D	2	2.6	3.91	1.009			4.24	0.742	-	-	4.15	0.925
	D	8	10.3							3	11.5		
	N	7	9			32	18.3			-	-		
	A	39	50			69	39.4			13	50		
	S.A	22	28.2			74	42.3			10	38.5		
	Total	78	100			175	100			26	100		

Source: Own Survey, 2021

As it is possible to observe from the above table, out of the total respondents of National Alcohol Factory (7.7%) of the respondents disagree, (82%) agree, while (10.3%) of them indifferent on the subject of your company supply clear and accurate information and labeling about the product and service.

As regards quality assurance criteria adhered to your production, about (12.8%) of employees argue negatively, the majority of the respondents around (75.7%) of them argue positively and approximately (11.5%) of respondents are neutral.

In the case of your company resolve customers complain in a timely manner, majorities (61.6%) of the respondents agree; (23.1%) of them disagree and (15.4%) of them are indifferent. The table also shows that (72.3%) of the responses of employees accepted that the firms tries to be committed to provide value to customers. In contrast, (20.5%) of respondents disagree about the commitment of the firms in providing value to customers. But, (6.4%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the customers.

Moreover, concerning product accessibility addressed the majority of the respondents (78.2%) agree about the product accessibility addressed and (12.9%) of the respondents accept negatively. But, (9%) of the respondents are indifferent concerning the product accessibility addressed.

As it is possible to observe from the above table, out of the total respondents of St. George Brewery Factory (91.4%) of the respondents agree and the remaining (8.6%) of them indifferent on the subject of your company supply clear and accurate information and labeling about the product and service. As regard to quality assurance criteria adhered to your production, the majority of the respondents around (85.7%) of them argue positively and approximately (14.3%) of respondents are neutral.

In the case of your company resolve customers complain in a timely manner, majorities (82.2%) of the respondents agree; (2.9%) of them disagree and (14.9%) of them are indifferent. The table also shows that (80%) of the responses of employees accepted that the firms tries to be committed to provide value to customers. But, the remaining (20%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the customers.

Moreover, concerning product accessibility addressed the majority of the respondents (81.7%) agree about the product accessibility addressed and the remaining (18.3%) of the respondents are indifferent concerning the product accessibility addressed.

As it is possible to observe from the above table, out of the total respondents of Awash Wine Factory (3.8%) of the respondents disagree, (92%) agree, while (3.8%) of them indifferent on the subject of your company supply clear and accurate information and labeling about the product and service. As regards quality assurance criteria adhered to your production, about (19.2%) of employees argue negatively, the majority of the respondents around (73.1%) of them argue positively and approximately (7.7%) of respondents are neutral.

In the case of your company resolve customers complain in a timely manner, majorities (46.2%) of the respondents agree; (42.3%) of them disagree and the remaining (11.5%) of them are indifferent. The table also shows that (76.9 %) of the responses of employees accepted that the firms tries to be committed to provide value to customers. In contrast, (19.2%) of respondents disagree about the commitment of the firms in providing value to customers. But, (3.8%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the customers. Moreover, concerning product accessibility addressed the majority of the respondents (88.5%) agree about the product accessibility addressed and the remaining only (11.5%) of the respondents accept negatively. From the above presentation we understand that the companies have some good experience in the implementation of CSR towards Customer.

To seek further interpretation from the above table the overall average value of respondents of National Alcohol Factory concerning the responsiveness of the company towards customer indicates that 3.9. This overall average value is at “agree” level of response scale. From this we understand that the company gives an attention in the implementation of CSR towards customer.

The overall average value of respondents of St. George Brewery Factory concerning the responsiveness of the company towards customer indicates that 4.3. This overall average value is at “agree” level of response scale. From this we understand that the company gives a critical attention in the implementation of CSR towards customer.

The overall average value of respondents of Awash Wine Factory concerning the responsiveness of the company towards customer indicates that 4.03. This overall average value is at “agree” level of response scale. From this we understand that the company gives a critical attention in the implementation of CSR towards customer.

Generally, from the above analysis we can understand that the three selected companies focus more on the customer dimension when they involve in the implementation of CSR within the environment. In addition to this when we compare the mean score value of each company in the implementation of CSR towards customer, St. George Brewery Company can take the highest score value 4.3, Awash Wine Factory will take the second position with the mean score value of 4.03 finally, National Alcohol Factory will take the position through a mean score value of 3.9. As we understand from the above analysis the companies implemented the CSR practice towards the customer and when we compare the involvement, St. George Brewery Company involves in a better manner than that of the remaining companies.

In addition to this, the mean of the responses of the societies concerning customer issue is 3.35, which is also above average value and it is approximated to the average value of the employee respondents. From the above presentation we can understand that the business responsiveness of firms towards customers is positive.

4.2.2.3. CSR interms of Employees protection

Anupam S. and Ravi K. (2012), in their study called “Corporate Social Responsibility Initiatives of Major Companies of India” described CSR with focus on health, education and environment. The detailed study of CSR initiatives by all these firms has been taken and then scores compiled for all three sectors undertaken for the study viz education, health and environment. Using a combination of case studies and industry - matrices for all three sectors, i.e. education, health and environment sectors the results are discussed. The results indicate that the selected companies (IBM, Tata consultancy service and Nestle) are practicing CSR via the selected CSR standards including labor treatment. These firms are trying to provide different services such as education and training for their skills and long-term career, health care, work life balance and safety facilities.

Dirk M. and Jeremy M. (2004), in their study of CSR standards, described labor treatment seeing that fair wages, working time and conditions, healthcare, redundancy, protection against unfair dismissal, just to name a few examples, have been key issues to which CSR policies have been addressed. Currently, many outlets of Starbucks Coffee in the USA announce that the company is offering to pay the healthcare benefits of all employees (respectively franchisees) who are

employed by the company for more than 20 days per month. In general, the theme is firms should respect fundamental employees' rights and facilitate a fair, safe, healthy and pleasant work environment.

Six positive statements questionnaire were identified to examine the social responsibility of the firm related to employees. The following table indicates the response value of employee respondents for each item.

Table 6: Responsibility of the Firms towards Employee

		National Alcohol Factory				St. George Brewery				Awash Wine Factory			
		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
your organization encourage employees to develop real skills and long term careers	S.D	4	5.1	2.58	0.974	-	-	4.15	0.687	9	34.6	2.12	1.143
	D	44	56.4			4	2.3			10	38.5		
	N	15	19.2			18	10.3			3	11.5		
	A	11	14.1			101	57.7			3	11.5		
	S.A	4	5.1			52	29.7			1	3.8		
	Total	78	100			175	100			26	100		
your organization ensure adequate steps are taken against all forms of discrimination	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD	
	S.D	16	20.5	2.36	1.069	4	2.3	3.83	0.629	9	34.6	2.12	1.143
	D	35	44.9			-	-			10	38.5		
	N	12	15			28	16			3	11.5		
	A	13	16.7			133	76			3	11.5		
	S.A	2	2.6			10	5.7			1	3.8		
Total	78	100	175			100	26			100			
your organization consult employees on important issues	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD	
	S.D	17	21.8	2.45	1.191	5	2.9	3.72	0.945	10	38.5	2.15	1.255
	D	35	44.9			18	10.3			9	34.6		
	N	2	2.6			25	14.3			1	3.8		
	A	22	28.2			100	57.1			5	19.2		
	S.A	2	2.6			27	15.4			1	3.8		
Total	78	100	175			100	26			100			
your company is committed to provide value to employees	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD	
	S.D	19	24.4	2.43	1.175	5	2.9	3.70	0.905	9	34.6	2.31	1.192
	D	27	34.6			4	2.3			5	19.2		
	N	13	16.7			63	36			8	30.8		
	A	15	19.2			69	39.4			3	11.5		
	S.A	3	3.8			34	19.4			1	3.8		
Total	77	100	175			100	26			100			
your organization committed to the health and safety of employees	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD	
	S.D	20	25.6	2.29	1.106	5	2.9	4.25	0.866	15	57.7	1.58	0.902
	D	31	39.7			-	-			9	34.6		
	N	14	17.9			19	10.9			1	3.8		
	A	10	12.8			74	42.3			-	-		
	S.A	3	3.8			77	44			1	3.8		
Total	78	100	175			100	26			100			
Wage rate of your firm related to the average wage rate of the sector	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD	
	S.D	-	-	3.62	0.726	5	2.9	3.91	0.794	-	-	3.23	0.863
	D	4	5.1			-	-			7	26.9		
	N	28	35.9			33	18.9			6	23.1		
	A	38	48.7			104	59.4			13	50		
	S.A	7	9			33	18.9			-	-		
Total	77	100	175			100	26			100			

Source: Own Survey, 2021

As indicated in the above table; the majority, (61.5%) of the respondents of National Alcohol Factory said that the organization didn't encourage employees to develop real skills and long term careers (via Performance Appraisal and Training & Development) on the other hand, (19.2%) of the respondents agree about the question your organization encourage employees to develop real skills and long term careers(via Performance Appraisal and Training & Development) and (19.2%) of the respondents are indifferent concerning the issue.

As regard to the question "your organization ensure adequate steps are taken against all forms of discrimination" the majority (65.4%) of the respondents argue negatively and (19.3%) of them argue positively. Approximately (15%) of the respondents are indifferent about the question.

As regards your organization consult employees on important issues, about (66.7%) of respondents are argued negatively. In contrast, (30.8%) of the respondents are argued positively and the remaining (2.6%) of respondents are neutral about the issue.

The table also shows that (23%) of the responses of employees accepted that the firms tries to be committed to provide value to employees. In contrast, the majority of respondents (59%) disagree about the commitment of the firms in providing value to employees. The remaining (16.7%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the.

Moreover, concerning organization commitment towards the health and safety of employees; the majority of respondents (65.3%) disagree about the organization commitment towards the health and safety of employees and (16.4%) of the respondents argued positively. But, (17.9%) of the respondents are indifferent concerning the organization commitment towards the health and safety of employees.

Generally, from the above description we can conclude that the firms are not responsive for their employees'. The description reflects that the firm practicing CSR concerning employees' protection is not well.

As indicated in the above table; the majority, (87.4%) of the respondents St. George Brewery Factory said that the organization encourage employees to develop real skills and long term careers (via Performance Appraisal and Training & Development) on the other hand, only (2.3%) of the respondents disagree about the question your organization encourage employees to

develop real skills and long term careers(via Performance Appraisal and Training & Development) and (10.3%) of the respondents are indifferent concerning the issue.

As regard to the question “your organization ensure adequate steps are taken against all forms of discrimination” the majority (81.7%) of the respondents argue positively and (2.3%) of them argue negatively. Approximately (16%) of the respondents are indifferent about the question.

As regards your organization consult employees on important issues, about (72.5%) of respondents are argued positively. In contrast, (13.2%) of the respondents are argued negatively and the remaining (14.3%) of respondents are neutral about the issue.

The table also shows that (58.8%) of the responses of employees accepted that the firms tries to be committed to provide value to employees. In contrast, only (5.5%) respondents disagree about the commitment of the firms in providing value to employees. The remaining (36%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the. Moreover, concerning organization commitment towards the health and safety of employees; the majority of respondents (86.3%) agree about the organization commitment towards the health and safety of employees and (2.9%) of the respondents argued negatively. But, (10.9%) of the respondents are indifferent concerning the organization commitment towards the health and safety of employees. From the above description we can conclude that the firms are responsive for their employees’. The description reflects that the firm practicing CSR concerning employees’ protection is well.

As indicated in the above table; the majority, (73.1%) of the respondents of Awash Winery Factory said that the organization didn’t encourage employees to develop real skills and long term careers (via Performance Appraisal and Training & Development) on the other hand, (15.3%) of the respondents agree about the question your organization encourage employees to develop real skills and long term careers(via Performance Appraisal and Training & Development) and (11.5%) of the respondents are indifferent concerning the issue.

As regard to the question “your organization ensure adequate steps are taken against all forms of discrimination” the majority (73.1%) of the respondents argue negatively and (15.3%) of them argue positively. Approximately (11.5%) of the respondents are indifferent about the question.

As regards your organization consult employees on important issues, about (73.1%) of respondents are argued negatively. In contrast, (23%) of the respondents are argued positively and the remaining (3.8%) of respondents are neutral about the issue.

The table also shows that (15.2%) of the responses of employees accepted that the firms tries to be committed to provide value to employees. In contrast, the majority of respondents (53.8%) disagree about the commitment of the firms in providing value to employees. The remaining (30.8%) of the respondents are indifferent concerning the commitment of the firms in providing of value to the employees.

Moreover, concerning organization commitment towards the health and safety of employees; the majority of respondents (92.3%) disagree about the organization commitment towards the health and safety of employees and only (3.8%) of the respondents argued positively. The remaining (3.8%) of the respondents are indifferent concerning the organization commitment towards the health and safety of employees.

Generally, from the above description we can conclude that the firm is not responsive for their employees’. The description reflects that the firm practicing CSR concerning employees’ protection is not well.

The overall average value of respondents of National Alcohol Factory concerning the responsibility of the company towards Employees indicates that 2.6. This overall average value is at “below average” level of response scale. From this we understand that the company did not give a critical attention in the implementation of CSR towards Employees.

The aggregate average value of respondents of St. George Brewery Factory concerning the responsibility of the company towards Employees indicates that 3.9. This overall average value is at “above average” level of response scale. From this we understand that the company somehow gives an attention in the implementation of CSR towards Employees.

The aggregate average value of respondents Awash Wine Factory concerning the responsibility of the company towards Employees indicates that 2.25. This overall average value is at “disagree” level of response scale. From this we understand that the company did not give an attention in the implementation of CSR towards Employees.

Generally, when we evaluate the mean score value of each company in the implementation of CSR towards employees, St. George Brewery Company can take the highest score value 3.9, National Alcohol Factory will take the next position through a mean score value of 2.6. Finally, Awash Wine Factory will take the last position with the mean score value of 2.25. As we understand from the above analysis, St. George Brewery Factory involves in a better manner than that of the remaining companies in the implementation of CSR towards employees.

4.2.2.4. CSR in terms of Community protection

Hadi C. and Raveed K. (2011) also described CSR in terms “social values and behavioral issues” in order to reduce unemployment level of the community. These and other research findings on community standard of CSR summarized as; firms should create strategic partnership between civil society, organizations and business gain momentum; they should participate in local purchase; companies should provide various social services in infrastructure, entertainment, health, culture and so on; business organizations should produce socially beneficial products; dialogue with the local community is also other thing which be considered in community standard of CSR. Six positive statements were listed in questionnaire to respondents of employees so that they rate favorably or unfavorably.

Table 7: Responsibility of the Firms towards Community

		National Alcohol Factory				St. George Brewery				Awash Wine Factory			
		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
your firm donate (contribute) to charity	S.D	17	21.8	2.63	1.397	-	-	4.47	0.605	6	23.1	2.69	1.463
	D	32	41			-	-			9	34.6		
	N	4	5.1			10	5.7			3	11.5		
	A	13	16.7			72	41.1			3	11.5		
	S.A	12	15.4			93	53.1			5	19.2		
	Total	78	100			175	100			26	100		
Staff members involved in charity volunteer work on behalf of the firm		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	24	30.8	2.09	1.059	5	2.9	3.81	0.992	9	34.6	1.88	0.816
	D	36	46.2			9	5.1			12	46.2		
	N	8	10.3			49	28			4	15.4		
	A	7	9			64	36.6			1	3.8		
	S.A	3	3.8			48	27.4			-	-		
Total	78	100	175			100	26			100			
your company actively involved in a project(s) with the local community		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	16	20.5	2.46	1.159	-	-	4.22	0.734	6	23.1	2.27	1.058
	D	33	42.3			4	2.3			13	50		
	N	9	11.5			20	11.4			1	3.8		
	A	17	21.8			85	48.6			6	23.1		
	S.A	3	3.8			66	37.7			-	-		
Total	78	100	175			100	26			100			
your company have purchasing policies that favor the local communities in which it operates		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	16	20.5	2.49	1.192	5	2.9	3.79	0.961	10	38.5	2.00	1.058
	D	34	43.6			9	5.1			10	38.5		
	N	5	6.4			45	25.7			2	7.7		
	A	20	25.6			74	42.3			4	15.4		
	S.A	3	3.8			42	24			-	-		
Total	78	100	175			100	26			100			
your company have recruitment policies that favor the local communities in which it operates		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	8	10.3	2.69	1.188	-	-	3.99	0.809	-	-	2.65	1.056
	D	39	50			4	2.3			18	69.2		
	N	7	9			46	26.3			1	3.8		
	A	17	21.8			73	41.7			5	19.2		
	S.A	7	9			52	29.7			2	7.7		
Total	78	100	175			100	26			100			
wage rate of your firm related to the average wage rate of the sector		Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	-	-	3.22	0.732	5	2.9	3.96	0.949	-	-	3.00	0.800
	D	12	15.4			-	-			8	30.8		
	N	39	50			52	29.7			10	38.5		
	A	25	32.1			58	33.1			8	30.8		
	S.A	2	2.6			60	34.3			-	-		
Total	78	100	175			100	26			100			

Source: Own Survey, 2021

As indicated in the above table; (32.1%) of the respondents of National Alcohol Factory said that the firm donate (contribute) to charity on the other hand, (42.8%) of the respondents disagree about the question your firm donate (contribute) to charity and (5.1%) of the respondents are indifferent concerning the issue.

As regard to the question “Staff members involved in charity volunteer work on behalf of the firm” the majority (77%) of the respondents argue negatively and (12.8%) of them argue positively. Approximately (10.3%) of the respondents are indifferent about the question.

As regards your company actively involved in a project(s) with the local community, about (62.5%) of respondents are argued negatively. In contrast, (25.6%) of the respondents are argued positively and the remaining (11.5%) of respondents are neutral about the issue.

The table also shows that (29.4%) of the responses of employees accepted that the company have purchasing policies that favor the local communities in which it operates. In contrast, the majority (64.2%) of respondents disagree about the company have purchasing policies that favor the local communities in which it operates. The remaining (6.4%) of the respondents are indifferent concerning the issue.

Moreover, concerning companies have recruitment policies that favor the local communities in which it operates; the majority of respondents (60.3%) disagree and (30.8%) of the respondents argued that positively. The remaining (9%) of the respondents are indifferent concerning the companies have recruitment policies that favor the local communities in which it operates.

From the above discussion we understand that the company is not well in the implementation of CSR towards communities.

As indicated in the above table; (94.2%) of the respondents of St. George Brewery Factory said that the firm donate (contribute) to charity on the other hand the remaining (5.8%) of the respondents are indifferent about the question your firm donate (contribute) to charity.

As regard to the question “Staff members involved in charity volunteer work on behalf of the firm” about (8%) of the respondents argue negatively and the majority of the respondents (64%)

of them argue positively. Approximately (28%) of the respondents are indifferent about the question.

As regards your company actively involved in a project(s) with the local community, about (2.3%) of respondents are argued negatively. In contrast, the majority (84.3%) of the respondents are argued positively and the remaining (11.4%) of respondents are neutral about the issue.

The table also shows that (66.3%) of the responses of employees accepted that the company have purchasing policies that favor the local communities in which it operates. In contrast, (8%) of respondents disagree about the company have purchasing policies that favor the local communities in which it operates. The remaining (25.7%) of the respondents are indifferent concerning the issue.

Moreover, concerning companies have recruitment policies that favor the local communities in which it operates; the majority of respondents (71.4%) agree and (2.3%) of the respondents argued that negatively. The remaining (26.3%) of the respondents are indifferent concerning the companies have recruitment policies that favor the local communities in which it operates.

From the above discussion we understand that the company is somehow well in the implementation of CSR towards the communities.

As indicated in the above table; (30.7%) of the respondents of Awash Wine Factory said that the firm donate (contribute) to charity on the other hand, (57.7%) of the respondents disagree about the question your firm donate (contribute) to charity and (11.5%) of the respondents are indifferent concerning the issue.

As regard to the question “Staff members involved in charity volunteer work on behalf of the firm” the majority (80.8%) of the respondents argue negatively and (3.8%) of them argue positively. Approximately (15.4%) of the respondents are indifferent about the question.

As regards your company actively involved in a project(s) with the local community, about (73.1%) of respondents are argued negatively. In contrast, (23.1%) of the respondents are argued positively and the remaining (3.8%) of respondents are neutral about the issue.

The table also shows that (15.4%) of the responses of employees accepted that the company have purchasing policies that favor the local communities in which it operates. In contrast, the majority (77%) of respondents disagree about the company have purchasing policies that favor the local communities in which it operates. The remaining (7.7%) of the respondents are indifferent concerning the issue.

Moreover, concerning companies have recruitment policies that favor the local communities in which it operates; the majority of respondents (69.2%) disagree and (26.9%) of the respondents argued that positively. The remaining (3.8%) of the respondents are indifferent concerning the companies have recruitment policies that favor the local communities in which it operates.

From the above discussion we understand that the company is not well in the implementation of CSR towards communities.

To seek further interpretation from the above table the overall average value of respondents of National Alcohol Factory concerning the responsiveness of the company towards community indicates that 2.47. This overall average value is at “below average” level of response scale. From this we understand that the company gives lower attention in the implementation of CSR towards community.

The overall average value of respondents of St. George Brewery Factory concerning the responsiveness of the company towards community indicates that 4.05. This overall average value is at “agree” level of response scale. From this we understand that the company gives a critical attention in the implementation of CSR towards community.

The overall average value of respondents of Awash Wine Factory concerning the responsiveness of the company towards community indicates that 2.29. This overall average value is at “disagree” level of response scale. From this we understand that the company didn't give a critical attention in the implementation of CSR towards community.

Generally, from the above analysis we can understand that the two companies involvement is low towards the community, when we compare the mean score value of each company in the implementation of CSR towards community, St. George Brewery Company can take the highest score value 4.05, National Alcohol Factory will take the next position through a mean score value of 2.47. Finally Awash Wine Factory will take the last position with the mean score value

of 2.29. As we understand from the above analysis, St. George Brewery Company involves in a better manner than that of the remaining companies in the implementation of CSR towards Community.

4.2.2.5. CSR interms of Legal and Ethical frame work

Carroll (1991:41) considers the laws and regulations as the ‘codified ethics’ of society. They represent ‘partial fulfillment of the social contract between business and society’. With respect to the scope of the legal responsibilities, some advocate its expansion to encompass more regulation. They claim that regulation is necessary for the fulfillment of CSR. For example, De Schutter (2008, p. 203) argues that the business case for CSR ‘rests on certain presuppositions about markets and the business environment, which cannot be simply assumed, but should be affirmatively created by a regulatory framework for CSR’.

Nine positive statements questionnaire were identified to examine the social responsibility of the firm related to legal and ethical issues.

Table 8: Responsibility of the Firms towards Legal and Ethical issues

	National Alcohol Factory				St. George Brewery				Awash Wine Factory			
	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
Our company always pays its taxes on a regular and continuing basis	S.D	-	-		-	-			-	-		
	D	1	1.3		-	-			-	-		
	N	1	1.3		4	2.3			3	11.5		
	A	15	19.2		61	34.9			3	11.5		
	S.A	61	78.2		110	62.9			20	76.9		
	Total	78	100	4.74	0.545	175	100	4.61	0.535	26	100	4.65
Our company complies with legal regulations completely and promptly	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	15	19.2		-	-			1	3.8		
	D	29	37.2		-	-			13	50		
	N	3	3.8		10	5.7			1	3.8		
	A	17	21.8		88	50.3			5	19.2		
	S.A	14	17.9		77	44			6	23.1		
Total	78	100	2.82	1.439	175	100	4.38	0.594	26	100	3.08	1.354
Our company tries to help the government in solving social problems	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	13	16.7		-	-			-	-		
	D	40	51.3		4	2.3			17	65.4		
	N	3	3.8		15	8.6			1	3.8		
	A	13	16.7		91	50			6	23.1		
	S.A	9	11.5		65	37.1			2	7.7		
Total	78	100	2.55	1.276	175	100	4.24	0.703	26	100	2.73	1.079
Our company acts legally on all matters	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	8	10.3		-	-			-	-		
	D	38	48.7		4	2.3			12	46.2		
	N	5	6.4		27	15.4			-	-		
	A	18	23.1		73	41.7			9	34.6		
	S.A	9	11.5		71	40.6			5	19.2		
Total	78	100	2.77	1.248	175	100	4.21	0.783	26	100	3.27	1.251
Our company's main principle is honesty in every business, dealing	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	10	12.8		5	2.9			-	-		
	D	41	52.6		4	2.3			16	61.5		
	N	6	7.7		37	21.1			1	3.8		
	A	15	19.2		74	42.3			6	23.1		
	S.A	6	7.7		55	31.4			3	11.5		
Total	78	100	2.56	1.169	175	100	3.97	0.937	26	100	2.85	1.156
Our company cooperates with its competitors in social responsibility projects	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	15	19.2		-	-			5	19.2		
	D	38	48.7		4	2.3			17	65.4		
	N	4	5.1		42	24			-	-		
	A	16	20.5		93	53.1			1	3.8		
	S.A	5	6.4		36	20.6			3	11.5		
Total	78	100	2.46	1.203	175	100	3.92	0.731	26	100	2.23	1.177
Our company competes with its rivals in an ethical framework	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	-	-		-	-			-	-		
	D	15	19.2		-	-			8	30.8		
	N	15	19.2		37	21.1			3	11.5		
	A	40	51.3		76	43.4			15	57.7		
	S.A	8	10.3		62	35.4			-	-		
Total	78	100	3.53	0.922	175	100	4.14	0.741	26	100	3.27	0.919
Our company always avoids unfair competition	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	-	-		5	2.9			-	-		
	D	12	15.4		8	4.6			7	26.9		
	N	18	23.1		43	24.6			3	11.5		
	A	35	44.9		91	52			13	50		
	S.A	13	16.7		28	16			3	11.5		
Total	78	100	3.63	0.941	175	100	3.74	0.884	26	100	3.46	1.029
Our products comply with the national and international standards	Freq	%	Mean	SD	Freq	%	Mean	SD	Freq	%	Mean	SD
	S.D	21	26.9		-	-			7	26.9		
	D	31	39.7		-	-			11	42.3		
	N	9	11.5		14	8			1	3.8		
	A	15	19.2		93	53.1			7	26.9		
	S.A	2	2.6		68	38.9			-	-		
Total	78	100	2.31	1.143	175	100	4.31	0.613	26	100	2.31	1.158

Source: Own Survey, 2021

As it is possible to observe from the table, out of the total respondents of National Alcohol Factory (1.3%) of the respondents disagree, (97.4%) agree, while (1.3%) of them indifferent on the subject of our company always pays its taxes on a regular and continuing basis. As regards our company complies with legal regulations completely and promptly, about (56.4%) of employees argue negatively, around (39.7%) of them argue positively and approximately (3.8%) of respondents are neutral. In the case of our company tries to help the government in solving social problems, majorities (68%) of the respondents disagree; (28.2%) of them agree and (3.8%) of them are indifferent.

The table also shows that (34.6%) of the responses of employees accepted that their company acts legally on all matters. In contrast, the majority of respondents (59%) disagree about the company acts legally on all matters. The remaining (6.4%) of the respondents are indifferent concerning the issue.

Similarly, concerning our company's main principle is honesty in every business, dealing, the majority of the respondents (65.4%) disagree and (26.9%) of the respondents accept positively. But, (7.7%) of them are indifferent.

In addition to this, (26.9%) of the respondents agree for the question our company cooperates with its competitors in social responsibility projects and majority (67.9%) of the respondents disagree. But, (5.1%) of the respondents are indifferent concerning the company cooperates with its competitors in social responsibility projects.

Moreover, out of the total respondents (19.2%) of the respondents disagree, (61.6%) agree, while (19.2%) of the respondents are indifferent on the subject of company competes with its rivals in an ethical framework.

For the subject our company always avoids unfair competition, (61.6%) of the respondents argue positively and (15.4%) of respondents argue negatively. But, (23.1%) are indifferent. Related to the last item; our products comply with the national and international standards (21.8%) of respondents were agree and (66.6%) of respondents were disagree. The remaining (11.5%) of respondents are neutral. From the above discussion we can understand that the company is very well in tax payments continually for the government. In addition, the firm is somehow good concerning the company competes with its rivals in an ethical frame work and in avoiding unfair competition. But, for the remaining variables the company is somehow it is not good in practicing CSR through the other variables.

As it is possible to observe from the table, out of the total respondents of St. George Brewery Factory (97.8%) agree and the remaining (2.3%) of them indifferent on the subject of our company always pays its taxes on a regular and continuing basis. As regards our company complies with legal regulations completely and promptly, about (94.3%) of employees argue positively and the remaining (5.7%) of respondents are neutral. In the case of our company tries to help the government in solving social problems, majorities (87.1%) of the respondents agree; (2.3%) of them disagree and (8.6%) of them are indifferent.

The table also shows that (82.3%) of the responses of employees accepted that their company acts legally on all matters. In contrast, (2.3%) disagree about the company acts legally on all matters. The remaining (15.4%) of the respondents are indifferent concerning the issue.

Similarly, concerning our company's main principle is honesty in every business, dealing, the majority of the respondents (73.7%) agree and only (5.2%) of the respondents accept negatively. But, (21.1%) of them are indifferent.

In addition to this, (73.7%) of the respondents agree for the question our company cooperates with its competitors in social responsibility projects and (2.3%) of the respondents disagree. The remaining (24%) of the respondents are indifferent concerning the company cooperates with its competitors in social responsibility projects.

Moreover, out of the total respondents (78.8%) agree, while (21.1%) of the respondents are indifferent on the subject of company competes with its rivals in an ethical framework.

For the subject our company always avoids unfair competition, (68%) of the respondents argue positively and (7.5%) of respondents argue negatively. But, (24.6%) are indifferent. Related to the last item; our products comply with the national and international standards (92%) of respondents were agree and the remaining (8%) of respondents are neutral.

From the above discussion we can understand that the company is well in legal and ethical perspectives of CSR implementation.

As it is possible to observe from the table, out of the total respondents of Awash Wine Factory (88.4%) agree, while the remaining (11.5%) of them indifferent on the subject of our company always pays its taxes on a regular and continuing basis. As regards our company complies with legal regulations completely and promptly, about (53.8%) of employees argue negatively, around (42.3%) of them argue positively and approximately (3.8%) of respondents are neutral. In the

case of our company tries to help the government in solving social problems, majorities (65.4%) of the respondents disagree; (30.8%) of them agree and (3.8%) of them are indifferent.

The table also shows that (53.8%) of the responses of employees accepted that their company acts legally on all matters. In contrast, the remaining (46.2%) of respondents disagree about the company acts legally on all matters.

Similarly, concerning our company's main principle is honesty in every business, dealing, the majority of the respondents (61.5%) disagree and (34.6%) of the respondents accept positively. The remaining (3.8%) of them are indifferent.

In addition to this, (15.3%) of the respondents agree for the question our company cooperates with its competitors in social responsibility projects and majority (84.6%) of the respondents disagree concerning the company cooperates with its competitors in social responsibility projects.

Moreover, out of the total respondents (30.8%) of the respondents disagree, (57.7%) agree, while (11.5%) of the respondents are indifferent on the subject of company competes with its rivals in an ethical framework.

For the subject our company always avoids unfair competition, (61.5%) of the respondents argue positively and (26.9%) of respondents argue negatively. The remaining (11.5%) are indifferent. Related to the last item; our products comply with the national and international standards (26.9%) of respondents were agree and (69.2%) of respondents were disagree. The remaining (3.8%) of respondents are neutral. From the above discussion we can understand that the company is well in tax payments continually for the government. In addition, the firm is somehow good concerning the company competes with its rivals in an ethical frame work and in avoiding unfair competition. However, the firm is as such it is not good in practicing CSR through the other variables.

To seek further interpretation from the above table the overall average value of respondents of National Alcohol Factory concerning the involvement of the company towards the legal and ethical dimension indicates that 3.04. This overall average value is at "moderate" level of response scale. From this we understand that the company attention in the implementation of CSR towards legal and ethical dimension is moderate.

The overall average value of respondents of St. George Brewery Factory concerning the involvements towards ethical and legal dimension indicates that 4.17. This overall average value

is at “agree” level of response scale. From this we understand that the company gives a critical attention in the implementation of CSR towards ethical and legal dimension.

The overall average value of respondents of Awash Wine Factory concerning the involvement of the company towards ethical and legal dimension indicates that 3.09. This overall average value is at “moderate” level of response scale. From this we understand that the company gives somehow moderate level of attention in the implementation of CSR towards ethical and legal dimension.

Generally, from the above analysis we can understand that the two companies’ involvement is low towards the ethical and legal dimensions when we compare from St. George Brewery Factory. When we evaluate the mean score value of each company in the implementation of CSR towards ethical and legal dimension, St. George Brewery Company can take the highest score value 4.17, Awash Wine Factory will take the next position through a mean score value of 3.09. Finally, National Alcohol Factory will take the last position with the mean score value of 3.04. As we understand from the above analysis, St. George Brewery Factory involves in a better manner than that of the remaining companies in the implementation of CSR towards ethical and legal dimensions.

4.3. Non-parametric Test result and discussion

To generalize the above descriptive result the non-parametric test i.e. Friedman test were conducted to evaluate differences in average result of the response of employees concerning the focus of the firms among the dimensions and the result is stated as follows:

Table 9: Non-parametric Test result of Mean rank value of the three companies

	Mean Rank		
	National Alcohol Factory	St. George Brewery Factory	Awash Wine Factory
Environmental issue	3.03	2.26	2.10
Customer issue	4.42	3.62	4.96
Employee issue	2.21	2.82	1.96
Community issue	2.08	2.73	2.17
Legal & Ethical issue	3.26	3.58	3.81

	Test Statistics		
	National Alcohol Factory	St. George Brewery Factory	Awash Wine Factory
N	78	175	26
Chi-Square	114.327	98.338	74.050
Df	4	4	4
Asymp. Sig.	.000	.000	.000

Source: Own Survey, 2021

From the above table we can see that the whole three (Awash Wine, National Alcohol and St. George Brewery Factory) companies tend to have higher concern on Customer issues with the mean rank value of (4.96, 4.42, 3.62) respectively. Legal and Ethical issue with the mean rank value of (3.81, 3.58 and 3.26) for Awash Wine St. George Brewery and National alcohol Factory respectively also stated in the second level.

In the case of National Alcohol Factory Environmental issues with mean rank value (3.03) stated in the third level. On the other hand in the case of St. George Brewery Factory Employee issue is found at the third position with mean rank value of (2.82). In addition Awash wine factory focuses on Community issues will take the third position. Employee and Community issue is found at the fourth position for National Alcohol Factory and St. George Brewery Factory with mean rank value of (2.21 and 2.73) respectively. In the case of Awash Wine Factory Environmental issue stated at a fourth position with mean rank value of (2.10). Finally, Community, Environmental and Employee issue are stated in the last position with mean rank value of (2.08, 2.26 and 1.96) for National Alcohol, St. George Brewery and Awash Wine Factory Respectively.

The purpose of Friedman procedure is to test whether these observed differences are statistically significant or not. Therefore, from the test statistics that stated in the above table we understand that the asymptotic significance (p-value) is less than $\alpha = 5\%$. This indicates that there is significant difference between the dimensions. In other words, the level of concern of the companies towards environment, customer, employee, community, and ethical & legal dimensions are statistically different.

4.4. Factors affecting the implementation of CSR

Effective implementation of CSR in an enterprise might mean maximizing value resulting from achieving goals which included not only economic but also social and environmental aspects. It might also mean being able to gain a competitive advantage on the basis of CSR. The effectiveness of CSR is also connected to the benefits and costs of social responsibility for an enterprise. Corporate social responsibility (CSR) has attained a high enough profile (de Bakker, Groenewegen, & den Hond, 2005; Lockett, Moon, & Visser, 2006; Margolis & Walsh, 2003; Walsh, Weber, & Margolis, 2003) that many consider it a necessity for organizations to define their roles in society and adhere to social, ethical, legal, and responsible standards (Lindgreen&Swaen, 2004; Luo & Bhattacharya, 2006). From a CSR perspective, organizations provide the drivers that can construct a better world (Friedman & Miles, 2002) and therefore experience pressure to demonstrate accountable, corporate responsibility (Pinkston & Carroll, 1994). Achieving the highest effectiveness depends on a number of factors. CSR implementation might be affected by both internal and external factors

Table 10: Factors Affecting the Practice of CSR

Factors	National Alcohol Factory				St. George Brewery Factory				Awash Wine Factory			
	Yes		No		Yes		No		Yes		No	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Government	56	71.8	22	28.2	120	68.6	55	31.4	20	76.9	6	23.1
Media	48	61.5	30	38.5	117	68.9	58	33.1	17	65.4	9	34.6
Product of the firm	18	23.1	60	76.9	93	53.1	82	46.9	8	30.8	18	69.2
Production activities	30	38.5	48	61.5	104	59.4	71	40.6	12	46.2	14	53.8
Location of the firm	27	34.6	51	65.4	104	59.4	71	40.6	5	19.2	21	80.8
Awareness	57	73.1	21	26.9	126	72	49	28	16	61.5	10	38.5
Skill and knowledge of employees	58	74.4	20	25.6	89	50.9	86	49.1	21	80.8	5	19.2
Unavailability of market for product	30	38.5	48	61.5	53	30.5	122	69.7	7	26.9	19	73.1
Unavailability of best technology	27	34.6	51	65.4	52	29.7	123	70.3	9	34.6	17	65.4
Unavailability of raw material	34	43.6	44	56.4	62	35.4	113	64.6	14	53.8	12	46.2
Fluctuation of product price	34	43.6	44	56.4	123	70.3	52	29.7	8	30.8	18	69.2
Competitions	58	74.4	20	25.6	97	55.4	78	44.6	22	84.6	4	15.4

Source: Own Survey, 2021

From the above table we understand that the majority (74.4%) of the respondents of National Alcohol Factory agreed that Skills and Knowledge of employees is one major factor that can affect the implementation of CSR. (73.1%) of respondents argued that Awareness are also considered as major factor that can affect the practice of CSR. In addition,(71.8%) of the respondents also argued that the Government also a major factor that affect the implementation of CSR. Moreover, (61.5%) of the respondents are agreed that media is the factor that can affect the implementation of CSR. On the other hand, the other listed factors are not considered by the majority of the respondents, as a factor affecting the implementation of CSR.

As we observe from the above table we understand that the majority (72%) of the respondents of St. George Brewery Factory agreed that awareness of employees towards CSR is one major factor that can affect the implementation of CSR. (70.3%) of respondents argued that fluctuation of product price is also considered as major factor that can affect the practice of CSR. In addition,(68.6%) of the respondents also argued that the Government also a major factor that affect the implementation of CSR. Moreover, (66.6%) of the respondents are agreed that media is the factor that can affect the implementation of CSR. In addition, (59.4%) of the respondents agree on Production activities and location of the firm. On the other hand, the other listed factors are not considered by the majority of the respondents, as a factor affecting the implementation of CSR.

From the above table we understand that the majority (84.6%) of the respondents of Awash Wine Factory agreed that competitors are one major factor that can affect the implementation of CSR. (80.8%) of respondents argued that skills and Knowledge of employees are also considered as major factor that can affect the practice of CSR. In addition,(76.9%) of the respondents argued that the Government also a major factor that can affect the implementation of CSR. (65.4%) of the respondents are agreed that media is the factor that can affect the implementation of CSR. Moreover, (61.5% and 53.8%) of respondent are agree that awareness and unavailability of raw materials are the factors that can affect the implementation of CSR. On the other hand, the other listed factors are not considered by the majority of the respondents, as a factor affecting the implementation of CSR.

To analyze the acceptance level of the respondents concerning the factors that can affect the practice of CSR, the non-parametric test, Cochran's Q-test statistics were conducted and the result was stated as follows:

Frequencies

	Value	
	1	2
Government	56	22
Media	48	30
Awareness	57	21
Skills and knowledge of employees	58	20
Competitors	58	20

Test Statistics

N	78
Cochran's Q	4.368a
Df	4
Asymp. Sig.	.358

From the above result we can understand that the proportions of respondents concerning the factors are not statistically different. Because the asymptotic significance result (0.358) is greater than that of (0.05), the null hypothesis was accepted. The purpose of the Cochran procedure is to test whether the observed differences are statistically significant or not. Therefore, there is no significant difference between the proportions of respondents who selects the above mentioned factors as a factor affecting the practice of CSR. Generally, we can consider the factors as major factors affecting the implementation of CSR.

The above mentioned factors are differentiated as a major factor from the other factors affecting the implementation of CSR, through test statistics, McNemar Test. This test is conducted by taking the minimum value from the major factor and the maximum value from the other factors.

Test Statistics^a

	Media & Unavailability of raw material
N	78
Chi-Square ^b	4.024
Asymp. Sig.	.045

a. McNemar Test

From the above table we understand that the asymptotic significance (p-value) 0.045 is less than that of the level of significance 0.05. This means there is a significance difference between the maximum value of the major factors and the minimum value of the other factors. Therefore, the above identified factors taken as a major factor, which can affect the implementation of CSR.

Frequencies

	Value	
	1	2
Government	120	55
Media	117	58
Production activities	104	71
Location of the firm	104	71
Awareness	126	49

Test Statistics

N	175
Cochran's Q	11.676 ^a
Df	4
Asymp. Sig.	.020

In the case of St. George Brewery Factory From the above taste result we can understand that the proportions of respondents concerning the factors are statistically different. Because the asymptotic significance result (0.02) is less than that of (0.05), the null hypothesis was rejected. The purpose of the Cochran procedure is to test whether the observed differences are statistically significant or not. Therefore, there is significant difference between the proportions of respondents who selects the above mentioned factors as a factor affecting the practice of CSR.

Frequencies

	Value	
	1	2
Competitors	22	4
Skills and knowledge of employees	21	5
Government	20	6
Media	17	9
Awareness	16	10
Unavailability of raw material	14	12

Test Statistics

N	26
Cochran's Q	8.810 ^a
Df	5
Asymp. Sig.	.117

From the above test result we can understand that the proportions of respondents concerning the factors are not statistically different. Because the asymptotic significance result (0.117) is greater than that of (0.05), the null hypothesis was accepted. The purpose of the Cochran procedure is to test whether the observed differences are statistically significant or not. Therefore, there is no significant difference between the proportions of respondents who selects the above mentioned factors as a factor affecting the practice of CSR.

Chapter Five

5. Conclusion and Recommendation

5.1 Conclusion

The aim of this study was to assess the practice of CSR in some selected manufacturing firms. In line with the theoretical framework that the CSR practice of the firm measured through the dimensions; Environment, Customer, Community, Employee, Legal and Ethical; the following conclusions were made from the analysis.

Even if the companies involved in CSR practice, the companies are not involved in a regular bases. In addition, the majority of respondents believe that the major goals of these companies are profit maximization. The biggest challenges of CSR practice are related with that of lack of business strategy and policy related to CSR, lack of support from top management, lack of collaboration from local authority and lack of coordination.

The overall data analysis for the dimensions Environment, Customer, Community, Employee Legal and Ethical; indicates that the majority of respondents believe the firms do not properly carryout CSR activities. However, when we compare the concern; the involvements of the companies in the implementation of CSR towards Environmental protection are not good. Specially, National Alcohol Factory and Awash Wine factory have no good experience interms of CSR implementation towards Environmental issue, but St. George Brewery Company is better than that of the above mentioned two companies in the implementation of CSR towards Environmental issue. The three selected companies focus more on the customer dimension when they involve in the implementation of CSR within the environment. This shows that when the companies involve in CSR practice their intention is to gather some financial benefits. Moreover, the involvements of the companies in the implementation of CSR towards Employee protection are not good. Specially, National Alcohol Factory and Awash Wine factory have no good experience interms of CSR implementation towards Employee issue, but St. George Brewery Company is better than that of the above mentioned two companies in the implementation of CSR towards Employee. In addition, the involvements of the two companies in the implementation of CSR towards community are not good. That is, National Alcohol Factory and Awash Wine factory have no good experience interms of CSR implementation towards

Community, but St. George Brewery Company is better than that of the above mentioned two companies in the implementation of CSR towards community. In the implementation of CSR towards Ethical and Legal dimensions, St. George Brewery Factory involves in a better manner than that of the remaining companies.

Fried man test show that the level of concern of the companies towards Environment, Customer, Employee, Community, Legal and Ethical dimensions are statistically different. Through test statistics, Cochran Test, this study found that the major factors that affect the practice of CSR by manufacturing firms in the study areas are: skill and knowledge of employees, government, competitors, awareness, and media.

5.2. Recommendation

On the basis of analysis and its findings, the following recommendations have been given:

In order to increase the familiarity of employees, firms should have to train employees concerning CSR. Hence, the firms should have to follow the scientific method to train the workers.

The companies should have to focus on creating a vision, mission and statement of values that include CSR as one of its core elements. In addition to this, the companies should have to prioritize its CSR and perform it regularly.

Information about CSR commitments, activities and performance reporting should be communicated visibly and frequently to all stakeholders. Whether through newsletters, annual reports, Intranet communication, meetings, training or informal mechanisms, employees must know that CSR is a company priority. Updates on CSR should also be put on the agenda of meetings at all levels of the company.

A CSR strategy is a road map for moving ahead on CSR issues. It sets the firm's direction and scope over the long term with regard to CSR, allowing the firm to be successful by using its resources within its unique environment to meet market needs and fulfill stakeholder expectations. It is therefore vitally important that the firms should have to design a good CSR strategy that is related with that of their business strategy.

It is vitally important that there should be good communication between top management and employees, cooperation with the local communities about CSR strategy and commitment implementation. As well, all parties must be fully on side and enthusiastic about implementing a firm's CSR commitments.

The firm's management should have to be serious about CSR and acts in a manner that reflects the spirit of the commitments through developing effective CSR policy and procedures.

Firms should have to see that CSR activities integrate broader societal concerns into business strategy and performance. In addition, to building trust with the community, and giving firms an

edge in handling effectively the environment, customers, and employees, the firms should have to act responsibly within the society.

CSR commitments are policies or instruments a firm develops or signs on to that indicate what the firm intends to do to address its social and environmental impacts. CSR commitments flow from the CSR assessment and strategy and are developed at the point when a firm moves from planning to doing: it is therefore vitally important that the firms should have to develop CSR commitment.

Verification (also known as conformity assessment or assurance) is a form of measurement that can take place in any number of ways: internal audits, industry (peer) and stakeholder reviews, and professional third-party audits. Firms should tailor their approach to verification to suit the corporate culture, and the context for and objectives and content of their CSR strategy and commitments.

The firms should have to perform their CSR activities in collaboration with government. The government also must have to control the CSR activities of the companies through monitoring and evaluation.

The companies should have to perform their CSR activities in collaboration with competitor companies and Medias by creating interaction with them. In addition the firms should have to increase the skill and knowledge of employees by providing different type of educational opportunities.

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Annex-1

St. Mary's University
Post Graduate Program
Department of Management (MBA)

Questionnaires: - To be filled by the employees of the selected manufacturing companies in Addis Ababa. This questionnaire is developed to obtain views of the three selected manufacturing company's employees regarding the Assessment of Corporate Social Responsibility practice in Addis Ababa. The information collected through the questionnaire will be used for the study purpose.

The information you provide is highly privileged and will only be used for problem solving. We assure you that the information you provide is kept confidential.

Thank you in advance for your kind cooperation!!

NB.

- ✓ Writing your name is not necessary.
- ✓ Put a sign of “√” for your choice in the box provided and write on the space provided for open ended questions.

Section A: General Questions

1. Gender

Female Male

2. Age

Less than 25 25-35 36-46 Greater than 46

3. Educational level

12 complete diploma degree complete above degree

4. How long has your company been running/ operating?

Less than one year

1 to 3 years

4 to 9 years

10 and more years

Section B: Awareness Assessment Questions

1. Are you familiar with the term corporate social responsibility?

Yes

No

2. please Answer the following (mark one in each row)

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. The primary responsibility of a business is to make a profit					
2. Our firm is a socially responsible firm					
3. CSR activities of the firm is conducted on a regular basis					
4. Our CSR activities are closely related to our business strategy					

3. Please indicate the extent to which each of the following factors motivated your firm to undertake CSR.

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Ethical and moral reasons					
2. To improve community relations					
3. To improve customer loyalty					
4. To improve employee motivation					
5. To improve relations with business partners/ investors					
6. To improve economic performance					
7. Pressure from third parties (e.g. clients or competitors)					

8. To preserve or improve the reputation of the company					
9. Companies commitment to reduce impact on environment					

Other, specify _____

4. Please indicate the extent to which any of the following act as a barrier to furthering your firm's CSR activities.

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Lack of time					
2. Lack of budget					
3. Lack of coordination (from other firms or communities)					
4. Lack of resources (human, money, material etc.)					
5. Lack of business strategy & policies related to CSR					
6. Lack of collaboration from local authorities					
7. Lack of top management support					

Other, please specify _____

SECTION C: General information related to Environmental issue

5. To what extent is your company involved in the following activities?

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Waste reduction					
2. Recycling					
3. Energy conservation					
4. Reduction of water consumption					
5. Reduction in air pollutant					
6. Your organization use environmentally friendly (i.e. biodegradable/recyclable) packaging/containers?					
7. Your organization complies with the environmental laws, rules and regulations to promote environmental protection.					

Please describe any CSR activity which is carried out by the firm to the ENVIRONMENT or any idea regarding the above questions _____

Section D: General information related to Customer

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Your company supply clear and accurate information and labeling about the product and service?					
2. Quality assurance criteria adhered to your production?					
3. Your company resolves customers complain in a timely manner?					
4. Your company is committed to provide value to customers?					

5. The issues of product accessibility addressed					
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SECTION E: General information related to the firms Employees

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Your organization encourages employees to develop real skills and long term careers (via Performance Appraisal and Training &Development)?					
2. Your organization ensures adequate steps are taken against all forms of discrimination					
3. Your organization consult employees on important issues					
4. Your company is committed to provide value to employees					
5. Your organization committed to the health and safety of employees					
6. Wage rate of your firm related to the average wage rate of the sector					

Please describe any CSR activities carried out by the firm that are oriented toward EMPLOYEES or any comments on the questions above

SECTION F: General information related to the Community

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Your firm donate (contribute) to charity					
2. Staff members involved in charity volunteer work on behalf of the firm					

3. Your company actively involved in a project(s) with the local community					
4. Your company has purchasing policies that favor the local communities in which it operates					
5. Your company has recruitment policies that favor the local communities in which it operates					
6. Wage rate of your firm related to the average wage rate of the sector					

Please describe any activities of your firm which is oriented to the community_____

SECTION G: General information related to the ethical and legal aspect of CSR

	Strongly agree	Agree	Neutral	disagree	Strongly disagree
1. Our company always pays its taxes on a regular and continuing basis.					
2. Our company complies with legal regulations completely and promptly.					
3. Our company tries to help the government in solving social problems.					
4. Our company acts legally on all matters.					
5. Our company's main principle is honesty in every business, dealing.					
6. Our company cooperates with its competitors in social responsibility projects.					
7. Our company competes with its rivals in an ethical framework.					
8. Our company always avoids unfair competition.					

9. Our products comply with the national and international standards					
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Please describe any activities of your firm which is oriented to the community_____

Questions related to factors affecting the practice of corporate social responsibility

The table below contains probable factors which influence the company to practice corporate social responsibility. If you perceive that a single factor affects the corporate social responsibility practices of your company tick “Yes” otherwise “No”.

No.	Factor	Yes	No
1	Government		
2	Media		
3	Products of the firm		
4	Production activities		
5	Location of the firm		
6	Awareness		
7	Skills and knowledge of employees		
8	Unavailability of market for product		
9	Unavailability of best technology		
10	Unavailability of raw material		
11	Fluctuation of product price		
12	Competitors		