

WOLKITE UNIVERSITY
SCHOOL OF GRADUATE STUDIES

CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN GURAGE ZONE (THE CASE OF SELECTED MANUFACTURING COMPANIES)

BY

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A THESIS SUBMITTED TO THE DEPARTMENT OF MANAGEMENT, COLLEGE OF BUSINESS AND ECONOMICS, SCHOOL OF GRADUATE STUDIES WOLKITE UNIVERSITY IN PARTIALS FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

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Wolkite, Ethiopia

DECLARATION

I undersigned, declare that this thesis entitled: “CORPORATE SOCIAL RESPONSIBILUTY IN GURAGE ZONE (IN THE CASE OF SELECTED MANUFACTURING COMPANIES)” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged.

To the best of my knowledge, this study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfilment of the degree of Masters of Business Administration.

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List of Acronyms and Abbreviation

ADLI: -Agricultural Development-Led Industrialization

ANOVA: - Analysis of Variance

BOFED: -Bureau of Finance and Economic Development

BOS: - Based on Standardized

CSA: - Central Statistics Agency

CSR: - Corporate Social Responsibility

EC: - Ethiopian Calendar

EFQM: - European Foundation for Quality Management

EIA: - Environmental Impact Assessment

EMS: -Environmental Management System

EPA: -Environmental Protection Agency

Freq.: -Frequency

GEMI: -Global Environmental Management Initiative

GTP: -Growth and Transformation Plan

GZDOFED: -Guraghe Zone Department of Finance and Economic Development;

GZIO: -Gurage Zone Investment Office

HIV/AIDS: -Human Immune-Deficiency Virus / Acquired Immune Deficiency Syndrome
HSE: -Health and Safety Executive

ILO: -International Labour Organization

ISO: - International Standard organization

Km: - Kilo meter

MOEF: -Ministry of Environment and Forestry

MOFED: -Ministry of Finance and Economic Development

MOLSA: -Ministry of Labour and Social Affairs

NO: -Number

NGO: -Non-Governmental Organization;

OHS: -Occupational Health and Safety

PASDEP: -Plan for Accelerated and Sustained Development to End Poverty

PLC: -Private Limited Company

PPE: -Personal Protective Equipment

PPS: - Purposive Sampling

S.C: -Share Company

SDGs: -Sustainable Development Goals

SNNPRS: - Southern Nations, Nationalities and Peoples Regional State

SPSS: - Statistics Package for Social Science

SR: -Social Responsibility

SRLPs: -Socially Responsible Labour Practices

STD: -Standard Deviation

TNCs: -Trans-National Corporations

UN: -United Nations

UNDP: -United Nations Development Program

UNEP: - United Nations Environmental Program

UNIDO: -Unite Nations Industrial Development Organization

US: -United State

Symbolizations

Symbol	Meaning
%	Percentage
N	Total Households
e	Level of Precision
n	Sample Size

ABSTRACT

The purpose of this research paper was to assess the practices of manufacturing companies' corporate social responsibility in Gurage zone. The study found out the extent of companies' implementation corporate social responsibility program and activity in Gurage zone and perception of the main stakeholder towards the corporate social responsibility implementations of the companies. I used the three major stakeholders (community, employees and environment) as a pillar of corporate social responsibility practices. For this study, employed descriptive research design and multi stage sampling techniques. The target population is companies' employees and local community besides sample size 167 employees and 120 community respondents. Furthermore, companies' managers were interviewed. Both primary and secondary sources of data were used. The data collecting instruments employed in the study were Five point Likert scaled questionnaire, observational checklist and semi- structured interviews guides. The data were analysed using both descriptive such as percentage, mean, and standard deviations and inferential statistics such as t-test and analysis of variance with the help of statistics package for social science. The results of the study found out that the firm did not established independently business initiative in to strategy and exclusively departments to deal with corporate social responsibility issues. Also the most important stakeholders for this activity are owners. The finding shows that employee satisfaction and motivation as main motives and the main challenges to engage are the lack of specific legislation. Furthermore, economic and legal responsibility is main dimension for corporate social responsibility although a great extent on employees and environmental action. Generally, Gurage zone manufacturing companies' continuum levels towards corporate social responsibility is fragmented levels. Based on findings, recommendations are to create specific policy and regulatory, arranging way to practice corporate social responsibility formally in priority manner, use communication channel to enhance awareness and integrated and conducting a dialogue of stakeholders.

Keyword: Community, Employees, Environment, Manufacturing, Responsibility.

CHAPTER ONE

INTRODUCTION

This chapter is an introductory chapter. That provides information concerning an overview of the study. It deals with background of the study, statements of the problems and objectives, research questions of the study, significance, scope and organization of the study.

1.1 Background of the Study

Corporate social responsibility (CSR) is highly complex and contentious issue among academics and practitioners. There is lack of consensus regarding definition and contents of CSR practices (Dahlsrud, 2008; Dobers, 2009; Carroll & Shabana, 2010; Tanej, 2011). The concept and terminology of CSR also varies as some firms refer to it as: corporate social performance, corporate social responsiveness, corporate citizenship, ethical business practices, stakeholder management and corporate sustainable business practices (Basu & Palazzo, 2008; Sharma & Kiran, 2013). The social responsiveness has increased in the recent years and the emerging perspective on CSR focuses on responsibility towards stakeholders (Balasubramanian, 2005).

Today, companies are operational towards accomplishing the CSR of a business which concerned with benefit to all stakeholders by incorporating different practices in to their business strategy. (Samson & Messay, 2011) Different industry actors believe that a systematic integration of CSR into their business practices can make a positive influence on their economic, social, and environmental performance (Baggot, 2006; Pearson 2010; Juscius & Kondratu, 2012)

The history of Corporate Social Responsibility (CSR here after) was first seen in the Anglo-Saxon world in 1950s with the idea of contributing societal welfare and environmental responsibility (Kostyuk, 2008). The issue of CSR and sustainable development have attracted worldwide attention, especially in the media and in academia (Odetayo, Adeyemiand Sajuyigbe , 2014).William (2010) as citied in Be dada, (2011) described that CSR is complex area with an interdisciplinary focus and concerned with treating stakeholders of the firm ethically or in a responsible manner.

The international standardization organization 26000 (ISO 26000), is a new standard on social responsibility that is intended for use in all countries to assist organizations to operate in a socially responsible manner, for any organization. (ISO, 2010) Historically, it is the phenomena of 1950s in the academic literature. Efiong, associate it the Holy Bible book. (Efiong H, 2013)

"The Holy Bible in Leviticus 19: 9-10, has this to say: When you reap the harvest of your land, you shall not wholly reap the corners of your field, nor shall you gather the gleanings of your harvest. And you shall not glean your vineyard, nor shall you gather every grape of your vineyard; you shall leave them for the poor and the stranger: I am the Lord your God. When we see this biblical word is social responsibility practices that ordered by God".

Hence, the definition provided by ISO 26000 working group is adopted for the study. Accordingly, ISO define social responsibility as: 'the responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders. (ISO 26000, 2010) CSR is very important due to its influences on several aspects of a company's operations. An increasing number of consumers today would like to buy the products from companies they trust. Hence, satisfying all stakeholders allows firms to maximize their commitment (Werther & Chandler, 2006).

Many definitions of CSR indicate corporate engagement with society stating to one process by which an organization expresses and develops its corporate culture and social consciousness's Rupp, D. E., Aguilera, & Williams, C. A. (2006). For example, CSR can be defined as activities, decisions, or policies that organizations engage in order to effect positive social changes and environment sustainability. (Aguilera, R.V., Rupp, D.E., William, C.A & Ganapathi, J.2007)

The CSR practice is spreading over the world in recent year; in developed countries of the world business firms are stressed with a novel role, which is to meet the desires of the present generation without negotiating the ability of the next generations to meet their own needs. (D'Amato, 2009) most sub-Saharan Africa and developing countries in general, is still evolving regarding national perspectives and commitment of corporations to CSR. There appears not a comprehensive document on CSR and seemingly lack of clear-cut CSR policy. However, there are a variety of policies, laws on various sectors, practices and initiatives that together provide some guidelines for CSR interventions (Atuguba & Dowuona-Hammond, 2006).

Different countries (including Ethiopians) have different social, cultural and political histories and backgrounds (Halme & Laurila, 2009; Hiseh, 2009; Bagire, 2011; Adeyanju, 2012); hence, we expect that practices and perceptions of stakeholders regarding CSR activities would differ (Wong *et al*., 2010; Adeyanju, 2012). Ethiopian economy presents an attractive economic climate for investment and an enabling environment for the practice of CSR (Westen & Repapis, 2013).

Almost all of national companies and government organizations have not developed a concept CSR and initiatives are imported from the Western countries. CSR practices mainly as corporate charity primarily aimed at addressing socio-economic development challenges. (Deyassa, K. 2016) study carried out by Robertson (2009) revealed that the private sector in Ethiopia struggles but not active in CSR and private-public partnership is very limited.

Also, study carried out by JIMA, W. B. & AGAMA, D. T. (2015), Manufacturing firms have not properly carried out CSR activities especially in help the surrounding community and waste management. CSR promotes healthy relationship between business and the larger society, by redefining the role and obligations of private business within that society (Keinert, 2008).

The CSR activities of the companies studied were classified into five broad categories as described by Holcomb, Upchurch & Okumus (2007), i.e. community, environment, marketplace, vision and values and workforce. Our research focuses on CSR activity of community, environment and workforce. Also the assertion of Carroll & Buchholz (2011) that CSR includes economic, legal, ethical and philanthropic expectations placed on businesses by the society.

According to the Gurage zone investment office 2016 data, a total of 51 company licensed .in manufacturing industry, total implemented capital Birr 289,185,760.00 and total employments create 1070. From this licensed company 28 are in implementing and pre- implementing, 4 are non-functional and the remaining 19 are in operation (semi-operation and fully operation). Those in operation company are classify in 8 sub divisions of sector, which are flour mill, cement by product, medicine raw material, milk processing, bottled water, metal and wood and beer wary.

Therefore, manufacturing companies in Gurage zone need to adopt a socially responsible business practices by join different stakeholders which include community, employees. To gate different benefits have many motives. Also, apply different categories of CSR practices. Some of CSR practices are infrastructure development like drinking water, rural road and electricity, health care, poverty mitigations by hiring locale labour & create job, education, planting trees and distributes different seedling ,sport sponsor ships , different charity and so on. (GZIO, 2016)

This study is situated in this milieu and study attempts to assess the practices of corporate social responsibility. Investigate the experience of manufacturing companies in Gurage zone.

1.2 Statement of the Problem

The subject of CSR is a Perplexing one for any industry. (Code of Responsible Practices, 2009) The definition and understanding of CSR is contested with assertions that the concept is a 'western-imposed agenda' and "there is no comprehensive CSR policy or law in most countries in the Sub Saharan African region, rather some ad hoc legislative and non-regulatory activities are common" (Visser & Tolhurst, 2010). For Africa Interest in CSR due to growing interest in Practical dilemmas of how companies balance the desire for global integration with the need for local responsiveness (Judy N. Muthuri, 2012).

Although, there is no 100% clear definitions of CSR in the world. Concept and practice of social responsibility in Ethiopia is new, low level of development and structural problems such as the absence of specific policy and lack of strong co-ordination among stakeholders. Generally lack of clarity or not proper understanding to this concept and practice (Asnake Menbere, 2016)

The unique nature of socio-cultural context and circumstance of cultural practices that are the sources of socially responsible practices needs further investigation in Ethiopia. According to US Department of State, (2014) Private organizations also confirm the lack of clarity in the policy framework, definition and enforcement of role and function of the sector to realize CSR.

Through effective CSR practices, organizations will achieve a balance between economic, environmental and social necessities; address stakeholders expectations, demands and effects, (justice, N.D, 2012). In support to this Tom Fox wrote "every business entity has its stakeholders and its impacts on society, both positive and negative". Thus for their effect they take some responsibility based on their limit and power.

In most developing countries, labour markets continue to be characterized by persistent informality and low levels of pay and employment benefits. (Cazes & Verick, 2013) A research in the area of labour reveals, Ethiopia faces serious challenges in the area of workers' rights and working conditions in ensuring a productive and healthy labour force. Some of these challenges are low wage rate, working excessive hours, involvements of child labour, gender based market segregation and increase occupational injuries. Also, low enactment of employment related laws and low awareness about these rights at all levels are identified as chronic challenges. (MOLSA, 2012; ILO, 2014; UNDP, 2014 & World Bank, 2014) Thus, studying CSR for worker is considered to be a solution that can play a critical role in the endeavours to minimize different challenges, poverty alleviation and sustainable development in the developing world.

In Ethiopian, since time immemorial, people have been utilizing the diverse natural resources without giving attention to the conservation. (Tesfaye & Negussie, 2007) Natural beauty has largely been degraded as a result of human activities in general and domestic and industrial pollution in particular. The challenges are showed in the form of deforestation, land degradation, climate change, water pollution, air pollution and noise pollution. (UNEP, 2016)

Traditionally, environmental protection has been considered to be in the public interest and external to private life. Business and management scholars have been grappling with the question of how and why corporations should incorporate environmental Concerns into their own strategies, today many companies have accepted their responsibility to do no harm to the environment. (Mazurkiewicz, 2004) The most noteworthy environmental issues related to the operation stage of manufacturing company is embrace water consumption, wastewater, solid waste and by-products, energy use and emissions to air. (Olajire, 2012) A recent study by the MOEF reveals that out of the 163 factories surveyed 101 (61.93%) release their industrial wastes directly to the environment without any treatments. The remaining does not have the standard waste treatment mechanisms. (MOEF, 2014) So I am interested to study the gurage zone industries' production processes are environmental friendly and their products are clean or not.

A socially responsible practice in Ethiopia seems to be taken as synonyms with the contribution of the private sector to national development. (MOFED, 2010) In Ethiopia, historically the limited capacity of the state to provide an enabling economic environment and physical infrastructure left the private sector to step up to the challenge of providing much of the public goods. As such, private sector through responsible business practices plays a huge role in filling this gap (Sharma, 2013). Hence, this study compliment, a CSR approach to labour, community and environment practice would be a useful tool in the Ethiopian context. Also in gurage zone b/c this zone is one of the zones in Ethiopian and respectively, all the above problems are occurs in different extent in Gurage zone and to minimize apply different mechanism and activity. According to Amaeshi, as cited in Efiong H (2013), numerous studies have been done on CSR of firms in Africa. A number of these studies indicate that CSR in African case is not investigated in well manner and available studies are conducted in multinational company. Cheruiyot & Maru, (2012) shows the small level the study of CSR in African. In addition to these, the available studies concentrated the CSR issues in the corporate level by requesting the chief executive officers (CEO) or the managers what done in their organization.

Some researchers studied issues that focus in Ethiopia related to CSR but most of them are restricted to large corporations. For example, Potluri RM, Temeseg Z (2008), studied the attitude of Ethiopian corporate towards CSR; nature of CSR in Ethiopian business context by Ghrmay TM (2013) and Abebe A (2011) also studied the practices of CSR in sugar industry. Tilahun A (2014) studied the effect of CSR on customer's loyalty, In case of Deshen brewery factory. But, this research work is not the same from these because of, it examine CSR practice in the case of manufacturing company in Gurage zone (local government administrational area) from the point of view of the local community, employees and the managers' perspective.

CSR is very important due to its influences on several aspects of a company's operations. (Werther & Chandler, 2006) Moreover, CSR also enables the companies to initiate the effective program and strategy to apply all nessarly action for satisfies and protects employees and environment and can help community in various ways. (Mazurkiewicz, 2004)

Since, Gurage zone manufacturing companies as the unit of analysis for the following four reasons. First, growing in number of companies is operating in zone. Second, companies are the primary engines of economic development. They have also financial resources, technological knowledge and institutional capacity to implement ecological solutions (Shrivastava, 1997). Third, consists of different type of firms producing pollutions that affect the surrounding communities and dissatisfaction that affect employee's social responsibility represents the response of the business community for the issues of sustainability. Through CSR companies address various important issues (Embaye, 2007). Fourth, lack of study and limited empirical data and research regarding CSR in Ethiopia (GTZ, 2008; GIZ, 2012; Helg, 2007; & Tilakasiri, 2012). And the study on assessment towards CSR for manufacturing company in Gurage zone is not yet been studied or almost non-existent and not put to public consumption. This showed that unclear in the past how manufacturing industry in Gurage zone practices.

For the above reasons it is interesting and calls for a research work to fill gap with the major aim, to study about the types of CSR policy and strategies. As a result, the companies in Gurage zone manufacturing industry type of activities may vary according to the perception of the stakeholder. In this case, their perception may vary according to the types of CSR performed in their company. This study, aims specifically assess manufacturing companies activities of CSR currently performed by taking semi and fully operational companies as a case in Gurage zone, the employee's and community's perception towards the CSR implementations, as well as assess the contributions of the government concerning CSR practice of company.

1.3 Basic Research Questions

1. What CSR program and activities manufacturing companies in Gurage zone have been practicing?
2. What is the perception and expectations of stakeholder towards the CSR implementations of manufacturing companies in Gurage zone?
3. What are the contributions of the government concerning CSR practice of manufacturing companies in Gurage zone?
4. To what extent companies' implemented CSR activity in Gurage zone?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study was to assess the nature of CSR practice of the manufacturing industry that operating in Gurage zone.

1.4.2 Specific objectives

1. To assess the practice of CSR in manufacturing industries in Gurage zone.
2. To measure out the perceptions and expectations of stakeholder towards the CSR implementations of manufacturing companies in Gurage zone.
3. To assess the contributions of the government towards CSR practice of manufacturing companies.
4. To measure the extent of manufacturing companies implemented CSR activity in Gurage zone.

1.5 Significance of the Study

Therefore, this study is helpful to make some contributions in the following manner. Firstly, this study gives firms current status of social responsibility, then on the basis of the findings, the report has drawn some conclusions and identified certain problems and had gave signal to the respected companies to take remedial action to reduce or eradicate these problems.

Secondly, it has a piece of contribution to the current knowledge and relevant for research and advocacy in the area of CSR for many Gurage zone particularly for manufacturing companies. And also, close gaps b/n societal expectations and business practices for firms then, aware and select the appropriate CSR activities and financial support to the stakeholders (community, employees and environment) B/c "One fit for all" theory is not validated in this context.

Thus, the researcher believes that it helps as a source document and as a stepping stone for those researchers who want to make further study on the area afterwards.

The companies in Gurage zone can also utilize the result of the study to get savvy of their limitations and initiate effective CSR strategic planning programs and practices can generate long term profit. From a practical view point, this study provides feedback to company managers in that implementing CSR activity and actions are helpful for them, to devise their CSR strategies to address effectively impact of their business activities.

The study also serves as a tool to the management of companies and other manufacture company in Gurage zone and the nations over, in appreciating the need for CSR assessment and may also give a direction to government office. More so, the study is important because it offers useful recommendations on how companies and other manufactures company can better practise CSR so as to win the goodwill and support of their stakeholders.

1.6 Scope of the Study

The scope of the study have mainly related to investigating the CSR practices of manufacturing companies. In terms of area coverage, the study is limited on the Gurage zone which includes the 13 Woreda and 2 city administrative towns. The dimensions of CSR studied are: economical, ethical, legal and philanthropic responsibility. In terms of stakeholder study was delimited to employee, environment and local community of CSR activity. In addition, out of 19 semi and fully operational companies of zone the study was limited to purposively select five companies as case factory. i.e., Zbidar beer factory s.c, Aden business s.c, Scant bodies INC, w/o Britu Teka and Ato Syoum Berta flour factory Besides the study area, the study was target population was employees and manager that implement in selected company and surrounding community. The study has conducted based on qualitative research approaches and a cross-sectional research design. In terms of time scope the study will be conducted from May 2017 to June 2018.

1.7 Organization of the Paper

This research paper has been organized into five chapters: Chapter one contains the introductory part dealing with back ground of the study, statement of the problem, basic research questions and objectives of the study, scope and significance of the study. The second chapter was discussing the literature review about the subject matter. Chapter three deals about the research methodologies have presented. In chapter four presents' results and discussion of the study and finally, chapter five presents conclusions and recommendation. Finally, references and appendixes attached.

CHAPTER TWO

Review of Related Literature

Introduction

This chapter tries to deal with review of literature on "Corporate Social Responsibility (CSR)" under the study background includes a variety of theories, models and definitions. It provides a frame work for establishing the study and an endeavour has been made to provide an overview of various aspects as well as a benchmark for comparing the results of a study with other findings.

2.1 Theoretical Literature Review

2.1.1. Historical Development of CSR

The concept of corporate social responsibility has been a subject in businesses for centuries. Scholars have, however, taken more interest in the subject during the last decades. Epstein (2007) points out that the idea of corporate responsibility from the ethics point of view is already quite old. According to Carroll (2008), argue that the Industrial Revolution of the late 1800s was the starting point for CR, because that was the transformation in the economy that brought about the organizational form of doing business.

These changes made CRS even more popular as a research topic in the 1990s and the 2000s (Halme & Laurila, (2009); Blow field & Murray, (2008)). Wad dock (2008) points out that in the past five years the amount of academic articles discussing some aspect of corporate responsibility has grown exponentially.

Nowadays the concept of CSR is acknowledged by academic scholars, business executives, international organizations and the public, and it is also much debated among these groups. Changes in the business context are pushing for further acknowledgment and implementation of CSR (Andriof & McIntosh, 2001; Löhman & Steinholtz, 2003).

Table 2.1The development of corporate social responsibility

	1930	1940	1950	1960	1970	1980	1990	2000
1st corporate responsibility texts								
New deal and welfare state								
Nationalization								
Return to business and social debate								
Shift from responsibility of leader to companies								
Debate about the nature of responsibility								
Introduction to stakeholders theory								
Corporate responsibility management practice								
Environment management								
Corporate social performance								
Stakeholder partnership								
Business and poverty								
Sustainability								

Source: The rhetoric and reality of good company's, Epstein 2007

2.1.2 Definition and Concepts of CSR

As a result of the history of CSR, corporate responsibility has gained ground as an idea, a potential strategy and a practical tool for organizations to contribute to sustainable development (Dobers, 2009).

CSR is complex area with an interdisciplinary focus which includes human rights, environmental responsibility, and diversity of management, sustainability and philanthropy (William, 2010). International Institute for Sustainable Development is a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and societies. (Sexsmith & Potts, 2009) Definition of social responsibility ISO 26000 defines the social responsibility of an organization as: "the responsibility for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that: contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization

and practiced in its relationships. Definition According to Marrewijk; (2003) accentuates that CSR refers to company activities, often voluntary, involving economic, social and environmental concerns in business operations. These three elements are often referred to as the triple bottom line (Zadek, 2001).

Furthermore, Lepoutre & Heene (2006) CSR as stated which involve firms' attention to their responsibilities to their customers, employees, the local community, and the environment. In general definitions focus on how companies manage their core business to add social, environmental and economic value in order to produce a positive sustainable impact for both society and for the business.

2.1.3 Stakeholders Theory

There are various theories such as stakeholder, agency, organisational and institutional theory (Hoffman, 2007) that have been explored to address CSR. Stakeholder theory being the most prominent as idea of companies having stakeholders became a 'commonplace in the managing literature, both academic and professional since the publication of Freeman'slandmark book, Strategic Management: A Stakeholder Approach (1984)' (Donaldson & Preston, 1995)

It has been used in the CSR literature (Wood, 1991& McWilliams *et al*,2001) given that social is sues have stakeholders involved who participate in the development of the issues ''Organization theory'' takes a broader view of the firm than mainstream economics (Wood & Bandura, 1989). Here, an organization's success is viewed as dependent on how well it manages its relationships with a range of key groups, which include customers, employees, suppliers, financiers and, importantly, the communities within which the organization operates. Each of these groups, including those with no legally-based contractual relationship with the firm, is seen as having a ''stake'' in the activities of the organization. Stakeholder theory offers no neat, finite, list of the ''stakeholders'' of a business. Yet the manager's job, from this stakeholder perspective, is to keep the support of all these groups, carefully balancing their interests, while making the organization a place where stakeholder interests can be collectively maximized over time (Freeman & Phillips, 2002).

2.1.4 CSR AND STAKEHOLDER

Many researchers today do acknowledge the importance of stakeholders in terms of CSR, however there are diverse opinions when it comes to the stakeholders' nature and purpose.

2.1.4.1 Definition of Stakeholders

The first man to give an extensive definition of stakeholder groups was Freeman, however there were other authors also writing on this subject. Definition outlined by Freeman (1984), stakeholder as "any group or individual who can affect, or is affected by, the achievement of a corporation's purpose" The author listed diverse categories of stakeholders: governments, local community organizations, owners, consumer advocates, customers, competitors, media, employees, Special Interest Groups, environmentalists, suppliers (Ibid.). Distinguish stakeholders between those individual or groups that have legal, moral or presumed claim on the firm (narrow view) and those who have the ability to affect or influence the firm's behaviour and outcome (broad view). (Mitchell, Agle *et al.*1997)

Today, CSR is focused on a stakeholder model, which has become widely accepted among contemporary business organizations. Nevertheless, it is extremely dynamic, in that stakeholders change as the company's context of reference changes. Crucial questions still are who the relevant stakeholders are and whether we are talking about stakeholders or relationships among stakeholders. (Angelo Antonio & Francesco, 2009)

2.1.4.2 Different Concept of Stakeholder

Companies work together in different ways with their stakeholders. Freeman identified four ways. Initially, companies may pay no attention to their stakeholders. This inaction may be a form of denial or may be a result of a failure in the organizational processes (such as environmental scanning). Second approach is the Public Relations approach. Most large organizations have today a department whose task is to communicate with the public 'and any communication is one-way. Public Relations people tell the story 'usually through catchy campaigns for image. The third approach is implicit cooperation. This happens when the firm has tried to take actors into consideration before a strategy was implemented. Lastly, the explicit agreement may occur when organizations which have high stakeholder management capability use explicit agreement processes with their stakeholders.

Communication processes with stakeholders must be two ways in orders to achieve meaningful results (Freeman, 1984). Actors are a vital element in the organization's environment which can positively or negatively affect the firm (O'Riordan & Fair brass, 2008). These effects may be economic, technological, political social or managerial. (Freeman, 1984) In the same lines, Peloza and Papania (2008) state that the firms should try to develop their strategies based on perceived stakeholder priorities.

2.1.4.3 Stakeholders and its Relevance to CSR

A study made by Jamali (2008) focusing on CSR in developing countries found that firms tend to focus on stakeholders such as employees, customers and shareholders. The results showed that the manager-stakeholder relationship is affected by the attributes power, legitimacy and urgency, when it comes to CSR. The stakeholder theories suggest that a company should consider other stakeholders rather than only please the owners of the firm (Bird, D. Hall *et al*. 2007). Type of Stakeholder and its Actions (Papasolomou *et al*., 2005 in Jamali 2008), first Stakeholder is Employees; Provides a family friendly work environment, Invest in employee development, Promotes employee rights to speak up, Engages in employment diversity in hiring women, ethnic minorities and physically handicapped. Second Stakeholder is Consumers; Respect the rights of consumers, Offer quality products and services and Provides truthful and honest information .third Stakeholder is Community; Mutual relationships between corporation and community, Invests in communities where the corporation operates and Launches community development activities. Fourth Stakeholder is Investors; Strives for a competitive return on investment and Engages in fair and honest business practices. Five Stakeholder is Suppliers; Engages in fair trading transactions with suppliers and last Stakeholder is Environment; Commitment to sustainable development.

Organizations identify which stakeholder interests are important (Helmig *et al*., 2016). According to Jamali (2008) organizations often find themselves constrained by limited resources and bounded rationality. As a result it is argued that these limited resources will be used in order to satisfy the most important stakeholder group first. Engaging stakeholders because of their power of influence and the benefits the organisation stands to gain through CSR practice is regarded as the best approach in building bridge between stakeholders and the organisation to achieve its goals and objectives (Lind green & Swaen, 2010). Translating stakeholders demand into CSR policies and practices shows how an organisation regard stakeholder oriented concept of CSR implementation. In translating the demands, managers are expected to at times give more than what is expected or change the stakeholder's demands to a new and better expectation (Lamb erg *et al*, 2003).

2.1.4.4 Stakeholder Engagement

Lerbinger (2006) explained that stakeholder's engagement is about developing and sustaining relationship between firm and its stakeholders. Greenwood (2007) stated that stakeholder's engagement is the involvement of stakeholders in organisational activities.

In the same vein, Friedman & Miles (2006) defines stakeholder's engagement as "the process of effectively eliciting stakeholder's views on their relationship with the organisation." For an effective stakeholder engagement to be meaningful and achievable, stakeholders should be given an opportunity to express their opinion without being influenced by any group (Rollof, 2008). Honesty, open and fair engagement of stakeholders is very vital for organisations to function properly (Phillips *et al*, 2003; Freeman & Evan, 1990). The process of stakeholder's engagement is determined by three factors;

(i) Communication – This is regarded as the way in which an organisation understand the expectation of the stakeholders. It is the most efficient tool in accepting stakeholder's expectations and the way to relate with the stakeholders. Engaging stakeholders should involve appreciation and respect to their views, interacting with them on an individual basis which reduces expressions under influence and provides a framework for obtaining the essence of engaging stakeholders (Mainardes *et al*, 2011).

(ii) Engagement vs. Decision making – There must be conformity between the engagement of stakeholders and decisions made by the organisation. This means all decisions made by an organisation must reflect the input from the process of engaging stakeholders. Zadek & Raynard (2002) noted that an effective stakeholder's engagement is measured by the extent to which policies and practices reflects or are adjusted to meet stakeholder's expectations. Therefore, it is expected that an effective stakeholder engagement process must reflect a link between it and decision making. The outcome of decision making through policies and practices of the organisation prompt whether issues of concern to stakeholders are taken into consideration (Friedman & Miles, 2006).

(iii) Legitimacy/Strategy – The issue of legitimacy in stakeholder engagement arises as a result of trying to get a genuine representative of the entire body of stakeholders which an organisation deals with. Engaging stakeholders who are not representative to other stakeholders or who do not share common interest with majority of the stakeholders group could ultimately invalidate the entire process of stakeholder engagement. Similarly, Doyle & Stern (2006) pointed out that stakeholder engagement should be a collective process with an acceptable representativeness whereby no stakeholder group interest would be left unattended or not considered. Gibson (2002) on the other hand added that individual interests and preferences are to be regarded as unique features for changing modes of engagement and more understanding of distinct features of different stakeholders for future stakeholder engagement and decision making.

Organisations at times tries to exert influence on outcomes of stakeholder engagements as a strategy to overcome an unfavourable outcome, this considered as manipulation (Zakhem, 2007)

A way of avoiding moral engagements which leaves the organisation at a disadvantaged position (Foster & Jocker, 2005). Stakeholder engagement serves as an avenue that brings together representatives of business, non-governmental and public sectors in order to identify and address aspects of corporate responsibility (Blowfield & Frynas, 2005).

2.1.5 Relevance of CSR

According to Banerjee (2001); in Marrewijk, trust CSR is too broad in its scope to be relevant to organizations. (Marrewijk, 2003) argues that the attempt to obtain a one solution fits all definition of CSR should be abandoned. Carroll (1989) continues stressing that organizations vary in size, in types of product, in profitability and resources, in their impact on society et cetera, thus the way companies will practice CSR will also vary.

2.1.5.1 Motivation and Drivers for CSR

According to Hess, Rogovsky and Dunfee (2002) have identified three driving forces, or motives, behind CSR activities aimed at the community:

1. Competitive advantage: the motives for CSR activities to be found in this category are the creation of a better corporate image and reputation, both on the long-term.

2. New moral marketplace: claim managers have a duty to undertake action to maximize shareholder value, but they also have an obligation to respond to and anticipate existing and changing marketplace morality relevant to the company.

3**.** Comparative advantage: companies may have a potential comparative advantage over governments in providing assistance in solving certain social problems.

Wood (1991) argues that firms can be motivated by the principle of legitimacy, public responsibility (CSR activities covering problems) and managerial discretion (CSR activities decided by the managers). Managers motivated by legitimacy argue that creating wealth, being ethical and legal can be seen as CSR activities. Loimi (2002) quoting in the works of Helg (2007) the influencing drivers are divided between internal and external drivers.

This study identifies a number of external drivers namely globalization, environmental problems facing the earth, the international initiatives taken by the business community to address sustainability, political actions in governments playing a significant role in complementary initiatives regarding sustainability management guidelines, and pressures from the investment community as well as from NGOs (non- governmental organizations).

The internal drivers identified in the study are risk management and brand value, revenues and costs, pressure from employees and customers, and finally competitive advantage.

One of the widely known researches to identify what drives firms in developing countries context was carried out by Visser (2008). It identified ten driving factors that shape CSR engagements which are categorized as national (emanated with in a country) and international factors (those at international level). Governance gaps, socio-economic priorities, crisis, reforms, market access & culture are national motivators. At international level, supply chain, standards, stakeholder activism and investment incentives attract and/or push firms.

Van and Graafland (2006) discussed strategic and business motivations are derived from the belief that CSR efforts will (in the long term) have a positive influence on the firm's economic gain on the belief that it improves the company's reputation, increases employee motivation and organizational commitment as well as innovation.

2.1.5.2 Business Benefits by Implementing CSR Activities

The scale and nature of the benefits of CSR for an organization can vary depending on the nature of the enterprise, and are difficult to quantify (Tania, I. j. 2015)

1. Corporate Citizenship (CC): Fombrum (1996; 2005) wrote that CSR and Corporate Citizenship (CC) is undertaken by firm management as a strategic intervention to manage reputational risks from stakeholders and thus to enrich and enhance business opportunities.

2. Financial Performance**:** is measuring business impact of CSR, Drews (2010) classified CSR business benefits into monetary (direct financial effects) and non-monetary benefits. CSR initiatives enhance operational efficiencies and cost savings.

3. Stakeholder Interests: Organizations are now under pressure to demonstrate initiatives that take a balanced perspective on stakeholder interests. (Miller & Lewis, 1991)

3.1 Human resources, A CSR program can be an aid to recruitment and retention also help improve the perception of a company among its staff.

3.2 Supply Chain Relationships: Activities of sustaining strategic CSR are assumed to improve corporate image and increase motivation and loyalty primarily among employees and customers, but also others such as suppliers and retailers (Lantos, 2002).

3.3 Investors: Drews (2010) noticed CSR can help to secure the acceptance of a company by the community or other important societal stakeholders.

3.4 Regulators: Corporations are keen to avoid interference in their business through taxation or regulations. By taking substantive voluntary steps, persuade governments and the wider public.

In effect, the reason most companies take CSR actions is either for the purpose of complying with regulations (Wagner, 2005) or as a response to external constraints (Jaffe *et al.*, 1995).

3.5 Risk Management: is a central part of many corporate strategies. Reputations to build up can be ruined in hours through incidents such as corruption scandals or environmental accidents. Building a genuine culture of doing the right thing' within a corporation can offset these risks

4. Differentiation**:** Strategic CSR should help in attaining competitive advantage, i.e. the CSR initiative lead to better effectiveness and efficient in business function activities thus providing cost leadership or differentiate the firm's products in the socially responsible features or environmentally friendly performance dimension (Bhattacharya *et al*, 2008).

5. Reputation: Research has shown that top global companies reveal part of their effective management through comprehensive social and environmental policies (Snider *et al*., 2003). Throughout these mechanisms, companies can have greater prominence in the minds of stakeholders and therefore build up a strong reputation (Rindova *et al*., 2005).

6. Customer Satisfaction: Many surveys suggest a positive correlation between a company's corporate social performance (CSP) and consumer behaviour towards that company and its products (Smith 2003, Bhattacharya & Sen, 2004, Pigott, 2004).

7. Corporate Image: CSR builds up corporate image and thus can help get favourable treatments from government policy decisions, easy and favourable access to funding, favourable media attention, healthy social license to operate amongst local communities and enjoy favourable customer choice. Such Strategic CSR initiative can also mitigate negative corporate image caused by past corporate bad behaviour.

2.1.5.3 Arguments For and Against Social Responsibility

One of the major scholars within the concept of CSR has in an article listed argument for and against corporate social responsibility. By using the outline in Davis (1973), the arguments for social responsibility will be listed, followed by the arguments against.

Arguments for social responsibility will be long-run self-interest/profit maximization, public image, avoidance of government regulation, viability of business, sociocultural norms, stockholders interest, let business try, business has the resources, problems can become profit and prevention is better than curing.

Arguments against social responsibility will be profit maximization, costs of social involvement, lack of social skills, dilution of business's, weakened international balance of payments, and business has enough power, lack of accountability and lack of broad support.

2.1.6 Challenges/ problem for CSR development

The obstacles, or barriers, for CSR development in the article by (Laudal, 2005) include the cost/benefit ratio, and the internal and external control. The first barrier, the cost/benefit ratio, is when companies do not possess the financial resources for CSR development, or when there are trade-offs between profit and ethical choices and actions. According to an article by Doane the outcome usually is that maximization of profit. Further, the purpose of modern corporations is to create financial wealth to its shareholders. The barrier of external control means that a company is unable to monitor the market environment, or does not have the proper knowledge for integrating CSR, while the internal control barrier means that there is an absence of strong leadership and management within the company to integrate CSR.

According to an article by Newell from 2005, there is also not enough checks and balances in the operation of companies when it comes to the several CSR approaches that exist. One solution would be to have a third party which would verify standards and codes of conduct. On the other hand, Moskowitz claims that even though companies state that they integrate CSR into their business, company´s CSR are historically in 95% of the cases only rhetorical, while only 5% consist of actions towards CSR development and improvement. (Sprinkle & Maines, 2010)

2.1.7 Levels of Corporate Social Responsibility

CSR as a continuum ranging from companies engaged in illegal activities to those striving for social change. (Johnson‘s, 2003) continuum has five different levels

1. Illegal: is normally companies do not fulfil the standards established by society
2. Compliant: companies comply in a least compliance with all local and national laws, for instance product safety, minimum salary, employee health.
3. Fragmented: company participated in a limited number of extra activities considered CSR, e.g., charity, community activity, environmental certification.
4. Strategic: Companies specifically target those areas they believe will enhance financial performance. These companies generally have strong ethics policies and want to be environmentally friendly and support local communities,
5. Social advocacy: CSR is an ethical initiative based on the belief that a company should be good despite of the financial consequences, positive or negative. Companies think about profit making an essential condition, but not the sole purpose of their existence.

(Johnson, 2003) argues that at level 3 and 4, companies are socially responsible, but at level 5 companies go beyond that and become an instrument for improving the society and commitment to social change.

2.1.8 CSR as Carroll's Four Aspects/ pyramid/

This section will focus on develop the relationship between CSR activities and Carroll's Four Aspects. Despite the plethora of CSR definitions over the last 50 years, Carroll's four-part conceptualisation has been the most durable and widely cited in the literature (Crane & Matten, 2004). Some of the reasons for this could be that: The model is simple, easy to understand and has an intuitively appealing logic; over the 25 years since Carroll first proposed the model, it has been frequently reproduced in top management and CSR journals, mostly by Carroll himself (Carroll, 1979, 1983, 1991, 1994, 1998, 2000, 2004); Carroll has sought to assimilate various competing themes into his model, e.g. corporate citizenship (Carroll, 1998) and stakeholders (Carroll, 2004); and the model has been empirically tested and largely supported by the findings (Aupperle, Carroll, & Hatfield, 1985; Pinkston & Carroll, 1994);

Carroll (1991) defines CSR as encompassing "economic, legal, ethical and discretionary expectations that society has placed on organisations". Carroll's model of CSR states that four kinds of social responsibilities constitute total CSR: economic, legal, ethical, and philanthropic (Carroll, 1979, 1991).

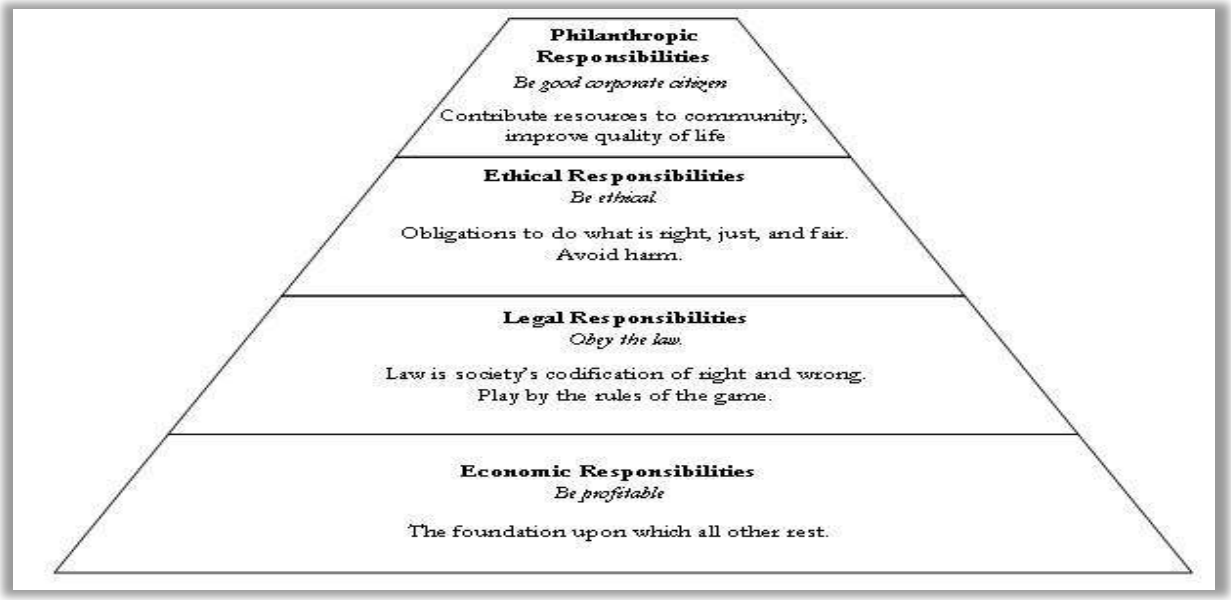


Figure1. The Pyramid of Corporate Social Responsibility

Source: Carroll, A.B. (1991)

Economic Responsibilities

Firms are economic entities established to provide goods and services to society. Profit motive (profit maximisation) is the primary incentive for entrepreneurship. Managers, as agents of the company owners, are oblige to maximise shareholders wealth. (Carroll, 1991)

Carroll's economic component emphasises the need for a business organisation to: perform in a manner consistent with maximising earnings per share; be committed to being profitable as possible; maintain a strong competitive position; maintain a high level of operating efficiency; and that a successful firm be defined as one that is consistently profitable (Carroll, 1991). However, Barnett (2007) argues that excessive financial performance is not in the interest of stakeholders.

Legal Responsibilities

Whilst a business organisation is permitted to operate according to profit motive (economic responsibility); firms are expected to comply with laws and regulations (legal responsibility). Legal responsibilities embody basic notions of fair operations as promulgated by federal, state and local governments. Carroll's legal component stresses the need for a firm to: perform in a manner consistent with expectations of government and law; be a law-abiding corporate citizen; provide goods and services that meet minimal legal requirements; and that a successful firm be defined as one that fulfils its legal obligations (Carroll, 1991). Moreover, some scholars argue that regulation is necessary for the fulfilment of CSR (Phillips *et al*., 2003; De Schutter, 2008).

Ethical Responsibilities

Whilst economic and legal responsibilities incorporate ethical rules about fairness and justice; ethical responsibilities encompass activities and practices that are acceptable or unacceptable by the society, though not codified into law. Ethical responsibilities refer to strategic managers' values about right and wrong business behaviour or conduct. Ethics/values are dynamic and precede the establishment of law. In essence, ethics are the driving force behind the creation of laws or regulations. Moreover, ethical responsibilities embrace society emerging values and norms which a business are expected to meet. Sometimes, such values and norms may require a higher standard of performance than that required by law. Carroll's in 1991ethical component advocates the need for a firm to: perform in a manner consistent with societal expectations and ethical norms; recognise & respect new or evolving ethical/moral norms adopted by society; and prevent ethical norms from being cooperated in order to achieve corporate goals (Carroll, 1991).

Philanthropic Responsibilities

Philanthropy entails corporate actions, towards promoting human welfare or goodwill, in response to society's expectations that businesses should be good corporate citizens.

Philanthropic responsibilities are voluntarily assumed by business; such as public relations, good citizenship, and contribution to education or community. The main difference between philanthropic and ethical responsibilities is that ethical components are expected in an ethical or moral sense, but philanthropic components are not. (Carroll, 1991)

Philanthropy is voluntary or discretionary on the part of a business. Carroll's philanthropic component emphasises the need for a firm to: perform in a manner consistent with philanthropic and charitable expectations of society, and voluntarily assist projects that enhance a community's quality of life. (Carroll, 1991) In response to social and stakeholder concern, many firms in Nigeria are adopting policies directed at the ethical responsibilities of business.

2.1.9 Africa's CSR Pyramid

Most of the research on Carroll's CSR pyramid has been in an American context. Nevertheless, several of the empirical studies already discussed suggest that culture may have an important influence on perceived CSR priorities (Burton *et al*., 2000; Edmondson *et al*., 1999). In Africa, economic responsibilities still get the most emphasis. However, philanthropy is given second highest priority, followed by legal and then ethical responsibilities. This is illustrated in Figure 2



Figure 2 Africa's Corporate Social Responsibility Pyramid

Source; Visser, W. (2008)

Economic Responsibilities; as already pointed out in the introduction, Africa suffers from a shortage of foreign direct investment. Furthermore, many African countries suffer from high unemployment the most recent consolidated statistics (1997) show that only 43% of Africa's labour force participates in the continental economy (African Development Bank, 2003).

Poverty is also widespread (the proportion of the population living on less than $1 a day is as high as 70% in some countries) and external debt is crippling (in some countries exceeding Gross National Income) (African Development Bank, 2004). It is no surprise, therefore, that the economic contribution of companies in Africa is highly prized, by governments and communities alike.

To use Anglo American (2003) as an example, they emphasise in their Report to Society 2003 (CSR reporting) that "our economic contribution extends far beyond the profits we generate and can be divided into: Value added and value to society of our products.

Philanthropic Responsibilities; generally gets an even higher priority as a manifestation of CSR in Africa. This is the case for a number of reasons. In the first instance, the socio-economic needs of the African societies in which companies operate are so great that philanthropy is an expected norm it is considered the right thing to do by business. Companies also realise that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of the communities in which business operates. Secondly, many African societies have become reliant on foreign aid. Hence, there is an ingrained culture of philanthropy in Africa. A third reason for Africa's philanthropy prioritisation is that it is generally still at an early stage of maturity in CSR, sometimes even equating CSR and philanthropy, rather than the more embedded approaches now common in developed countries.

Legal Responsibilities; In Africa, legal responsibilities have a lower priority than in developed countries. This does not necessarily mean that companies flaunt the law, but it is far less of a pressure for good conduct. There are several reasons for this. Firstly, in much of Africa, the legal infrastructure is poorly developed and often lacks independence, resources and administrative efficiency. Many African countries also lag behind the developed world in terms of incorporating human rights and other issues relevant to CSR into their legislation (Mwaura, 2004). In Africa, however, there is the further suggestion that Carroll's (1991) assumption that the law is a form of "codified ethics", where changing values are "the driving force behind the very creation of laws and regulations".

Ethical Responsibilities; Crane & Matten (2004) suggest that ethical responsibilities enjoy a much higher priority in Europe than in the USA. In Africa, however, ethics seems to have the least influence on the CSR agenda. This is not to say that Africa has been untouched by the global trend towards improved governance.

2.1.10 Roles of Government in CSR Development

CSR indicates the role of private entities in meeting the interest of multiple stakeholders including society. The states intervene because public engagements of the business entities ultimately serve the wider society both directly and indirectly (Bimir n.m., 2015). role government adopt for applicable CSR approach as two axes; one with four key public sector roles and the other with ten key themes that reflects public sector activities. Public policy options in CSR development, According to Fox (2012), a government can have four types of public policy approach towards CSR i.e. mandating, facilitating, partnering and endorsing.

In relation to this, IOB (2013) identified four distinct policies as constituent elements of the role of government in SR. The first is endorsing policies /role that provide political support and publicity to CSR efforts (e.g. endorsement of CSR labels, publication of best practices, and support to civil society transparency initiatives). Second, partnering of public and private CSR efforts resolving social and environmental deficiencies through integrating supportive skills and inputs from civil society, private and public sectors (engagement with multi-stakeholder) (e.g. public private partnerships, stakeholder dialogues, sector-wide agreements and conventions). Thirdly, facilitating measures to enable CSR efforts and guidelines on content for firms to participate in CSR activities (e.g. awareness rising campaigns, incentives, subsidies, capacity building and dissemination). Finally, mandating role to enforce and guide CSR activities the approach involves issues like setting minimum requirement (e.g. legislation, regulation and inspection, fiscal and financial guidelines and safety standards) (IOB, 2013). These elements can be considered as a substantial evidence that emphasize on the factors that influence public policy as a critical factor in establishing a context within which CSR practice can flourish.

Moreover each activities/themes has a definite relation with each of the public sector roles which also include encouraging and ensuring compliance, setting framework for business participation in public policy, establishing environmental management system, and developing, supporting and implementing codes of conduct and the like. (Bedada, & Eshetu, 2011) More specifically, a government deploys instruments of intervention to promote CSR practices in business enterprises. These are informational, economic and legal forms (Steurer, 2010). With the rational of moral persuasion, the informational role involves creating CSR awareness to businesses via different modalities such as campaigns and trainings. Economic instruments work with financial incentives and market forces to nurture responsible behaviour which include awards, tax abatements, subsides etc. Third option is enforcing legal instruments (sticks) in state institutions towards businesses however in soft manner such as directives.

Table2.2 Public Sector Roles

Mandating	"Command and Control" legislation	Regulators and inspectorates	Legal and fiscal penalties and rewards
Facilitating	Enabling legislation	Creating incentives	Capacity building
	Funding support	Raising awareness	Stimulating markets
Partnering	Combining recourses	Stakeholder engagement	Dialogue
Endorsing	Political support		Publicity and praise

Source: Fox, Ward, Howard (2002)

Partnerships are another ways to foster CSR engagements too where firms and state entities work jointly on responsible practices. Stakeholder forums or negotiated agreements and public private partnerships are of pivotal CSR policy instruments (Fox *et al.* 2002).

In developing countries, this role is weakened by governments' inability to meet basic human needs (Valente & Crane, 2010), which garners little satisfaction from the population and undermines government authority. Developing countries' governments usually uphold their own self-serving goals, trying to remain in power, fuelling greater uncertainty and jeopardising social agents' commitment (Peinado-Vara, 2006). CSR issues are often missing in developing countries governments' agendas (Jamali, 2010). Özen & Küskü (2009) argue that governments' lack of regulation and commitment to environmental and social issues come as a result of neglect for long-term consequences, surrounding uncertainty and short-term goals (Özen & Küskü, 2009). Idemudia (2011) encapsulates the need for a more active governmental role -not only in regulation but also in facilitation. This author writes, "Government does not only need to devise a national policy framework to support CSR initiatives, but also there is the need to strengthen and support the institutional and technical capacities" (Idemudia, 2011).

2.1.11 Regulatory Instruments

Regulatory instruments have great contribution in enforcing firms towards responsible production. Some of the very important environmental and labour decrees at national/industry level shaping social responsibility are mention below; Environmental impact Assessment proclamation (No 299/2002), Industrial Pollution Prevention and Control Regulation:, Environmental Pollution Control Proclamation (No 300/2002), Provisional standards for industrial pollution control in Ethiopia (2003) and Constitution and Labour Proclamation 377/2003.

The aforementioned national regulations and industry specific proclamations are the legal sources by which responsibility towards employees and the natural environment is enforced. In the efforts made to comply with these regulations and domestic legal standards, firms regularly strive to learn what constitutes responsible business.

1. CSR and Ethiopian Environmental Law and Policy

By proclamation No. 9/1995 the Ethiopian Environmental Protection Authority (EPA) has created an environmental policy, as well as legal and regulatory reforms to manage its environmental and natural resources. The overall aim of the Ethiopian Environmental Protection Authority (EPA) is to improve and enhance the health and quality of life of all Ethiopians and to promote sustainable social and economic development through the sound management and use of natural, human-made and cultural resources and the environment as a whole so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs (EPA, 2010)

In the last quarter of 2002, three new environmental proclamations were approved. This legislation to a large extent operationalizes the objectives and the broad framework for environmental management stated in the Environmental Policy of Ethiopia.

1. Establishment of Environmental Protection Organs (Proclamation 295/2002) clarifies the institutional mandate and responsibilities of the EPA and aims to integrate environmental considerations into the policies and decision making of sectorial agencies through such means as the establishment of environmental units in these agencies at the federal level and the creation of independent environmental agencies at the regional level. The proclamation is notable for its emphasis on human welfare and development. This is reflected in the EPA's mission statement, which begins, "The mission of the EPA is human well-being and ensuring environmentally sustainable development". The environmental legislation requires that regions establish their own independent regional environmental agencies (REAs) or designate an existing agency for this work. The mandate of the REA is not clearly outlined in the proclamation, but there is a general understanding that it will involve functions similar to those of the federal EPA.

2. Environmental Impact Assessment (Proclamation 299/2002) specifies the projects and activities that will require environmental impact assessment. The EIA must be prepared by the proponent of the project, following the format specified in the legislation. The EPA will then review the EIA study, approve the project (with or without conditions), or reject it.

3.Environmental pollution control (Proclamation 300/2002) addresses the management of hazardous waste, the establishment of environmental standards for various environmental media (air, water, and soil), and the monitoring of pollution.

The problem of improper handling of hazardous substances is increasingly important for example, with respect to pest management and industrial development. According to proclamation number (295/2002) environmental protection agency has been given particular responsibility by the government.

In this regard, the EPA has taken the necessary steps and embarked on the establishment of an environmental impact assessment system for Ethiopia including the preparation of procedural and sectorial guidelines as a prerequisite for the approval of new development activities and projects. Moreover, articles 11 and 12 of the Proclamation require EPA to follow up and monitor the implementation of the project already done according to the EIA and to see whether circumstances have occurred which might require a new EIA to be done. By using EIA both environmental and economic benefits can be achieved, such as reduced cost and time of project implementation and design, avoided treatment/clean-up costs and impacts of laws & regulations.

For instance to mention some, as Getu 2009 mentioned in his study that proclamations on environmental pollution control, water resource management and public health are developed to prohibit environmental pollution, to control any waste disposal in to water and allows proper disposal of solid, liquid and any other waste, and concerning the generation, transportation and use of chemicals categorized as hazardous and restricted use requires a permit from environmental protection authority/agency (EPA).

Moreover, Getu 2009 also demonstrates that environmental impact assessment (EIA) proclamation is also developed in order to refine the project that might have a negative impact prior to business engagement. Under the authority of EPA the environmental council (EC) approved a directive issued to determine the categories of projects subject to the EIA. Among the project the horticulture and floriculture industry is subjected to EIA.

2. CSR and Ethiopian Labour Laws and Policy

In 2003 an amendment was made on the 1993 labour proclamation where proclamation No. 377/2003 is currently in effect governing employment relationship. The principal difference of proclamation no. 377/2003 from its predecessor lays on the issues of international labour standards and constitutional provisions. While proclamation No. 377/2003 regulates employment relationship in the private sector, under proclamation No. 377/2003, a labour contract can be for a definite or indefinite period or for a specific task. Since the proclamation does not specify a time limit for which a temporary contract can be written, employers can repeatedly recruit employees for a limited duration thereby avoiding the application of the higher protection standards provided to workers recruited with contracts for an indefinite period.

According to proclamation No. 377/2003 also 'provides the legal basis for terminating employment contracts which relates to the conduct of the employee. Lawful dismissal requires a notice period b/n one to three months, depending on the number of years the employee serviced in the organization. This does not have provisions for a minimum wage. It stipulates that wages are to be negotiated between employers and employees at enterprise level' (Boateng, 2013).

2.1.12 CSR Actions and Practice for Different Stakeholders

Business organizations embedded the CSR practice in different means such as corporate citizenship, social responsibility, business social responsibility, social responsible investment and the like. (Dentchev, 2005; Potluri, Batima & Madiyar, 2010) Brammer *et al*., (2006) and Fiori *et al*., (2009) adopted three parameters of CSR: employment (health and safety, training and development, equal opportunities policies, equal opportunity systems, employee relations, systems for job creation and job security), environment (policies, management systems, and reporting) and community. Lorraine Sweeney (2014) in his research work found and conclude that CSR concept is described and expressed through the dimensions of environmental, community, workplace and marketplace practices. The work of Sweeny was also accepted by Polasek and these four dimensions are the scope of his research work. However, this research work was based on the dimension of environmental, community, and workplace/employee related CSR practices.

A. Environmental CSR AND ITS BENEFITS

The key dimension of social responsibility has been taken to be environmental initiatives and programs (Carter *et al*., 1999). CSR practices cover environmentally responsible practices relating to the management of the natural resources used in production (White, 2001). Today many corporations have accepted their responsibility to do no harm to the environment (Hart, 2000). The environment strategy of the World Bank indicates that the private sector is becoming a decisive factor in influencing environmental performance and long-term environmental sustainability (The World Bank, 2000). Environmental organizations and corporations define corporate environmental responsibility (CER) which is part of CSR as the duty to cover the environmental implications of the corporation's operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country's resources by future generations (He & Chen, 2008). Lastly, they are also expected to protect communal ownership natural resources like water, forest, wildlife, air, and others from pollution (McGee, 1992).

The environmental benefits due to practice of environment CSR arise out of recycling of pollutants or waste or effluent, effective disposal of waste, proper treatment of smoke or ash, installation of equipment to protect environment, regular environmental audit, tree plantation, natural resource management, integrated watershed development, rain water harvesting, reclaiming of waste land and environmental awareness programs in schools or colleges (Scope award for CSR, like TERI Award). Environmental management must address its objectives within the context of company practices Seldner & Cottrel, (1994) cited in (Barrow, 2006). As its value is proven, those practices may be modified to help environmental management.

The tasks of a business environmental management include: education of employees to be aware of environmental issues; updating management on relevant environmental regulations, laws and issues; selecting specialists and checking that environmental management tasks contracted out to consultants have been satisfactorily conducted and are properly acted upon; ensuring waste management is satisfactory; avoiding legal costs, reducing premiums, risk and hazard assessment; and if need be correcting mistakes of the past environmental management can minimize external effects, enhance financial performance and improve reputation among communities, customers and stakeholders (Sarmento *et al*., 2006)

B. Corporate social responsibility (CSR) and the Workplace/ Employees

Labour is one of the most important and indispensable factor of production that determine the achievement of economic growth and development. Good labour policies and practices are therefore critical for productive work and quality production (Tajgman & Veen, 1998). It is in view of this that SRLPs are indispensable in the realization of sustainable development. Feinberg (2011) in his seminal work demonstrated that implementing enhanced labour standards is advantageous for both the business as well as the employees. The success of the business is depending on the employee's commitment and its positive relation with the workers of the business sector. When the organization or the business sector has a good relation and positive impacts for the workers, the organization or the business sector considered as the socially responsible organization or enterprise. (Feinberg, 2011)

The basic themes of CSR come from international labour standards and regulations like ILO fundamental conventions, UDHR, OECD Guidelines. Theses conventions recommend contents of the standards should be in accordance with "the core labour standards identified by the ILO. The contents identified include, child and forced labour, discrimination issues, freedom of association and collective bargaining, health and safety, wage levels, working times and disciplinary practices" (European Commission, 2004).

These principles of labour standards will be addressed in the case company in the light of ISO26000 guide. ISO 26000 is a new standard on social responsibility that is intended for use in all countries to assist organizations to operate in a socially responsible manner. Social responsibility encompasses seven fundamental subjects as outlined in ISO 26000. However, the study is confined to unearth one of these major subjects' i.e. labour practices that in turn embrace five major issues: employment and employment relation, conditions of work and social protection, social dialogue, health and safety at the work place as well as human development and training at work. (See Appendix for detail Core Socially Responsible Subject, Issues and Actions). According to ISO 26000'the labour practices of an organization encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work' (ISO 26000, 2010).

The discussion and analysis on the five labour practice issues in the companies is presented on the basis of the fundamental ISO labour standards, the examination of the ILO's fundamental rights at work and the Ethiopian National labour Code No. 377/2003 as points of references. To see the fundamental practices of social responsibility at work with the core subjects of labour practice actions and expectations, (refer in Appendix) which provides an overview of ISO 26000 outlining the relationship between the various clauses of the standard.

1. Employment and Employee Relationship ; Theoretically, any firm as an employer should contribute to the improvement of standard of living of its workers by providing full and secure employment and decent work (ISO 26000, 2010).
2. Conditions of Work and Social Protection ; according to ISO 26000 guide generally encompasses wages and other forms of compensations and all legal guarantees and organizational policies and practices to mitigate loss of income in case of employment injury.
3. Social Dialogue ; any type of negotiation, consultation or exchange of information between employer and worker representatives on matters affecting their interest is generally known as social dialogue (ISO 26000, 2010).
4. Health and Safety at Work; the other most important aspect of SRLP issue is health and safety at work. This issue relates to the protection of workers from risks to health and the adaptation of working environment to the physiological & psychological needs of workers (ISO 26000, 2010).
5. Human Development and Training in the work place; According to ISO 26000, human development should encompass creating access to political, economic and social opportunities for being creative and productive thereby enjoy self-respect and sense of belonging to community.

According to Bhattacharya & Korschun (2012), CSR programs are most effective when employees are involved in the process of planning, designing and applying the CSR initiatives whilst the employers are acting as enablers. Employees know their own needs best, thus when involved in such process, employees are likely to produce CSR programs that will in turn bring the most sense and purpose and potentially job satisfaction to them.

C. CSR in Local Community View

The concept of community and community CSR has been in itself paradoxical. Several interpretations of community have been identified (Richards & Hall, 2000). For instance, community has been interpreted as an idea of belonging to a specific topographical location, as defining a particular local social system, a feeling of togetherness and as an ideology (Urry, 1995). Community has been perceived as changing and subject to certain dynamics (Richards & Hall, 2000).

Community Social Responsibility refers to enterprise commitment to the local community through sustainable practices, community oriented programs and strategies. Capacity building refers to practices, programs and strategies aimed at enhancement of long term ability of the community to be self-sufficient. As organizations depend on many different actors who can put conflicting social demands on the firm (Oliver, 1991) and a firm cannot satisfy all demands, RDT predicts that a firm will pay more attention to social actors who control critical resources (Salancik & Pfeffer, 1978; Frynas & Yamahaki, 2016).

If a firm is highly dependent on rural local communities in developing countries, the firm can invest in local development initiatives in health and education in order to secure the local communities as a critical resource (Kassinis and Vafeas, 2006; Hess & Warren, 2008; Frynas & Yamahaki, 2016). Development projects, through mobilization of capital, labour, goods and services to the rural areas, create a range of opportunities and could have direct or indirect, long or short term and negative or positive impacts on rural communities (Baker, 2005; Haggblade *et al*., 2007). However, impacts cannot be simply measured by the outcomes of a project.

There may be other factors or events that are related to the outcomes but not caused by the project. For instance, studies commonly examine the extent to which organizations engage in a number of socially responsible behaviours such as community service, charitable donations, environmental protection programs, or ethical product innovations. These activities are often measured by using quasi-objective indicators, or social ratings, such as third-party audits of organizations' CSR. (Orlitzky *et al*., 2003)

In infrastructure development such as schools, clinics, electricity, water and roads , involvement of the private sector in the development process also facilitates improved basic services to the poor (Pessoa, 2008). Roles of CSR in community development refer to the ways the responsible behaviour is perceived by community of stakeholders and how impacts are felt by them. The role of CSR in community development used in this paper is any direct and indirect benefits received by the community as results of social commitment of companies to the overall community and social system.

2.1.13 Communicating the Company's CSR

In the process of communicating the company's CSR initiatives to the environment, the attention should be paid to several issues.

Firstly, it is important that the company emphasizes its social commitment by adding it to its mission, vision and values. Secondly, it is also important whether the company has a CSR strategy and clearly communicates its goals. Thirdly, the company should also communicate the principles of cooperation with stakeholders in the process of implementing specific CSR activities. Fourthly, but not less important, is whether the company measures the impact of its CSR initiatives and communicates the results to the environment.

Communicating by the company both its successes and failures in the area of CSR, can bring positive results. These include, among others: building the company's image as a transparent organization, increasing the level of stakeholders' knowledge about the company, raising the level of customers' loyalty to the company and its products/services, increasing motivation and productivity of employees or better relations with the local community. Only such an approach offers an opportunity to achieve mutual benefits for the company and its stakeholders. (P. Wołczek, 2011)

An analysis of corporate practices in the area of communication reveals that most information about CSR initiatives is addressed to four groups of recipients (the audience): recipients associated with the market, recipients associated with the workplace, recipients associated with the local community, and recipients associated with the environmental protection. (“A guide to communicating about CSR”, 2014)

TABLE 2.3 COMMUNICATING CSR TO KEY STAKEHOLDERS OF THE COMPANY

Stakeholder	Communication in the area of CSR	What to use
Owners or shareholders	The impact of the CSR activities on the company's business sphere should be explicitly discussed. In addition, it should be indicated how the CSR initiatives are linked to key business indicators, such as the customer loyalty level, employment stability or risk management.	CSR report, Integrated report
Employees	Provide information about the CSR activities taken for the benefit of employees and the effects of these activities. Communicate about the CSR activities, in which employee involvement is essential. Inform about the CSR projects implemented by employees based on employee volunteering	Corporate bulletins, internal newsletters, meetings, intranet
Customers	Communicate reliable information about the responsibility for products and services offered by the company. Inform about the actions taken in the scope of CSR and about the effects of these actions. Provide reliable data on the impact of the company on the environment. Take care of the transparency of communication – inform not only about successes, but also about failures in the performance of CSR activities.	Product packaging, press/radio/television advertisement, social media, company's website
Local community	Provide the CSR information that directly concerns the local community. Conduct a dialogue with the local community about its needs and problems, as well as about the possibility of providing support by the company in order to meet these needs and resolve the problems reported. Inform about the level of the community involvement in the performance of the company's CSR activities, particularly those dedicated to the local community Provide reliable information about the effects of the actions taken for the benefit of the local community	Posters, leaflets, brochures, local media, information and consultation meetings

Source: (Przemysław Wołczek, 2015)

Overall, companies can choose to communicate their CSR activities by utilizing either internal or external communication channels, or a combination of the two. Internal channels include official documents such as annual reports, CSR reports, news releases and other formal documents. These can be accessible in printed formats or available at a company's corporate website and the content is completely controlled by the company (Du *et al*, 2010).

When analysing the information contained in the table above, it should be concluded that companies can now use a wide range of communication tools and channels to reach with their CSR message to key groups of stakeholders. (J. Dawkins, 2005)

2.2 Empirical Literature Review

It is important for this research work to examine some of the empirical studies that have been carried out in this field of study. One study has been carried out on examines business CSR practices and stakeholders' expectations in Nigeria. In business environment context identified several stakeholders but, for the purpose of the study select key stakeholders which are; employees, customers, shareholders, and local communities. The findings indicate that CSR is concerned with treating stakeholders ethically and business should protect wide range of stakeholders' interest. They found that the four dimensions of CSR (economic, legal, ethical and philanthropic) are not credited equal importance. Stakeholders place more emphasis on economic, legal and ethical responsibilities than on philanthropic. (Olajide, F.S., 2014)

Kavitha (2013) who analysed the empirical study on status of CSR activities relating to 'environment' in Indian manufacturing sector going to automobile, cement, chemical, pharmaceutical and textile sectors . The study has emphasized that a majority (above 80%) of the study units accept most of the environment CSR activities in a highly effective manner except „Rain water harvesting", „integrated watershed development" and „Reclaiming of waste land". The findings tell the emergence of environment CSR as corporate focus. And also provides suggestions on enhancement of environment CSR in the Indian manufacturing units.

Alin , Georgiana & Mihai (2011) In addressing the impact of corporate social responsibility on employees, organizational commitment and job satisfaction in Romania by using online survey reflect the majority of respondents consider that concerning the employees` rights, fair wages and safety at work are the most main dimensions in the image of a responsible employer, women are more likely to engage in CSR activities compared to men and most of employees are aware of the CSR activities, but fewer are actually involved in these activities.

CSR activities are unclearly presented and introduced in the companies. The attention to CSR has not diminished for recent decade. CSR gradually becomes a contemporary part of modern companies' activity, which motivates a number of factors alternation of consumers" wishes and demand, changes of suppliers" attitudes, pressure on legislators and principles, new expectations of employees, changing scale of social values. (Juscius, V. & Snieska, V., 2008)

Deyassa, K. (2016) study, CSR strategies concept from Ethiopian perspective through a field study His finding indicated that CSR is new idea. Formal CSR practices mainly, driven by multinationals and NGOs to remedy the effects of their extraction activities on the communities.

These initiatives are mainly philanthropic with practices and understanding to a large extent imported from the Western countries. Almost all of national companies and government organizations have not developed a concept CSR. However, some of Ethiopian companies have a tradition of partnership and discussion with their communities and stakeholders in the form of informal CSR practices. Companies in Ethiopia understand CSR practices mostly as corporate charity primarily targeted at addressing socio-economic development challenges. Deyassa, K. (2016)

A research conducted on (2015), which is entitled by "Corporate Social Responsibility Learning in the Ethiopian Leather and Footwear Industry" and carried out as a qualitative case study. The issue of analysis was empirical CSR practice and how regulative, normative and strategic motives shape firms learning towards responsible business. He displays that CSR in the firms is at early emergence stage. Firms are found at a diverged level although they are engaged in social, environmental and economic responsibilities on compliance basis. This shows absence of organized CSR plan in each firm and lower level/superficial organizational learning, such a learning means adoption of CSR values is resulted from some pressures or regulations and weak to take impact in development. Firms' key motivators are state and foreign market pressure, while regulating environmental and labour conditions, the state suggestion incentives for higher economic responsibility of firms. (Bimir n.m., 2015)

Hailu and Mohana, (2016) study the perception of local communities towards CSR initiatives of brewery firms in Ethiopia. A cross-sectional research design and survey method was employed. Convenience sampling technique was used to select participants and collected primary data from a total of 595 local communities of major five brewery firms. The finding of this study shown that awareness level of local community about the firms' CSR initiatives was slightly good, however, still there were large portion of the host community had low level of awareness about CSR initiatives. CSR initiatives were characterized under the headings of sponsorship and donation; community development and helping the poor; employment opportunities; and environmental responsibility and also resulting gender and level of education influence the perception of local community toward the CSR initiatives of brewery firms but not age factor. And also conducted another study on perception of employees towards environmental CSR initiatives of major five Brewery firms (BGI Ethiopia, Meta Abo, Bedele, Harar and Dashen) in Ethiopia. This study revealed that employees hold positive perception of environmental CSR initiatives of brewery firms however, firms gave a limited attention to provide consistent voluntary information about environmental management to the external stakeholders.

JIMA, W. B. & AGAMA, D. T. (2015) having an objective of examine attitude of managers, employees and local communities towards CSR practices of manufacturing firms in Sebeta and Gelan towns. The study used the four major stakeholders (community, customers, employees and environment) as a measure of CSR practices of the manufacturing firms and then link of the CSR to the financial performance of the firm. They used structured questionnaire to safe data from the three groups of respondents (managers, employees and local community). The results of the study found out that the firm did not play optional role to help the surrounding community and especially from the local community view point, social role of manufacturing firms limited. Manufacturing firms surveyed have not appropriately carried out CSR activities particularly in waste management. Still larger firms are more responsive to CSR than smaller ones and socially responsible firms are establish to be financially successful than others.

In a study conducted on Ethiopian textile industry, CSR has primary been initiated by Trans-National Corporations (TNCs) like Tesco and Primark when they start to outsource production to the Ethiopian factories. The study reveals that only a hand full of companies has CSR policies to follow when they outsource production. These include social criteria's such as controlling wages, working hours, safety equipment and instructions in the factory and environmental standards. The study has concluded that TNCs play a central role of initiating CSR in an Ethiopian textile industry. However, low wage payment by outsourced Ethiopian companies is a challenge of ensuring SRLPs. Cultural differences are also presented to affect production which is explained as the fact that Ethiopia has never been colonized and has limited experiences integrating with other cultures and nationalities (Alderin, 2014).

2.3 Conceptual Framework

From the extensive literature review it has been determined that need of the hour is the development of CSR framework. Contributions for the development of CSR framework has been taken from the literature as study by Carroll (1991) and CSR pyramid (1999) business should embrace economic, legal, ethical and philanthropic responsibilities. Study by Sharma and Kiran (2012) showed the importance of case studies for the development of framework.

The CSR activities of the companies studied classified into five broad categories as described by Holcomb, *et al.* (2007), but, our research covers CSR activity of community, environment and work force. The literature provides a variety of views of researchers regarding CSR definitions and underlying dimensions (McWilliams *et al*. 2006). Till now, there is no universally accepted definition, measurement scale, and a universal framework for the CSR concept, though some agreement exists on the potential positive impact (Branco and Rodrigues, 2006; McWilliams, *et al.* 2006; Smith, 2003).

Based on the literature review and research objective, the conceptual framework of this study is developed and shown in Figure 3

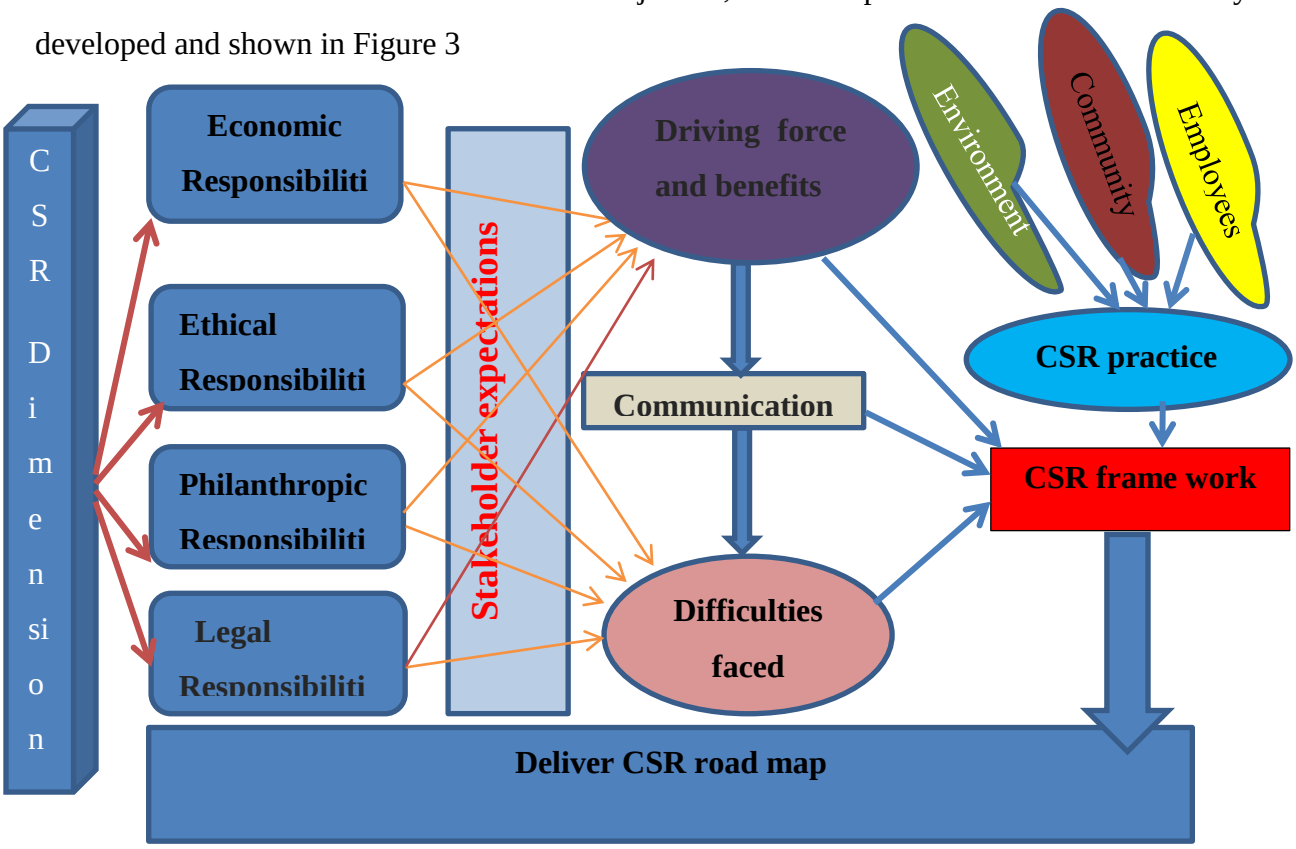


Figure 3 Conceptual Framework adopted from Carroll's pyramid of CSR (1991), and sharma & kiran 2013, with some modification

(NOTE: The width and shape of these arrows have no meaning other than indicating the one directional effect of dimension.)

2.4 Identified Literature Gap

As it has been studied by many scholars and agreed that it is quite difficult to have an agreed definition that clearly reveals the abstract concept of corporate social responsibility (CSR). Accordingly, CSR as a concepts has no could accurately and consensus definitions. Over the past half century, many different definitions of what CSR really means have been set out. One recent studies identified 37 definitions of CSR (Dahlsrud, 2006) and this figure underestimates the true number, because many academically derived definitional constructs were not included owing to the methodology for identifying them. Various writers defined it based on their background, interest, exposure, as well as values embodied in the writer's frame of reference. Friedman (2006) cited in Sharma & Mani 2013 described that "There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits". In contrast to Friedman's statement, Robbins & Coulter (2007) quoted in Sharma & Mani (2013) explained that the management's social responsibility goes beyond making profit to include protecting and improving social's welfare of its stakeholders and the environment in which the firm carries out its operations.

Obviously, CSR has gained acceptance world-wide, to do with an organization going out of its way to initiate actions that will impact positively on its host community, its environment and the people generally. It can be seen as a way of acknowledging the fact that some business fallouts have adverse effects on the society and making efforts to ensure negative impact are corrected. According to Moharana (2013) CSR defined as "the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.

Also, According to Mc Donald & Rundle (2008) that the benefits of CSR for companies, including increased profits, customer loyalty, trust, positive brand attitude and combating negative publicity. This means businesses expected to balance the qualitative dimensions of consumer, employee, and societal benefits, with the quantitative measures of sales and profits. (Business in global environment, 2009)

The literature suggests that different countries have different economic, political, social, and cultural settings, where corporations operate and relate to their stakeholders (Lindgreen *et al.*, 2009; Visser, 2008). Today, CSR is focused on a stakeholder model, which has become widely accepted among contemporary business organizations. (Angeloantonio & Francesco, 2009) Taking into account indigenous traits is part of the challenge when companies run a CSR program.

Subsequently, the above empirical findings faced hole or holes, they are not all contented. These gaps can be summarized below as per the knowledge and understanding of the researcher. The studies did not investigate CSR practices in accordance with their determinants. In addition to this, greater number of studies focused only on certain dimensions of CSR. Most studies use Carroll's CSR model but no evidence there is to date suggests that different cultures and sub-cultures not only give different nuances to the meaning of each component, but may also assign different relative importance. Carroll's pyramid is also, failing to capture the complexity of CSR in practice. For example, Crane & Matten (2004) believe that the main limitation of the model is that it "does not adequately address the problem of what should happen when two or more responsibilities are in conflict" The methodologies were based on questionnaires and interviews as instrument for data collection, although, observation is the other instrument especially related to environmental matters. The studies used descriptive statistics, liner regression or qualitative analysis to find out the results of their analysis. Logistic regression which is a best tool for respondents‟ attitudes, however, did not put into practice as an analysis tool. A review of literature on CSR in Africa very few papers are focused on industry sectors, with traditionally high impact sectors like agriculture. This is confirmed by a review of the CSR literature on Africa between 1995 and 2005. (Visser, 2006)

As it has been understand from the above summary of the articles of various authors, the approach to conduct research on CSR is different. Some of the authors studied on:-Assessment on CSR Practices and Determinants, CSR Learning in the Ethiopian Leather and Footwear Industry, Perception of Local Community on CSR of Brewery Firms in Ethiopia and CSR practices and financial performance of manufacturing firms. To identify the knowledge gap on the literature among scholars, some of the researches conducted on CSR are reviewed and it has been found that the variables used under study and methodologies employed to analyse data were different. It is better to look at definitions of CSR and its frameworks that could help me to analyse the problem statement.

The grounds for this study have emerged from the critical evaluation of other works in CSR. Even though many scholars approach to CSR is different ways. It is important to establish a study framework based on logical and social justification and nessarly modified to the Gurage zone context.

CHAPTER THREE

RESEARCH METHODS OF THE STUDY

3.1 Introductions

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The scope of research methodology is wider than that of research methods. When we talk of research methodology we not only talk of research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique. Therefore, this section explains the research methods that it has been applied to obtain representative data from a sample of the Gurage zone.

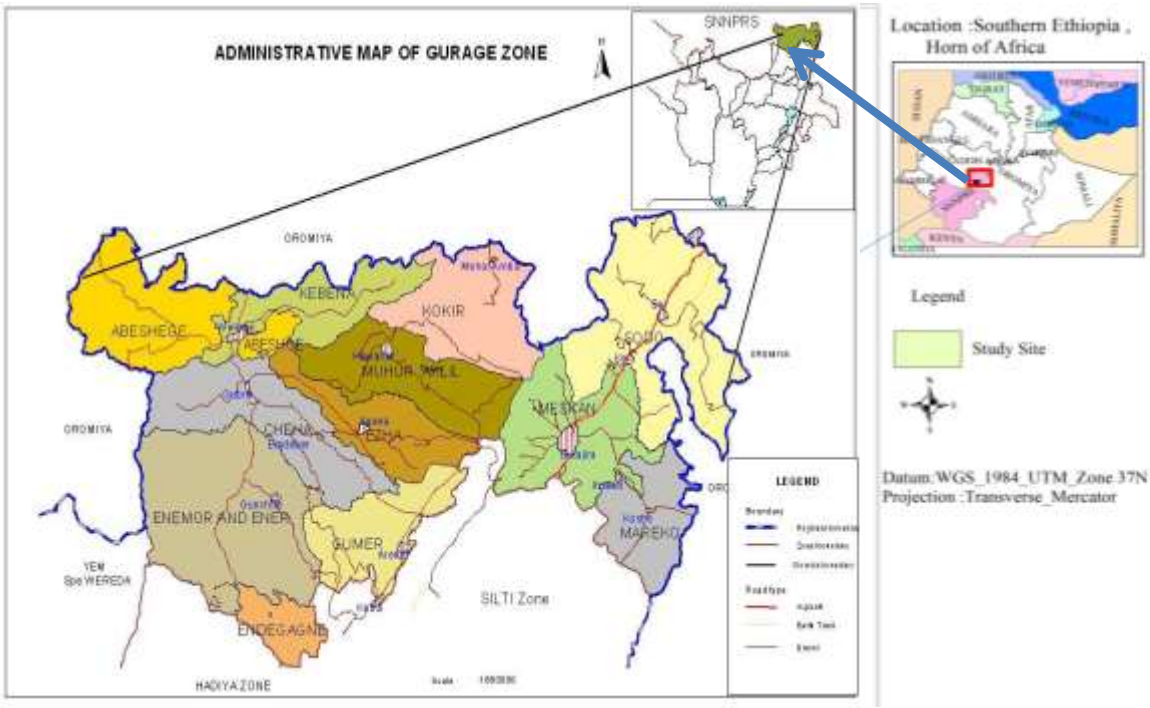
3.2 Description of the Study Area

Gurage Zone is one of the 13 zones in southern nation nationalities and peoples region. It is located at 430 km north of the southern nation's nationalities and peoples, regional state capital (Hawassa) and 155km south of Addis Ababa. (GZDOFED, 2014) Its highest point mounts Guraghe- Zbidar. Wolkite is the administrative centre of the Zone. This Zone has 13 Woreda and two reform towns Wolkite and Butajera. The total estimation population of the area is 1,529,985 million (GZDOFED, 2014). According to central statistical Agency (2007) Gurage zone is about 98% of the population lives in rural area and engage in agriculture. Majority of the population of the zone likelihood are dependent up on subsistence agriculture (92%) and this sector is mainly rain fed farming (ibid). Gurage zone Investment Agency that promotes conducive and encouraging environment for investment.

Recently it identifies the total potential of zonally investment in rural and urban areas for each sector such as for agribusiness 217 hectares of land, for industry and service sectors 340.926 hectares of land. From 1993 to the end of 2016 about 503 licenses have been given to private investors. The recorded total capital amounts to 5,525,253,892 Birr. From the total given licenses 54% are improving their projects and the rest of them are terminated and rejected with different reasons. These projects have created an employment opportunity for 5,909 permanent and 18,627 temporary in total 22,806 employees. (GZIO, 2016)

According to the Gurage zone investment office (2016) data, there are a total of 51 company licensed in manufacturing, total implemented capital birr 289,185,760.00 and total employments create 1070. From this licensed company 28 are in implementing and pre-implementing,

Four are non-functional and the remaining 19 are in operation (semi-operation and fully operation). Those in operation company are classify in 8 sub divisions of sector, which are flour mill, cement by product, medicine raw material, milk processing, bottled water, metal and wood and brewery /alcoholic drink company. (GZIO, 2016)



Source: SNNPR, Bureau of Finance and Economic Development (BOFED, 2015)

Fig: 4 Administrative map of Gurage zone

3.3 Research Design and Strategy

To achieve objective of study were adopted a cross-sectional research design. The research employed the survey method in assessing the views of the local communities and employees about CSR.

Field surveys capture snapshots of practices, beliefs, or situations from a random sample of subjects in field settings through a survey questionnaire and interview. The studies have focus on more of descriptive research type. Since the descriptive research approach aims to answers the questions: what, who, where, when and how. The study mainly relies on the inductive research approach, which is based on empirical evidence and drawing general conclusions/building theories from the empirical observations, as findings are incorporated back in to existing knowledge (literature/theories) to improve theories. The study is conducted based on qualitative research approaches method which employs the data collection associated with forms of data to describe the practice of CSR in selected manufacturing industry present in Gurage zone.

3.4 Data Types and Data Sources

Data can be classified as primary (that has been collected from first-hand) and secondary data (that has already been published). Sources of data for the study are included both primary and secondary. The primary data have collected from local community, employees and employers of selected companies through questionnaires, interview and observation. Since the study uses statistical surveys it is necessary to get information from primary sources and work on primary data. Because the statistical records of CSR in a Gurage zone or in the manufacturing could not be on the basis of newspapers, magazine and other printed sources. Besides, the study has also used secondary data sources that are expected to support the analysis.

As the secondary data; refer different books on CSR, published and unpublished documents, articles, journals, magazines, newspapers and broachers have reviewed. Also it will review relevant literature, information downloaded from sites on the World Wide Web, industrial sources, media release, past researches papers, commercial sources, online databases, company and investment office reports and state regulatory documents, and other electronic and print media were reviewed as supporting documents.

3.5 Sampling Design

3.5.1 Target Population

The target population for this study have all start production (semi-operational and fully operational) private manufacturing firms under industries. These are 19 manufacturing companies. The respondents for the study have the major stakeholder of company which is managers, employees and local community of each selected manufacturing company. Because the researchers believed that in study provided

(a) More familiar with the internal and external practices of organization in the issues of CSR.
(b) Tangible information about the industrial organizational profile of their facility;
(c) Opinions about various issues related to CSR, including attitudes and values;
(d) Assessments of various conditions that indicate commitment to CSR;
(e) Assessments of CSR programs and activities that they administer in their capacity as initiators, executors and managers of these programs.

3.5.2 Sampling Frame

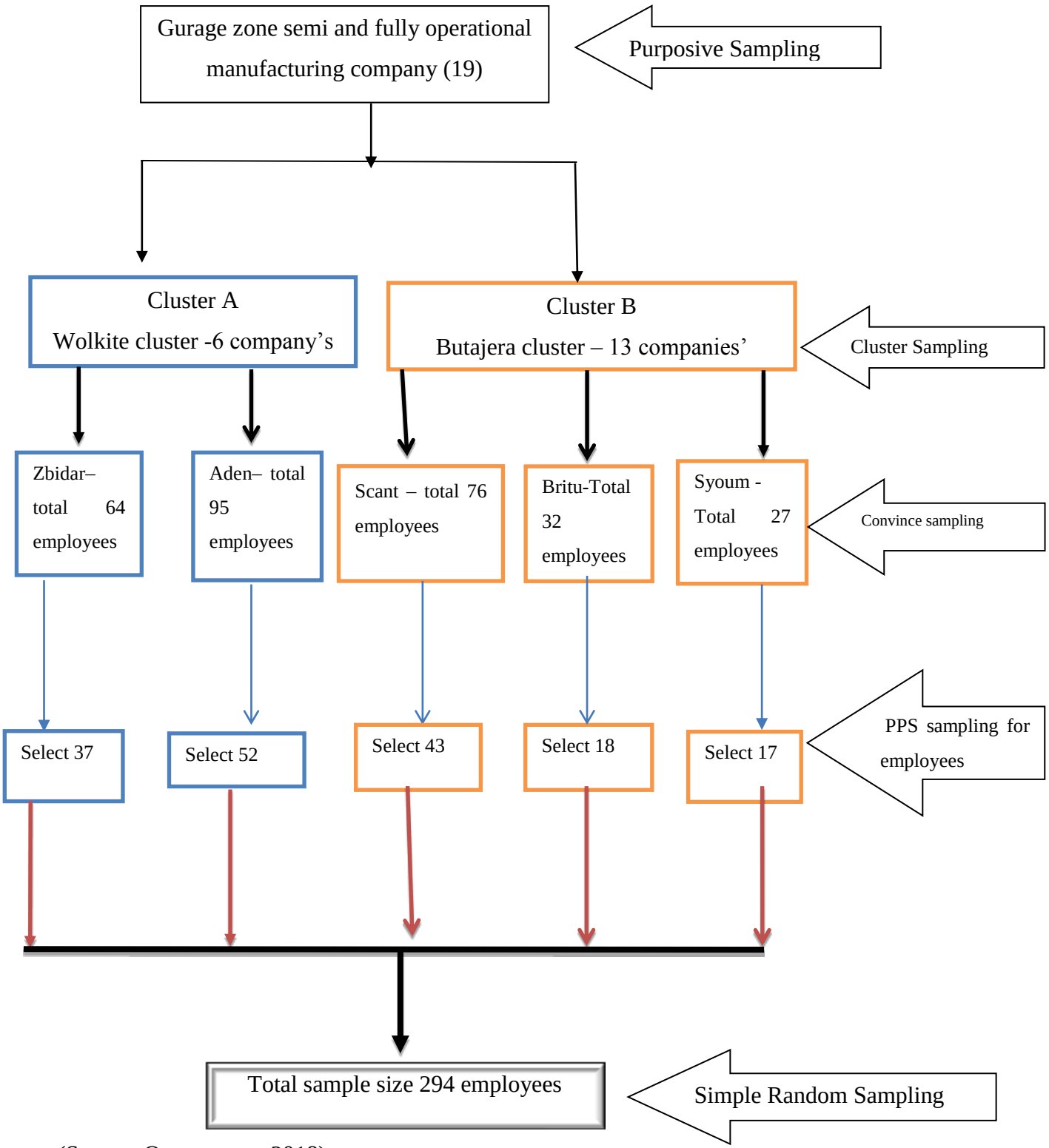
There are 19(ninety) manufacturing industry currently operating its activity in the Gurage zone. This study intends to focus on 5(five) manufacturing industry employee, employers and local community around organization of the existing total populations**.**

3.5.3 Sampling Technique and Sampling Procedure

Multi stage sampling techniques has been employed for the study. First, purposive sampling techniques were employed in selecting Gurage zone semi-operational and fully-operational manufacturing company. Purposefully, a sample was taken from those firms operating with manufacturing industry. Manufacturing industry was/is selected for certain reasons. It is known for its processing operations involves chemicals and ends with hazardous waste disposal, export based and import substituting industries product, reduce unemployment, infant stage, government priority area for transform from primary agricultural-based economies to manufacturing based ones and also adverse environmental impact . Hence, it is worth studying how responsible production firms pursue and the way they acquire knowledge of CSR. In Gurage zone there are 13 Woreda and two town administrations Wolkite and Butajera. From this manufacturing company's present in the two towns and in four Woreda (Cheha, Ezja, Soda and Meskan)

In the second stage clustering sampling method has based on its geographical orientation. This means Cluster-A Wolkite, Cheha & Ezja and Cluster-B Butajera, Soda and Meskan. A cluster sampling preferred in this case, because it was believed more effective when there were geographic areas/clusters where greater chance exists for sampling the desired units/ individuals.

In the third stage; totally 5(five) manufacturing companies were selected from Gurage zone by convenience sampling by criteria of best performing firms were selected purposely. By criteria of Udayasankar (2008) argued that firms with large scale operation, higher visibility and resource access are more likely to take part in social responsibility. With such ground researching with best performing firms sounds more in CSR practice. Then, five top performing firms were chosen for the study. These firms are producers with diverse stakeholders and big size in terms of implemented capital capacity and numbers of employment. Then these five companies give proportionally for both clusters depend on number of manufacturing company in cluster. This means for cluster A from six select two top companies (Zbidar beer factory s.c and Aden business s.c) and for cluster b, from 13(thirty) company select top three companies (Scant bodies laboratory INC, w/o Britu Teka and Ato Syoum Berta)



(Source: Own survey, 2018)

Figure: 5. A Multi-stage Sampling Procedure Framework

In the fourth stage calculate respondents, first for employees total numbers of population two hundred ninety four (294) which means numbers of employments in selected 5(five) company and sample size by formal Kothari, 2004 which means one hundred sixty seven (167).

Secondly for local community total numbers of population is infinite which means numbers of local community in selected 5 companies and sample size by formal Kothari, 2004 which means (120) then probability proportional to size (PPS) sampling techniques has been applied to get the proportional sample size from each selected company.

In last stage individual respondents (representative employees from people working in company's and local community those who live in surrounding community, comprised of close proximity to the selected companies.) were conveniently selected using simple random sampling techniques from each selected company; to gives equal chance of selection for avoid sampling bias problem.

3.5.4 Sample Size Determination

A. Sample Size Determination for Employees

First to calculate numbers of employee's respondents by determine the sample size, information about the total employees of the manufacturing company as well as the study company (semi-operation and fully-operation) were/will take directly from human resource department of each selected companies. This was/ is because the target unit of the study is an employee who works entirely from different activity/position. As it was indicated from each company the total numbers of employees of selected company is 294.

The Sample size was determined using the formula proposed by (Kothari, 2004). Accordingly the formula for sample size determination is by:

$$n = \frac{\mathrm{pqz^2N}}{(\mathrm{N}-1)\mathrm{e^2} + \mathrm{z^2pq}}$$

Where: n= is the sample size for a finite population

N=size of population which is the number of employer in selected companies

P=population reliability or frequency estimated for sample of size n,

Where p (proportion of success) = 0.5 and q (proportion of fail) =1 – p= 0.5

e=margin of error considered is 5% for this study

z = confidence level at 95% (Normal reduced variable at 0.05 level of significance z is 1.96)

According to the above formula, the sample size for five select companies is

$$n = \frac{0.5*0.5*(1.96)^2*294}{(294-1)0.05^2+((1.96^2)*0.5*0.5)} = \frac{282.3576}{1.6929} = 166.7892$$ ~**<u>167 respondents</u>**

Therefore, the total number of sample is 167, out of total 294 target population which is approximately 57%.

B. Sample Size Determination for Local Community

To calculate numbers of local community respondents from infinite population. The Sample size was determined using the formula proposed by (Kothari, 2004).

Accordingly the formula for sample size determination is by:

$\boldsymbol{n} = \frac{\boldsymbol{Z^2PQ}}{\boldsymbol{e^2}}$ Where, n = sample size, p = proportion of success (0.5), e = standard error (8%)

q = proportion of fail (0.5), z = confidence level (i.e. 92% confidence and z is 1.75)

Based on the above formula, $\boldsymbol{n} = \frac{\boldsymbol{1.75^2(0.5)(0.5)}}{\boldsymbol{0.08^2}}$ n = 119.63 ~ **120 respondents**

So we have 167 employees and 120 local community as sample formula used for sample size at manufacturing selected company level is

$n(company) = \frac{\text{N(company)}*\text{n(all company)}}{N(allcompany)}$ Where n (company):-is the sample size at company level, N (company):-is the population size at company level, n (all company's):-is sample size of five companies, N (all companies):-is the population size of five companies through the survey was conducted. According to the formula, the sample size of employees for the five companies is: - n (zbidar) $= \frac{64*167}{294}$=37, n (Aiden) =$\frac{95*167}{294}$ =52, n (scant) =$\frac{76*167}{294}$ =43

n (Britu) =$\frac{32*167}{294}$ =18, and n (syoum) =$\frac{27*167}{294}$ =17

As stated earlier, to obtain probably proportional sample size from each company level.

Table 3.1 summary of Sample size determination

Name of company's	Area /locations	No. of employee	Share from total	No. of Questionnaire for employees	No. of Questionnaire for local community
Zbidar	Wolkite	64	0.22	37	27
Aiden	Ezja	95	0.31	52	37
Scant	Butajera	76	0.26	43	31
Britu	Butajera	32	0.11	18	13
Syoum	Butajera	27	0.10	17	12
Total		294	1.00	167	120

Source, own survey, 2018

Therefore, the sample size from each of the selected companies were based on the above table; i.e., for employees 37 has been drawn from Zbidar, 52 were be drawn from Aden, 43 were be drawn from Scant, 18 were be drawn from Britu, and 17 were be drawn from Syoum. Thus, the total sample size was 167 respondents.

For local community 27 were be drawn from Zbidar, 37 were be drawn from Aden, 31 were be drawn from Scant, 13 were be drawn from Britu, and 12 were be drawn from Syoum. Thus, the total sample size was 120 respondents.

3.6 Data Collection Instrument

Data collection methods of the study were questionnaires, interview and observation in order to consider mixed method. Mixed methods research, then, is more than simply collecting qualitative data from interviews, or collecting multiple forms of qualitative evidence (e.g. observations and interviews) or multiple types of quantitative evidence (e.g., surveys and diagnostic tests). It involves the purposeful collection of qualitative data. (Jackson *et al*., 2007).

Questionnaire; A questionnaire was used as an instrument in order to collect primary data from selected employees and local community of manufacturing company related to different practice and implement CSR activities by self-administered. Moreover, the questionnaires both closed and open ended and also include items about assessing the practice of CSR in Gurage zone. Creating questionnaire items was based on knowledge and theory gathered from review of literature. It was created in English language and translated into Amharic language (working language of Ethiopia) in order to make the questions clear, avoiding ambiguity as well as make it easily understood by the respondents. The questionnaire will edited by English language teachers to check the equivalency of translation to the Amharic meaning.

The data collection process will managed by the researcher. Prior to the commencement of the actual data collection process, the questionnaire was pretested and the necessary modification was made. Reliability test was conducted. For the purpose of this research, two types of self-administered questionnaires have been used as the data gathering method. The type of the questionnaire is questionnaire distributed to employment and questionnaire to local community. The measuring instrument used in this study was a structured questionnaire taken from Fadun, Solomon Olajide, 2014; Fentaye Kassa Hailu, & K. Rama Mohana, 2016; Tedla Zegeye, 2013; ISO 26000, 2010 with a little modification**.** Methods of data analysis and organization of the study was present by five point Likert scale. Format used to measure CSR was used on the basis of the survey; not important, less important, undecided, important and very important or strongly disagree, disagree, neutral, agree and strongly agree with a scoring of 1, 2, 3, 4 and 5 respectively.

Semi-Structured Interview; have been also conducted with managers and administrators of the respected manufacturing industry through open ended questions which have been designed to elicit their perception about the nature of CSR and practice in their respected companies.

Observation; For the purpose of this study, observation has been undertaken on the general organizational set-up and the working environment. Such observation helped to obtain a first-hand experience and knowledge on the readiness and capabilities of company to realize the global standard actions. The researcher were also tries to observe the condition of workers at work, methods of discharging wastes, company experience and current problems faced in selected manufacturing industries and other things which are related to the study on the ground. Moreover, observation was supported by photo and other document evidences.

3.7 Data Analysis and Presentation Methods

Data analysis in qualitative methods research relates to the type of research strategy chosen for the procedures. However, analysis occurs both within the quantitative (descriptive and inferential numeric analysis) approach and the qualitative (description) approach, and often between the two approaches. After the required data were collected, both descriptive and inferential statistics and the version 20 of SPSS software have been used for the purpose of processing and analysing of the results descriptive statistics based on tables have been analysed through certain statistical tools such as frequencies, percentage, mean and standard deviations has been used to analyse various characteristic of respondents.

In addition, inferential statistics (t-test and ANOVA) were used. The analysis of the research work presented in aggregate level from the response. The subject matter of the study CSR the researcher decided to focus in the privets manufacturing companies and analysis the response of employees and local community in aggregate rather than the individual analysis for each company, since these companies found in the common umbrella of manufacturing in the zone. In order to extract relevant data, several precautions will take to ensure both validity and reliability.

3.8 Validity and Reliability

Pilot test was performed to determine the appropriateness and relevance of the questions in the instrument. Test of content validity was performed which was measuring to the extent of the instrument provides adequate coverage, representativeness the universe, specificity, and clarity of the topic under study. The instrument well provided to two academicians/advisors and one practitioner who assessed each item thoroughly and confirmed that the content validity was good. Therefore, content validity of the questionnaire was established.

To enhance the validity and reliability the questionnaire items were give to 10 employees and local community of companies in the context of Gurage zone manufacturing firms before the items used for final survey. Based on the comment and understanding the questionnaires were modified, reduced, reworded and ordered to increase the response rate. Triangulation of data was one of strategies to improve validate and reliability of the result of this study.

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. Additionally, questionnaires have been translated to Amharic, which is an official language of Ethiopia, in order to make the respondents comfortable and enhanced accuracy in understanding essence of the questionnaire.

As it is expressed in sampling design, simple random sampling is the sampling technique of the study. By avoiding the effects of extraneous variables, simple random sampling protected the internal validity of the study. The quality of the study also depends on its external validity in some extent. Through the accurate representation of the population by the sample, external validity of the study achieved. As the sampling design of the study pointed out the sample is selected using the well-known sampling technique. Additionally, qualities of the study have been realized using data collection instruments such as questionnaires, interview and observation concurrently. Recognizing that all methods have limitations, it is obvious that biases inherent in any single method could reduce the biases of other methods. Extract of primary data was another method to attain the validity of the study. Using primary data in the study could improve the validity (external) of the research paper. First-hand information obtained from a sample that is representative of the target population would yield data that have valid for the entire target population. Finally, the reliability of the measures were examined through the calculation of Crobach's alpha coefficient, the most widely used methods to test the reliability of the questionnaire. (Yalw Endawok, 2004) Hence, the validity, reliability and practicality of this study have been ascertained. As a result of Table 3-2, the reliability estimates for the total items using cronbach alpha were found to be for CSR business benefits α=0.894, for CSR actions and perception cronbach alpha was α= 0.944(community) and α= 0.862(employees), for importance of CSR cronbach alpha α=0.806(community) and α=0.798(employees), for perception to CSR dimension cronbach alpha α=0.907(community) and α=0.906 and for problems of CSR development cronbach alpha α= 0.764.

According to Louis Cohen (2007) a reliability coefficient of greater than 0.90 considered to be very highly reliable, 0.80 – 0.90 highly reliable, 0.70– 0.79 reliable, 0.60 – 0.69 minimally reliable and less than 0.60 unacceptably low reliability Therefore, as understood from the reliability score all constructs are reliable because of the reliability score above 0.60 is reliable for any research measurement items.

Table 3.2 Reliability analysis results

No.	Variable	Reliability of Community			Reliability of Employees		
		Cronbach's Alpha	Cronbach's Alpha BOS	No of Items	Cronbach's Alpha	Cronbach's Alpha BOS	No of Items
1	CSR Business Benefits	-	-	-	0.894	0.896	10
2	CSR Actions & perception	0.944	0.946	14	0.862	0.870	12
A	CSR for Labour Practices	-	-	-	0.695	0.705	5
B	CSR for Local Community	0.944	0.946	14	0.796	0.797	4
C	CSR for Environmental	0.754	0.754	3	0.764	0.763	3
3	Importance of CSR	0.806	0.809	5	0.798	0.798	5
4	Perception to CSR dimension	0.907	0.908	12	0.906	0.907	12
5	Problems of CSR development	-	-	-	0.764	0.765	7

Source: (Own survey, 2018)

3.9 Ethical Consideration

The company manager was communicated through formal letters from Wolkite University, college of business and economics, department of management and permission was obtained. Consent was sought from each company after explaining the purpose and objectives of the study. The study were give due consideration to ethical issues such as confidentiality and anonymity. Therefore, the participants were first communicating as to the purpose and significance of the study and that their responses have used only for academic purpose and kept confidential. They were also assured that their name and their organization identity would remain anonymous.

CHAPTER FOUR

Results, Discussion and Interpretation

4.1 Introduction

This chapter covers the presentation, analysis and interpretation of data collected from both primary and secondary sources, data collected from different groups of respondents through questionnaires, Semi-structured interviews and observation. A total of 287 questionnaires were distributed to the two purposefully selected stakeholders' for local community, 120 questionnaires from Scant, Britu, Syoum, Zbidar S.C. and Aden S.C., in order to collect data about assessment of corporate social responsibility practice in Gurage zone. In addition, 167 questionnaires were distributed for these five companies' employees in order to collect data about the research. Moreover this part have four sections, the first section of this chapter presents a profile of company. The second section is about questioner response rate should be indicated in percentage wise. In the third section, demographic description of the sample in terms of age, sex, level of education and work experience. The respondents' characteristics were presented by percent and frequency tables. In the last part includes all presentation and interpretation concerning on the assessment of corporate social responsibility practice in Gurage zone case of selected manufacturing companies.

4.2 profile of Company

The manufacturing sector is a newly emerged sector it can attain a remarkable development. The government plays a vital role for this development through proposing favourable investment conditions to attract investors. Additional factors which contribute for the development of manufacturing companies in the zone are its geographical proximity to reach potential market, either for local sales or export, in a good condition is the main advantage. Since, more production is a factor of obtaining more revenue, and it will promote the organization to be more profitable and more economical sustainable. As shown in table 4.1, the following sectors are represented in the sample: Beer (n=1), bottled water (n=1), flour mill factory (n=2), and bio-technology (n=1). The geographical dispersion of the companies is diverse. Three are located in the east of Gurage zone, 1 in the centre, and 1 in the west. All facilities are close (less than 1 km) to residential areas, although 2 are located in designated industrial zones.

Table 4.1 Characteristics of the companies under this study

No	Profile of company	Company Name				
		Zbidar Brewery s.c	Eden Business S.C	Scant bodies Clinical Lab (SCL)	Britu Flour Factory	Syoum Flour Factory
1	location / city	Wolkite	Ezja	Butajera	Butajera	Butajera
2	Sub-city/ kebele	Gubre	Gedeb	Erensha	Erinzaf	Erinzaf
3	Establishment year in E.C.	2006	1998	2000	2001	1997
4	Year of start production	2008	2006	2008	2005	2000
5	Type of company	Share company	Share company	subsidiary company	Plc.	Plc.
6	Type of product	Beer(330cl & 5% alcohol volume)	Organic Mineral Water Bottling	Anti-Serum Proteins from mouse /medicine raw material/	Special and normal mill flour	Special and normal mill flour
7	Maximum production capacity	650,000HI per annum	Over 34,000 bottled per hour	Confidential	42000 K.G per day	38000 K.G per day
8	Product market	For local (national)	For local (national)	international market	local /national	local /national
9	Expansions work	No	Yes	No	Yes	Yes
10	No of agent	10	80	No	6	8
11	No of workers in each distributer	16	6	No	10	10
	Remark		2nd biggest producer	Over 20 years in Biotech		

(Source: Own survey, 2018)

The ownership structure of the firms is also relatively diverse. Such as, one company has subsidiary of international company, two companies are privet limited companies (Plc.) and the remains two are Share Company. In the product market Out of the 5 companies, 1 is export-oriented and exporting all of their products. The remaining four companies produce for the Ethiopian market. Two of the five firms operate in saturated markets with national and regional competitors (Beer and Mineral Water Bottling). The total numbers of employees (both permanent and temporal workers) of Gurage zone in all the manufacturing companies are currently reached 1070. The employment opportunities in the industry increased in alarming rate and it increases in double fold as compared to the previous years as you have seen in secondary data. The number of permanent employees in the studied firms was 294, temporary employees is 133 and 34 are outsourced for other companies.

In all firms, employees are not members of a labour union, and no firms were covered by extension orders of collective agreements covering the industry. The human resource characteristics of the studied firms are typical of the Gurage zone industrial sector as a whole. The participation of men in the sample is 65%. In all participating firms important changes occurred in the three years preceding the study (2007-2010). In three firms, there was an expansions work. In all 5 companies' new facilities or equipment were introduced. All Five firms experienced substantial growth. The majority (3 companies) have an operation year above four year while, the remaining two manufacturing companies below four year are in operation. This figure indicated that majority (60%; N=3) of the manufacturing companies that was surveyed for this study were above four years operation period. (See table 4.1)

4.3 Questionnaire Response Rate

In general, 120 and 167 questionnaires were distributed to the sampled companies in two groups of respondents. I.e. For local community and for employees Out of these questionnaire 107 (89%) and 143 (86%) of them duly filled the questionnaires and returned back, regardless of the best efforts from the side of researcher from 5 company. This presented in the Table 4.2 below.
Table 4.2: summary of the respondents of questionnaires distributed and collected

No.	Description	community	Employees	Total
1	Total Number of questionnaires distributed	120	167	287
2	Number of unreturned questionnaires	8	10	18
3	No. of successfully returned questionnaires	112	157	269
4	No. of incomplete returned questionnaires (discarded b/c not properly filled)	5	14	19
5	Number of valid returned questionnaires	107	143	250
6	Percent of valid returned questionnaires	89	86	87.1

(Source: Own survey, 2018)

From the above table, totally out of 287 distributed questionnaires 250 returned and valid questionnaires. Therefore, the overall response rate was calculated as 87.1%. This response rate is excellent and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.4 Demographic Characteristics of Respondents

The demographic profile of the sample respondents is presented and analysed below. The purpose of assessing respondents' age, sex, is that, to determine whether the researcher considered heterogeneity of sample units. On the other hand assessing the work experience and education level of the respondents' is that, when the respondents are more experienced and educated they have better opportunity to understand the case and give better response than else.

Table 4.3.1: Demography summary of the respondent's part 1

History of the Respondent							
Description	Indices of profile	Type of respondents					
		Employees		Local community		Total respondents	
		Freq.	%	Freq.	%	Freq.	%
Sex of respondent	Male	93	65.0	73	68.2	166	66.6
	Female	50	35.0	34	31.8	84	33.4
	Total	143	100	107	100.0	250	100
Age of respondent	18-25 year old	48	33.6	33	30.8	81	32.2
	26-35 year old	64	44.8	48	44.9	112	44.9
	36-45 year old	20	14.0	14	13.1	34	13.6
	46-55 year old	8	5.6	9	8.4	17	7
	above 55 year old	3	2.1	3	2.8	6	2.5
	Total	143	100	107	100.0	250	100
Educational backgrou nd of the respondent	Under grade 10	14	9.8	6	5.6	20	7.7
	Grade 10-12	30	21.0	9	8.4	39	14.7
	TEVET/Diploma	51	35.7	31	29	82	32.4
	Degree	42	29.4	55	51.4	97	40.4
	Post graduate	6	4.2	6	5.6	12	4.9
	Total	143	100	107	100.0	250	100
Work Experience of the responder	Below 1year	29	20.3	-	-	29	20.3
	1- 2 year	59	41.3	-	-	59	41.3
	2-3 year	21	14.7	-	-	21	14.7
	above 3 years	34	23.8	-	-	34	23.8
	Total	143	100	-		143	100

Source: own survey, 2018

As table 4.3.1 above shows that, one hundred sixty six of the respondents (66.6 %) were male and eighty four survey respondents (33.4 %) were female. Gender frequency of the respondent's in table 4.3.1 shows that the numbers of male respondents were almost two times as female respondents. The result indicates that, the participation of females in manufacturing company is low. These activities by their nature demand exhaustive movement between machinery, and lifting heavy materials, which as a result may reduce the involvement of females.

As table 4.3.1 above shows that, the researcher divided the age of the respondents into five categories, starting from 18- 25 years of age to above 55. In this study, the researcher can conclude that most of the respondents were between ages of 26-35 and 18-25 years show (112)44.9% and (81) 32.2%. This group covers 77.1 % of the respondents to the questionnaire. This categorized economically active and matured age group able to contribute to the economy and well understand about CSR.The next age group with (34)13.6% is respondents gain aging between 36- 45. On the other hand, respondents within age group of 46-55 which is (17)7%. In addition, > 55 age groups represent (6)2.5% of valid respondents.

Education is important in the assessment of CSR practice because education provides light for correct appreciation of every aspect of situation. Therefore, As shown below in table 4.3.1 the highest education background of the respondent attained by most of the respondents was Undergraduate / first degree holders which represents, 97 (40.4%) out of the valid respondents and followed by TEVET/Diploma holders which accounts 82 (32.4%). Two education levels that are Grade 10-12 completed and Under grade 10 shows results that is 39 (14.7%), and 20 (7.7%) respectively of the valid respondents. These two groups indicate respondents about one fourth or 22.4 % not attended higher education. Post graduate degree (MA/PhD) holder accounts 12 (4.8%) of the respondents. As far as the educational background of the study, out of valid respondents about 77.7 % are diploma and above diploma holders. Majority of the respondents being educated to the higher level that adds some impetus to the quality of the data gathered for the study. The highly educated respondents (above degree) seem to be giving better treatment over the others. Higher levels of education are believed to be associated with more diversified livelihoods, higher productivity and better access to information (Reardon *et al.*, 2007).

As table 4.3.1 below clearly shows the frequency distribution of employees respondents work experience, the largest of the respondents (41.3%) 59 have between 1-2 years of work experience. In the same case, (23.7%) 34 of respondents have above 3 years of work experience and followed by less than 1 years of experience, which accounts (20.3%) 29

And, the remaining (14.7 %) 21 respondents represent having 2-3 years of experiences. This implies that in total more than 79.7% of the respondents have more than 1 years of work experience with in the case company and it is sufficient to judge and give views. This is because when the respondents are more and more experienced within the organization they have better opportunity to know more and more about the organization.

Table 4.3.2: Demography summary of the respondent's part 2

Description	Indices of profile	Type of respondents					
		Employees		Local community		Total respondents	
		Freq.	%	Freq.	%	Freq.	%
Monthly salary /income in Birr	Below 2000	26	18.2	-		26	18.2
	2001-3000	29	20.3	-		29	20.3
	3001-4000	18	12.6	-		18	12.6
	4001 -5000	21	14.7	-		21	14.7
	5001 and Above	49	34.3	-		49	34.3
	Total	143	100		-	143	100
position belongs to the respondent	Department head	23	16.1	-	-	23	16.1
	supervisor	37	25.9	-	-	37	25.9
	worker	83	58.0	-	-	83	58
	If other	-	-	-	-		
	Total	143	100	-	-	143	100
Your occupation	Self-employed	-	-	9	8.4	9	8.4
	Student	-	-	9	8.4	9	8.4
	Private company	-	-	15	14	15	14
	Farmer	-	-	9	8.4	9	8.4
	Public servant	-	-	65	60.7	65	60.7
	Total	-	-	107	100.0	107	100

Source: own survey, 2018

From the above table 4.3.2 it is possible to learn that the salary the majority 49(34.3%) and 29(20.3%) of employees of companies earns is in the category of 5001 birr and above, and 2001-3000. On the other hand employees of companies who earn less than 2000 birr were 26(18.2%), while21 (14.7%) respondents earns b/n 4001-5000 birr. Lastly, the minority 18(12.6%) of employees were in the category of birr 3001 to 4000.

When I see table 4.3.2 employees frequency distribution of position belongs to the respondents, department head (23) 16.1%, supervisor (37) 25.9% and lastly, majority of the respondents are workers accounts (83) 58% respectively. As depicted in the table 4.3.2 a total of local community respondents occupation 9(8.4%) and 9(8.4%) had self-employed and student. A large portion of respondents 65(60.7%) had public servant, and 15(14%) respondents' had private company worker. 9(8.4%) survey participants had farmer.

Demography of interviewed managers; as shown in appendix table, four the interviewed managers of the manufacturing companies are male and one are female. Four manager ages are b/n 36-45 and for one manager age above 55 years old. In terms of academic level managers are two master degree, two degree and one 12 complete. All the managers are stayed in the company's greater than three year. However, most (four) of the managers are served as the manager and only one is owner and manager of firms.

4.5 Major Findings of the Study

4.5.1 Awareness of CSR Initiatives

A CSR strategy includes both the CSR activities and equally important the CSR communication to various stakeholders, in order to increase their awareness. Sen. *et al.* (2006) suggest that the CSR awareness is connected with stakeholder positive reactions towards the company not only in the consumption domain but in the employment and investment domains, too.

The research question about the level of awareness on CSR initiatives of manufacturing companies was posed to both employees and local communities. Among 250 respondents, slightly more than half percent 147(58.6 %) of respondents had moderate level of awareness; those who had high level of awareness were 39(15.1%), and the remaining 64(26.3%) of respondents had low level of awareness. This result shows lacks of strong commitment towards creating awareness about the actual meaning and purpose of social responsibility. (As Table 4.4)

As shows in table 4.4 employees rated a mean score of 2.21 a little higher than the average point. This figure indicated that employee's awareness about the CSR initiatives of the manufacturing companies was somewhat good. But, local communities rated a mean score of 1.83 a little less than the average point. This figure indicated that local community's awareness about the CSR initiatives of the manufacturing companies was somewhat bad. Thus, this level of awareness laid a ground for determining the perception of employees and local community's towards CSR initiatives of firms.

Table 4.4; level of awareness on CSR terminology and initiatives

No.	Respondents	Level of awareness on CSR initiatives						Total		Mean
		Low awareness		Medium awareness		High awareness				
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	
1	Employees	31	21.7	86	60.1	26	18.2	143	100	2.21
2	Community	33	30.8	61	57	13	12.2	107	100	1.83
	Total	64	26.3	147	58.6	39	15.1	250	100	

(Source: Own survey, 2018)

This finding was consistent with another study conducted by Hailu & Mohana, (2016) in Ethiopia Brewery Firms "The finding of this study revealed that awareness level of local community about the firms' CSR initiatives was somewhat good, however, still there were substantial portion of the host community had low level of awareness about CSR initiatives or Among 595 respondents, slightly more than half percent (54.6 %) of respondents had moderate level of awareness; those who had high level of awareness were 27.6%, and the remaining 17.8% of respondents had low level of awareness. "

Moreover, another study in Nigeria reported by Amaeshi, *et al.* (2006) explored the level of CSR awareness 7.7 % are low level of awareness and characterized by almost no awareness, 85 % are medium level of awareness and characterized by awareness without significant action and 7.7 % are high level of awareness and characterized by awareness with significant action.

4.5.2 About CSR Programs and How Incorporated

Firms can build CSR into strategy and impact the performance of them by mission, resources markets, strategy, strategic issues, competitive advantage and customer needs. (Galbreath, 2009)

The aim/ process of CSR activity incorporate in to your organizational strategy /policy and /or plan is very nessarly. B/c translating stakeholders demand into CSR policies and practices shows how an organisation regard stakeholder oriented concept of CSR implementation. In translating the demands, managers are expected to at times give more than what is expected or change the stakeholder's demands to a new and better expectation (Lamberg, *et. al* 2003).

Table 4.5; Company CSR program /undertake activity and how is incorporated

Response	Question Items			
	A. CSR program /undertake activity consider as CSR		B. CSR activity incorporate in to your organizational strategy /policy /or plan	
	Frequency	Percent	Frequency	percent
Yes	100	69.9	106	74.1
No	9	6.3	14	9.8
Don't know	34	23.8	23	16.1
Total	143	100.0	143	100.0

Source: own Survey, 2018

In Table 4.5 item A, among the total employees respondents, 100(69.9%) of them had responded by stating that company involvement in CSR programs or activates are yes known or have CSR that is incorporated in their companies business plan or policy, 34(23.8%) don't know about companies CSR program and only 9(6.3%) responded that they not practiced to their knowledge. However, the way CSR incorporated in the companies is different from firms to firms. As revealed in Table 4.5: item B, the majorities of the respondents 106(74.1%) have the concept and incorporated CSR activities in hirer management plan. But 23(16.1%) of respondents indicate do not know about incorporate to company strategy and police. the reaming employees said no/not incorporate in to company plan. The outcome of our work is thus broadly consistent with the study (Nita Choudhary & Niranjan Kumar Singh, 2012) India Company Involvement in CSR; all the companies are not involved in CSR activities. Majorities (79.5%) of the executives say that their company is involved in CSR and 19.7 % say "No" to it. Also 0.8 % doesn't know.

Several enterprises are putting their values into a written code of conduct, a statement of good business practice or even a set of simple rules which articulate the company's vision, values, responsibilities and ambitions (Ingenhoff & Fuhrer, 2010). The mission statement and vision of the company ought to be communicated to the stakeholders and the community at large. Davies & Crane (2010) to understand the long-term commitment of the firm towards such issues the researcher was interested to see secondary data if such issues are included in the strategic objectives of the firm.

This is done by checking whether they are included in the vision/mission/value statements, whether the firm has separate policies in reference to their implementation and if there is a board level representation that is assigned to carry out tasks outlined in the policies related to the issues. (Account Ability, 2008; GRI, 2015) According to the manager interviews, all studied companies have not developed and used definition of CSR.

Since CSR is not operated on a formal basis but integrated in business strategies and operation. Most (3, 60%) of the respondents from manufacturing companies have not developed a CSR policy and strategies since they don‘t have good CSR concept and CSR is not operated on a formal basis but integrated in companies activity. The remaining two (40%) company has expressed their strategies in mission statements, core value and strategic plan.

The information obtained from secondary source data, currently one company has developed CSR as part of core value and endeavour to set up a clear future direction, the company has planted trees on land allotted for execution of its green business programs and executes several community support project. Green business is the priority of company "2 cents from each bottle sales is allocating for planting". In firm's conception of CSR, there is more emphasis to environmental component. This firm's perceived compliance to environmental standards, determine their economic success and then their philanthropic capacities, and also, developed a slogan "lets together turn Ethiopian in to garden of Eden", which can serve as a means of promoting its products. Another company's mention there needs to be a practical link between the mission statements and the CSR practices. "To produce quality beer in different package in an environmentally and social responsible manner" As a result, the company can get a good will from government and society. The information obtained from secondary source data and interview supported the findings of this empirical study.

4.5.3 CSR Functional Department at the Organization

Some organizations delegate all responsibility for its CSR to a select few individuals or a specific department (Aguinis & Glavas, 2013; McShane & Cunningham, 2012). This not only indicates that management is disengaged from the CSR process, but may also take any real responsibility or autonomy for CSR out of the hands of employees. Additionally, relegating an organization's CSR activities to the periphery takes them off the agenda of management (Aguinis & Glavas, 2013).

Table 4.6 CSR Functional department at the organization

Question	Responses of Employees					
	Independently by CSR department		Together with other departments		Total	
	Freq.	%	Freq.	%	Freq.	%
How are the program/ activities managed and co-ordinated	45	31.5	98	68.5	143	100.0

Source: own Survey, 2018

The results from respondents are based on the above Table 4.6. 98(68.5%) of majorities respondents are answered that the program managed and co-ordinated in your organization by Together with other company's departments and 45(31.5%) companies established special /Independently departments to deal with CSR issues. The next question solicited was the location of the individual who answered "Together with other departments " in the above question As mention from respondents organization function CSR lie are in quality control department, production department, human resource department, administration and finance department, company's manager and safety health and environmental (SHE) department. From this data we can conclude that most of companies not individuals who are explicitly responsible for CSR management located in the different department. CSR has many meanings depending on the group and its aims: for public relations department CSR is reputation protection, for accountants it is supply-chain auditing, for NGOs it is preservations of humanitarianism when as for governments it is sharing the burden of sustainability (Kitchin, 2003).

Social responsibility, as part of regular business operation, can be planned and organized or may not depending on organizational context. Firms synonymously expressed that they don't have a specific and organized department exclusively to handle social responsibility. For instance, CSR in studied 5 companies is under different department with direct supervision of the manager. As interview manager of studied companies, only two companies have a separate department to deal with employees and environmental task and activity on regular basis. In one company, name as health, safety and environment department and in other companies name as quality assurance, sanitation, hygiene and environmental department.

This department, however, does not concern social and economic responsibilities and the later CSR aspects are under top management. But in other two companies CSR assigned for manager and only one company CSR assigned employees task for human resources department, environment task for administer department and community task for manager of companies. In terms of budgets allocated to CSR, the results show that two of the companies have an annual budget that is allocated to CSR projects in their companies, two don't have a specific budget, and for one companies as a departmental basis. It can be noted that the companies provide direct cash and in-kind but all are allocate and approve by board of director or by owner. Although the, interview conducted declared that five companies are not specific department and CSR task assigned together with other company's departments. The observation also supports the responses of employees.

4.5.4 CSR Organized and Implementation in Your Company

CSR committee of the respondents was assessed in order to see the practice of CSR implementations in the zone. According to Nazari *et al.* (2015) review of empirical studies and his own finding give the assurance that the existence of special committee would make an organization effective in addressing sustainability aspects. The absence of such a committee may show the organization's lack of seriousness with regard to those aspects.

As shown in the table 4.7 below item A, 68 respondents (47.6%) of the organizations have yes committee in companies responsible for CSR concerns whereas, 75(52.4%) respondents of the study do not have CSR committee at all. The next question asked the respondents about employee's participations for CSR. According to Bhattacharya & Korschun (2012), CSR programs are most effective when employees are involved in the process of planning, designing and applying the CSR initiatives whilst the employers are acting as enablers. Employees know their own needs best, thus when involved in such process, employees are likely to produce CSR programs that will in turn bring the most sense and purpose and potentially job satisfaction to them. Offering employees a chance to get involved in CSR initiatives is likely beneficial for both the organization and its employees. Respondents are solicited an information regarding their participation in CSR programs. As revealed in Table 4:7 item B, 87(60.8%) of the respondents replied as currently participating, 56(39.2%) of the respondents answered that they will consider it for no participations. This implies that most of the employee's respondents are participating in CSR programs like environments production, seedling planation, etc.

According to Grappi, Romani & Bagozzi (2013) found that corporate social irresponsibility negatively affects consumers. The respondents were asked to provide information about customer awareness of product prices supports our CSR activity. As the table 4.7 item C shows, 59.4% of the companies yes aware about product price support and CSR activity. On the other hand, the rest of the companies not use awareness about CSR.

Table 4.7; Company CSR organized to implement

Responses	Question items					
	A. Presence of CSR committee in companies		B. Employees participations for CSR		C. Customer aware prices supports of CSR activity	
	Frequency	percent	Frequency	percent	Frequency	percent
Yes	68	47.6	87	60.8	85	59.4
No	75	52.4	56	39.2	58	40.6
Total	143	100.0	143	100.0	143	100.0

(Source: Own survey, 2018)

In addition to the mean value obtained through questionnaire, an interview was conducted with manager of companies. According to their responses all companies does not have CSR committee to facilitate and control CSR activities. But, occupational; health and safety committees present in four companies. Then about employee's participations interview response is employees participate in CSR action by different activity like in preparations of yearly and strategic plan, in evaluation, in trainings, voluntarism in support community, environment, and other. This is true, as the interview conducted declares and much with questionnaire responses.

4.5.5 CSR Communication Way and Channels to Stakeholders of Company

In order to maximize the benefits of CSR, companies have to raise the level of awareness, by engaging "in communicating their CSR initiatives, ensuring that consumers attribute such efforts to intrinsic (e.g., genuine concern) rather than extrinsic (e.g., profit motive) motivations." (Du *et al.*, 2007) The essence of CSR activity is communication, including internal and external relationship with stakeholders (Kaszás *et al.*, 2016, Németh-Péter, 2016). The stakeholders' views and ideas are becoming increasingly important so the bidirectional communication is essential. (Boutilier, 2009)

As claimed by J. Dawkins (2005), effective communication consists in transferring specific information to a certain target group customers, consumers, investors, suppliers, local communities, while such information should be important both for the company and for a given target group. This should be done in such a manner (right message and appropriate communication channel) that the target group. On the other hand, CSR is becoming more important every day and Du, Bhattacharya & Sen (2010) argue that there is need for companies to communicate CSR more effectively to stakeholders.

In this regard, employees and local community were asked whether company communicate about CSR to stakeholders were held or not, as shown in Table 4.8 As per the responses obtained, however, majority of respondents 161(64.75%) reported that yes communicate channels was held in manufacturing company. As depicted in Table 7, it was only 21.5% of respondents who reported un-known and 13.75% of respondents reported no channels of communicate to stakeholders. Based on this response, majority of manufacturing company in Gurage zone starts communications about CSR activity by different channels.

Table 4.8; CSR company channels of communicate to stakeholders

No	Respondents	Responses						Total	
		Yes		No		Un-known			
		Freq.	%	Freq.	%	Freq.	%	Freq.	%
1	Employees	89	62.2	22	15.4	32	22.4	143	100.0
2	Community	72	67.3	13	12.1	22	20.6	107	100.0
	Total	161	64.75	35	13.75	54	21.5	250	100

(Source: Own survey, 2018)

When communicating the CSR initiatives to employees, managers should try and maintain the intentions behind CSR actions and avoid carrying "business-as usual" motivations into the CSR effort that might discourage the increase of job satisfaction (Bhattacharya & Korschun, 2012). CSR communication, as defined by Morsing (2006), is "communication that is designed and distributed by the company itself about its CSR efforts". Companies sampled were asked which channels (press releases, company annual reports, international reports, brochures, newsletters, others) they use for their CSR communication.

Surveys conducted among 23 companies regarded as socially responsible, it should be noted that the tools for communicating the CSR activities most frequently used by them include bulletins and internal newsletters, posters and leaflets, CSR reports, as well as presentation of good practices in CSR contests. (Du *et al*, 2010)

In order to see the CSR communication channels the following question was devised for the respondents: to select major five communications way/tools used in CSR activities 161(64.75%) of total respondents were asked to indicate which tools they perceived to communicate CSR. The results of this question can be found below in Table 4.9. Note that respondents had the opportunity to select several ways of communications. When looking at their scores and rank on the table 4.9, it can be concluded that the five most important communications way for CSR practices for manufacturing companies are in sales presentations, management briefings and meeting, reports, marketing material and bulletin board with a percentage of 35.5, 32.35, 30.45, 27.3 and 24.4 respectively. The least communications way for CSR activities of company is If Others like website, social media and internet and Informal communication, which account 9% and 11.3% of scale respectively.

Table 4.9; Major Five Communications way/ tools used in CSR activities

No.	Way Of Communication	Frequency Of Responses And Rank						Rank
		Employees		Community		Total		
		Freq.	%	Freq.	%	Freq.	%	
1	Training	17	11.9	20	18.7	37	15.3	6
2	Newspapers and magazine	21	14.7	16	15	37	14.85	7
3	Bulletin board	35	24.5	26	24.3	61	24.4	5
4	In sales presentations	44	30.8	43	40.2	87	35.5	1
5	Management briefings and Meeting	51	35.7	31	29	82	32.35	2
6	Reports	43	30.1	33	30.8	76	30.45	3
7	Marketing material	38	26.6	30	28	68	27.3	4
8	Informal communication	15	10.5	13	12.1	28	11.3	8
9	If Others	15	10.5	8	7.5	23	9	9

(Source: Own survey, 2018)

In study by Bhattacharya *et al*. (2006) questionable reputation of CSR initiatives is explained by bad communication by companies leading stakeholders seeing it as propaganda. They encourage companies to focus more on what they have achieved and telling the facts instead of promoting their activities, "tell, and do not sell". Based on the data collected both in questionnaire and interview and the finding result the CSR programs are announced to the stakeholders through in sales presentations, management briefings and meeting, company reports(monthly, bi-yearly and annual), marketing material and bulletin board.

4.5.6 Preference of People to Buy Product of the Companies Which CSR Practice

According to a European study "European Survey on Consumers Attitudes towards CSR" 70 % of European consumers say that a company's commitment to social responsibility is important when buying a product or service and 44 % of the consumers are willing to pay more for environmentally and socially responsible products.

Rahim, Jalaludin, & Tajuddin (2011) examine the influence of CSR on the buying behaviour of Malaysian consumers and indicated whether consumers considered a corporation's CSR initiatives before making any purchase decisions of the products and services. The results showed significant positive relationships between all of the variables used in measuring CSR and consumers' buying behaviour.

Table 4.10; Preference of product for companies practice CSR

No.	Respondents	Responses					
		Yes		No		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Employees	106	74.1	37	25.9	143	100.0
2	Community	75	70.1	32	29.9	107	100.0
Total		181	72.1	69	27.9	250	100.0

(Source: Own survey, 2018)

As it can be seen from table 4.10, 181(72.1%) of respondents responded that, yes prefer to buy product for companies practice CSR on the other hand 69 (27.9%) of respondents responded that, not prefer to buy product of manufacturing company that practice CSR. According to assessment most respondents are responded Preference for product of companies practice CSR.

Trudel & Cotte (2009) report, that subject in their experiments are willing to pay a 5-10% premium for ethical products. Interestingly, both sets of researchers find that the price discount punishment for bad ethical features is much bigger than the price premium reward for good ethical features, again showing the importance of the specific CSR initiative being evaluated.

4.5.7 Perceived Influence of Various Stakeholders on Decision Regarding CSR Practices

In the research model stakeholder pressure is assessed as a function of stakeholder subjective power and demands made by stakeholders. As stakeholder demands were not assessed in the current stage of this research we make do with the power dimension as attributed to different stakeholders groups by firm. Power is assessed as a combined scale of perceived influence and importance of conducting dialogue with each group of actors. (Clarkson, 1995; Helmig *et al*., 2016) Stakeholders of corporations vary, and may change overtime (Elias, Cavana & Jackson, 2000). In this theme is examined the attitude of the companies towards various classes of stakeholders such as shareholders, employees, customers, government and the wider society.

Table 4.11: Perceived influence of various stakeholders on company decisions of CSR

No.	Type of Stakeholders	Total sum of response & rank order		Remark
		Sum	Rank	
1	Shareholders/ owner	300	1	N.B. 1 is the most influence and 5 is the least influence
2	Employee	392	2	
3	Customers	400	3	
4	Government	507	4	
5	Local community	561	5	

Source: own Survey, 2018

The perceived influence of the various stakeholders is displayed in the following table 4.11 it is evident that shareholders/owner (ranked first), employees and customers are considered most influential; local community are of lowest importance. We combine these later with government as their influence is too low to be assessed separately. This is particularly supports the research done by Aviad Bar-Haim & Orr Karassin (2014), that identified in his studies that there is a stakeholder forces/power are customers, employees, suppliers, community and financial institutions concisely. Stakeholder groups, such as conscious consumers, activists and investors, put major pressure on organizations to live up to the high expectations concerning CSR. (Du *et al.*, 2010)

Engaging stakeholders because of their power of influence and the benefits the organisation stands to gain through CSR practice is regarded as the best approach in building bridge between stakeholders and the organisation to achieve its goals and objectives (Lindgreen & Swaen, 2010). One of the managers dwelled on this point ‘‘our primary mandate is to serve customers who in turn significantly influence the performance of our business. Firms exist in the first place to meet the needs of their customers.’’ Another manager highlighted the critical importance of good employee management in the sense that ‘‘productivity gains resulting from enlightened employee management policies yield substantial performance advantages over non responsible firms.’’ A similar view was expressed by another manager noting that ‘‘how employees are treated affects firm performance.’ Our findings suggest that Gurage zone firms seem to be according systematic attention to a limited number of stakeholders as reflected in the differential higher scores in relation to core stakeholders namely shareholders, employees and customers.

4.5.8 Company’s Motivations or Driver for Doing CSR

According to Kotler & Lee (2005), CSR can increase sales and market share, strengthen brand positioning, enhance corporate image and clout, increase ability to attract, motivate, and retain employees, decrease operating cost, and increase appeal to investors and financial analysts. Hence, firms today are increasingly concerned with CSR.

Table 4.12 below shows that the very important driving force for the application/practicing of the CSR programs according to the respondents. Most of them were ranked first, which is 57.3 % of them are responded due to employee satisfaction and motivation, 56.6% of helps for legal and regulatory compliance, 53.8% for competitive advantage, productivity and business opportunities, 53.8% to enhances our corporate image and reputation, 53.1% to attract customer’s, 51.7% for risk mitigates, 50.3% solve socio-economic and environmental problem,

46.9% to improve the profitability and profits, 44.8% gain support of market and stakeholders, 44.8% for international standards like ISO, 42.0% for company's values, culture and mission and lastly, 41.3% pressure from stakeholders. According to Pryce (2002), current focus is driven by five forces: customer pressure, changes in business procurement, government legislation and pressure, rise of socially responsible asset and changing expectations of employees.

Table 4.12; Major Motivating factors /objectives for doing/ implementing CSR

No.	Reasons of Motivation	Frequency of response		Rank
		Frequency	Percent	
1	To enhances our corporate image and reputation	77	53.8	3
2	Gain support of market and stakeholders	64	44.8	9
3	For risk mitigates / prevention	74	51.7	6
4	For legal and regulatory compliance	81	56.6	2
5	Solve socio-economic and environmental problem	72	50.3	7
6	For competitive advantage, productivity and business opportunities	77	53.8	3
7	To attract customer's	76	53.1	5
8	Pressure from stakeholders	59	41.3	12
9	To improve the profitability and profits	67	46.9	8
10	For international standards like ISO	64	44.8	9
11	For employee satisfaction and motivation	82	57.3	1
12	Company's values, culture and mission	60	42.0	11

Source: Survey, 2013

In addition to the responses obtained through questionnaire, there is an interview conducted with managers of companies. According to their responses number of drivers, that would enable the further promotion and development of CSR in the zone. The main driving forces mentioned out that enhance the development and implementation of CSR includes, employee satisfaction and motivation, For Legal and Regulatory compliance, for competitive advantage, productivity and business opportunities of companies, to enhance our corporate image and reputation and to attract customer's. Supporting these results, study by Aviad & Karassin in Israeli industry considerable motivations for adopting CSR policies and practices indicate by mean & STD are improving attractiveness of the firm to potential employees 3.41 & .687, strengthening citizenship 3.37 & .760, improving image of the firm toward its customers 3.33 & .752 improving ethical commitment to the community 3.24 & .725 and improving managerial effectiveness 3.19 & .702. Also indicate minor driving force are improving public image 3.17 & .77, improving financial efficiency 3.13 & .91, increasing employee motivation 3.09 & .853, increasing sales 2.78 & .861 and reducing inspection pressures by regulator 2.33 & 1.046. (Aviad Bar-Haim & Orr Karassin, 2014)

4.5.9 Business Benefits by Implementing Corporate Social Responsibility

The business cases for CSR seem to focus on a wide range of potential economic benefits. These include financial performance and profitability, reduce operating cost, long term financial gains for companies, employees‟ welfare, increase staff commitment and involvement, enhanced capacity to innovate, good relations with government and communities, better risk and crisis management, enhance reputation and brand value and of course, the development of closer links with customers and greater awareness of their needs (Matten & Moon, 2008).

Table 4.13; Company's benefit offered by practicing CSR

No	Description of Business Benefits	Mean	STD	Rank
1	Build corporate image and reputation	3.06	1.383	10
2	Improve customer satisfaction and retention	3.17	1.334	7
3	Corporate citizenship /business opportunity	3.08	1.245	9
4	To recruit and retention quality s employees	3.48	1.277	1
5	Better effectiveness and efficient	3.43	1.184	2
6	Improve employees' productivity, satisfaction & behaviour	3.22	1.188	5
7	Improve finances performance(monetary & non-monetary)	3.35	1.218	4
8	Balanced perspective on stakeholder interest	3.20	1.117	6
9	Compliance with regulations and standards	3.09	1.221	8
10	Protection of natural resources and Environment	3.42	1.479	3

(Source: Own survey, 2018)

According to the survey result on five- point scale, in Table 4.13 the respondents indicated that their manufacturing company engaged in different CSR practices and get some benefits ; the highest mean value scored in the issues of; recruit and retention quality employees (mean value= 3.48; SD= 1.277), better effectiveness and efficient(mean value= 3.43; SD= 1.184), protection of natural resources and environment (mean value= 3.42; SD= 1.479), improve finances performance(monetary and non-monetary) (mean value= 3.35; SD= 1.218), improve employees' productivity, satisfaction and behaviour (mean value= 3.22; SD= 1.188), balanced perspective on stakeholder interest (mean value= 3.20; SD= 1.117), improve customer satisfaction and retention(mean value= 3.17; SD= 1.334), compliance with regulations and standards (mean value= 3.09; SD= 1.221), corporate citizenship (mean value= 3.08; SD= 1.245) and build corporate image and reputation (mean value= 3.06; SD= 1.383).

This is well supported by literature; for example (Ahearne, Bhattacharya & Gruen, 2005; Bhattacharya & Sen, 2003; Sen& Bhattacharya, 2001; Lichtenstein, Drumright & Braig, 2004).

4.5.10 Importance Ascribed to CSR Practice

Respondents are required to rate statements about CSR in business according to their importance. The results are presented in Table 4.14. The results indicated that: stakeholders' concern is highest mean (mean = 3.62 and SD = 1.22), and perceived to be highly important, as a business need to develop appropriate strategies for managing stakeholders. (Branco & Rodrigues, 2007; Wicks *et al*., 2010) compared with four responsibility, profitability of a business is first highest mean (mean = 3.58 and SD = 1.16), and highly important to stakeholders in Gurage zone, as profitability enhances its operations and other auxiliary activities (Fontaine *et al.*, 2006; Elkin, 2007; Yilmaz & Gunel, 2008);

Stakeholders' in Gurage zone manufacturing company expect second highest mean for legal responsibility (mean = 3.44 and SD = 1.17), and businesses to be responsible corporate citizen, as businesses are expected to comply with laws (Schwartz & Carroll, 2008; Steurer, 2010); third highest mean for voluntary actions (mean = 3.30 and SD = 1.29), and stakeholders in zone perceived philanthropic concern in business less important; and lastly, smallest mean for integrate ethical responsibility (mean = 3.02 and SD = 1.28) and stakeholders in Gurage zone considered ethical responsibility to be relevant in business, as power and influence of business in society is becoming greater than ever (Keith, 2010; Bernard *et al*., 2012).

Table 4.14; Importance Ascribed to CSR Practice by Stakeholders

No	Question	Employees		Community		Average	
		Mean	STD	Mean	STD	mean	STD
1	Stakeholders' concerns in business	3.69	1.212	3.55	1.230	3.62	1.22
2	Economic concerns in business	3.62	1.174	3.53	1.144	3.58	1.16
3	Legal concerns in business	3.45	1.243	3.43	1.100	3.44	1.17
4	Voluntary (philanthropic) concerns	3.35	1.380	3.24	1.204	3.30	1.29
5	Ethical / commitment to do the right things concerns in business	3.17	1.302	2.87	1.252	3.02	1.28

(Source: Own survey, 2018)

The result shows that equal importance is not ascribed to the four dimensions of CSR activities in Gurage zone. From Gurage zone manufacturing companies stakeholders' perspectives; stakeholders' concern is perceived to be highly important in business. Stakeholders place more emphasis on economic, legal and philanthropic responsibilities than on ethical responsibility. To develop positive corporate image, firms need to consider stakeholders expectation before formulating CSR policies (Dober & Halme, 2009; Eweje & Palakshappa, 2009; Veleva, 2010; Bagire *et al.*, 2011; Epstein & Widner, 2011).

4.5.11 Dimension of CSR Activities and Stakeholders Perception

Despite the plethora of CSR definitions over the last 50 years, Carroll's four-part conceptualisation has been the most durable and widely cited in the literature (Crane & Matten, 2004). Respondents are required to indicate their level of agreement with statements about CSR and stakeholders' perception in business. The assertion of Carroll and Buchholz (2011) that CSR includes economic, legal, ethical, and philanthropic perception placed on businesses by the society. On the basis of this literature, the performance of Gurage zone selected manufacturing company implementation and experience will be evaluated relying on perception of employee and local community responses indicated in table 4;15.

Table 4:15 Dimension of CSR activities and Stakeholders Perception

No.	Dimension of CSR Activities	Employees Responses		community Responses		Total Responses	
		Mean	STD	Mean	STD	Mean	STD
1	Economic Responsibility	3.60	1.160	3.57	1.128	3.58	1.144
2	Legal Responsibility	3.39	1.174	3.37	1.066	3.38	1.120
3	Ethical Responsibility	3.31	1.085	2.98	1.074	3.15	1.080
4	Philanthropic Responsibility	2.98	1.208	2.37	1.201	2.68	1.208

(Source: Own survey, 2018)

Table 4.15 gives the mean and standard deviation (SD) on the dimensions of CSR. Among the four dimensions in the conceptual framework, respondents rated to economic responsibility with the highest mean (mean = 3.58 and SD = 1.144), followed by legal (mean = 3.38and SD = 1.120), ethical (mean = 3.15and SD = 1.080), and philanthropic responsibility (mean = 2.68and SD = 1.208) respectively. Primarily, the findings (Table 4.15) shows experience on business economic responsibility suggest that Gurage zone manufacturing companies stakeholders' percept business to be profitable, as profit motive is the primary incentive for entrepreneurship (Elkin, 2007; Yilmaz & Gunel, 2008); business should maintain strong competitive position; and business should maintain a high level of operating efficiency, as there is positive link between strategic CSR and firm operating efficiency (Kemper *et al*., 2013; Michelon *et al.*, 2013).

Secondly, the results (Table 4.15) shows experience on legal responsibility suggest that Gurage zone stakeholders' percept business to perform in a manner consistent with perception of government and law; business to be a law-abiding corporate citizen,

as business is percept to comply with legal requirements to satisfy the needs of various stakeholders (Fombrun *et al*., 2010; Mallin & Michelon, 2011; Michelon *et al*., 2013); and business to offer goods and services which meet minimal legal requirements, in compliance with the law (Grossman, 2005; Falck & Heblich, 2007; Dobers & Springett, 2010).

Thirdly, the results (Table 4.15) shows experience on ethical responsibility suggest that Gurage zone stakeholders' percept business to perform in a manner consistent with societal perception and ethical norms, as business has certain rights and responsibilities (Crane & Matten, 2010; Ghillyer, 2012); business to recognise and respect new or evolving ethical/moral norms, so as to ensure that business proactively respond to relevant stakeholders (Neville & Menguc, 2006; Carroll & Shabana, 2010); and business should not compromise ethical norms while pursuing organisational goals. Lastly, the results (Table 4.15) shows experience on philanthropic responsibility indicate that Gurage zone stakeholders: pay less attention to contribution of business resources to the community; business philanthropic activities by way of supporting projects that enhance the community's quality of life should be voluntarily.

Uadiale & Fagbemi (2011) found that company profitability has positive effect on corporate social responsibility. In CSR research many indicators have been used in order to measure profitability, such as return on assets (ROA)or company's net income, return on equity (ROE), and earnings before interests and taxes (EBIT) (Artiach *et al*., 2010; Oh *et al*., 2011; Brammer & Pavelin, 2008; Reverte, 2009; Doh *et al*., 2012). The data collected through interviews also supported this conclusion. It shows that manufacturing companies in Gurage zone main focus on economic and legal responsibility and list responsibility for ethical and philanthropic responsibilities.

Similarly the observation and secondary data ensured that, almost all companies in consecutives three years increase production capacity, sales, assets and net profit. Also three companies make an expansion projects due to profit get and the incentives given by the government and two investors are entering into the other industry like hotel and tourism. Generally, the results declare that for economic responsibility business should be committed to being profitable as possible, maintain a high level of operating efficiency and maintain a strong competitive position. Also, to achieve legal responsibility business perform in a manner consistence with Perception of government and law, provide goods that meet minimal legal requirements and business should be a law abiding corporate citizen in well manner.

This finding is in agreement with a study from Nigeria stakeholders' perspectives, the findings reveal that economic responsibility is adjudged most importance by stakeholders in Nigeria; followed by legal, ethical and philanthropic responsibilities. This is consistent with Carroll's (1991) CSR model. Fadun, Solomon Olajide (2014) The empirical findings are as well in accordance with the study revisiting Carroll´s CSR pyramid from an African perspective (Pedersen & Huniche, 2006). According to this study, an economic responsibility has the most importance in Africa and philanthropy is given second highest priority. Ethics seems to have the least influence on the CSR agenda in Africa.

4.5.12 Corporate Socially Responsible Actions and Practice for Different Stakeholders

CSR practices (pillars) are relatively new and lack ironclad definitions; hence, CSR is construed as an umbrella concept (Blowfield & Frynas, 2005) which includes different types of practices. The CSR activities of the companies studied were then coded and classified into five broad categories as described by Holcomb, Upchurch & Okumus (2007), i.e. community, environment, marketplace, vision and values, and workforce. But, our research assesses CSR activity of community, environment and work force. Companies' commitment to the CSR activities they engage in varies greatly in duration, consistency and input. This, in turn, has an influence on stakeholders' perception of a company's motives and the sincerity of its efforts. (Du *et al*., 2010) In this connection, the efforts made by Gurage zone manufacturing companies to put actions and perceptions into practice would be determined from the vantage point of the above standard based on the survey response of table 4.16.

Table 4.16; Employee and Local Community Rating on CSR Actions and Practice

No.	CSR Actions and Practice	Employees Responses		Community Responses		Average Responses	
		Mean	STD	Mean	STD	Mean	STD
1	CSR for Local Community	3.06	1.17	2.47	1.18	2.77	1.18
2	CSR for Environmental	3.26	1.171	2.72	1.260	2.99	1.216
3	CSR for Employees	3.016	1.2468	-	-	3.016	1.2468

(Source: Own survey, 2018)

As we discussed in detail in the literature review part, all CSR activity of company is nessarly but not implement equally. As the table 4.16 shows the mean and standard deviation (SD) on the pillars of CSR,

Among the three pillars respondents rated for employees activity with the highest mean (mean = 3.016 and SD = 1.2468), followed by activity for environment (mean = 2.99 and SD = 1.216) and activity for local community (mean = 2.77 and SD = 1.18) respectively. In related with CSR activity of the, company's different acceptation in different companies. But most managers explained that Company employees and environment are the key stakeholders whose development receives the lion's share of social investments. The managers also indicated that their motive to engage in employee related CSR activity was to increase the satisfaction of the employees and for the satisfaction of their owner and customers through employees indirectly. Previous research into the CSR in Uganda: Perceptions, approaches and needs of companies the research revealed that studied companies are to a great extent involved in workplace activities, next involved in communities activities and lastly, only to a moderate extent involved in environmental issues. (David Katamba, Sabine Gisch-Boie & Aleksander Slowinski, 2008)

CSR Actions for Local Community

CSR, therefore, promotes healthy relationship between business and the larger society, by redefining the role and obligations of private business within that society (Keinert, 2008). In implementing CSR there is no "one-size-fits-all" method for pursuing a CSR approach. Each firm has unique characteristics and circumstances that will affect how it views its operational context and its defining social responsibilities. Each will vary in its awareness of CSR issues and how much work it has already done towards implementing a CSR approach.

Table 4.17; Respondents Rating on CSR Actions and Practices

No.	CSR Actions and Practices for Local Community	Employees		Community		Total responses	
		Mean	STD	Mean	STD	Mean	STD
1	Support Community growth and helping the poor	2.77	1.130	2.094	1.052	2.432	1.090
2	Environmental responsibility	3.26	1.171	2.72	1.260	2.99	1.216
3	Sponsorship and donation in social (local and national)	2.94	1.197	2.35	1.097	2.65	1.147
4	Employment opportunities and a lot of jobs for people	3.27	1.200	2.73	1.32	3	1.26
	Average	3.06	1.17	2.47	1.18	2.77	1.18

(Source: Own survey, 2018)

According to the above table 4.17 shows the finding of this study in general revealed that there were some agreements on the statements about local community aspect of CSR. It was registered high mean scores for provide employment opportunities and a lot of jobs for people (mean=3 and SD=1.26) and environmental responsibility (mean=2.99 and SD=1.216). Then followed action are sponsorship and donation in social (local & national) (mean=2.65 and SD=1.147) and support community development and helping the poor (mean=2.432 and SD=1.09) respectively.

This is true, as the interview conducted declare; because the industry is shows a growing trend in the past 3 year and its related labour force (full time / regular employment, part-time employment, out-source and subcontracted employment) is increasing from time to time.

Currently, the industry in Gurage zone gives for more than 1070 employment opportunity directly and 3000 employees indirectly (which include outsource, sub-contract and distribution product/agent). And also, job is created around companies where there is minimize high rate of unemployment. As per the interview held with managers of the companies 'reveals that to maintain a healthy environment free from all sorts of pollution in and around the business area contributes to campaigns and projects on production of tree species for plantation, waste minimization and safely disposes. Also work for minimize compliant, from the surrounding community about odours, noise, smoke, dust, effluents, water pollution, or aesthetic appearance. For support or sponsorship works on many local and national events like sport, arts, education, health, cultural, for ABAY dam give money and buy coupon and other social activities.

Lastly, invest in community development and infrastructure (roads, schools, hospitals, clean drinking water, beautification of cities, productions of different seedling for local community. The local community respondents were asked to provide detail information about company first for support community development and helping the Poor**.** The result of this study as shown in the Table 4.18 item 1, respondents agreed that major actions of manufacturing companies are supporting local sports, arts, education, health and cultural activities (mean= 2.18 and SD= 1.106), investing on community development like roads, schools, hospitals and clean drinking water (mean= 2.15 and SD= 1.156) and firms used to help people below poverty line through financial support (mean= 2.10 and SD= 1.018). Then, respondents confirmed their agreements on the statement about minor actions are the contribution that has been made by firms to many projects to up lift the underprivileged (mean= 2.05 and SD=.946) and firms are helping the poor by holding free medical camps, financial aid to poor school children, poor ladies etc. (mean= 1.99 and SD= 1.032).

Second, for sponsorship and donation in social (local and national) causes and social organization result of the study local community depicted that major actions on companies involvement on the sponsorship of many local and national events with high mean score of 2.36 and 1.085 standard deviation of and manufacturing firms donate funds for social causes and actively engage in social causes like poverty, HIV/AIDS etc. (mean= 2.36, SD= 1.159). Slightly, respondents conveyed their agreement on the companies that encouraging employees to donate and actively engage in social causes (mean= 2.34, SD= 1.046). (See Table 4.18 item 2)

Table 4.18; Local Community respondents rating on detail CSR Actions and Practices

No.	CSR Actions and Practices	Community Responses	
		Mean	STD
1	Support Community development and helping the poor		
A	Support sport, education, health and other social activity	2.18	1.106
B	Invest in community development	2.15	1.156
C	Help people financially below poverty line to realize dreams	2.10	1.018
D	Help the poor in many way by holding free medical support, give financial aid to poor school children, poor ladies etc.	1.99	1.032
E	Contribute a lot of projects to up lift of underprivileged	2.05	0.946
	Average	2.77	1.130
2	Sponsorship and donation in social(local and national)		
A	Sponsor on many local and national events	2.36	1.085
B	Encourage employees to donate and engage in social causes	2.34	1.046
C	Donate fund for and actively engage in social causes	2.36	1.159
	Average	2.35	1.097
3	Employment opportunities and a lot of jobs for people		
A	Promote growth and expansion, show a lot of jobs for people	2.87	1.296
B	Give a lot of job opportunities to local community	2.60	1.338
C	Recruit lots of fresher thereby reducing unemployment	2.71	1.325
	Average	2.73	1.32

(Source: Own survey, 2018)

Lastly, company action for provide employment opportunities and a lot of jobs for people major respondents conveyed their agreement on firms that creating a lot of jobs through growth and expansion (mean= 2.87 and SD= 1.296).

After this, respondents indicated their agreement on the firms that recruiting lots of fresher thereby reducing unemployment (mean= 2.71 and SD=1.325). List activity respondents agreed on firms that providing a lot of jobs for local community (mean= 2.60 and SD= 1.338). In general, respondents rated high to the employment opportunities created for the needy with mean score of 3 and standard deviation of 1.26. (See Table 4.18 item 3)

CSR Action for Environment

Williamson *et al*. (2006) have referred ECSR as: "...a concept about companies extra effort integrating environment concerns in their business operations and in their interaction with their stakeholders. It is viewed as the contribution that firms make to sustainable development by balancing and improving environment impacts without damaging economic performance". Environmental impacts are the effects of these aspects on the environment, including air, noise, water (storm, ground & waste water), soil, flora, fauna and people. The essence of this info is to identify how important potential negative environmental impacts from company products and production. It is obvious that identifying the potential negative environmental impact that exists in an organization important to the corporation in order to take remedial actions (corrective measures) to correct it. It is based on this perspective that the performance of manufacturing companies implementation status on the actions and Practices related to the issue is analysed.

Table 4.19; Respondents Rating Scale on the action of CSR for environment

No.	CSR Actions and Practices	Employees		Community		Total responses	
		Mean	STD	Mean	STD	Mean	STD
1	Utilize natural resources properly and effectively to produce cheaper and better goods	3.32	1.184	2.75	1.275	3.04	1.230
2	Maintain a healthy environment free from all sorts of pollution in and around the business area	3.48	1.227	2.89	1.313	3.19	1.270
3	Provide regular voluntary information about environmental management to stakeholders	2.97	1.103	2.53	1.192	2.75	1.148
	Average	3.26	1.171	2.72	1.260	2.99	1.216

(Source: Own survey, 2018)

The result of the study table 4.19 depicted that respondents conveyed their agreement on the proper and effective utilization of natural resources to produce cheaper and better goods with a moderate mean score of 3.04 and standard deviation of 1.230. Most respondents agreed on maintaining health environment, involves free from all sorts of pollution and this mean score high (3.19) was recorded with a standard deviation of 1.270. The reaming respondents indicated their agreement on the statement about the provision of regular voluntary information about environmental management to stakeholders. In this case list mean score (2.75) was registered with a standard deviation of 1.148. In general, respondents rated high on the environmental aspect of CSR (mean= 2.99, SD= 1.216) (see Table4.18 item b).

A recent study by the ministry of environment and forestry reveals that out of the 163 factories surveyed 101 (61.93%) release their industrial wastes directly to the environment without any treatments (Ministry of Environment and Forestry, 2014). The researcher held an interview with managers to triangulate, and state the extent of environmental CSR activity.

Here are main environmental action of the Gurage zone manufacturing companies is maintain a healthy environment by prevent pollution, it conducts operations in an environmentally friendly manner, strives to minimize resource consumption and waste generations by applying the principles of reduce, reuse and recycle. Manufacturing companies removes so many hazardous wastages in different forms that can harm environment. Most companies are constructing waste treatment reservoir by expends high cost for responsibly wastes disposal system and in one companies the effluent from companies used for irrigation purposes after undergoing primary treatment. Also, almost all companies implement different type of environmental protection programs, such as afforestation, water and soil conservation, green initiative, etc.

In addition to this the companies is facing a new global pressure from environmentalists arguing that all that transportation means (Ships, trucks, planes) that uses fossil fuels during the process of production and delivering products from companies to customer hands emits a considerable amount of CO2 that will result in both air and water pollution. To minimize this pollution and to produce in cheaper way all companies use renewable energy source (electricity). Lastly, indicate fewer trends about information of environmental management to stakeholders. These result forward recommendations of companies start environmental management systems (EMS). In this regard, observational views show that the firms are trying to make all the above environment protections and wastes disposal implementation. Also, supports the responses of employees and local community.

CSR Action for Employees

The last but not the least action/pillar is work place or employees CSR. Employees are considered intangible resources that could help the firm to create a sustainable competitive advantage (Turban & Greening, 2000; Farndale & Atli, 2016). Some reasons for done CSR action, if employees are satisfied and attach the company, they will recommend to friends and family as a good employer (Bhattacharya *et al*., 2008). Also, by retaining a workforce, the knowledge of that workforce is also retained within the organization. It is the knowledge of a company's workforce that should be seen a vital asset. A loss of that knowledge can have negative effects on a company's profit (Tryon, 2012).The discussion and analysis on the five labour practice issues in the companies is presented on the basis of the fundamental ISO labour standards, the examination of the ILO's fundamental rights at work and the Ethiopian National labour Code No. 377/2003 as points of references. This provides an overview of ISO 26000 outlining the relationship between the various clauses of the standard. In light of this standard, the extent and status of manufacturing company in Gurage zone effort to practically implement the actions and Practices related to this issue is being evaluated under table 5 below.

Table 4.20; Employee Rating Scale on the five employees CSR actions

No.	CSR Actions and Practices for Employees	Employees Responses	
		Mean	STD
1	Employment and employment relations Actions	3.27	1.2
2	Conditions of Work and Social Protection Actions	2.95	1.122
3	Social Dialogue Actions and Expectations	2.87	1.296
4	Actions on Health and Safety at Work	3.11	1.374
5	Human Development and Training in the Workplace	2.88	1.242
	Average	3.016	1.247

(Source: Own survey, 2018)

The rationale behind presenting the rating of specific issues in table 4.20 is to obtain an overall understanding of the level of implementation of CSR actions for employees in Gurage zone manufacturing companies. The highest numbers of respondents rated and get highest mean value on the extent to which employment and employment relations, health and safety at work and conditions of work and social protection actions i.e. Mean= 3.27 and SD= 1.2, mean= 3.11 and SD= 1.374 and mean= 2.95 and SD= 1.122 respectively as major actions.

This clearly shows the fact that all selected company will to contribute improvement of standard of living of its workers by providing full and secure employment and decent work, protection of workers from risks to health and the adaptation of occupational environment to the physiological and psychological needs of workers and encompasses wages and other forms of compensations and all legal guarantees and organizational policies and practices to mitigate loss of income in case of employment injury. On the other hand, respondents goes to the lowest mean number get low level of action are human development and training in the workplace (mean= 2.88 and SD= 1.242) and social dialogue actions and Practices (mean= 2.87 and SD= 1.296). This clearly shows the fact that either the company provide training for only some sections of position holders and not any type of negotiation, consultation or exchange of information between employer and worker representatives on matters affecting their interest or the majority of employees did not have any understanding or awareness about the issues at all.

These results are very much in line with other studies, such as SRLPs in Ethiopia taking Metahara Sugar Factory as case study, "The highest number of respondents rated on the extent to which human development and training in the workplace'; health and safety at work' and 'conditions of work and social protection' and also employee's low level of understanding towards the issues or the absence of any meaningful action by Factory to implement the same." (Asnake Menbere, 2016) Generally, the descriptions declare that Gurage zone manufacturing's company's practices CSR employee's activities, which are parts of social responsibility. However, the observation held inside the firm claims that most of the companies did arrange/good work place (area). This means conformability of the temperature, ventilation system in the work room and concerning the sanitation kept clean and also access to basic utilities (such as potable water, adequacy of washing/showers and toilet rooms).

All companies not develop own policy but implement country occupational, health and safety policy. Our observations are consistent to the government general workplace safety policy and labour proclamation on the Federal Negarit Gazetta 2004, Article 92 Number 2 and 3 obligations of the employers include workers are properly instructed and notified concerning the hazards, precautions necessary to avoid accident and injury to health; assign a safety officer; establish an occupational safety and health committee. And "Provide workers with protective equipment, clothing and other materials and instruct them of its use". During the survey period, there was a motion to establish an "occupational safety and health Committee" for one company by the labour afire office to assist the safety expert in tackling broader safety issues and avoid conflict b/n owner and workers without work stop for industry peace in the companies face.

Other four companies establish safety committee and numbers are four include owner and employees representatives and monthly meeting. From five study conduct companies two having safety officer, supervisors done Safety support and employee safety control, supervision with relating to different activities is frequently made. Majority of workers had utilized at least one type of personal protective equipment (PPE) and all employees do not have the same access to this equipment's b/c access depend on department like for chemical contact worker; (goggles, dust mask, d/f type of glove (chemical resistant, leather, rubber and other), eye glasses/wear, over all slips and respirator). For basic (safety shoots, eye glass, ear plugs, ear mat, high visible clothe/vast, rubber boot) and also not give equally for permanent and temporary worker and all workers not use all nessarly personal protection equipment (PPE). According to the occupational accident report of the companies for the year 2008 and 2009 E.C, the types of accidents is: Injury on hands, on legs, falling down accidents and others. Cause of risks is loading and unloading, hand tool and machines. Also cause is broken bottle, falling down object and human error. However, the number faced accidents at the work area are small. Because good access to employee safety and health policy, good access to protective equipment's and good training on how to operate machines. The employees can get a full treatment in case accident happened.

Almost all (4) companies apply industrial accidents controlling techniques like informing workers about procedures of work area safety and health, employees hand book, notice board and others. keep posters and safety guidelines in visible and high traffic areas (like 12 safety rule), by different colure separate working, walk and danger area (work cell and walk way by yellow colure and dangers area by black and yellow colure) to increase activeness of person, Somehow followed the correct manual lifting techniques and chemicals are properly labelled; sorted; used; and disposed in accordance with manufacturers' guidelines. Arrange fire extinguishers and emergency exits but not sufficient. The labour proclamation of Ethiopia Article 89 No.2 does not allow children who are below 14 years to work (FDRE, 2004) and it has no young children labour**.** As the researcher observed during the data collection and from interview response companies for labour handling/ treatment done social projects for company employees like transport (in most), Canteen facilities(in most),and Establishments of medical centre and clinic to provide first aid when accident happened(in most 3) But to get a full treatment not establish clinics. First aid kits are also available in three or more places in all companies. Lastly, not see sports or recreation facilities in all companies. In terms of benefits plans provided by the companies, we can identify maternity/paternity leave, health insurance, trainings and pension plans.

In terms of training plans provided for only a few selected employees were given first aid training and certified by the Gurage zone red cross society OHS experts to address a broad range of safety issues and measures and about fire preventions in partnership with Addis Ababa fire prevention office. Also, for new worker give induction training include first aid Measures, fire prevention, safety sanitation, emergency systems …. In three companies but in two companies not arrange any type of training by owner/companies.

4.5.13 Main Challenges for CSR Practices

Corporate social responsibility (CSR) origins traced with early industrialists; it is now viewed as "one of, if not the most important issue of our time" (Hopkins, 2007).Companies also indicated that they had started on a variety of CSR activities, but failed to continue due to the following:

Table 4.21: Problems/ challenges related to practices and development of CSR programs

No.	Challenges	Response		Ranke
		Mean	Std. Deviation	
1	Lack of knowledge/ know-how and expertise	2.86	1.220	4
2	Lack of institutional assistance, and support	2.72	1.090	6
3	Lack of specific legislation and policy on CSR	2.98	1.225	1
4	Benefits of Business is Little or no immediate	2.76	1.158	5
5	High costs and Limited budgets/ lack of funds	2.98	1.253	7
6	Lack of board/ top-management support	2.91	1.138	3
7	Not enough checks and balances in operation	2.68	1.298	1

Source: own Survey, 2018

The respondents were asked to prioritize the main problems that hinder the practice of CSR in their respective companies. According, in referring to Table 4.21 results show that companies have challenge or obstacles in applying CSR and the average mean 2.98 and STD1.253, mean 2.98 and STD 1.225, and mean 2.91 and STD 1.138 indicate that high costs and limited budgets/ lack of funds, lack of specific legislation and policy on CSR, and Lack of board/ top-management support is the main challenge for CSR.

Next challenge issue is lack of knowledge/ know-how and expertise, benefits of business is little or no immediate, lack of institutional assistance, support and collaboration and not enough checks and balances in the operation with result of mean 2.86 and STD 1.220, mean 2.76 and STD 1.158, mean 2.72 and STD 1.090 and mean 2.68 and STD 1.298 respectively. These results indicate in terms of biggest obstacles to integrate CSR are financial aspect remains the main barrier to pursue CSR, some companies do not possess the resources for CSR implementation or companies admitting the budgets are limited.

And also no clear and specific legislation and policy on CSR from government in respect to CSR programs implemented by the companies. Lastly, the mentality of the company's leader is also very important because it can influence CSR in many ways and at the same time can advance CSR's implementation at all the levels of an organization. Board of directors plays an important role in safeguarding the flow of internal resources to the firm in terms of knowledge, skills, experience, expertise, and links (Mallin *et al*., 2013; Hafsi & Turgut, 2013; Shaukat *et al*., 2015). This result is well supported by literature; for example (Jamali, 2008; Judy N. Muthuri, 2012; Boudier & Bensebaa, 2011; Newell, 2005; Rahim, 2013; Rahim & Alam, 2014)

Most of the managers from studied companies identified the following issues and trends as cardinal challenges that hamper the implementation of CSR in Gurage zone: there are absence of specific regulatory framework, no guidelines, action plans and frameworks that would enable the implementation of existing laws and not enough checks and balances in the operation to the development and implementation of CSR. Also, due to lack of CSR skills amongst companies and organization managers and the lack of specific skills within consultancy companies occurs lack of support of board/top management that prevents the further development of CSR in companies. Thus, with respect to these descriptions and the interview results the firm is facing some challenges for implementation CSR in above dimension.

4.5.14 Governmental Entity Supervision on Your CSR Activities

In fact, governmental participation is regarded as essential for CSR activity of companies as we can understand from the different literature. It has been when employees would have common understanding about what to achieve through governmental entity interferes that employees participation in the evaluation process can be encouraged.

As shown in Table 4.22 however, most of respondents 89 (62.2%) reported that there is yes governmental entity supervision in CSR activities. It was only 35 (24.5) of respondents who reported that do not known about supervisions and the remains respondents 19 (13.3%) say no supervisions. Therefore, it could be concluded that different governmental organizations supervise manufacturing company CSR activity in different extent. But for some respondents the supervision system which is not clearly defined, specified and communicated to employees, and this might have ultimately affected person's expectation in evaluation, and his/her reaction to evaluation.

Table 4.22 Governmental entity made a periodic supervision on your CSR activities

No.	Question	Response					
1	Any governmental entity made a periodic supervision for CSR activities	Yes		No		Do not known	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
		89	62.2	19	13.3	35	24.5

(Source: Own survey, 2018)

The research reveals that the most frequently government organizations supervise and intervene on your CSR activities are from federal government, regional states, zones, and Woreda / city administration different office. Most frequently mentions by respondents is labour and Social Affairs office, Agriculture and Rural Development, Health, Women's Affairs, Youth and Sports, Investment Office, Tax Office, Environment Protections Office, And also least frequently mentions by respondents is Education, Trade and Industry, Communication, Ethiopian conformity assessment enterprise, private company agency.

4.5.15 Roles and Responsibilities of Public/ Government's Sector

The government would also look into other areas, which are relevant for the growth of the manufacturing sector such as the introduction of incentive mechanisms for resources based industries engaged in the export sector. This can include the modernization of the technological base through transfer arrangements, provision of credit, the establishment of industrial states and other support schemes. (MOFED, 2012) as indicated many literature government is the natural actor to ensure social development. (Ite, 2004; Blowfield, 2005; Gifford & Kestler, 2008; Dobers & Halme, 2009)

The roles of the public sector for sustained CSR activity mentioned by respondents are

- Makes formation of public-private consultation forums & multi-stakeholder code development

- To make more advanced co-operation, partnership and mobilization of resources b/n the private sector and the government in different issues include responsible production, environment protections, peace and security, loan facility, foreign currency for machinery and different input.

-Avoid problems in the application of technology are related with electric power problem, shortage of water, lack of skilled labour to run the technology, and lack of maintenance and accessories. Very long and bureaucratic procedures for service delivery process

- Regulates our environmental and social impacts and use regulatory power to enforce (and control) new practices and a normative ability to prescribe desirable policies and practices

- Natural agent to ensure social development by make infrastructure like water, light, road, hospitals and school buildings, etc.

- Using positive and negative financial incentives to encourage more sustainable behaviour. Here, governments attempt to reward include awards, tax abatements and subsides companies for the positive impact they have on society as a whole, and punish them for negative impacts. Through financial incentives and market forces for CSR practices, governments attempt to correct this problem and encourage appropriate levels of CSR.

- Developed national policies and legislation in the context of international and national standards to control the relationship between employee and the firm, health and safety at work, issues of environmental interest, mandatory company reporting, discrimination and equal opportunities at workplace.

- A need for some significant capacity building amongst their own official, regulator and inspectorate staff. In the short-run it is probably best to target those officials in direct contact with CSR issues such as those responsible for the implementation of labour laws, occupational health and safety inspectors and environmental protection officers

- Lack of CSR skills amongst companies and organization managers and the lack of specific skills within consultancy companies that prevents the further development of CSR in companies. The respondent added that this skills shortage is likely to continue to exist into the future unless there are concerted efforts to increase the level of specific skills and general capacity in the area.

- Encourage reporting as a voluntary means of disclosure. Local government, in particular could link such disclosure to league tables, rewards and other incentives. Government can also encourage other agencies such as securities exchanges and their related regulators to ask for more information related to economic, environmental and social risks.

-Taxation has been the favourable tools employed by government to promote and protect social objectives. Governments can use taxation to encourage ‘green’ practices, set minimum wages and impose restrictions on working hours. In many countries targets are set on businesses to reduce greenhouse emissions. Yet many businesses stress that government incentives, rather than punitive taxes, would do more to encourage ethical behaviour, especially on ‘green’ issues

- The government offers learning and creating CSR awareness to businesses via different modalities such as campaigns and trainings. Also shows us CSR practices as a model.

- Conduct regular monitoring and evaluation supervise and support companies and local community to protect community and employees benefits

- Need to strengthen and develop (CSR) structures and institutions that contribute to social justice, environmental protection, and poverty alleviation, i.e. provide education, training, technical assistance, and awareness and enable CSR to be implemented in ways that benefit both business and society.

- Build drivers for responsible business by tackling capacity constraints of actors to engage in CSR or act as a driver of CSR, provide a mix of incentives to encourage firms to adopt CSR and monitoring regulatory compliance

4.5.16 CSR Activities in the Practice of Company CSR Program

Businesses progressively take responsibility for the impact of their activities on the environment, consumers, employees, communities, and other relevant stakeholders. Mohr, Webb, and Harris state that the business world still knows little about what to do and how to practice CSR strategically. Social responsiveness of firms can range from ‘doing nothing’ to ‘doing much’ regarding CSR (Maignan, *et al*. 2002; Tilburg, van *et al*. 2012).

The unique nature and disparity of CSR issues and priorities are another dimension of concern in the understanding and practice of CSR in Africa. Muthuri (2012) listed poverty reduction, community development, education and training, economic and enterprise development, health and HIV/AIDS, environment, sports, human rights, corruption, governance and accountability are mentioned as issues and priorities of CSR. The following activities to enhance the credibility of Socially Responsible in Gurage zone manufacturing company for major stakeholders

A. CSR involvement in workplace for Employees/staff is No child labour in the organization, health and safety working environment care, existence of a Safety officer, company employment nurses for first aid, medical examination, health insurance for 24 hour in work and without work, cover medication cost 50% to100% depend on position, allowed most labour law like working hours and days, maternity and overtime hours paid, pension, transport and canteen facilities also free meal or support cost(50%), training and capacity building in different issue, proper salary system /pay comparable wages for comparable work, sometime incentives beyond payment, yearly bones depend on profit, start involvement of disabled people as employees,

different allowance depend on position (transport, communication, house)**,** special activities for employees and their families(give gift company product for holidays), partnering with clinics to provide free medical consultations and medicine within the employees(in refer case), for educated worker arrange shift program, proper handling and storage chemicals, use personal protection equipment, organize forums for bilateral benefits.

B. CSR involvement in community is support for education(primary and secondary school) support by money like for library and class room construction, support for health and HIV/AIDS for hospital/clinic support, for HIV ministering by money and by item related activities, toilet construction in schools and market, employee volunteerism in community affair like seedling planation, provided apparent ship for student attending from wolkite universities technology department and from Aegean TVET colleges and technical training, Production of d/f tree species for distribution or plantations in different area like farm training canter to educate farmer and used as demonstration cite and for protection permanently arrange three worker. Also use area closure, beautification of cities, providing drinking water, sell bi-product for cattle fed in low cost, religious issues support, transfer of technology, support or construct infrastructure like road, electricity, waste management and environment protections, buy from local suppliers and strive to hire locally (outsourcing and sub contract), make some of the business's product available free or at cost to charities and community in holyday minimize cost 25-50%, community leaders are invited to company for visit, experience share and discussion about community need and concern, support sports facilities by money and in-kind like drinking water, and sponsorship for different club, direct employment opportunities and outsource some works like guard, produce quality and health product, study environment impact assessment before implemented and used as guide line, creating economic and poverty alleviation, sponsorship of different bazar and symposium, increase locale government income by paid different type of tax like vat, excise, land rental, personal income, business profit, ……. and government saving bond, road traffic safety awareness programs**,** and support disabled person to get wilacher, launched a long-term environmental campaign and planation day known as "lets together turn Ethiopian in to garden of Eden"., for low income person support money for holiday, for surrounding community give electric and charging of mobile, give money and buy bound for grand Ethiopian renaissance dam project, helping and improving quality of life of people in society better, change working trend of community and participations of young/ youth, for infrastructure development construct and support in road constriction,

Construct drinking water distributer for people and for animals, also construct bath room, for helping poor permanent, monthly collects 100 K.G flours from flours factory with help of labour afire office

C. CSR involvement in environment is promote ethical and green business or green initiative planting trees schemes by 2 cents from each bottle sales is allocating for planting, company complies with the environmental laws, rules and regulations reduce " environmental impact in terms of resource consumption (energy, water and other natural resources), emissions and waste minimization and pollution prevention, utilize natural resources properly and effectively, initiatives to move towards recycle and reuse materials, use "green" (i.e., renewable energy) power electricity suppliers and energy-efficient lighting**,** mitigate the negative impact during production /packaging, distribution and usage of materials, reduce environmental impact in terms of protection and conservation of the natural resources, environmental awareness program in company for employee's and in schools and colleges for student, yearly afforestation /reforestation programs, tree nurseries where seedlings are grown, then donated to schools, local government institutions or other private organizations, yearly plantation of one company maximum over 25,000 to minimize global warming, buy seedling for planation in companies and in community, done soil and water conservations activity and terracing, done waste water retirement to use for agriculture. Based on the data collected both in questionnaire and interview and the analysis made on the CSR practices, the existing CSR activities of Gurage zone manufacturing companies apply many CSR activities as shown in the above.

4.6. Inferential Statistics for Respondents Perception of CSR Action

4.6.1 Influence of Gender on the Perception of CSR Action for Major Stakeholder

A result of t-test table 4.23 shows that gender difference does not influence the perception of employees and community on CSR action of Gurage zone manufacturing companies with statistical significance at the level of 0.05 (sig= 0.265 and sig=0.378). The finding of the current study is consistent with the previous findings. For example, according Stawiski, Deal & Gentry (2010) and Agrawal, Mathur & Saxena, (2015) on average, men and women tend to rate the CSR of their organizations about the same, that is both groups tend to think that their organizations are doing attractive well as corporate citizens.

The result of this study also inconsistent with the findings of (Fentaye & K. Rama, 2016) which found that, a female employee has higher level of perception than male counterpart.

Table 4.23: Result of t-test for the influence of gender on the perception of CSR action

Variables	Gender	Mean	Std. Deviation	t	Sig. (2tailed)
CSR action employees perception	Male	2.94	1.238	2.352	0.265
	Female	2.58	1.147		
CSR action community perception	Male	2.35	1.168	1.185	0.378
	Female	2.58	1.141		

P<0.05 (2-tail) Source: (Own survey, 2018)

4.6.2 Influence of Age on the Perception of CSR Action for Major Stakeholder

The ANOVA result shows that age of the both respondents do not influence their perception toward CSR action of firms with statistical significance at 0.05 (sig=0.518 and sig=0.144). The finding of this study also consistent with, the study of Fentaye & K. Rama, (2016) which found that, age of respondents not influence the perception of employees towards CSR initiatives of firms. The finding of this study inconsistent with the findings of Agrawal, Mathur & Saxena, (2015) which found that age as demographic factor significantly influences the employee's perception of their firm. Therefore, age influence on the perception of CSR action had varied results (see Table 4.24).

Table 4.24: ANOVA test for the differences in perception of CSR based on Age

Variable	Age	Mean	Std. Deviation	F	Sig.
CSR action employees perception	18-25	3.13	1.350	1.044	0.518
	26-35	3.00	1.133		
	36-45	2.85	1.202		
	46-55	3.17	0.873		
	above 55	3.22	0.577		
CSR action community perception	18-25	2.40	1.0081	2.679	0.144
	26-35	2.37	1.171		
	36-45	1.96	1.082		
	46-55	3.25	1.098		
	above 55	3.10	0.969		

P<0.05 (2- tail) Source: (Own survey, 2018)

4.6.3 Influence of Education Background on the Perception of CSR Action

The ANOVA result shows that the level of education not influences the perception of respondents on CSR action with statistical significance at the level of 0.05(sig=0.461and sig =0.882).

Table 4.25: ANOVA test for the differences in perception of CSR based on education

Variable	Education background	Mean	Std. Deviation	F	Sig.
CSR action employees perception	Under grade 10	3.35	0.920	1.086	0.461
	TEVET/ Diploma	3.06	1.256		
	Grade 10-12 complete	3.03	1.287		
	Degree	2.90	1.164		
	Post graduate	3.14	0.942		
CSR action community perception	Under grade 10	2.40	1.258	0.273	0.882
	TEVET/ Diploma	2.36	1.431		
	Grade 10-12 complete	2.48	1.215		
	Undergraduate /Degree	2.39	1.098		
	Post graduate MA/ PhD	2.46	1.187		

P<0.05 (2- tail) Source: (Own survey, 2018)

The finding of this study is inconsistent with the findings of (Agrawal, Mathur & Saxena, 2015) which found that educational background significantly influences the perception of their firm as demographical factor (see Table 4.25).

4.6.4 Influence of Awareness Level on the Perception of CSR Action

The ANOVA result shows that awareness level of respondents not influence their perception on CSR action of firms with statistical significance at the level of 0.05 (sig=0.095 and sig =0.279). The finding of this study inconsistent with the argument of Bhattacharya & Sen, (2004) and McWilliams & Siegel (2001) asserted that respondents must be aware of the CSR initiative in order to have a positive impact on their perception (see Table 4.26).

Table 4.26: ANOVA test for the differences in perception of CSR based on awareness level

Variable	Level of awareness	Mean	Std. Deviation	F	Sig.
CSR action employees perception	Low	2.75	1.244	4.339	0.095
	Moderate	3.02	1.213		
	High	3.43	0.974		
CSR action community perception	Low	2.22		2.167	0.279
	Moderate	2.44			
	High	2.84			

P<0.05 (2- tail) Source: (Own survey, 2018)

4.6.5 Influence of Employees' Position on the Perception of CSR Action

A result of one way ANOVA table 4.27 shows that employees' position in their organization does not influence their perception on CSR action of firms with statistical significance at the level of 0.05 (sig= 0.477). The finding of this study also consistent with the study of K. Rama and Fentaye (2016) and the finding of this study is inconsistent with the findings of Stawiski *et al.* (2010) & Changchutoe (2012). According to them company employees in different position had different level of perceptions CSR. Those at the highest levels in the organization have the most positive impressions of their companies' CSR initiatives. Therefore, the influence of position on the perception of employees on CSR had mixed results.

Table 4.27: Result of ANOVA test of employees' position on the perception of CSR action

Variable	Position	Mean	Std. Deviation	F	Sig.
CSR action employees perception	Department head	3.21	0.903	1.001	0.477
	Supervisor	3.03	1.241		
	Worker	2.98	1.263		

P<0.05 (2-tail) Source: (Own survey, 2018)

4.6.6 Influence of Employees' Years of Working Experience on the Perception

A result of one way ANOVA Table 4.28 shows that employees' year of experience influence their perception on CSR action of firms with statistical significance at the level of 0.05 (sig= 0.001). The finding of this study is in accordance with the finding of Changchutoe (2012) which found that private company employees who had different period of employment had different level of perceptions toward CSR. Period of employment is considered a key factor that leads to difference of employee's perceptions. It is likely that employees with a longer period of employment acknowledge CSR policy, operation and performance of the company and thus have higher perception than employees with shorter period of employment (Changchutoe, 2012).

Table 4.28: Results of ANOVA test for the influence of employees' Service year

Variable	Service year	Mean	Std. Deviation	F	Sig.
CSR action employees perception	. Below 1 years	3.31	1.008	5.966	0.001
	1-2 years	2.83	1.297		
	2-3 years	2.85	1.043		
	above 3 years	3.26	1.209		

P<0.05 (2-tail) Source: (Own survey, 2018)

CHAPTER FIVE

Conclusion and Recommendation

This chapter summarizes the purpose of the study, the major findings and conclusions, the study implication for theory and practice, and constructs recommendation.

5.1. Summary of Findings

The main purpose of this study was to assess the nature of CSR practice of manufacturing company that operating in Gurage zone. Study population was drawn from five manufacturing companies of Gurage zone. These include Scant, Britu, Syoum, Zbidar s.c and Aden s.c in the studied companies 167 sample employees and 120 communities, totally 287 respondents were selected for this study. The findings of the study showed that 66.6% of respondents were males and the remaining 33.4% were females. The majority 250 (44.9%) respondents were aged between 26 and 35 years. Over one third of them 97(40.4%) were degree holders.

Based on the quantitative and qualitative data analysis, discussion of results with respect to the basic questions, the followings are the summary of major findings of this study.

- As perceived by 58.6 % of respondents, the awareness level of local community and employees about the firms CSR initiatives of companies was moderate level.
- With regard to CSR program or activity consider as CSR, collected data and interview analysis expresses that, there is most of employee's respondents (69.9%) perceived that yes known or have CSR activates that is incorporated in their companies business program in to strategy of companies. In relation to this, the interviews notes show that two manufacturing companies have expressed CSR in mission statements, core value and strategic plan. In general, all studied companies are implementing CSR activity.
- Responses from most of respondents (68.5%) revealed that CSR activities managed and co-ordinated in studied organizations by together with other departments, not established independently departments to deal with CSR issues. The above result is verified by interview with managers of companies. All firms don't have a specific and organized department exclusively to handle social responsibility, as part of regular business operation. Also, in all companies are not integrated to specific department.
- According to company CSR organized to implement, it was confirmed by most of respondents (52.4%) that do not have CSR committee responsible for CSR concerns.

- Most respondents (89%) perceived that yes communicating the CSR initiatives to stakeholder and maintain the intentions behind CSR actions. Also, about major five communications way that used in companies mentions are sales presentations, management briefings and meeting, reports, marketing material and bulletin board.
- Regarding to the perceived influence of various stakeholders on decision regarding CSR practices shareholders/owner (ranked first and major influence); employees and customers are considered most influential and lowest influence for local community.
- As reported by a considerable most of respondents, major motivating/ driver factors for implementing CSR are employee satisfaction and motivation, legal and regulatory compliance and competitive advantage, productivity and business opportunities.
- The employee's response indicates implications that manufacturing companies practices CSR activities in terms of various extents. As indicate in research majors benefits offered by companies are recruit and retention quality s employees, better effectiveness and efficient, protection of natural resources and environment and also improve finances performance by scored highest mean value (mean above 3.35).
- With regard to importance ascribed to CSR practice by stakeholders, the descriptive data expresses that, there is stakeholders' concern is highest mean and perceived to be highly important, as a business need to develop appropriate strategies for managing stakeholders. Then, compared with four companies responsibility, profitability of a business is first highest mean and highly important to stakeholders in Gurage zone. This result shows not equal importance of four dimensions of CSR activities in Gurage zone.
- With regard to dimension of CSR activities and stakeholders perceptions, the descriptive data, observation, secondary data and interview analysis expresses that, companies main focus on economic responsibility with the highest mean (3.58), followed by legal, ethical and philanthropic responsibility. In general, manufacturing companies in Gurage zone main focus on economic and legal responsibility.
- With the reference to the analysis, Gurage zone manufacturing companies CSR actions and practises for each stakeholders in different extent, main actions for employees with highest mean (3.02), modestly for environment and minor actions for community.
- Local community actions of CSR in the case of Gurage zone are generally minor. From all actions employment opportunities and a lot of jobs for people exposed to high mean values and high actions. The descriptive analysis results has verified by interview, observation in companies and from secondary data.

- With respect to CSR actions for environment, most companies are practicing despite the level of agreement is weedy regarding sense of maintaining a healthy environment. In other words, most companies are practicing environmental in this dimension modestly.
- With reference to the actions of CSR for employees of manufacturing companies, the two major action and highest mean is employment and employment relations actions (3.27) and actions on health and safety at work (3.11).
- Among the possible problems related to practices and development of CSR, lack of specific legislation and policy on CSR and high costs and lack of funds are major problems of the manufacturing companies in Gurage zone with high mean values.
- Majority respondents (62.2%) rated their agreement (yes) of governmental entity made a periodic supervision on your CSR activities.
- With respect to roles and responsibilities of government's sector respondents were presented establishment of public-private consultation forums, advanced co-operation, partnership and mobilization of resources b/n private sector and government, avoid different problems in the business activity, natural agent to social development, use positive and negative financial incentives, developed national policies and legislation and give training and capacity building.
- According to the respondents, major activities that enhance the credibility of CSR in companies of Gurage zone for workplace for employees are cover medication cost, allowed most labour law, transport and canteen facilities also free meal or at low cost, different training and capacity building, pay comparable wages, sometime incentives and bonuses, submit PPE and facilitate nurses for first aid and simple health problem.
- Regarding to community CSR company's involvement in support education, health include HIV/AIDS, sports activity, disabled person and support low income person for holiday. Also provided apparent ship, buy or grow d/f tree for plantations, providing drinking water, sell bi-product, environment protections and waste management, support/construct infrastructure like road, employment opportunities and helping and improving people quality of life, launched a long-term environmental campaign and buy saving bound for grand Ethiopian renaissance dam project. for environment companies involve in different CSR activity such as promote green business and green initiative planting trees schemes, reduce environmental impact in terms of resource consumption, protection and conservation of the natural resources, pollution prevention by emissions and waste minimization, use "green" (renewable energy) electric power, yearly forestation programs and construct waste water retirement plant/ reservoirs.

5.2 Conclusions

Based on the results of the study and summary of findings the following conclusions are given. The eventual conclusion of this study is that generally, Gurage zone manufacturing companies' continuum levels towards corporate social responsibility is fragmented levels that companies comply in a least compliance with all local and national laws and participated in a limited number of extra activities considered CSR. In addition, the qualitative and quantitative analysis of the research shows company's implement different CSR activity. But not established independently business initiative in to strategy and exclusively departments to deal with CSR issues. Based on analysis the researcher comes up with conclusion that companies communicate CSR initiatives to stakeholder by sales presentations, management briefings and meeting and reports way. The research shows that the most important stakeholders for the CSR initiatives are investors/owners and followed by employees and customers. On the other hand the demand for CSR practices main motives were employee satisfaction and motivation and legal and regulatory compliance is so vital. And also major's benefits for practices CSR activities are recruit and retention quality employees and better effectiveness and efficiency.

The main dimension mentioned for CSR activities and stakeholder's perceptions is economic responsibility and legal responsibility that have direct effect on the companies over all activity. In addition, the study concluded not equal importance of four dimensions of CSR activities in Gurage zone. Since CSR actions and practices for different stakeholders of the case companies has a great extent on employees and environmental actions. This research has found that the main actions of CSR for local community is employment opportunities and a lot of jobs for people and environmental responsibility, CSR for environmental is maintain healthy environments free from all sorts of pollution and CSR for employees is employment and employment relations actions and actions on health and safety at work.

The researcher concludes that the biggest obstacles to engage in CSR are related to the lack of specific legislation and policy on CSR, lack of funds as well as the lack of support from top-management. With respect to the periodic supervision made by governmental entity on your CSR activities, the findings reveal that yes done supervision. Finally, the finding of the study further indicates that the roles and responsibilities of government's sector is an important factor for sustained CSR activity in the Gurage zone manufacturing companies.

5.3 Recommendations

Based on the research findings, I make the following general and preliminary recommendations with regards to promoting CSR; maximize the benefits incurred from practicing CSR activities and beyond-compliance behaviour in Gurage zone manufacturing firms. Recommendations are separated by actor: government/ regulators, managers and owners, local community and lastly, employees of Gurage zone.

1. **Recommendations to regulators**

Government has the ability to improve CSR by initiating regulatory and policy changes aimed at advancing responsible beyond-compliance behaviour of firms.

- Government advisable to create both policy and regulatory mechanisms can be designed to enforce and support existing activity and programs already practiced by firms.
- Although suggest to monitoring and inspections are important to achieve compliance and also to encourage the development and expansion of additional programs.
- Government can play an active role in supporting CSR programs and initiatives by training to provide managers and workers with better understanding and applying. Such training and capacity building should be support by government resources or by integrate /partnering from different stakeholders such as association, universities and NGO.
- Beyond regulatory measures, government programs suggest to focus on arrange incentive structures that bring about responsible behaviour among managers/owner and employees of firms. B/c improving business, economic, social, environment and governance results for society and reduction in regulatory costs.
- Government also done for the transparency of firm behaviour, expand information availability and at standardizing CSR initiatives by strengthen CSR oriented pressures by many stakeholders. Such as obligatory CSR reporting, product labelling and verification.
- Government can pressure manufacturing companies to undertake coherent CSR program based on integrity sound values and a long-term approach for firms and society benefits.
- For government advise to strengthening the private sector contribution to sustainable development by tackling capacity constraints and by strengthening the business case.

2. Recommendations to managers and owners

Managers and owners of firms can have a substantial effect on CSR by focusing on their employees' job satisfaction and the commitment, and by positively affecting and constituting corporate culture.

- "CSR is a necessity not a choice' therefore it is important to conduct a dialogue with the company's stakeholders to identify their needs and select the appropriate initiative b/c "one fit for all" theory is not validated in this context.
- The company has to answer the question for different stakeholder, which of these needs it can satisfy by engaging in CSR activities and also advise to play in the "plan, do, check and improve" aspects of a CSR implementation framework.
- For companies advantage practices CSR formally, by arrange own written CSR standards/policy committee, department and separate budget in line with the government policy.
- To each company suggest, draw up its own CSR plans and programmes that are more aligned to its area of operations, by followed the broad guidelines issued by the government.
- Suggest to hiring a CSR officer within the organization. But this is not a guarantee of improved performance. Owners and managers who genuinely want to promote CSR need to see this as an organizational endeavour relating full length and breadth of the organization.
- Advice to give different training relate to CSR with the goal of growing awareness and generate dialogue about CSR and offer a setting for involving different levels of the firm.
- For managers give information to be provided with tools and ideas about relevant CSR strategies, projects and behaviours. Also, improve monitoring to makes it easier for firms to assess the short and long-term benefits and costs associated with CSR programs. The data outcomes of monitoring should be made at the minimum to major stakeholders.
- Give advice for owners and managers of companies related to profits/economic responsibility; equally focus on their employees, social and environmental challenges of the organization.
- Recommend offering for employees a chance to get involved in CSR initiatives is likely beneficial for both the organization and its employees.

- ❖ Advocate to companies support for employee volunteerism can benefit the firms by enhancing its reputation in the public eye. Such engagement must be reward using both formal and informal reward systems.
- ❖ Suggest implementing safety cultures, which include prevention and detection programs, can increase employee awareness and reduce costs associated with injuries.
- ❖ For safety and health, advice adequate supply of PPE and training should be equally accessible to all employees, to minimize work related accidents.
- ❖ Also, develop proper health facility with skilled manpower and materials in companies.
- ❖ Recommend using local suppliers and outsourcing business linkages b/c to create a multiplier effect of investment by generates business activity, work/skills and income to communities.
- ❖ For companies suggest applying CSR communication for all stakeholders, through d/f channels in order to develop perceptions and build good spirit about CSR activities.

3. Recommendations to local community

- ❖ To local community advise clearly articulate CSR-related demands and continuously monitor the accession to these demands by businesses. Basically for achievement of wider social and environmental goals.
- ❖ For community members suggest to enhance positive relation to companies and any conflict solve by negation.
- ❖ Local community work for well integrated into the planning and implementation phases. Also, adequate and alternative maintenance arrangements should be put in place as part of the plan to ensure sustainability and designed according to the need of the community.
- ❖ Propose to participate local administration during planning, implementing and management for facilitate the process and make community to consider the service as their own.

4. Recommendations to employees

- ❖ Intend to employees have participate in CSR initiatives is likely beneficial for both the employees and its organization. There Benefits are enhancing their self-view, offsetting any negative feelings about their work and helping them develop new skills and contacts.

- Among the type of accidents faced by employees at the work place most cause are worker mistake and carelessness. Therefore, for employee Propose to develop a system to keep free from accidents and apply all industry safety roles include properly use of PPE.
- Put forward for employees to play a major role in solve community problem by voluntarism or by donate money
- For employees Suggest to work in legal and ethical manure to get maximum productivity and profit. Also, for enhance relations b/n owner/manager.

5.4. Limitation of the Study

This study has provided various relevant results regarding possible assessment of CSR of Gurage zone listed firms. However this study also has faced several limitations. This section discusses the most important limitations of this study.

The first set of limitations that i want to address is regarding the sample of this study. The sample size is not large enough and do not cover all companies. However samples of this small size are common and have been used in previous studies as well. (Udayasankar, 2008; bimir n.m., 2015; hailu & mohana, 2016) Another limitations is the fact that the number of participants. As only five companies have been analysed, it is relatively difficult to generalize the findings. Also, corporate social responsibility is a qualitative phenomenon which cannot be accurately quantified or measured. In addition to this, the sample group came from various backgrounds which might have had an effect on the questionnaires. Some of the people could easily understand the questions clearly, but some needed more explanations about what corporate social responsibility activities. Respondents' reluctance and lack of willingness to complete and return the questionnaires on time, and also the data collection methods have their own natural limitations. However, through serious follow-ups and exerting much effort, many of the questionnaires were collected as intended.

The data were collected during working hours when most of the respondents (employees, private and government) were busy and this might affect the accurateness of the study. Moreover, lack of accessibility of transportation to go to each company was some of the limitation for the research work. Even if these limitations face me used non-transportation areas by foot, open survey and repeated visit used to overcome the problem. Despite these few limitations the researcher believes that the study would work as a stepping stone for future research initiatives.

5.5 Suggestion for Further Research

In this final section, the author summarises some of the concept for future conceptual, empirical and methodological research study. First suggestion for future study would be to include large sample size from various organizations but the number of sample survey used in this study was small. A larger number of samples would probably yield a more accurate finding so, future researchers could replicate this study, with the hope that more firms and respondent will be involved in the study. In addition, this study restricted only to CSR of three stakeholders (employees, community, environment), but other stakeholders such as customers, suppliers, government etc. maybe including in further research. Also, the researcher has done the analysis only for Gurage zone manufacturing industries; so the study can be extended by including other sectors like service, banking, hospitality etc. may in Gurage zone or SNNPRS. For future research it would be interesting to find the social expectation from the corporate responsibility of such organization in order to know the expectation of the community which will help the corporate to introduce appropriate kinds of CSR activities to align with the need of society. So, a comprehensive study on CSR practice between the manufacturing and service industries or b/n companies may be undertaken in the future.

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-Solid Waste Management Proclamation Proclamation No. 513/2007

Appendices

Appendix A: Questionnaire to Employees

Wolkite University,
College of Business and Economics,
Department of Management
Questionnaire to be filled by ……. Company Employees

Dear respondent the purpose of this questionnaire is to collect data for a research work on the title of "CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN GURAGE ZONE (IN THE CASE OF SELECTED MANUFACTURING COMPANIES)". The study is required purely for academic purpose of the partial fulfilment of Master's degree in Business Administration and hence, the researcher assures you that the information you provide is very confidential and not affects you in any case. Dear respondents, you are expected to provide genuine, and reliable information with respect to title. So, your honest, open and timely response is vital for successfulness of the study. The questionnaire should take no more than 20 minutes to complete. If you would like to gain further information about this study, please contact TSEGAYE SAHLEMARIAM in my phone number +251912242926 and email address tsegayeyeaersima@gmail.com.Finaly,I would like to express my gratitude in advance for your Cooperation and time spent for answering this questionnaire.

INSTRUCTIONS

- Do not write your name, Put mark (√) provide box and/or write the appropriate answer
- Make sure that you do not omit a question or skip any page
- Please Read each statements carefully and Please return it, as soon as possible

Part I. Profile of respondents'

1. Gender; Male ☐ Female ☐

2. Age group 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ above 55 ☐

3. What is your academic level? Under grade 10 ☐ Grade 10-12 complete ☐

TEVET/ Diploma ☐ Undergraduate /Degree ☐ Post graduate (MA, PhD, etc.) ☐

4. How long you have been worked in this company?

Below 1 years ☐ 1-2 years ☐ 2-3 years ☐ above 3 years ☐

5. How many Birr did you get income in Month Approximate?

Below 2000 ☐ 2001-3000 ☐ 3001-4000 ☐ 4001 -5000 ☐ 5001 and Above ☐

6. What is your position? Department head ☐ Supervisor ☐ Worker ☐

If other ☐ ……

Part II. Questions related to CSR (corporate social responsibility) practices

1. Do you have information /Awareness about CSR as a terminology and program?

-Low knowledge ☐ −Medium knowledge ☐ -High knowledge ☐

2. Does your company have a corporate social responsibility program or undertake activities that would be considered as CSR? Yes ☐ No ☐ do not know ☐

3. Your company corporate social responsibility activities incorporate into your organization strategy/policy and /or management plan? Yes ☐ No ☐ do not know ☐

4. How are the program/ activities managed and co-ordinated in your organization?

Independently by CSR department ☐ Together with other company's departments ☐

5. If you say "together with other company's departments" please specify in which organisational departments activities lay? ……..……

6. How is CSR organized to implementation in your company? (Please choose all that apply)

- By CSR committee ☐- employees participate with specific responsibility for CSR policy ☐

- Our customer is aware that part of our product prices supports our CSR activity ☐

7. Does your company raise awareness /explained about the company CSR policy and practice through channels of communicate to stakeholders Yes ☐ No ☐ unknown ☐

8. If "yes" select major three way of communication - Training ☐

- Newspapers and magazines ☐ - Bulletin board ☐ - management briefings and Meeting ☐

- Reports ☐ - In sales presentations ☐ - Marketing material ☐ - Informal communication ☐

- If Others ☐ ……

9. Do you prefer to buy product of the companies which practice CSR? Yes ☐ No ☐

10. Please rank the following stakeholder influence on decision regarding your company's CSR practices? (1 is the most influence, 5 is the least influence) -Shareholders/ owner _____ -Employee _____ -Local community _____ -Customers_____ -Government_____

11. Which of the following reasons best describe your company's motivations or driver for doing CSR? - For competitive advantage, productivity and business opportunities ☐

- To enhances our Corporate Image and reputation ☐ - To attract customer's ☐

- Gain support of market and Stakeholders ☐ - Pressure from Stakeholders ☐

- For Risk mitigates / Prevention ☐ - To improve the profitability and profits ☐

- For Legal and Regulatory compliance ☐ - For International industrial standards like ISO ☐

- For employee satisfaction and motivation ☐- Company's Values, Culture and Mission ☐

- Solve socio-economic and environmental problem ☐

12. What are company's Business Benefits by Implementing Corporate Social Responsibility Activity (please tick) 1=strongly disagree 2=disagree 3=neutral 4= agree and 5=strongly agree

No	**Business Benefits**	Question Response				
		1	2	3	4	5
1	Build corporate image and reputation					
2	Improve customer satisfaction and retention					
3	Corporate citizenship /business opportunity					
4	To recruit and Retention quality employees					
5	Better effectiveness and efficient					
6	Improve employees' productivity and satisfaction					
7	Improve Finances Performance					
8	Balanced perspective on stakeholder interest					
9	Compliance with regulations and standards					
10	Protection of natural resources and Environment					

13. To what extent do you agree with the following statement regarding Corporate Social Responsibility and actions undertaken by your companies?

No	**Corporate Socially Responsible Actions and practices**	Question Response				
		1	2	3	4	5
A	**Corporate Socially Responsible Labour Practices**					
1	Employment and employment relations Actions (include work force planning and no discrimination)					
2	Conditions of Work and Social Protection, with comply national laws/regulation and international labour standard					
3	Social Dialogue Actions and Expectations include bargain collectively and provided worker representative					
4	Actions on Health and Safety at Work					
5	Human Development and Training in the Workplace include access skills development & career advancement					
B	**Corporate Socially Responsible Community Practices**					
1	Support Community development and helping the poor					
2	Environmental responsibility					
3	Sponsorship and donation in social(local and national)					
4	Employment opportunities and a lot of jobs for people					
C	**Environmental Practices**					
1	Utilize natural resources properly and effectively to produce cheaper and better goods					
2	Maintain a healthy environment free from all sorts of pollution in and around the business area					
3	Provide regular voluntary information about environmental management to stakeholders					

14. Describe the Importance of Corporate Social Responsibility Practice by employees

NB: 1-not important, 2- less important, 3-undecided, 4-Important and 5-Very important

No	**Question**	Question Response				
		1	2	3	4	5
1	How important is the stakeholders' concerns in business?					
2	How important CSR in profit/economic concerns in business?					
3	How is important the legal responsibility concerns in business?					
4	How important are voluntary actions (philanthropic) concerns for the society in business?					
5	How important to integrate ethical (commitment to do the right things) concerns in business?					

15. Employment perceptions towards Corporate Social Responsibility activities engaged by the company's. NB: 1-strongly disagree, 2-Disagree, 3-neutral, 4-Agree and 5-strongly agree

No	**Question**	Response				
		1	2	3	4	5
A	**Economic responsibility**					
1	Business should be committed to being profitable as possible					
2	Business should maintain a strong competitive position					
3	Business should maintain a high level of operating efficiency					
B	**Legal responsibility**					
1	Business should perform in a manner consistence with expectation of government and law					
2	Business should be a law-abiding corporate citizen					
3	Business provide goods that meet minimal legal requirements					
C	**Ethical responsibility**					
1	Business should perform in a manner consistence with societal expectations and ethical norms					
2	Business should recognise and respect new or evolving ethical/moral norms adopt by society					
3	Business should prevent ethical norms from being compromised in order to achieve corporate goals					
D	**Philanthropic responsibility**					
1	Business should contribute resources to the community					
2	Business should perform in a manner consistent with the philanthropic and charitable expectations of society					
3	Business should voluntarily support projects that enhance the community's quality of life					

16. In your opinion which problems/Challenges related to the development of initiation in the field of Corporate Social Responsibility by your company?

No	**Question**	Question Response				
		1	2	3	4	5
1	Lack of knowledge/ know-how and expertise					
2	Lack of institutional assistance, support and Collaboration					
3	Lack of specific legislation and policy on CSR					
4	Benefits of Business is Little or no immediate					
5	High costs and Limited budgets/ lack of funds					
6	Lack of board/ top-management support					
7	Not enough checks and balances in the operation					

17. Please provide brief examples of CSR (Corporate Social Responsibility) activities which included in the practice of your company CSR program, for major stakeholders?

A. CSR involvement in workplace for Employees/staff ……

b. CSR involvement in community……

c. CSR involvement in environment……

18. IS there any governmental entity made a periodic supervision / intervenes on your CSR activities? Yes □ No □ do not know □ - If yes, which organization/governmental entity

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19.What are the Roles and responsibilities of Public/ government's Sector in Strengthening and promote the implementation Corporate Social Responsibility of business?

……

END. THANK YOU FOR PARTICIPATING!!!

Appendix B: Questionnaire to Local Community

Wolkite University,

College of Business and Economics,

Department of Management

Questionnaire to be filled by…….. company local community

Dear respondent the purpose of this questionnaire is to collect data for a research work on the title of "**CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN GURAGE ZONE (IN THE CASE OF SELECTED MANUFACTURING COMPANIES)"** major five manufacturing company. The study is required purely for academic purpose of the partial fulfilment of Master's degree in Business Administration and hence, the researcher assures you that the information you provide is very confidential and not affects you in any case. Dear respondents, you are expected to provide genuine, and reliable information with respect to title. Your genuine information is highly decisive to the success of this study. So, your honest, open and timely response is vital for successfulness of the study. The questionnaire should take no more than 20 minutes to complete. If you would like to gain further information about this study, please contact TSEGAYE SAHLEMARIAM in my phone number 0912242926 & email address tsegayeyeaersima@gmail.com Finally, I would like to express my gratitude in advance for your Cooperation and time spent for answering this questionnaire.

INSTRUCTIONS

- Do not write your name, Put mark (√) provide box and/or write the appropriate answer
- Make sure that you do not omit a question or skip any page
- Please Read each statements carefully and Please return it, as soon as possible

Part I. Profile of respondents'

1. Gender; Male ☐ Female ☐

2. Age group 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ above 55 ☐

3. What is your academic level? Under grade 10 ☐ Grade 10-12 complete ☐

TEVET/ Diploma ☐ Undergraduate /Degree ☐ Post graduate (MA, PhD, etc.) ☐

4. Your occupation -Self-employed ☐ –Student ☐ -Private company ☐−Farmer ☐

-Public servant ☐ -Other ☐ (please specify)……

Part II. Questions related to CSR (corporate social responsibility) practices

1. Do you have information /Awareness about CSR as a terminology and initiatives?

-Low knowledge ☐ −Medium knowledge ☐ -High knowledge ☐

2. Does your company raise awareness /explained about the company CSR policy and practice through channel of communicate to stakeholders Yes ☐ No ☐ Unknown ☐

3. If "yes" select major three way of communication - Training ☐ - Internal magazines ☐

- Bulletins ☐ - Management briefings ☐ - Reports ☐ - In sales presentations ☐

- Marketing material ☐ - Informal communication ☐ - Newspapers and magazine ☐

-Meeting ☐ - If Others ☐……

4. Do you prefer to buy product of the companies which practice CSR? Yes ☐ No ☐

5. Described the Importance of CSR Practice by local community

NB: 1-not important, 2- less important, 3-undecided, 4-Important and 5-Very important

No	**Question**	Question Response				
		1	2	3	4	5
1	How important is the stakeholders' concerns in business?					
2	How important CSR in profit/economic concerns in business?					
3	How is important the legal responsibility concerns in business?					
4	How important are voluntary actions (philanthropic) concerns for the society in business?					
5	How important to integrate ethical (commitment to do the right or fair things) concerns in business?					

6. Local community perceptions towards CSR activities engaged by the company's.

NB: strongly disagree (1), Disagree (2), neutral (3), Agree (4) and strongly agree (5).

No	**Question**	Response				
		1	2	3	4	5
A	**Economic responsibility**					
1	Business should be committed to being profitable as possible					
2	Business should maintain a strong competitive position					
3	Business should maintain a high level of operating efficiency					
B	**Legal responsibility**					
1	Business should perform in a manner consistent with expectations of government and law					
2	Business should be a law-abiding corporate citizen					
3	Business should provide goods that meet minimal legal requirements					
C	**Ethical responsibility**					
1	Business should perform in a manner consistent with societal expectations and ethical norms					
2	Business should recognise and respect new or evolving ethical/moral norms adopted by society					
3	Business should prevent ethical norms from being compromised in order to achieve corporate goals					

D	**Philanthropic responsibility**					
1	Business should contribute resources to the community					
2	Business should perform in a manner consistent with the philanthropic and charitable expectations of society					
3	Business should voluntarily support projects that enhance the community's quality of life					

7. Perception of Local Community on Corporate Social Responsibility practices of company.

No	**Question**	Response				
		1	2	3	4	5
A	**Support Community development and helping the poor**					
1	Support local sport, education, health, culture and other social activity					
2	Invest in community development (roads, schools, water)					
3	Help people below poverty line to realize their dreams by helping them financially					
4	Help the poor in many ways by holding free medical support, give financial aid to poor school children, poor ladies etc.					
5	Contribute a lot of projects to up lift of underprivileged					
B	**Perception on Environmental responsibility**					
6	Utilize natural resources properly and effectively to produce cheaper and better goods					
7	Maintain a healthy environment free from all sorts of pollution in and around the business area					
8	Provide regular voluntary information about environmental management to stakeholders					
C	**Perception on sponsorship and donation**					
9	Sponsor on many local and national events					
10	Encourage employees to donate and actively engage in social causes					
11	Donate fund for &actively engage in social causes (Poverty and HIV/AIDS) and to non-governmental organization/charities					
D	**Perception on employment opportunities**					
12	Promote growth and expansion, w/h means a lot of jobs for people					
13	Give a lot of job opportunities to local community					
14	Recruit lots of fresher thereby reducing unemployment					

8. Please provide brief examples of Corporate Social Responsibility activities which included in the practice of your company CSR program, for major stakeholders?

A. Company CSR involvement in local community…….

…… …… … …… ……

……..……..……

……...…… …… …… ……

B. Company CSR involvement in environment …… ……

……

…… … …… …… ……

…… …… ……

9. What are the Roles and responsibilities of Public/ government's Sector in Strengthening and promote the implementation Corporate Social Responsibility of business?

……

…….

10. General Comments and recommendations about Corporate Social Responsibility practise?

END. THANK YOU FOR PARTICIPATING!!!

Appendix C: Guideline for Semi-Structured Interview with Company Managers

Wolkite University,

College of Business and Economics,

Department of Management

Guide for Semi-structured interview with company managers

Dear Sirs,

This interview is part of an academic research carried out to complete a Master of Business Administration at Wolkite University. The aim of the study is to create deeper insight in the corporate social responsibility practice in Gurage zone; in the case of selected manufacturing companies". This interview will to collect data and you are expected to provide genuine and reliable information with respect to title. So, your honest, open and timely response is vital for successfulness of the study. Therefore, the data you give is purely for academic purpose and I kindly ask you for answering in an attached questions.

Participation is completely voluntary and this research projects guarantees respondent confidentiality. The results of this research will be processed anonymously unless allowed to be quoted. This interview contains 2 sections that each consists of several questions. Personal profile and CSR practices are included.

Thank you in advance for your willingness for this interview.

Part.1Personal profile

1. Gender; Male ☐ Female ☐

2. Age; 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ above 55 ☐

3. Year of experience; below 1 years ☐ 1-2 years ☐ 2-3 years ☐ above 3 years ☐

4. Your academic level; under grade 10 ☐ Grade 10-12 complete ☐ TEVET/ Diploma ☐ Undergraduate /Degree ☐ Post graduate (MA, PhD, etc.) ☐

5. Current position; manager ☐ owner ☐ both ☐

Part.2 Questions related to corporate social responsibility practices

1. How do you/your organization understand and define corporate social responsibility?

2. Does your company have a corporate social responsibility program/ policy or activities assume as CSR and integrated to your company policy and /or management plan?

3. How is CSR program/ activities organized and managed in your organization? (Which department, have manager and committee, participation of employees and way of budget allocation)

4. Does companies have a formal written documents Or other paper which enact a company's corporate social responsibility strategy / policy?

5. Which Stakeholders groups do you consider most important /influence for your company to be engaged in CSR Practices and mentions way of communication between company and major stakeholder?

6. Have there been complaints /conflicts between company and any of its Stakeholders**?** How was the situation resolved?

7. What are your company's main motivations to engage and benefits realise in CSR programs implementation?

8. Briefly discuss the experiences and practices of your company corporate social responsibility activity implementation to major stakeholders? (Please provide examples)

A. Corporate Socially Responsible Practices for employees/ labour practice issues?

1. Employment and employment relations 2. Social Dialogue

3. Conditions of Work and Social Protection 4. Health and Safety at Work

5. Human Development and Training in the Workplace

B. Corporate Socially Responsible Practices for Local Community

1. Support Community development and helping the poor 2. Environmental responsibility

3. Sponsorship and donation in social 4. Employment opportunities and a lot of jobs for people

C. corporate socially Responsible Practices for environmental

1. Utilize natural resources properly and effectively to produce cheaper and better goods

2. Maintain a healthy environment, free from all sorts of pollution in and around business area

3. Provide regular voluntary information about environmental management to stakeholders

9. Based on your experience, Which are most important and main focus for business profit/economic concerns, legal responsibility concerns, voluntary actions (philanthropic) concerns and integrate ethical (obligation to do the right or fair things)?

10. What are the main challenges/problem company's is facing in the implementation of its CSR policies or practices?

11. How do you explain the role, responsibilities and interest of government with respect to your social, environmental and economic activities of CSR?

12. Do you have any other comments and recommendations about CSR practise?

END. THANK YOU FOR PARTICIPATIN

Appendix D: List of Fully and Semi Operational Manufacturing Company In Gurage Zone

No	Name of the project/owner	Issued date	Sub sector	Town	Sub city	No worker	Register capital	Implemented capital	Existing job status	Cluster	Rank	
1	Ato Fikru Sifir	17/6/1998	Flour mill	Wolkite	Bekur	12	30,00,000	122,50,620	Fully operational	A	4	
2	Ato Gebre Birtu	01/03/1999	metal and wood product	Wolkite	Bekur	9	16,95,000	12,50,200	Fully operational	A	6	
3	Ato Mohammed Awel	07-11-2005	Flour mill	Wolkite	Bekur	20	64,23,296	116,50,500	Fully operational	A	5	
4	Zbidar beer factory S.C	04-03-2014	Beer factory	Wolkite	Gubre	64	8000,00,000	958,00,000	Fully operational	A	2	
5	Yokabdi agro processing PLC	30/12/2006	Agro-processing	Cheha	Adoshe	45	200,00,000	4,50,000	Fully operational	A	3	
6	Aden Business S.C	30/8/1999	Bottled water	Edja	Gedeb	95	279,52,189	652,50,230	Fully operational	A	1	
7	Ato Hussen Mohamed	28/7/2008	Flour mill factory	Meskan	Welensho	12	-	64,86,610	Fully operational	B	9	
8	Tiret flour mill factory PLC	20/2/2001	Flour mill	Sodo	Buee town	19	36,67,540	98,56,780	Fully operational	B	6	
9	W/o Menbere Mekonen	03-04-1999	Flour mill	Butajera	Erinzaf	13	68,80,000	152,56,800	Fully operational	B	8	
10	W/o Sadiya Abdella	08-09-1999	Cement by products	Butajera	Erinzaf	4	2,43,000	15,85,500	Semi-operational	B	11	
11	W/o serbeza Rahimeto	25/9/2000	Flour mill	Butajera	Erinzaf	21	46,00,000	182,50,450	Fully operational	B	5	
12	Scant bodies laboratory INC	17/3/2008	medicine raw material	Butajera	Erensha	76	141,00,000	650,00,000	Fully operational	B	1	
13	Legubral trade PLC	29/9/1998	Cement by products	Butajera	Erinzaf	2	6,75,056	11,50,000	Semi-operational	B	13	

14	Ato Dawit Ergecho	24/6/2003	Milk processing	Butajera	Erinzaf	10	50,000,000	120,000,000	Semi-operational	B	10
15	W/o Britu Teka	02-04-2001	Flour mill	Butajera	Erinzaf	32	120,000,000	259,599,600	Fully operational	B	2
16	Ato syoum Berta	06-08-1997	Flour mill	Butajera	Erinzaf	27	22,89,369	249,53,615	Fully operational	B	3
17	Ato Zelman kedir	27/10/99	Flour mill	Butajera	Erinzaf	4	15,000,000	15,000,000	Semi-operational	B	11
18	Ato Tilahun Dibbella	30/12/1999	Cement by products	Butajera	Erensha	18	11,35,000	11,75,000	Fully operational	B	7
19	Ato Yemane Gurmu	30/04/2006	Flour mill factory	Sodo	Buee town	24	61,69,237	107,02,817	Fully operational	B	4

Appendix E: List of Interview Company Managers

No	Name	Sex	Age	Year of experience in company	Academic level	Organization position	Company name
1	Mr Ababa Aragaa	Male	57	Above 3 year	Degree	Manager	Syoum flour factory
2	Mr Yoseefe Dibaabaa	Male	41	Above 3 year	12 complete	Owner and manager	Britu flour factory
3	Mr Fasika Eshetu	Female	37	Above 3 year	degree	General manager	Scant bodies laboratory, Inc.
4	Mr.Tashoma Mulu	Male	38	Above 3 year	Master degree	Plant manager	Aden S.C
5	Mr Abeye	Male	43	Above 3 year	Master degree	Factory manager	Zbidar S.C

Appendix F: Dimension of CSR Activities and Stakeholders Perception Data of the Study

Dimension of CSR activities	Item	Employees responses		Community responses		Total responses	
		Mean	STD	mean	STD	mean	STD
ECONOMIC RESPONSIBILITY	Business should be committed to being profitable as possible	3.61	1.123	3.78	1.152	3.70	1.138
	Business should maintain a strong competitive position	3.50	1.174	3.50	1.177	3.50	1.176
	Business should maintain a high level of operating efficiency	3.68	1.184	3.43	1.056	3.56	1.120
	Total	3.60	1.160	3.57	1.128	3.58	1.144
LEGAL RESPONSIBILITY	Business perform in a manner consistence with expectation of government and law	3.42	1.247	3.48	1.013	3.55	1.068
	Business should be a law abiding corporate citizen	3.41	1.212	3.25	1.108	3.38	1.141
	Business provide goods that meet minimal legal requirements	3.35	1.063	3.37	1.077	3.53	1.130
	Total	3.39	1.174	3.37	1.066	3.38	1.120
ETHICAL RESPONSIBILITY	Business should perform in a manner consistence with societal expectations and ethical norms	3.45	1.130	2.92	1.142	3.185	1.136
	Business should recognise and respect new ethical/moral norms adopt by society	3.42	1.090	3.01	1.042	3.215	1.066
	Business should prevent ethical norms from being compromised to achieve corporate goals	3.06	1.036	3.02	1.037	3.04	1.036
	Total	3.31	1.085	2.98	1.074	3.15	1.080
PHILANTHROPIC RESPONSIBILITY	Business should contribute resources to the community	2.92	1.213	2.31	1.209	2.62	1.211
	Business perform consistent with philanthropic and charitable expectations of society	3.13	1.093	2.46	1.184	2.80	1.139
	Business should voluntarily support projects that enhance the community's quality of life	2.88	1.319	2.33	1.211	2.61	1.265
	Total	2.98	1.208	2.37	1.201	2.67	1.205

Appendix G: Core Labour Socially Responsible Subject, Issues and Actions

1 Employment and Employment Relationships

1.1 All work is performed by legally employed workers.

1.2 Use active work force planning to avoid the use of work performed on an informal basis or the excessive use of work performed on a temporary basis.

1.3 Provide reasonable notice and timely information when considering changes in its operations, such as closures that affect employment.

1.4 Ensure equal opportunities for all workers and not discriminate either directly or indirectly in any labour practice.

1.5 Protect personal data and privacy of workers.

1.6 Take steps to ensure that work is contracted or sub-contracted only to organizations that are legally recognized or are otherwise able and willing to assume the responsibilities of an employer and to provide decent working conditions

1.7 Not benefit from unfair, exploitative or abusive labour practices of its partners, suppliers or subcontractors, including home workers.

2 Conditions of Work and Social Protection

2.1 Make sure that conditions of work comply with national law and regulations and international labour standards

2.2 Respect collective agreements

2.3 Provide decent conditions of work with regard to wages, hours of work weekly rest, holidays, health and safety, maternity and ability to combine work with family responsibilities

2.4 How observance of national or religious traditions/customs

2.5 Provide wages and other forms of remuneration in accordance with national laws, regulations or collective agreements.

2.7 Usually pay for work of equal value

2.8 Comply with any obligation concerning the provision of social protection for workers in the country of operation.

2.9 Respect the right of workers to adhere to normal / agreed working hours established in laws, regulations or collective agreements. Provide workers with weekly rest and paid annual leave.

2.10 Respect the family responsibilities of workers by providing reasonable working hours, parental leave and, when possible, childcare and other facilities that can help workers achieve a proper work-life balance

3 Social Dialogues

3.1 Respect the right to form/join organizations and bargain collectively

3.2 Not specify authorities of measures leading to major employment impacts

3.3 Provide worker representatives with access to authorized decision makers, to workplaces, to the workers they represent, to facilities necessary to perform their role and to information that will allow them to have a true and fair picture of the organization's finances and activities

3.4 Refrain from encouraging governments to restrict the exercise of the internationally recognized rights of freedom of association and collective bargaining.

4 Health's and Safety at Work

4.1 Develop, implement and maintain an occupational health and safety policy

4.2 Understand and apply principles of health and safety management, including the hierarchy of controls: elimination, substitution and administrative controls, work procedures and PPE

4.3 Analyse and control the health and safety risks

4.4 Communicate the requirement workers should follow all safe practices and ensure that workers follow the proper procedures.

4.5 Provide the safety equipment needed

4.6 Address the specific ways in which OSH risks differently affect women(such as those who are pregnant, have recently given birth or are breastfeeding) and men, or workers in particular circumstances such as people with disabilities, inexperienced or younger workers.

4.7 Provide equal health and safety protection for temporary and subcontracted workers

4.8 Strive to eliminate psychosocial hazards in the workplace

4.9 Respect the principle that workplace health and safety measures should not involve monetary expenditures by workers

4.10 Provide timely, full and accurate information, adequate training, allow to enquire and report about health and safety issues, participate in decisions

5 Human Developments and Training in the Workplace

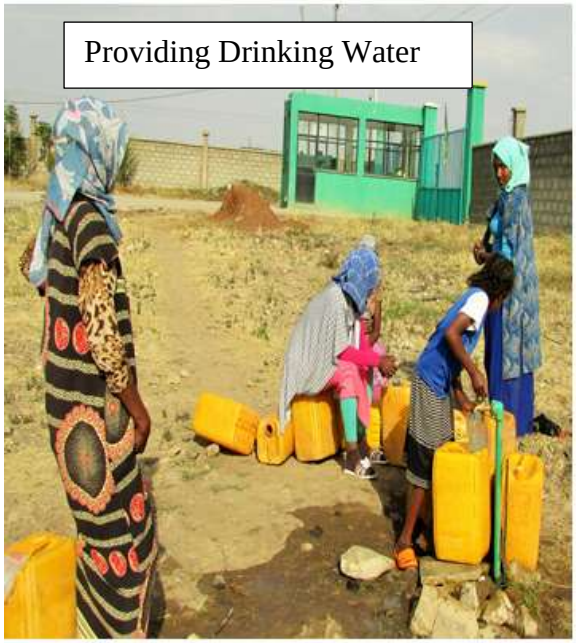
5.1 Provide all workers at all stages of their work experience with access to skills development, training and apprenticeships, and opportunities for career advancement, on an equal and non-discriminatory basis.

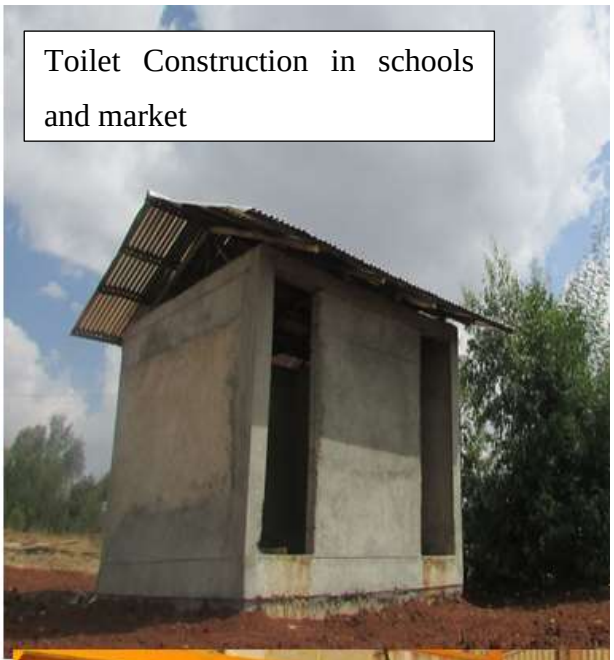
5.2 Ensure that, when necessary, workers being made redundant are helped to access assistance for new employment, training and counselling.

5.3 Establish joint labour-management programs that promote health and well-being.

Appendix H: Basic Observational Data (Photo and Documentary) Evidence in Implementation of CSR Activities of Gurage Zone Manufacturing

1. Major Companies Practises of CSR Activities for community













2. Major Companies Practises of CSR Activities for employees

Use correct manual lifting techniques





Provide workers with protective equipment, clothing and other materials





First aid kits



Reduce Cause of risks like loading



Canteen facilities



Walk and danger area



Apply different Industrial accidents controlling techniques



