

Assessment of Corporate Social Responsibility Practices From  
Employees' perspectives: The case of Addis Ababa Abattoirs Enterprise

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Addis Ababa University, Department of MBA

By Ruhama Temesgen

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Advisor DR. Yohannes W. (PHD)

## **Statement of Certification**

This is to certify that RUHAMA TEMESGEN has carried out this thesis work on the topic entitled Assessment of Corporate Social Responsibility Practices: Organizational perspective Case study on Addis Ababa Abattoir enterprise (Addis Ababa & Akaki branches). The study is her original work and is suitable for submission for the award of Masters Degree in business administration.

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**Advisor: Yohannes W. (PhD)**

**Approved by Examiners:**

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**Advisor**

**Signature**

**Date**

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**Examiner**

**Signature**

**Date**

## **Statement of Declaration**

I, the undersigned, declare that this thesis is my own original work. All sources of materials used for this thesis have been duly acknowledged and cited.

Declared by

Name: RUHAMA TEMESGEN

Signature: \_\_\_\_\_

Date: January 15, 2019

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## **List of abbreviations**

CSR: Corporate Social Responsibility

EUC: European Commission

AAAE: Addis Ababa Abattoir Enterprise

ISO: International Standardization Organization

HR: Human Rights

VOC: Volatile Organic Compounds

SO: Sulphur Oxides

NO: Nitrogen Oxides

ICEM: International Conference of Environmental Management

SPSS: Statistical Package for Social Science

ISO: International Standardization Organization

ACCSR: Australian Centre for Corporate Social Responsiveness

## **Abstract**

*The study is initiated by the fact that very little is known about the current practices in Ethiopian abattoirs regarding CSR (Corporate Social Responsibility). It assesses the current CSR practices in the case origination, why the organization undertakes CSR and what challenges are confronted by the organization while undertaking CSR. In doing so, CSR is assessed based on the seven core subjects provided in the ISO 26000 (2010). These seven core subjects of CSR are organizational governance, human rights, labor practice, the environment, fair operating practices, consumer issues and community involvement. The case organization is selected because of the environmental and social concern it has, so how it acts in a socially responsible manner or not is an issue that is worth looking in to. The nature of data that is collected and analyzed is qualitative and both primary and secondary data sources were used through questionnaire and interview. It is a qualitative and descriptive case study and descriptive statistical tools were applied using SPSS to analyze the collected data. The study applied standard statistical sample size determination technique and also used mixed sampling techniques such as purposive and simple random sampling. Finally the results of the study shows that the enterprise has good CSR practices regarding organizational governance, fair operating practices and customer issues. On the other hand, the enterprise has poor CSR practices regarding human rights, labor practice, the environment and community involvement. Additionally, the enterprise mainly engages in CSR activities to gain improved financial performance, enhanced reputation, meeting regulatory requirements and growing community pressure. And challenges faced by the enterprise while implementing CSR include location, non-availability of organized planning and clear CSR guidelines. Accordingly, recommendations were extended to strengthen the good practice and improve where needed through building a close relationship with its stakeholders to find and tackle challenges.*

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## CHAPTER ONE

### 1. INTRODUCTION

#### 1.1. Background of the Study

According to the EU Commission (2002) as quoted by Crowther and Aras, (2008) CSR (corporate social responsibility) involves a close relationship between companies and societies to tackle social and environmental concerns. In more precise terms the concept of CSR is defined as:

*CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (European Commission 2002)*

It is stated in 20th International Scientific Conference of Economics and Management (2015) that, in recent time, CSR has received increasing attention from the corporate world and became an integral part of the business. Henderson & Florence (2009) also discusses that corporations around the world are struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs. Organizations are being called upon to take responsibility for the ways their operations impact societies and the natural environment. It is no longer acceptable for a corporation to experience economic prosperity in isolation from those agents impacted by its actions. A firm must now focus its attention on both increasing its bottom line and being a good corporate citizen. This justifies that in present days CSR has become an issue that requires attention of organizations. This fact motivated the researcher to study CSR practices and perspectives in the Ethiopian context where the issue seems to be a recent phenomenon. According to All Africa (2017) since Ethiopia is becoming a nation with a rapidly growing economy and widely spreading private and public enterprises competing for profits, the issue of corporate social responsibility coming in to picture.

By any count, the world is changing faster than ever before. Human numbers are growing faster, and the impacts of organizational activities are being felt in more and more ways. This change has profound implications for business, and means that the world of

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corporate social responsibility (CSR) is at the forefront of this change. So it's worth looking for what are the current trends and where they are heading (Mallen 2012).

It is apparent of course that any actions an organization undertakes will have an effect not just upon itself but also upon the environment within which that organization resides. In considering the effects of the organization upon its external environment it must be recognized that this environment includes both the business environment in which the firm is operating, the local societal environment in which the organization is located and the wider global environment (Crowther & Aras 2008). This means that, every action that any given organization undertakes will have either a positive or a negative effect on both its internal and external environment, so does the case subject organization selected for this study (namely, Addis Ababa abattoir enterprise).

All organizations governmental or non-governmental, profit or non-profit, should do business in a way that maximizes the positive effects and minimizes the negative effects of that business activity. This is the concept of corporate social responsibility (Sorensen 2017). Therefore the study will assess what the current CSR practices are in the case origination, why the organization undertakes CSR and what challenges are confronted by the organization while undertaking CSR. In doing so CSR will be assessed based on the seven core subjects provided in the ISO 26000 (2010). These seven core subjects of CSR are organizational governance, human rights, labor practice, the environment, fair operating practices, consumer issues and community involvement and development.

The case organization is selected based on the grate environmental and social concern it has which the researcher believed is worth studying. According to Bello & Oyedemi (2009) since abattoirs are facilities that are usually available in most towns and cities, the danger posed on the local environment and health of residents living in the neighborhoods as a result of pollution from their management is of great concern. Reviewing previous studies shows that the majorities of industrial wastes, including abattoirs are considered to be dangerous and in some cases are the causes of the emission of pollutants in the environment the liquid and solid waste generated from these industries, if not managed properly, can cause serious environmental problems (Hester & Harrison, 2002).

The study is carried out in two of Addis Ababa abattoir enterprise branches (namely Addis Ababa branch and Akaki branch) to enable comparisons in order to understand the internal consistency of the enterprise through different branches. The enterprise is selected because it is the oldest and experienced of its kind. Due to this fact, the researcher believed that the case organization is appropriate for the issue under study.

## **1.2. Statement of the Problem**

The major initiative for this particular research idea is that, very little is known about the current practices in Ethiopian abattoirs regarding CSR. Although there are variety of recent researches concerning Ethiopian abattoirs, most are not focused on presenting the complete aspects of CSR, which, as described in the ISO 26000 (2010), includes environmental, social and economic aspects. For example, most studies are focused on food safety, product quality and or environmental issues as the sole social responsibility requirements. Although these are good aspects of CSR to study, they are limited to single issues. CSR requires a balance between the needs of the environmental, social and economic systems. There is now a societal expectation that organizations not only have a responsibility towards social and environmental welfare, but should play a positive and integral role in achieving it (ISO 26000 2010).

The guidelines of ISO 26000 describes that an early/traditional notion of social responsibility centered on philanthropic activities (understood as giving to charitable causes) such as donating to community services. It is not uncommon to observe this notion among some individuals and organizations even in present days in the Ethiopian context. In developing countries CSR is understood and practiced in a philanthropic way often with no defined CSR framework. According to Williams (2010), a good CSR firm should go beyond philanthropy and strive to make a profit, obey the law, be ethical, and be a good corporate citizen in general. Philanthropy can have a positive impact on society; however, it should not be used by an organization as a substitute for integrating social responsibility into the organization.

For many successful businesses being socially responsible is a part of who they are and why they are in business: to provide useful products and services, to provide jobs and

development opportunities for their communities, and to gain satisfaction through meaningful work. In many countries, these “socially responsible entrepreneurs” have been quietly making a difference by acting on their values and principles, and inspiring others. They have the spirit of social responsibility already. However, in many sectors and many parts of the world, people and businesses still lack the spirit or understanding of being responsible. They may lack the knowledge or incentive to realize that their actions are important for the well-being of other people and the environment (ISO 26000, 2011).

An organization contributes to one of the most widely accepted objectives of society, which is improvement of standards of living through full and secure employment and decent work (ISO 26000, 2011). Although businesses make great contributions to enhance the economic performance and life style of a given society they are not also without their own societal cost. For example, the waste disposal mechanism of industries like abattoirs is highly associated with environmental pollutions like: air, soil, and water. Therefore, it is essential that these industries engage in CSR activities and are transparent about it.

Additionally, it is evidentially proven by several medical studies that, prolonged exposures to contaminated environmental setting will lead to formation of multiple serious health conditions/diseases. Reviewing previous studies shows that the majorities of industrial wastes are considered to be dangerous and in most cases are the causes of the emission of pollutants in the environment (Hester and Harrison, 2002). Therefore, these industries should carefully give attention to CSR because; they have strong connection with the societal element of the environment they operate in due to the consumable nature of their products and environmental concerns of their waste management. This fact makes it worth studying CSR in relation to these industries. With this insight, the study aims to look in to the current trends and practices of CSR being exercised by the Addis Ababa abattoir enterprise.

### **1.3. Research Questions**

Therefore, the research will address the following questions:

1. What are the current CSR practices in Addis Ababa abattoirs enterprise?
2. Why does the company undertake CSR?
3. What challenges are faced by the company in implementing CSR?

### **1.4. Objectives of the Study**

#### **General Objective**

The study primarily assess the current practices of CSR in Addis Ababa abattoir enterprise based on the core subjects of corporate social responsibility provided in the ISO 26000 (2010).

#### **Specific Objectives**

Additionally, the study has the following specific objectives:

- To assess why the case company engages in/undertakes CSR.
- To assessing the barriers/challenges confronted by the company while undertaking CSR.

### **1.5. Significance of the Study**

The primary purpose of this research is to provide the base for understanding the current practice regarding CSR in Addis Ababa abattoir enterprise. In doing so, the research provides the basic framework to understand and assess CSR based on the core subjects of CSR provided in the ISO 26000 (2010). As mentioned in the guideline itself the core subjects and issues identified in the International Standard (ISO) reflect a current view of good practice. The framework can also be beneficial for any other interested bodies (i.e. organizations or any other researchers who intend to conduct research in this area). Additionally the study will also be beneficial for the case subject organization by creating opportunities to identify and act on their own CSR priorities, and to build stronger insights for continuous improvement. The study can also serve as a motivation for future research.

## **1.6. Scope of the Study**

The study theoretically focuses on CSR and tries to assess it based on the seven core perspectives provided in the ISO 26000 (2010). These seven core perspectives/subjects of CSR are organizational governance, human rights, labor practice, environment, fair operating practices, consumer issues and community involvement. They are further discussed in literature review.

The study is also limited to Addis Ababa abattoirs enterprise (Addis Ababa and Akaki branches) which are both located in Addis Ababa and Akaki, Ethiopia, respectively.

## **1.7. Limitations of the study**

This study involves seven core subjects based on which the researcher intended to assess CSR practices of Addis Ababa abattoir enterprise. Among those core subjects, one of them is community involvement and development which is best if it is studied from the aspects of both the enterprise and the residential community living around it. But due to economic and time limitations the researcher only studied the issue from the aspects of the organization. Therefore the researcher recommends further study to be carried out from the aspects of the community.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter deals with review of various written literature on “Corporate Social Responsibility (CSR)” relevant for this particular study. Attempts were made to briefly begin with the theoretical framework (definitions and principles of CSR) followed by the conceptual framework and finally empirical reviews.

#### **2.1. Definitions and principles of CSR**

Different literatures offered several distinct definitions of corporate social responsibility (CSR). There is however no agreed definition of CSR so this raises the question as to what exactly should be considered as corporate social responsibility (Crowther & Aras 2008). Another definition is given by Rasoulzadeh et.al. (2013) as CSR is about how companies manage the business processes to produce an overall positive impact on society. Many definitions for Corporate Social Responsibility (CSR) were developed by the scholars in the past based on the social, economic, political and environmental context of those periods. There is no unique definition for CSR; rather different definitions during different segments of time represent different dimensions of CSR. (Rahman 2011). Therefore despite all the arguments over the definition of CSR, the two major and widely cited definitions will be raised in this study.

One, from the European commission which defines corporate social responsibility or social responsibility with its short form as: “CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders” European Commission (2002). According to this definition, CSR involves a close relationship between companies and societies to tackle social and environmental concerns.

Two, from the definition put forth in the guidelines of ISO (the International Organization for Standardization) 26000:2010 “corporate social responsibility (CSR) is the accountability of an organization concerning the impact of its actions and decisions at

a societal and environmental level. This involves demonstrating transparent, ethical behaviors and protocols which contribute to a more sustainable development.” According to ISO, CSR takes into consideration stakeholders’ expectations and is integrated throughout the organization, its practices and relationships. It is in compliance with relevant, applicable laws, and acts in accordance with international codes of conduct. Both definitions give the insight that CSR incorporates all the social, environmental and economic responsibilities and accountabilities that organizations are supposed to assume in order to maximize the positive impacts of their actions and to have as little of the negative impacts as possible on the environment and society they reside in.

### **Principles of CSR**

Because of the uncertainty surrounding the nature of CSR activities, it is difficult to define CSR and to be certain about any such activity. It is therefore imperative to be able to identify such activity by taking the view in the framework of the basic principles which all together comprise all CSR activities (Crowther & Aras 2008).

Organizations should base their behavior on standards, guidelines or rules of conduct that are in accordance with accepted principles of right or good conduct in the context of specific situations. The following principles (listed from p 8-12) are taken from the ISO guidelines for CSR, (2010)

### **Accountability**

The principle is an organization should be accountable for its impacts on society, the economy and the environment. This principle suggests that an organization should accept appropriate scrutiny and also accept a duty to respond to this scrutiny.

Accountability involves an obligation on management to be answerable to the controlling interests of the organization and on the organization to be answerable to legal authorities with regard to laws and regulations. Accountability for the overall impact of its decisions and activities on society and the environment also implies that the organization's

answerability to those affected by its decisions and activities, as well as to society in general, varies according to the nature of the impact and the circumstances.

Being accountable will have a positive impact on both the organization and society. The degree of accountability may vary, but should always correspond to the amount or extent of authority. Those organizations with ultimate authority are likely to take greater care for the quality of their decisions and oversight. Accountability also encompasses accepting responsibility where wrongdoing has occurred, taking the appropriate measures to remedy the wrongdoing and taking action to prevent it from being repeated (ISO 26000, 2010).

### **Transparency**

The principle is an organization should be transparent in its decisions and activities that have impact on society and the environment. An organization should disclose in a clear, accurate and complete manner, and to a reasonable and sufficient degree, the policies, decisions and activities for which it is responsible, including their known and likely impacts on society and the environment. This information should be readily available, directly accessible and understandable to those who have been, or may be, affected in significant ways by the organization. It should be timely and factual and be presented in a clear and objective manner so as to enable stakeholders to accurately assess the impact that the organization's decisions and activities have on their respective interests.

The principle of transparency does not require that proprietary information be made public, nor does it involve providing information that is privileged or that would breach legal, commercial, security or personal privacy obligations (ISO 26000, 2010).

### **Ethical behavior**

The principle is an organization should behave ethically. An organization's behavior should be based on the values of honesty, equity and integrity. These values imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests (ISO 26000, 2010).

### **Respect for stakeholder interests**

The principle is an organization should respect, consider and respond to the interests of its stakeholders. Although an organization's objectives may be limited to the interests of its owners, members, customers or constituents, other individuals or groups may also have rights, claims or specific interests that should be taken into account. Collectively, these individuals or groups comprise the organization's stakeholders (ISO 26000, 2010).

### **Respect for the rule of law**

The principle is an organization should accept that respect for the rule of law is mandatory. The rule of law refers to the supremacy of law and, in particular, to the idea that no individual or organization stands above the law and that government is also subject to the law. The rule of law contrasts with the arbitrary exercise of power. It is generally implicit in the rule of law that laws and regulations are written, publicly disclosed and fairly enforced according to established procedures. In the context of social responsibility, respect for the rule of law means that an organization complies with all applicable laws and regulations. This implies that it should take steps to be aware of applicable laws and regulations, to inform those within the organization of their obligation to observe and to implement those measures (ISO 26000, 2010).

### **Respect for international norms of behavior**

The principle is an organization should respect international norms of behavior, while adhering to the principle of respect for the rule of law. In situations where the law or its implementation does not provide for adequate environmental or social safeguards, an organization should strive to respect, as a minimum, international norms of behavior. In countries where the law or its implementation conflicts with international norms of behavior, an organization should strive to respect such norms to the greatest extent possible. In situations where the law or its implementation is in conflict with international norms of behavior and where not following these norms would have significant consequences, an organization should, as feasible and appropriate, review the nature of

its relationships and activities within that jurisdiction. An organization should consider legitimate opportunities and channels to seek to influence relevant organizations and authorities to remedy any such conflict. An organization should avoid being complicit in the activities of another organization that are not consistent with international norms of behavior (ISO 26000, 2010).

### **Respect for human rights**

The principle is: an organization should respect human rights and recognize both their importance and their universality. An organization should respect and, where possible, promote the rights set out in the “International Bill of Human Rights”. In situations where human rights are not protected, an organization should take steps to respect human rights and avoid taking advantage of these situations (ISO 26000, 2010).

## **2.2. Conceptual framework**

In this part a framework that guides the whole research is provided. It briefly states the seven standardized core subjects provided in the ISO 26000 guideline for social responsibility (2010), which this research attempts to use as a baseline for the assessment of CSR. As described in the guidelines itself, an effective way for an organization to identify its social responsibility is to become familiar with the issues concerning social responsibility in the following seven core subjects: organizational governance; human rights; labor practices; the environment; consumer issues; and community involvement and development. These core subjects cover the economic, environmental and social impacts that should be addressed by organizations. The impacts of an organization's decisions and activities should be considered with a view to these issues. The discussion of each core subject covers specific issues that an organization should take into account when identifying its social responsibility. Every core subject, but not necessarily each and every issue, is believed to have some relevance for every organization.

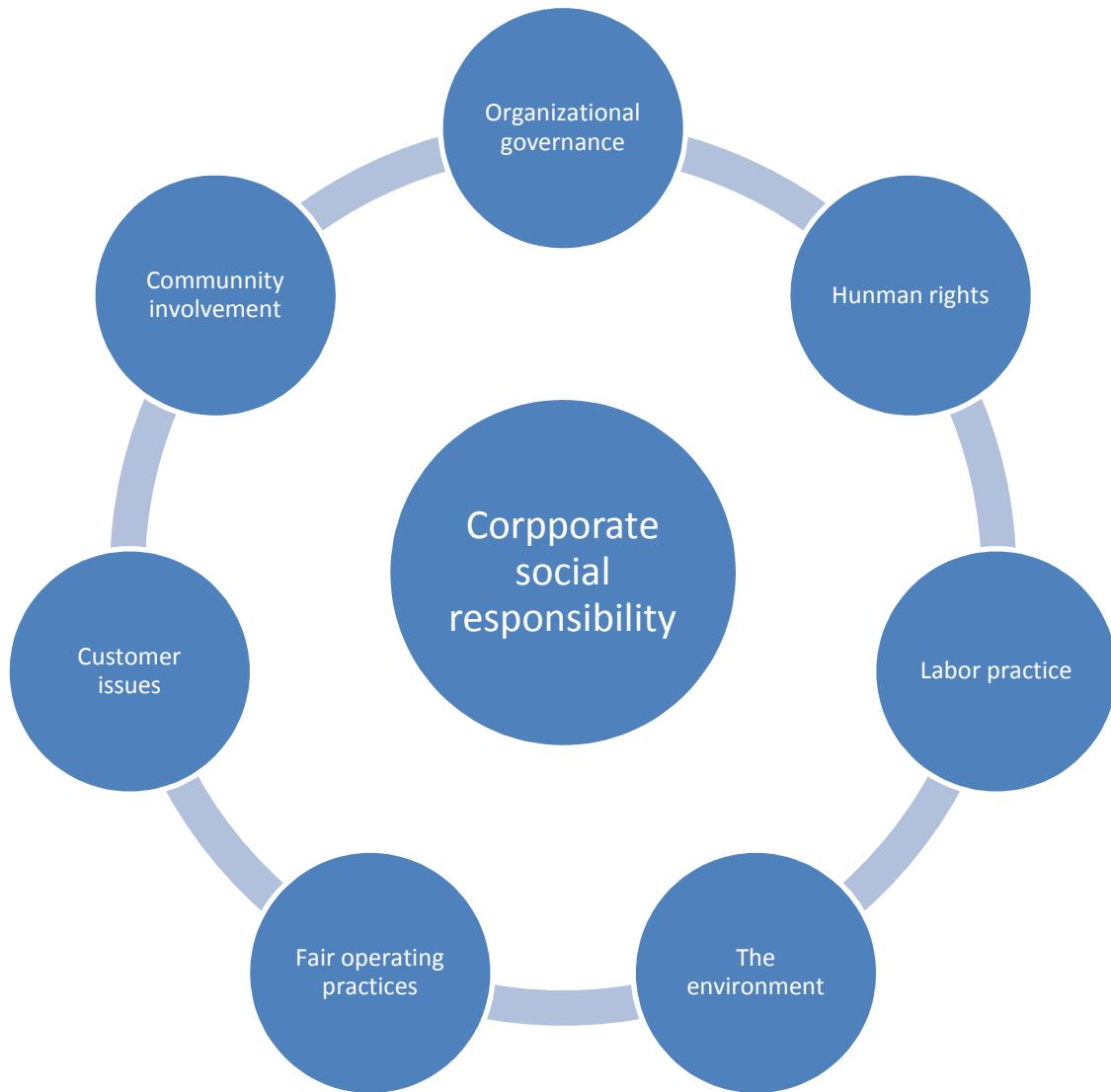


Figure1. Conceptual framework,  
 Source: ISO, guidelines for social responsibility (2010)

### 2.2.1. Organizational governance

Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives. Organizational governance can comprise both formal governance mechanisms based on defined structures and processes and informal mechanisms that emerge in connection with the organization's culture and values, often influenced by the persons who are leading the organization. Organizational governance is a core function of every kind of organization as it is the framework for decision making within the organization. Governance systems vary, depending on the

size and type of organization and the environmental, economic, political, cultural and social context in which it operates. These systems are directed by a person or group of persons (owners, members, constituents or others) having the authority and responsibility for pursuing the organization's objectives (ISO 26000, 2010).

Organizational governance is the most crucial factor in enabling an organization to take responsibility for the impacts of its decisions and activities and to integrate social responsibility throughout the organization and its relationships. Organizational governance in the context of social responsibility has the special characteristic of being both a core subject on which organizations should act and a means of increasing the organization's ability to behave in a socially responsible manner with regard to the other core subjects. This special characteristic arises from the fact that an organization aiming to be socially responsible should have an organizational governance system enabling the organization to provide oversight and to put into practice the principles of social responsibility (ACCSR 2007).

Effective governance should be based on incorporating the principles of social responsibility into decision making and implementation. Decision-making processes and structures conducive to social responsibility are those that promote the use of the principles and practices. In addition to these principles, an organization should consider the practices, the core subjects and the issues of social responsibility when it establishes and reviews its governance system (ISO 26000, 2012).

### **2.2.2. Human rights**

Human rights are the basic rights to which all human beings are entitled. There are two broad categories of human rights. The first category concerns civil and political rights and includes such rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security (ISO 26000, 2010).

Recognition and respect for human rights are widely regarded as essential to the rule of law and to concepts of social justice and fairness and as the basic underpinning of the most essential institutions of society such as the judicial system. An organization has the responsibility to respect human rights, including within its sphere of influence. This responsibility entails taking positive steps to ensure that the organization avoids passively accepting or actively participating in the infringement of rights (Australian Centre for Corporate social responsiveness 2007).

### *Issue 1: Due diligence*

To respect human rights, organizations have a responsibility to exercise due diligence to identify, prevent and address actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships. Due diligence may also alert an organization to a responsibility to influence the behavior of others, where they may be the cause of human rights violations in which the organization may be implicated (ICEM 2007).

Specific to human rights, a due diligence process should, in a manner that is appropriate to the organization's size and circumstances, include the following components:

- A human rights policy for the organization that gives meaningful guidance to those within the organization and those closely linked to the organization;
- Means of assessing how existing and proposed activities may affect human rights;
- Means of integrating the human rights policy throughout the organization;
- Means of tracking performance over time, to be able to make necessary adjustments in priorities and approach; and
- Actions to address the negative impacts of its decisions and activities.

### *Issue 2: Resolving grievances*

Even where institutions operate optimally, disputes over the human rights impact of an organization's decisions and activities may occur. Effective grievance mechanisms play an important role in the state's duty to protect human rights. Equally, to discharge its responsibility to respect human rights, an organization should establish a mechanism for those who believe their human rights have been abused to bring this to the attention of the organization and seek redress. An organization should establish, or otherwise ensure the availability of, remedy mechanisms for its own use and that of its stakeholders (ISO 26000, 2010)

### **2.2.3. Labor practices**

The labor practices of an organization encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work. Labor practices extend beyond the relationship of an organization with its direct employees or the responsibilities that an organization has at a workplace that it owns or directly controls. Labor practices include the recruitment and promotion of workers; disciplinary and grievance procedures; the transfer and relocation of workers; termination of employment; training and skills development; health, safety and industrial hygiene; and any policy or practice affecting conditions of work, in particular working time and remuneration. Labor practices also include the recognition of worker organizations and representation and participation of both worker and employer organizations in collective bargaining, social dialogue and tripartite consultation (governments, workers and employers) to address social issues related to employment (ISO 26000, 2009).

#### *Issue 1: Employment and employment relationships*

The significance of employment for human development is universally accepted. As an employer, an organization contributes to one of the most widely accepted objectives of society, namely the improvement of standards of living through full and secure employment and decent work. Every country provides a legal framework that regulates the relationship between employers and employees. The employment relationship confers rights and imposes obligations on both employers and employees in the interest of both the organization and society (ISO 26000, 2009).

### *Issue 2: Conditions of work and social protection*

Conditions of work include wages and other forms of compensation, working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection and welfare matters such as safe drinking water, sanitation, canteens and access to medical services. Many of the conditions of work are set by national laws and regulations or by legally binding agreements between those for whom work is performed and those who perform work. The employer determines many of the conditions of work. Conditions of work greatly affect the quality of life of workers and their families and also economic and social development. Fair and appropriate consideration should be given to the quality of conditions of work. (Australian Centre for Corporate social responsiveness 2007).

Social protection refers to all legal guarantees and organizational policies and practices to mitigate the reduction or loss of income in case of employment injury, illness, maternity, parenthood, old age, unemployment, disability or financial hardship and to provide medical care and family benefit. Social protection plays an important role in preserving human dignity and establishing a sense of fairness and social justice ISO 26000, (2011).

### *Issue 3: Social dialogue*

Social dialogue includes all types of negotiation, consultation or exchange of information between or among representatives of governments, employers and workers, on matters of common interest relating to economic and social concerns. It could take place between employer and worker representatives, on matters affecting their interests, and could also include governments where broader factors, such as legislation and social policy, are at stake. Social dialogue is based on the recognition that employers and workers have both competing and mutual interests, and in many countries plays a significant role in industrial relations, policy formulation and governance. Independent parties are required for social dialogue. Worker representatives should be freely elected, in accordance with national laws, regulations or collective agreements, by either the members of their trade union or by the workers concerned. They should not be designated by the government or the employer. At the level of the organization, social dialogue takes various forms, including information and consultation mechanisms such as works councils and

collective bargaining. Trade unions and employers' organizations, as the chosen representatives of the respective parties, have a particularly important role to play in social dialogue (ICEM 2007).

Effective social dialogue provides a mechanism for developing policy and finding solutions that take into account the priorities and needs of both employers and workers, and thus results in outcomes that are meaningful and long lasting for both the organization and society. Social dialogue can contribute to establishing participation and democratic principles in the workplace, to better understanding between the organization and those who perform its work and to healthy labor-management relations, thus minimizing resort to costly industrial disputes. Social dialogue is a powerful means for managing change. It can be used to design skills development programmes contributing to human development and enhancing productivity, or to minimize the adverse social impacts of change in the operations of organizations (ICEM 2007).

#### *Issue 4: Health and safety at work*

Health and safety at work concerns the promotion and maintenance of the highest degree of physical, mental and social well-being of workers and prevention of harm to health caused by working conditions. It also relates to the protection of workers from risks to health and the adaptation of the occupational environment to the physiological and psychological needs of workers (ICEM 2007).

The financial and social burden on society of work-related illness, injuries and death is heavy. Accidental and chronic pollution and other workplace hazards that are harmful for workers may also have impacts on communities and the environment. Safety concerns arise over dangerous equipment, processes, practices and substances (chemical, physical and biological) (ICEM 2007).

#### *Issue 5: Human development and training in the workplace*

Human development includes the process of enlarging people's choices by expanding human capabilities and functioning, thus enabling women and men to lead long and healthy lives, to be knowledgeable and to have a decent standard of living. Human

development also includes access to political, economic and social opportunities for being creative and productive and for enjoying self-respect and a sense of belonging to a community and contributing to society. Organizations can use workplace policy and initiatives to further human development by addressing important social concerns, such as fighting discrimination, balancing family responsibilities, promoting health and wellbeing and improving the diversity of their workforces. They can also use workplace policy and initiatives to increase the capacity and employability of individuals. Employability refers to the experiences, competencies and qualifications that increase an individual's capacity to secure and retain decent work (ICEM 2007).

#### **2.2.4. The environment**

The decisions and activities of organizations invariably have an impact on the environment no matter where the organizations are located. These impacts may be associated with the organization's use of resources, the location of the activities of the organization, the generation of pollution and wastes, and the impacts of the organization's activities on natural habitats. To reduce their environmental impacts, organizations should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications of their decisions and activities. Society is facing many environmental challenges, including the depletion of natural resources, pollution, climate change, and destruction of habitats, loss of species, the collapse of whole ecosystems and the degradation of urban and rural human settlements. As the world population grows and consumption increases, these changes are increasing threats to human security and the health and well-being of society. There is a need to identify options to reduce and eliminate unsustainable volumes and patterns of production and consumption and to ensure that the resource consumption per person becomes sustainable. Environmental matters at the local, regional and global level are interconnected. Addressing them requires a comprehensive, systematic and collective approach (ISO 26000, 2011).

Environmental responsibility is a precondition for the survival and prosperity of human beings. It is therefore an important aspect of social responsibility. Environmental matters are closely linked to other social responsibility core subjects and issues. Environmental

education and capacity building is fundamental in promoting the development of sustainable societies and lifestyles (ISO 26000, 2012).

*Issue 1: Prevention of pollution*

An organization can improve its environmental performance by preventing pollution, including:

- **Emissions to air:** An organization's emissions to air of pollutants such as lead, mercury, volatile organic compounds (VOCs), sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), dioxins, particulates and ozone-depleting substances can cause environmental and health impacts that affect individuals differently. These emissions may come directly from an organization's facilities and activities, or be caused indirectly by the use or end-of-life handling of its products and services or the generation of the energy it consumes (ISO 26000, 2011).
- **Discharges to water:** An organization may cause water to become polluted through direct, intentional or accidental discharges into surface water bodies, including the marine environment, unintentional runoff to surface water or infiltration to ground water. These discharges may come directly from an organization's facilities, or be caused indirectly by the use of its products and services; (ISO 26000, 2011).
- **Waste management:** An organization's activities may lead to the generation of liquid or solid waste that, if improperly managed, may cause contamination of air, water, land, soils and outer space. Responsible waste management seeks avoidance of waste. It follows the waste reduction hierarchy, that is: source reduction, reuse, recycling and reprocessing, waste treatment and waste disposal. The waste reduction hierarchy should be used in a flexible manner based on the life cycle approach. Hazardous waste, including radioactive waste, should be managed in an appropriate and transparent manner; use and disposal of toxic and hazardous chemicals An organization utilizing or producing toxic and hazardous chemicals (both naturally occurring and man-made) can adversely affect ecosystems and human health through acute (immediate) or chronic (long-term) impacts resulting from emissions or releases. These can affect individuals

differently, depending on age and gender; and other identifiable forms of pollution. An organization's activities, products and services may cause other forms of pollution that negatively affect the health and well-being of communities and that can affect individuals differently. These include noise, odor, visual impressions, light pollution, vibration, electromagnetic emissions, radiation, infectious agents (for example, viral or bacterial), emissions from diffused or dispersed sources and biological hazards (for example, invasive species) (ISO 26000, 2011).

### *Issue 2: Sustainable resource use*

To ensure the availability of resources in the future, current patterns and volumes of consumption and production need to change so that they operate within the earth's carrying capacity. The sustainable use of renewable resources means that they are used at a rate that is less than, or equal to, their rate of natural replenishment. For non-renewable resources (such as fossil fuels, metals and minerals), long-term sustainability requires that the rate of use be less than the rate at which a renewable resource can be substituted for it. An organization can progress towards sustainable resource use by using electricity, fuels, raw and processed materials, land and water more responsibly, and by combining or replacing non-renewable resources with sustainable, renewable resources, for example, by using innovative technologies. Four key areas for efficiency improvements are:

- **Energy efficiency:** An organization should implement energy efficiency programs to reduce the energy demand of buildings, transportation, production processes, appliances and electronic equipment, the provision of services or other purposes. Efficiency improvements in energy use should also complement efforts to advance sustainable use of renewable resources such as solar energy, geothermal energy, hydroelectricity, tidal and wave energy, wind power and biomass;
- **Water conservation, use and access to water:** Access to safe, reliable supplies of drinking water and sanitation services is a fundamental human need and a basic

- human right. An organization should conserve, reduce use of and reuse water in its own operations and stimulate water conservation within its sphere of influence;
- **Efficiency in the use of materials:** An organization should implement materials efficiency programs to reduce the environmental impact caused by the use of raw materials for production processes or for finished products used in its activities or in the delivery of its services. Materials efficiency programs are based on identification of ways to increase the efficiency of raw material use within the sphere of influence of the organization. Use of materials causes numerous direct and indirect environmental impacts, associated, for example, with the impact on ecosystems of mining and forestry, and the emissions resulting from the use, transport and processing of materials; and
  - **Minimized resource requirements of a product:** Consideration should be given to the resource requirements of the finished product during use (ISO 26000, 2011).

*Issue 3: Protection of the environment, biodiversity and restoration of natural habitats*

Human activity has changed ecosystems more rapidly and extensively than in any comparable period in history. Rapidly growing demand for natural resources has resulted in a substantial and often irreversible loss of habitat and diversity of life on earth. Vast areas both urban and rural – have been transformed by human action. An organization can become more socially responsible by acting to protect the environment and restore natural habitats and the various functions and services that ecosystems provide (such as food and water, climate regulation, soil formation and recreational opportunities). Key aspects of this issue include:

- **Valuing and protecting biodiversity:** Biodiversity is the variety of life in all its forms, levels and combinations; it includes ecosystem diversity, species diversity and genetic diversity. Protecting biodiversity aims to ensure the survival of terrestrial and aquatic species, genetic diversity and natural ecosystems;

- **Valuing, protecting and restoring ecosystem services:** Ecosystems contribute to the well-being of society by providing services such as food, water, fuel, flood control, soil, pollinators, natural fibers, recreation and the absorption of pollution and waste. As ecosystems are degraded or destroyed, they lose the ability to provide these services;
- **Using land and natural resource sustainably:** An organization's land-use projects may protect or degrade habitat, water, soils and ecosystems; and
- **Advancing environmentally sound urban and rural development:** Decisions and activities of organizations can have significant impacts on the urban or rural environment and their related ecosystems. These impacts can be associated with, for example, urban planning, building and construction, transport systems, waste and sewage management, and agricultural techniques (ISO 26000, 2011).

#### **2.2.5. Fair operating practices**

Fair operating practices concern ethical conduct in an organization's dealings with other organizations. These include relationships between organizations and government agencies, as well as between organizations and their partners, suppliers, contractors, customers, competitors, and the associations of which they are members. Fair operating practice issues arise in the areas of anti-corruption, responsible involvement in the public sphere, fair competition, socially responsible behavior, relations with other organizations and respect for property rights. In the area of social responsibility, fair operating practices concern the way an organization uses its relationships with other organizations to promote positive outcomes. Positive outcomes can be achieved by providing leadership and promoting the adoption of social responsibility more broadly throughout the organization's sphere of influence (ISO 26000, 2012).

##### *Issue 1: Anti-corruption*

Corruption is the abuse of entrusted power for private gain. Corruption can take many forms. Examples of corruption include bribery (soliciting, offering or accepting a bribe in money or in kind) involving public officials or people in the private sector, conflict of

interest, fraud, money laundering, embezzlement, concealment and obstruction of justice, and trading in influence. Corruption undermines an organization's effectiveness and ethical reputation, and can make it liable to criminal prosecution, as well as civil and administrative sanctions. Corruption can result in the violation of human rights, the erosion of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth (ISO 26000, 2012).

### *Issue 2: Accountability*

An organization should be accountable for its impacts on society, the economy and the environment. This principle suggests that an organization should accept appropriate scrutiny and also accept a duty to respond to this scrutiny.

Accountability involves an obligation on management to be answerable to the controlling interests of the organization and on the organization to be answerable to legal authorities with regard to laws and regulations. Accountability for the overall impact of its decisions and activities on society and the environment also implies that the organization's answerability to those affected by its decisions and activities, as well as to society in general, varies according to the nature of the impact and the circumstances.

Being accountable will have a positive impact on both the organization and society. The degree of accountability may vary, but should always correspond to the amount or extent of authority. Those organizations with ultimate authority are likely to take greater care for the quality of their decisions and oversight. Accountability also encompasses accepting responsibility where wrongdoing has occurred, taking the appropriate measures to remedy the wrongdoing and taking action to prevent it from being repeated (ISO 26000, 2012).

### *Issue 3: Transparency*

An organization should be transparent in its decisions and activities that have impact on society and the environment. An organization should disclose in a clear, accurate and

complete manner, and to a reasonable and sufficient degree, the policies, decisions and activities for which it is responsible, including their known and likely impacts on society and the environment. This information should be readily available, directly accessible and understandable to those who have been, or may be, affected in significant ways by the organization. It should be timely and factual and be presented in a clear and objective manner so as to enable stakeholders to accurately assess the impact that the organization's decisions and activities have on their respective interests. The principle of transparency does not require that proprietary information be made public, nor does it involve providing information that is privileged or that would breach legal, commercial, security or personal privacy obligations (ISO 26000, 2012).

#### **2.2.6. Customer issues**

Organizations that provide products and services to consumers, as well as other customers, have responsibilities to those consumers and customers. Responsibilities include providing education and accurate information, using fair, transparent and helpful marketing information and contractual processes, promoting sustainable consumption and designing products and services that provide access to all and cater, where appropriate, for the vulnerable and disadvantaged. The term consumer refers to those individuals or groups that make use of the output of the organizations' decisions and activities and does not necessarily mean that consumers pay money for products and services. Responsibilities also involve minimizing risks from the use of products and services, through design, manufacture distribution, information provision, support services and withdrawal and recall procedures. Many organizations collect or handle personal information and have a responsibility to protect the security of such information and the privacy of consumers (ISO 26000, 2009).

##### *Issue 1: Fair marketing*

Fair marketing, factual and unbiased information and fair contractual practices provide information about products and services in a manner that can be understood by consumers. This allows consumers to make informed decisions about consumption and purchases and to compare the characteristics of different products and services. Fair

contractual processes aim to protect the legitimate interests of both suppliers and consumers by mitigating imbalances in negotiating power between the parties. Responsible marketing may involve provision of information on the social, economic and environmental impacts across the whole life cycle and value chain. Details of products and services provided by suppliers play an important role in purchasing decisions because this information may provide the only data readily available to consumers. Unfair, incomplete, misleading or deceptive marketing and information can result in purchase of products and services that do not meet consumer needs, and result in a waste of money, resources and time, and may even be hazardous to the consumer or the environment. It can also lead to a decline in consumer confidence, with consumers not knowing whom or what to believe. This can adversely affect the growth of markets for more sustainable products and services (ISO 26000, 2009).

#### *Issue 2: Protecting consumers' health and safety*

Protection of consumers' health and safety involves the provision of products and services that are safe and that do not carry unacceptable risk of harm when used or consumed. The protection should cover both the intended use and foreseeable misuse. Clear instructions for safe use, including assembly and maintenance, are also an important part of the protection of health and safety. An organization's reputation may be directly affected by the impact on consumers' health and safety of its products and services. Products and services should be safe, regardless of whether or not legal safety requirements are in place. Safety includes anticipation of potential risks to avoid harm or danger. As all risks cannot be foreseen or eliminated, measures to protect safety should include mechanisms for product withdrawal and recall (ISO 26000, 2009).

#### *Issue3: Consumer data protection and privacy*

Consumer data protection and privacy are intended to safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used and secured. Increasing use of electronic communication (including for financial transactions) and genetic testing, as well as growth in large-scale databases, raise concerns about how consumer privacy can be protected, particularly with

regard to personally identifiable information. Organizations can help to maintain their credibility and the confidence of consumers through the use of rigorous systems for obtaining, using and protecting consumer data (ISO 26000, 2009).

### **2.2.7. Community involvement**

It is widely accepted today that organizations have a relationship with the communities in which they operate. This relationship should be based on community involvement so as to contribute to community development. Community involvement either individually or through associations seeking to enhance the public good helps to strengthen civil society. Organizations that engage in a respectful manner with the community and its institutions reflect and reinforce democratic and civic values. Community in this clause refers to residential or other social settlements located in a geographic area that is in physical proximity to an organization's sites or within an organization's areas of impact. The area and the community members affected by an organization's impacts will depend upon the context and especially upon the size and nature of those impacts. In general, however, the term community can also be understood to mean a group of people having particular characteristics in common, for instance a “virtual” community concerned with a particular issue (ISO 26000, 2010).

Community involvement and community development are both integral parts of sustainable development. It goes beyond identifying and engaging stakeholders in regard to the impacts of an organization's activities; it also encompasses support for and building a relationship with the community. Above all, it entails acknowledging the value of the community. An organization's community involvement should arise out of recognition that the organization is a stakeholder in the community, sharing common interests with the community. Stakeholders in the community may have different even conflicting interests. Shared responsibility is needed to promote well-being of the community as a common objective. An organization's contribution to community development can help to promote higher levels of well-being in the community. Such development, generally understood, is the improvement in the quality of life of a population. Community development is not a linear process; moreover, it is a long-term process in which different and conflicting interests will be present. Historical and cultural characteristics make each

community unique and influence the possibilities of its future. Community development is therefore the result of social, political, economic and cultural features and depends on the characteristics of the social forces involved (ISO 26000, 2009).

#### *Issue 1: Community involvement*

Community involvement is an organization's proactive outreach to the community. It is aimed at preventing and solving problems, fostering partnerships with local organizations and stakeholders and aspiring to be a good organizational citizen of the community. It does not replace the need for taking responsibility for impacts on society and the environment (ISO 26000, 2010). Organizations contribute to their communities through their participation in and support for civil institutions and through involvement in networks of groups and individuals that constitute civil society. Community involvement also helps organizations to familiarize themselves with community needs and priorities, so that the organization's developmental and other efforts are compatible with those of the community and society.

Community involvement also helps organizations to familiarize themselves with community needs and priorities, so that the organization's developmental and other efforts are compatible with those of the community and society. An organization might become involved through, for example, participation in forums established by local authorities and residents' associations or by creating such forums. Some traditional or indigenous communities, neighborhood associations or Internet networks express themselves without constituting a formal "organization". An organization should be aware that there are many types of groups, formal and informal, that can contribute to development. An organization should respect the cultural, social and political rights of such groups. It is important that actions for community involvement uphold respect for the rule of law and for participatory processes that respect the rights and have due regard for the views of others to express and defend their own interests (ISO 26000, 2011).

#### *Issue 2: Employment creation and skills development*

Employment is an internationally recognized objective related to economic and social development. By creating employment, all organizations, large and small, can make a

contribution to reducing poverty and promoting economic and social development. A skill development is an essential component of employment promotion and of assisting people to secure decent and productive jobs and is vital to economic and social development (ISO 26000, 2009).

An organization should:

- Analyze the impact of its investment decisions on employment creation and, where economically viable, make direct investments that alleviate poverty through employment creation;
- Consider the impact of technology choice on employment and, where economically viable in the longer term, select technologies that maximize employment opportunities;
- Consider the impact of outsourcing decisions on employment creation, both within the organization making the decision and within external organizations affected by such decisions;
- Consider the benefit of creating direct employment rather than using temporary work arrangements;
- Consider participating in local and national skills development programs, including apprenticeship programs, programs focused on particular disadvantaged groups, lifelong learning programs and skills recognition and certification schemes;
- Consider helping to develop or improve skills development programs in the community where these are inadequate, possibly in partnership with others in the community;
- Give special attention to vulnerable groups with regard to employment and capacity building; and

- Consider helping to promote the framework conditions necessary to create employment.

### **2.3. Empirical reviews**

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

#### **Labor practices**

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

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

general, the theme is firms should respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

### **Consumer Protection issues**

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

Anupam and Ravi (2012) also stated that consumer protection can be achieved through improved products. In the main, these and other findings indicate that consumer protection can be achieved through different dealings such as:

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

## **Community Welfare**

Nirmala (2008) studied about CSR as “the Social and Environmental Impacts of Leather Production”. The study indicates health problems which are related to tanneries. People who work in or live near tanneries are dying from cancer caused by exposure to toxic chemicals used to process and dye the leather. As a result leather companies in different countries should spot the incidence of disease among residents near to tannery. Companies have made public stands against the inhumane slaughter of animals and improper processing of hides. The remedies of the social and environmental injustices are as varied and in some cases as obscure as the victims. In each country, governing agencies should supposedly regulate and watch over the processes involved.

Hadi and Raveed (2011) also described CSR in terms “social values and behavioral issues” in order to reduce unemployment level of the community. These and other research findings on community standard of CSR summarized as:

- Firms should create strategic partnership between civil society, organizations and business gain momentum
- They should participate in local purchase
- Companies should provide various social services in infrastructure, entertainment, health, culture and so on.
- Business organizations should produce socially beneficial products
- Dialogue with the local community is also other thing which be considered in community standard of CSR

## **Environmental Protection**

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

Rahman (2011), in his study “Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility” stated that environmental protection is one of the dimensions by which CSR is described. As a methodology, dimensions of CSR were identified through a content analysis of its definitions.

According to Anupam and Ravi (2012)., the environment can be protected via various measures such as using less water, emitting fewer greenhouse gases and reduction of energy consumptions.

CSR standard studies of William and Jose (2009) proposed that environmental protection cab be carried out through:

- Complying with or surpassing pre-set environmental laws, rules and regulations to promote environmental protection and minimize, if not eliminate, environmental risks.
- Working towards development of innovative products that integrate environmental standards, minimize environmental impacts in integrated manner and enhance the social value.
- Participating in environmental protection and restoration projects.

- Promoting environmental awareness and provide information to employees to enhance their understanding of environmental issues.

### **Human Rights**

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

- Promote human rights in those countries where they operate.
- Investigate how human rights might be affected by the various types of business operations.
- Ensure that all security personnel respect human rights and comply with the principles of the UN Code of Conduct for Law Enforcement Officials
- Include in their code of conduct, the aspect of respect for human rights.

Similar to his description about environmental dimension, Shafiqur (2011), has declared that CSR be treated in terms of human rights.

### **Fair operating practices**

According to Australian Government (2010) study, social responsibility is premised on fair operating practices, meaning ethical conduct in an organization's dealings with others, including government agencies, partners, suppliers, contractors, competitors and the associations in which they are members. A key issue in fair operating practices is anti-corruption. Corruption can result in the violation of human rights, the erosion of

political processes, impoverishment of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth. Socially responsible companies will consequently have in place robust anti-corruption policies and practices, backed up by senior management buy-in, staff training, and reporting, and accountability arrangements. Similar explanation about transparency and anti-corruption are also raised by Shafiqur (2011).

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

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

In this section, the details about study methods are described. It describes and states all the research methods and techniques to be applied on the study and how the research is going to be conducted. It includes the type of research, total population and sampling techniques, types and sources of data, data collection instruments, and methods of data analysis.

#### **3.2. Type of the research**

This research is a qualitative and descriptive case study with a primary purpose of describing the state of CSR in the case organizations, as it exists at present. It is described in the International Conference of Environmental Management, 2007 that social aspects are ‘‘soft’’ in nature, therefore being difficult to quantify them ICEM (2007). The article also describes that the difficult task of measuring the results of CSR has been a matter of long discussion both by academics and practitioners (International Conference of Environmental Management 2007). As in the explanation above, it is quite difficult to quantify and understand CSR in terms of numbers, in light of this point; the study also has a qualitative nature. The main objective of the study is assessing the current practices of CSR in the case organization; thus, to meet this objective, the data that is collected and analyzed is mainly qualitative in nature.

#### **3.3. Population and Sampling Techniques**

According to the obtained information regarding the total population sizes of both of the case branches, there are above 1000 employees for Addis Ababa branch and above 900 employees for Akaki branch including permanent and non-permanent workers. But the researcher used purposive sampling technique and only took the permanent, clerical and administrative staff employees, due to their relevance to the study. There are 196 and 144 total permanent administrative and clerical employees respectively working under Addis Ababa and Akaki branch. Therefore, employees’ working in different divisions such as human resource, technical division, record keeping, procurement, marketing and sales

were included in the sample using purposive sampling which is a non probability sampling technique. Out of this sample, simple random sampling technique was further used to determine sample subjects. For this purpose, a sample frame was acquired from both branches. The sample size is determined to be 114 and 95 respectively using standard statistical sample size determination technique with 90% confidence level and 5% confidence interval. Therefore the total sample size is 209.

Using the formula  $n = \frac{n_o N}{n_o + (N-1)}$

### **3.4.Source of Data**

In general, the study used both primary and secondary data sources. The primary data is collected directly from the employees of the enterprise. On the other hand, secondary data is collected from both published and unpublished materials which are cited at the end of the study report.

### **3.5.Data Collection Instruments**

The researcher used two of the basic data collecting instruments appropriate for the study which are questionnaire and interview. Primary data was collected from employees and management of the enterprise through questionnaires and interview. The questionnaire instrument was structured with five scaled qualitative questions which are intended to measure the seven core subjects of CSR. It is a standard questionnaire developed based on the issues provided in the ISO 26000. Additionally a structured interview was administered with the management of both branches to understand why the enterprise undertakes CSR and what challenges were faced.

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

The data collection procedure consisted of the following three steps. First, permission for cooperation to provide the necessary information for the study was obtained from both branches. Second, the constructed questionnaire was distributed for the selected sample respondents and administered. Finally the distributed questionnaire was collected and interviews were administered, that was the end of data collection process.

### **3.7.Method of Data Analysis**

Once the required data was collected, descriptive statistical tools were applied using statistical software (SPSS) for the purpose of processing and analyzing the collected data. Since the nature of the collected data was nominal and ordinal and the results that the research is looking for are simple descriptive statistics, the appropriate analysis technique would be measure of central tendency like frequency distributions, percentiles and mean value to understand, group and find patterns. The study is carried out in two of Addis Ababa abattoir enterprise branches (namely Addis Ababa and Akaki) to enable comparisons and understand the internal consistency of the enterprise through different branches.

### **3.8.Validity and reliability**

Validity and reliability must be addressed in every study because the accuracy, dependability and credibility of the information depend on it. Validity of an instrument is how accurate the instrument is in obtaining the data it intends to collect (Mugenda and Mugenda 2003). Validity indicates the degree to which the instrument measures what it is supposed to measure. To measure the consistency of the scores obtained, and how consistent they were for each individual from one administration of an instrument to another and from one set of items to another, the study used Cronbach's alpha (a measure of the internal consistency of the questionnaire items) using data from all the respondents. Separate reliability tests for each of the variables were computed. The key statistic in interpreting the reliability of the scale was the alpha listed under the reliability co-efficient section at the end of the output. Bruin (2006) explains that the value of coefficient alpha ranges from zero (no internal consistency) to one (complete internal consistency); accordingly, the alpha coefficient for the seven items were 0 .828, suggesting that the items have relatively high internal consistency. (Note that a reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations). Simon, (2011) mentioned that the rationale for internal consistency is that the individual items or indicators of the scale should all be measuring the same construct and thus be highly inter- correlated. The measurement scales for the variables in this study were based on a 5-point likert scale ranging from "strongly disagree" to "Strongly agree". The questionnaire had 39 statement questions which

were later grouped in to 7 items and the cronbach's alpha was calculated for the seven grouped items.

The cronbach's alpha test was carried out using SPSS and the results are presented as follows:

Table 1: Cronbach's alpha test  
**Reliability Statistics**

Cronbach's Alpha	N of Items
.828	7

Data source: SPSS output

As it can be seen in the above table the cronbach's alpha is .828 showing that there is a fairly good or an acceptable internal consistency in the items. Additionally the total item result is shown below. It can be seen that all of the seven items contribute positively to yield the highest cronbach's alpha for the instrument.

Table 2: Item-total statistics for cronbach's alpha  
**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Organizational governance	89.75	317.316	.626	.796
Human rights	93.78	333.339	.718	.789
Labor practices	79.70	222.214	.759	.792
Environment	86.96	306.553	.567	.809
Fair operating practices	93.97	343.534	.636	.800
Consumer information	90.48	376.688	.529	.819
Community involvement	99.41	384.482	.550	.821

Data source: SPSS output

## CHAPTER FOUR

### 4. Data analysis and presentation

In this section, the results of the study are analyzed presented and interpreted. The information obtained through questionnaires and interview were analyzed and presented so they can answer the research questions raised in the first chapter.

As stated in the third chapter the sample size was 114 and 95 therefore, a total of 209 questionnaires were distributed for each of the sample respondents in both the case organizations. But 12 and 11 of them were excluded in the analysis because some of them were unreturned and some of them were invalid due to wrong and omitted inputs. As a result, there are 102 and 84 respondents that are included in the analysis for Addis Ababa and Akaki branches respectively.

First, the demographic characteristics of respondents from both the case organizations are presented. Then, the results for all the core subjects of CSR which were put as statements in a likert scale where respondents can choose between a scale of 1-5 where 1 represents “strongly disagree” and 5 represents “strongly agree”. The items are finally grouped together in to the seven core subjects stated and explained in the conceptual framework and their total descriptive statistics were carried out and presented. The data is analyzed and presented separately for each of the case organizations to see the internal consistency between the two branches of the enterprise. Finally the interview questions are analyzed and presented.

#### 4.1. Demographic background of respondents

##### 1. Gender

Below is presented gender frequency table for both Addis Ababa and Akaki branch

Table 3: Gender frequency distribution

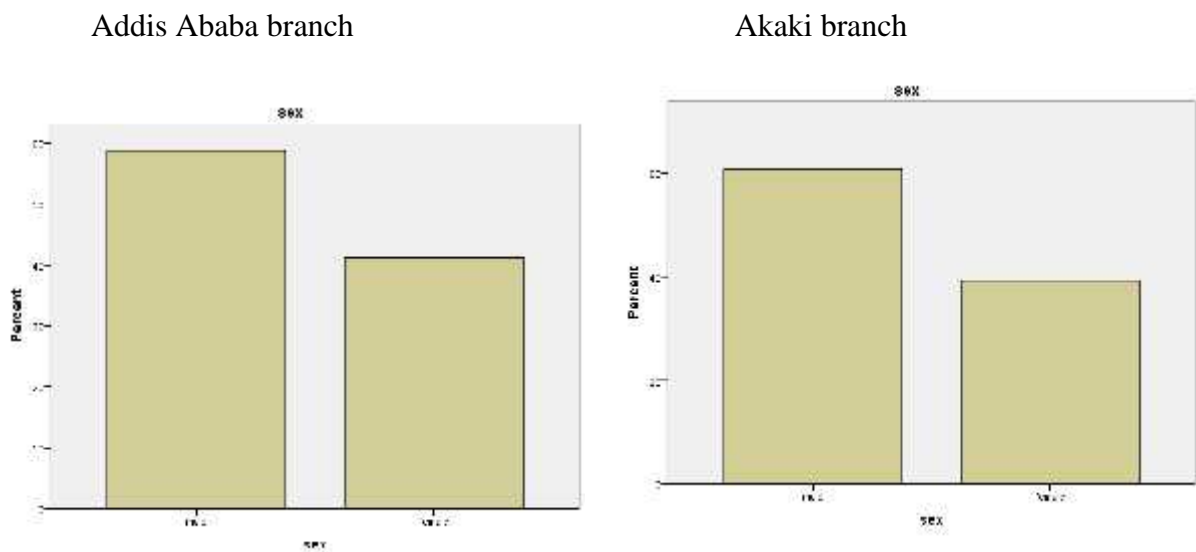
		<b>Gender</b>			
		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	Male	60	58.8	51	60.7
	female	42	41.2	33	39.3
	Total	102	100.0	84	100.0

Data source: SPSS output

As it is shown in the above table both branches are male dominated. Akaki has a slightly higher portion of male (60.7%) than that of Addis Ababa. Following that, 41.2% and 39.3% are female for Addis Ababa abattoir enterprise and Akaki abattoir enterprise respectively.

We can also compare the two using bar charts as shown below. They both have relatively similar gender distribution.

Figure2. Gender frequency distribution



Source: SPSS output

## 2. Educational level

The following table depicts the educational level distribution of respondents for both of the branches.

Table 4: Education level frequency distribution

**Educational level**

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
High school diploma	43	42.2	43	51.2
Valid Degree	57	55.9	41	48.8
above degree	2	2.0	0	0
Total	102	100.0	84	100.0

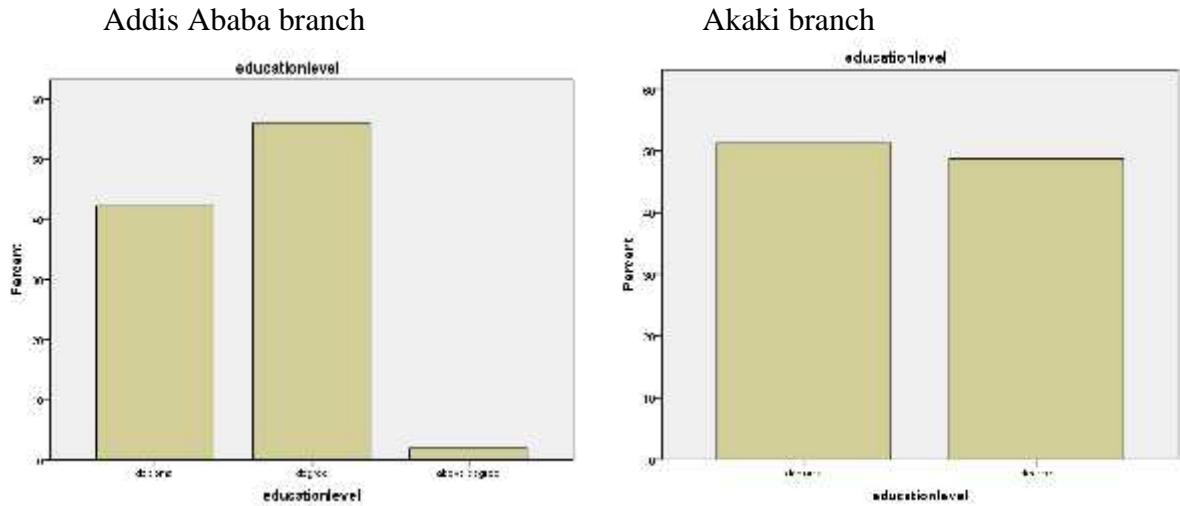
Data source: SPSS output

When we look at the table for Addis Ababa branch, it shows that most of the respondents (55.9%) are degree holders. Following that the next most frequent educational level among the respondents is diploma (42.2% of them hold diploma). Finally, there are very little respondents who reported to hold educational level that is above degree they make 2% of the respondents.

As for Akaki branch, we can see in the above table that all the respondents hold diploma and degree and there are no respondents who hold educational level that is above degree. Majority (51.2) of the respondent hold diploma, and following that, 48.8% of the respondents hold degree. This explanation is further illustrated with the following bar charts.

The following bar charts show that the respondents for Addis Ababa branch are distributed in all the three levels of education. But when we come to the respondents for Akaki branch, they are only distributed between diploma and degree.

Figure 3: Educational level frequency distribution



Source: SPSS output

### 3. Work position

The following table shows the work position distribution of respondents for both of the branches.

Table 5: Work position frequency distribution

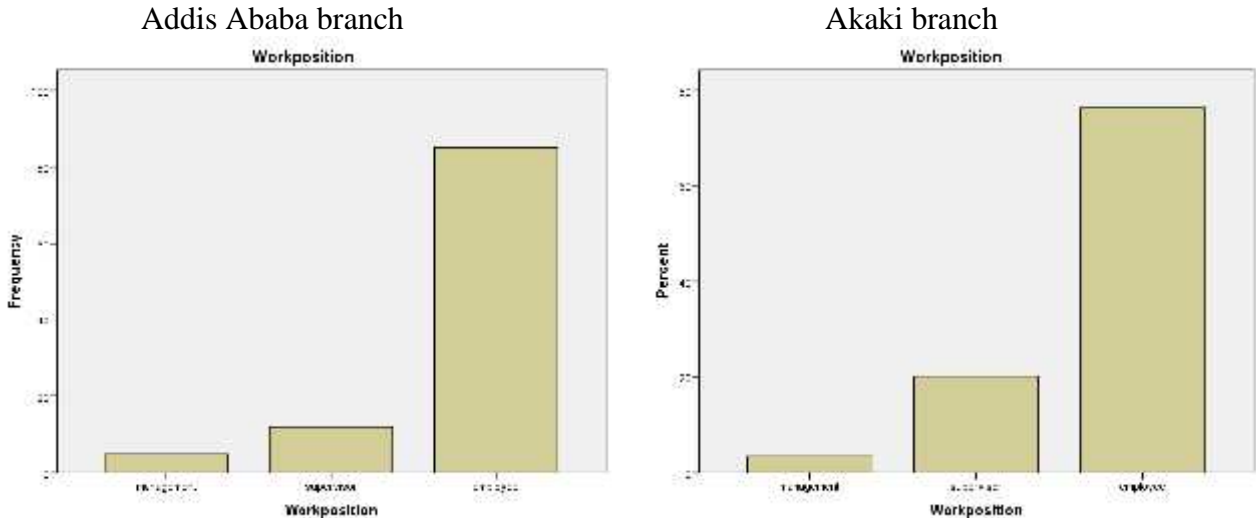
		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	management	5	4.9	3	3.6
	supervisor	12	11.8	17	20.2
	employee	85	83.3	64	76.2
	Total	102	100.0	84	100.0

Data source: SPSS output

It is shown in the above table that for Addis Ababa branch most of the respondents (83.3%) are employees. Following that, 11.8 % of them are supervisors and management is about 4.9%.The above table also shows that for Akaki branch most of the respondents (76.2%) are employees. The next most frequent are supervisors being 20.2% and finally management is t 3.6%.

It is shown in the following charts that both of the branches share a similar work position distribution.

Figure 4: Work position frequency distribution



Source: SPSS output

#### 4. Age

The following table shows the age distribution of respondents for both of the branches.

Table 6: Age frequency distribution

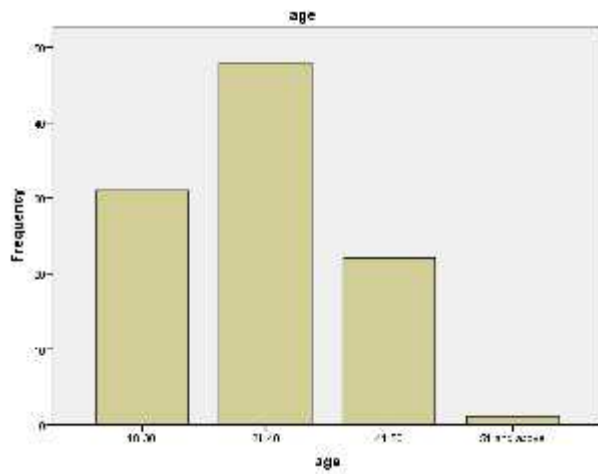
	Age			
	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid 18-30	31	30.4	29	34.5
31-40	48	47.1	37	44.0
41-50	22	21.6	17	20.2
51 and above	1	1.0	1	1.2
Total	102	100.0	84	100.0

Data source: SPSS output

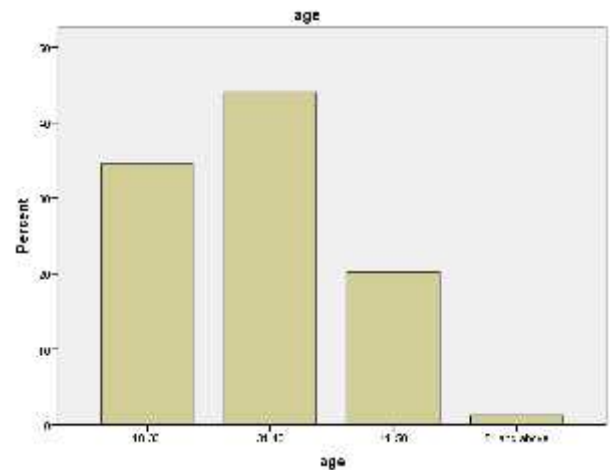
It is shown in the above table that most of the respondents (47.1%) for Addis Ababa branch are between the ages of 31-40. Following that 30.4% are between the ages of 18-30, and then 21.6% are between the ages of 41-50 and finally only one respondent falls in the age range of 51 and above constituting 1% of the respondents.

As for Akaki branch, it is shown that most of the respondents (44%) are between the ages of 31-40. Following that 34.5% are between the ages of 18-30, and then 20.2% are between the ages of 41-50 and finally only one respondent falls in the age range of 51 and above constituting about 1% of the respondents. It is further illustrated in the following charts that both of the case organizations have similar age distribution.

Figure 5: Age frequency distribution  
Addis Ababa branch



Akaki branch



Source: SPSS output

## 5. Work experience

The following table shows work experience distribution of respondents for both of the branches.

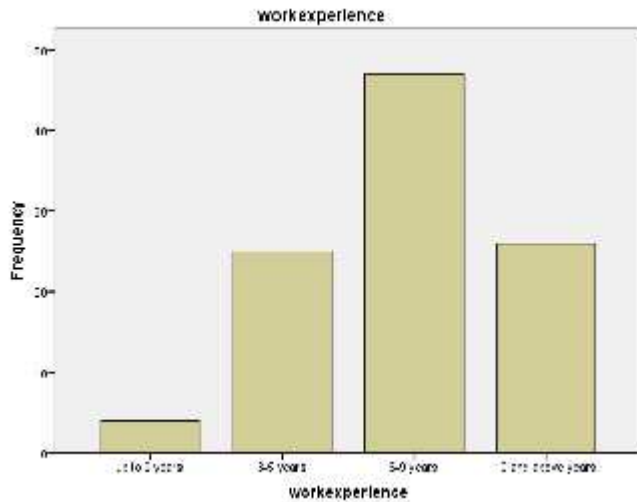
Table 7: Work experience frequency distribution

		<b>Work experience</b>			
		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	up to 2 years	4	3.9	4	4.8
	3-5 years	25	24.5	24	28.6
	6-9 years	47	46.1	40	47.6
	10 and above years	26	25.5	16	19.0
	Total	102	100.0	84	100.0

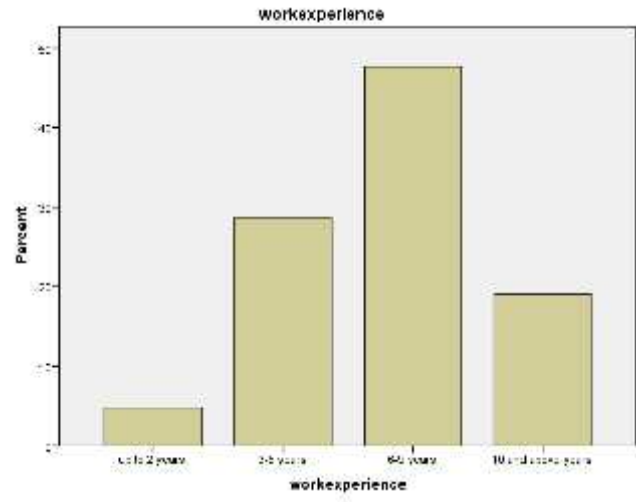
Data source: SPSS output

It is shown in the above table that most of the respondents for both of the branches have 6-9 years of experience, (46.1%) for Addis Ababa branch and (40%) for kaki branch. The next most frequent work experience is 3-5 years constituting about 24.5% and 28.6% for Addis Ababa branch and Akaki branch respectively. The results are further illustrated by the following charts. It can be seen that both branches share similar distributions.

Figure 6: Work experience frequency distribution  
Addis Ababa branch



Akaki branch



Source: SPSS output

## 4.2. Core subjects analysis

In this section, five statements were provided for respondents and they were asked to choose their level of agreement on a scale of 1-5 where 1 represents strong disagreement and 5 represents strong agreement. Therefore the results for these five statements are analyzed and summarized in to the seven core subjects and presented in the following sections.

### 4.2.1. Organizational governance

In this section, all the five questions under organizational governance were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for organizational governance.

Table 8: Total statistics for organizational governance

		Addis Ababa abattoir enterprise	Akaki abattoir enterprise
N	Valid	102	84
	Missing	0	0
Mean		3.8	3.7
Mode		4	4

Data source: SPSS output

Since the nature of our data is ordinal, the mean doesn't exactly represent a specific level of agreement in the likert scale but it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the enterprises are above 3.5 indicating that most of the responses tend to be "agree". Additionally the mode simply shows the most frequently observed response for all the five statements under organizational governance being "agree". From this we can conclude that most of the respondents agree that the enterprise is doing good regarding organizational governance.

Table 9: Decisions are made in pursuit of organizational objectives

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	Strongly disagree	3	2.9	3	3.6
	Disagree	20	19.6	15	17.9
	Neutral	9	8.8	5	6.0
	Agree	51	50.0	41	48.8
	strongly agree	19	18.6	20	23.8
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item one under organizational governance. It is shown that for Addis Ababa branch a total of 68.6% respondents "agree" (50%) and "strongly agree" (18.6%), on the contrary, a total of 22.5% "disagree" and "strongly disagree" and the rest (8.8%) are "neutral" that decisions are made and implemented in pursuit of organizational objectives. On the other hand for Akaki branch a total of 72.6% respondents "agree" (48.8%) and "strongly agree" (23.8%), on the contrary, a total of 21.5% "disagree" and

“strongly disagree” and the rest (6%) are “neutral” that decisions are made and implemented in pursuit of organizational objectives. From this it can be said that most of the respondents agree that decisions are made and implemented in pursuit of organizational objectives.

Table 10: Social responsibility is integrated throughout the organization

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	7	6.8	6	7.1
Disagree	58	56.9	41	48.8
Neutral	11	10.8	15	17.9
Agree	21	20.6	14	16.7
strongly agree	5	4.9	8	9.5
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item two under organizational governance. It is shown that for Addis branch a total of 63.7% respondents “disagree” (56.9%) and “strongly disagree” (6.8%) on the contrary, a total of 25.5% “agree” and “strongly agree” and the rest (10.8%) are “neutral” that Social responsibility is integrated throughout the organization. On the other hand for Akaki branch a total of 55.9% respondents “disagree” (48.8%) and “strongly disagree” (7.1%) on the contrary, a total of 26.2% “agree” and “strongly agree” and the rest (17.9%) are “neutral” that Social responsibility is integrated throughout the organization. From this, it can be said that most of the respondents disagree that Social responsibility is integrated throughout the organization.

Table 11: Management takes responsibility

	Addis Ababa abattoir enterprise		Akaki abattoir enterprise	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	14	13.7	12	14.3
Disagree	19	18.6	16	19.0
Neutral	13	12.7	10	11.9
Agree	45	44.1	31	36.9
strongly agree	11	10.8	15	17.9
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item three under organizational governance. It is shown that for Addis Ababa branch a total of 54.9% respondents “agree” (44.1%) and “strongly agree” (10.8%), on the contrary, a total of 32.3% “disagree” and “strongly disagree” and the rest (12.7%) are “neutral” that management takes responsibility for the impacts of its decisions and activities. On the other hand for Akaki branch a total of 54.8% respondents “agree” (36.9%) and “strongly agree” (17.9%), on the contrary, a total of 33.3% “disagree” and “strongly disagree” and the rest (11.9%) are “neutral” that decisions are made and implemented in pursuit of organizational objectives. from this it can be said that most of the respondents agree that management takes responsibility for the impacts of its decisions and activities.

Table 12: The organization behaves in a socially responsible manner

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	4	3.9	5	6.0
disagree	22	21.6	22	26.2
neutral	10	9.8	5	6.0
agree	48	47.1	41	48.8
strongly agree	18	17.6	11	13.1
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item four under organizational governance. It is shown that for Addis Ababa branch a total of 64.7% respondents “agree” (47.1%) and “strongly agree” (17.6%), on the contrary, a total of 25.5% “disagree” and “strongly disagree” and the rest (9.8%) are “neutral” that the organization tries to increase its ability to behave in a socially responsible manner. On the other hand for Akaki branch a total of 61.9% respondents “agree” (48.8%) and “strongly agree” (13.1%), on the contrary, a total of 32.2% “disagree” and “strongly disagree” and the rest (6%) are “neutral” that the organization tries to increase its ability to behave in a socially responsible manner. from this it can be said that most of the respondents agree that the organization tries to increase its ability to behave in a socially responsible manner.

Table 13: Decision-making processes is conducive to social responsibility

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	16	15.7	18	21.4
	Disagree	47	46.1	42	50.0
	Neutral	8	7.8	10	11.9
	Agree	28	27.5	10	11.9
	strongly agree	3	2.9	4	4.8
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item five under organizational governance. It is shown that for Addis Ababa branch a total of 61.8% respondents “disagree” (46.1%) and “strongly disagree” (15.7%) on the contrary, a total of 30.4% “agree” and “strongly agree” and the rest (7.8%) are “neutral” that decision-making processes and structures are conducive to social responsibility. On the other hand for Akaki branch a total of 71.4% respondents “disagree” (50%) and “strongly disagree” (21.4%) on the contrary, a total of 16.7% “agree” and “strongly agree” and the rest (11.9%) are “neutral” that decision-making processes and structures are conducive to social responsibility. from this it can be said that most of the respondents disagree that decision-making processes and structures are conducive to social responsibility.

#### 4.2.2. Human rights

In human rights section four item statements were provided for respondents and the results are analyzed and presented as follows. Here, all the four questions under human rights were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for human rights.

Table 14: Total statistics of human rights

		Addis Ababa branch	Akaki branch
N	Valid	84	84
	Missing	0	0
Mean		2.82	2.94
Mode		2	2

Data source: SPSS output

Again, though the mean doesn't exactly represent a specific level of agreement in the likert scale, it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the branches are below 3 indicating that most of the responses tend to be "disagree". Additionally the mode simply shows the most frequently observed response for all the four statements under human rights being "disagree". From this we can conclude that the enterprise is doing poorly regarding human rights.

Table 15: The organization has a human rights policy

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	3	2.9	3	3.6
	disagree	22	21.6	18	21.4
	neutral	9	8.8	5	6.0
	agree	39	38.2	22	26.2
	strongly agree	29	28.4	36	42.9
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item one under human rights. It is shown that for Addis Ababa branch a total of 66.6% respondents "agree" (38.2%) and "strongly agree" (28.4%), on the

contrary, a total of 24.5% “disagree” and “strongly disagree” and the rest (8.8%) are “neutral” that the organization has a human rights policy that gives meaningful guidance on how to protect human rights. On the other hand for Akaki branch a total of 69.1% respondents “agree” (26.2%) and “strongly agree” (42.9%),on the contrary, a total of 25% “disagree” and “strongly disagree” and the rest (6%) are “neutral” that the organization has a human rights policy that gives meaningful guidance on how to protect human rights. from this it can be said that most of the respondents agree that the organization has a human rights policy that gives meaningful guidance on how to protect human rights.

Table 16: The human rights policy is integrated in the organization

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	3	2.9	1	1.2
disagree	53	52.0	46	54.8
neutral	10	9.8	5	6.0
agree	25	24.5	20	23.8
strongly agree	11	10.8	12	14.3
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item two under human rights. It is shown that for Addis Ababa branch a total of 54.9% respondents “disagree” (52%) and “strongly disagree” (2.9%)on the contrary, a total of 35.3% “agree” and “strongly agree” and the rest (9.8%) are “neutral” that the human rights policy is integrated throughout the organization. On the other hand for branch a total of 56% respondents “disagree” (54.8%) and “strongly disagree” (1.2%) on the contrary, a total of 38.1% “agree” and “strongly agree” and the rest (6%) are “neutral” that the human rights policy is integrated throughout the organization. from this it can be said that most of the respondents disagree that the human rights policy is integrated throughout the organization.

Table 17: The organization assesses its activities

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	18	17.6	12	14.3
	disagree	47	46.1	40	47.6
	neutral	8	7.8	12	14.3
	agree	26	25.5	16	19.0
	strongly agree	3	2.9	4	4.8
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item three under human rights. It is shown that for Addis Ababa branch a total of 63.7% respondents “disagree” (46.1%) and “strongly disagree” (17.6%) on the contrary, a total of 28.4% “agree” and “strongly agree” and the rest (7.8%) are “neutral” that the organization assesses how its existing and proposed activities may affect human rights. On the other hand for Akaki branch a total of 61.9% respondents “disagree” (47.6%) and “strongly disagree” (14.3%) on the contrary, a total of 23.8% “agree” and “strongly agree” and the rest (14.3%) are “neutral” that the organization assesses how its existing and proposed activities may affect human rights. from this it can be said that most of the respondents disagree that the organization assesses how its existing and proposed activities may affect human rights.

Table 18: The organization has grievance resolution mechanism

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	24	23.5	18	21.4
	disagree	53	52.0	45	53.6
	neutral	15	14.7	7	8.3
	agree	9	8.8	9	10.7
	strongly agree	1	1.0	5	6.0
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item four under human rights. It is shown that for Addis Ababa branch a

total of 75.8% respondents “disagree” (52.%) and “strongly disagree” (23.5%) on the contrary, a total of 9.8% “agree” and “strongly agree” and the rest (14.7%) are “neutral” that the organization has an effective grievance resolution mechanism. On the other hand for Akaki branch a total of 75% respondents “disagree” (53.6%) and “strongly disagree” (21.4%) on the contrary, a total of 16.7% “agree” and “strongly agree” and the rest 8.3% are “neutral” that the organization has an effective grievance resolution mechanism. from this it can be said that most of the respondents disagree that the organization has an effective grievance resolution mechanism.

### 4.2.3. Labor practices

Here, all the nine questions under labor practice were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for labor practice.

Table 19: Total statistics of labor practice

		Addis Ababa branch	Akaki branch
N	Valid	102	84
	Missing	0	0
Mean		2.44	2.62
Mode		2	2

Data source: SPSS output

Again, though the mean doesn’t exactly represent a specific level of agreement in the likert scale, it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the branches are significantly below 3 indicating that most of the responses tend to be “disagree”. Additionally the mode simply shows the most frequently observed response for all the nine statements under labor practice being “disagree”. From this we can conclude that the enterprise is doing poorly regarding labor practice.

Table 20: Equal opportunities are insured for all workers

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	3	2.9	7	8.3
	Disagree	34	33.3	18	21.4
	Neutral	3	2.9	9	10.7
	Agree	46	45.1	37	44.0
	strongly agree	16	15.7	13	15.5
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item one under labor practice. It is shown that for Addis Ababa branch a total of 60.8% respondents “agree” (45.1%) and “strongly agree” (15.7%), on the contrary, a total of 36.2% “disagree” and “strongly disagree” and the rest (2.9%) are “neutral” Equal opportunities are insured for all workers with no discrimination either directly or indirectly in any labor practice. On the other hand for Akaki branch a total of 59.5% respondents “agree” (44.0%) and “strongly agree” (15.5%), on the contrary, a total of 29.7% “disagree” and “strongly disagree” and the rest (10.76%) are “neutral” that Equal opportunities are insured for all workers with no discrimination either directly or indirectly in any labor practice. from this it can be said that most of the respondents agree that Equal opportunities are insured for all workers with no discrimination either directly or indirectly in any labor practice.

Table 21: Rights and obligations are distributed

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	7	6.9	6	7.1
	Disagree	20	19.6	21	25.0
	Neutral	14	13.7	5	6.0
	Agree	42	41.2	30	35.7
	strongly agree	19	18.6	22	26.2
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows frequency distribution and percentage for item two under labor practice. It is shown that for Addis Ababa branch a total of 59.8% respondents “agree” (41.2%) and “strongly agree” (18.6%), on the contrary, a total of 26.5% “disagree” and “strongly disagree” and the rest (13.7%) are “neutral” Rights and obligations are distributed for both employers and employees in the interest of both the organization and employees. On the other hand for Akaki branch a total of 61.9% respondents “agree” (35.7%) and “strongly agree” (26.2%), on the contrary, a total of 32.1% “disagree” and “strongly disagree” and the rest (6%) are “neutral” that Rights and obligations are distributed for both employers and employees in the interest of both the organization and employees. from this it can be said that most of the respondents agree that Rights and obligations are distributed for both employers and employees in the interest of both the organization and employees.

Table 22: Fair and appropriate Conditions of work are given

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	8	7.8	8	9.5
Disagree	59	57.8	47	56.0
Neutral	6	5.9	3	3.6
Agree	26	25.5	21	25.0
strongly agree	3	2.9	5	6.0
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item three under labor practice. It is shown that for Addis Ababa branch a total of 65.6% respondents “disagree” (57.8%) and “strongly disagree” (7.8%) on the contrary, a total of 28.4% “agree” and “strongly agree” and the rest (5.9%) are “neutral” that Fair and appropriate Conditions of work are given. On the other hand for Akaki branch a total of 65.5% respondents “disagree” (56%) and “strongly disagree” (9.5%) on the contrary, a total of 29% “agree” and “strongly agree” and the rest (3.6%) are “neutral” that Fair and appropriate Conditions of work are given. From this it can be said that most of the respondents disagree that Fair and appropriate Conditions of work are given.

Table 23: Equal compensation for work of equal value is provided

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	14	13.7	14	16.7
	Disagree	19	18.6	16	19.0
	Neutral	7	6.9	6	7.1
	Agree	47	46.1	35	41.7
	strongly agree	15	14.7	13	15.5
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows frequency distribution and percentage for item four under labor practice. It is shown that for Addis Ababa branch a total of 60.8% respondents “agree” (46.1%) and “strongly agree” (14.7%), on the contrary, a total of 32.3% “disagree” and “strongly disagree” and the rest (6.9%) are “neutral” that Equal compensation for work of equal value is provided. On the other hand for Akaki branch a total of 57.2% respondents “agree” (41.7%) and “strongly agree” (15.5%), on the contrary, a total of ???% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that Equal compensation for work of equal value is provided. From this it can be said that most of the respondents agree that Equal compensation for work of equal value is provided for both the enterprises.

Table 24: There is negotiation among employers and employees

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	27	26.5	19	22.6
	Disagree	51	50.0	39	46.4
	Neutral	7	6.9	7	8.3
	Agree	15	14.7	17	20.2
	strongly agree	2	2.0	2	2.4
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item five under labor practice. It is shown that for Addis Ababa branch a

total of 76.5% respondents “disagree” (50%) and “strongly disagree” (26.5%) on the contrary, a total of 16.7% “agree” and “strongly agree” and the rest (6.9%) are “neutral” that there is negotiation, consultation and exchange of information among employers and employees. On the other hand for Akaki branch a total of 69% respondents “disagree” (46.4%) and “strongly disagree” (22.6%) on the contrary, a total of 22.8% “agree” and “strongly agree” and the rest (8.3%) are “neutral” that there is negotiation, consultation and exchange of information among employers and employees. From this it can be said that most of the respondents disagree that there is negotiation, consultation and exchange of information among employers and employees.

Table 25: The organization provides information

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid				
strongly disagree	26	25.5	25	29.8
Disagree	54	52.9	39	46.4
Neutral	13	12.7	12	14.3
Agree	4	3.9	3	3.6
strongly agree	5	4.9	5	6.0
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the above table shows the frequency distribution and percentage for item six under labor practice. It is shown that for Addis Ababa branch a total of 78.4% respondents “disagree” (52.9%) and “strongly disagree” (25.5%) on the contrary, a total of 8.8% “agree” and “strongly agree” and the rest (12.7%) are “neutral” that the organization provides information on the social, economic and environmental impacts of its actions. On the other hand for Akaki branch a total of 76.2% respondents “disagree” (46.4%) and “strongly disagree” (29.8%) on the contrary, a total of 9.6% “agree” and “strongly agree” and the rest (14.3%) are “neutral” that the organization provides information on the social, economic and environmental impacts of its actions. From this it can be said that most of the respondents disagree that the organization provides information on the social, economic and environmental impacts of its actions.

Table 26: Workers are protected from risks

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	20	19.6	25	29.8
	Disagree	48	47.1	29	34.5
	Neutral	6	5.9	6	7.1
	Agree	19	18.6	19	22.6
	strongly agree	9	8.8	5	6.0
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item seven under labor practice. It is shown that for Addis Ababa branch a total of 66.7% respondents “disagree” (47.1%) and “strongly disagree” (19.6%) on the contrary, a total of 27.4% “agree” and “strongly agree” and the rest (5.9%) are “neutral” that workers are protected from risks to health caused by working conditions. On the other hand for Akaki branch a total of 64.3% respondents “disagree” (34.5%) and “strongly disagree” (29.8%) on the contrary, a total of ???% “agree” and “strongly agree” and the rest (7.1%) are “neutral” that workers are protected from risks to health caused by working conditions. From this it can be said that most of the respondents disagree that workers are protected from risks to health caused by working conditions.

Table 27: The organization analyzes and controls health and safety risks

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	19	18.6	15	17.9
	Disagree	51	50.0	35	41.7
	Neutral	4	3.9	11	13.1
	Agree	22	21.6	15	17.9
	strongly agree	6	5.9	8	9.5
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item eight under labor practice. It is shown that for Addis Ababa branch a total of 68.6% respondents “disagree” (50%) and “strongly disagree” (18.6%) on the

contrary, a total of 27.5% “agree” and “strongly agree” and the rest (3.9%)are “neutral” that the organization analyzes and controls the health and safety risks involved in its activities. On the other hand for Akaki branch a total of 59.6% respondents “disagree” (41.7%) and “strongly disagree” (17.9%) on the contrary, a total of 27.4% “agree” and “strongly agree” and the rest (13.1%) are “neutral” that the organization analyzes and controls the health and safety risks involved in its activities. From this it can be said that most of the respondents disagree that the organization analyzes and controls the health and safety risks involved in its activities.

Table 28: workers are provided with access to skills development

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	14	13.7	21	25.0
	Disagree	55	53.9	36	42.9
	Neutral	3	2.9	10	11.9
	Agree	25	24.5	12	14.3
	strongly agree	5	4.9	5	6.0
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item nine under labor practice. It is shown that for Addis Ababa branch a total of 67.6% respondents “disagree” (53.9%) and “strongly disagree” (13.7%),on the contrary, a total of 29.4% respondents “agree” and “strongly agree” and the rest (2.9%)are “neutral” that all workers are provided with access to skills development, training and opportunities for career advancement for both of the enterprises. On the other hand for Akaki branch a total of 67.9% respondents “disagree” (42.9%) and “strongly disagree” (25%),on the contrary, a total of 20.3% “agree” and “strongly agree” and the rest (11.9%) are “neutral” that all workers are provided with access to skills development, training and opportunities for career advancement for both of the enterprises. From this it can be said that most of the respondents disagree that all workers are provided with access to skills development, training and opportunities for career advancement.

#### 4.2.4. The Environment

Here, all the six questions under the environment were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for human rights.

Table 29: Total Statistics The environment

		Addis Ababa branch	Akaki branch
N	Valid	102	84
	Missing	0	0
Mean		2.34	2.46
Mode		2	2

Data source: SPSS output

Again, though the mean doesn't exactly represent a specific level of agreement in the likert scale, it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the enterprises are below 3 indicating that most of the responses tend to be "disagree". Additionally the mode simply shows the most frequently observed response for all the five statements under organizational governance being "disagree". From this we can conclude that the enterprise is doing poorly regarding the environment.

Table 30: The organization tries to improve its environmental performance

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	13	12.7	20	23.8
	disagree	48	47.1	35	41.7
	neutral	9	8.8	5	6.0
	Agree	25	24.5	15	17.9
	strongly agree	7	6.9	9	10.7
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item one under environment. It is shown that for Addis Ababa branch a total of 59.8% respondents "disagree" (47.1%) and "strongly disagree" (12.7%) on the contrary, a total of 31.4% "agree" and "strongly agree" and the rest (8.8%) are "neutral"

that the organization tries to improve its environmental performance by preventing water and air pollution. On the other hand for Akaki branch a total of 65.5% respondents “disagree” (41.7%) and “strongly disagree” (23.8%) on the contrary, a total of 28.6% “agree” and “strongly agree” and the rest (6%) are “neutral” that the organization tries to improve its environmental performance by preventing water and air pollution. From this it can be said that most of the respondents disagree that the organization tries to improve its environmental performance by preventing water and air pollution.

Table 31: There is an effective waste management system

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	14	13.7	19	22.6
disagree	47	46.1	41	48.8
neutral	20	19.6	1	1.2
Agree	13	12.7	16	19.0
strongly agree	8	7.8	7	8.3
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item two under environment. It is shown that for Addis Ababa branch a total of 59.8% respondents “disagree” (46.1%) and “strongly disagree” (13.7%) on the contrary, a total of 20.5% “agree” and “strongly agree” and the rest (19.6%) are “neutral” that there is an effective waste management system that controls discharges to water and air. On the other hand for Akaki branch a total of 71.4% respondents “disagree” (48.8%) and “strongly disagree” (22.6%) on the contrary, a total of 27.3% “agree” and “strongly agree” and the rest (1.2%) are “neutral” that there is an effective waste management system that controls discharges to water and air for both of the enterprises. From this it can be said that most of the respondents disagree that there is an effective waste management system that controls discharges to water and air.

Table 32: Wastes are processed before being disposed

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	7	6.9	3	3.6
	disagree	20	19.6	23	27.4
	neutral	7	6.9	2	2.4
	Agree	46	45.1	39	46.4
	strongly agree	22	21.6	17	20.2
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item tree under environment. It is shown that for Addis Ababa branch a total of 66.7% respondents “agree” (45.1%) and “strongly agree” (21.6%), on the contrary, a total of 26.5% “disagree” and “strongly disagree” and the rest (6.9%) are “neutral” that wastes are processed before being disposed so that their pollution to the environment is reduced for both of the enterprises. On the other hand for Akaki branch a total of 66.6% respondents “agree” (46.4%) and “strongly agree” (20.2%), on the contrary, a total of 31% “disagree” and “strongly disagree” and the rest (2.4%) are “neutral” that wastes are processed before being disposed so that their pollution to the environment is reduced for both of the enterprises. From this it can be said that most of the respondents agree that wastes are processed before being disposed so that their pollution to the environment is reduced.

Table 33: The organization conserves and reduces its use of water

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	29	28.4	6	7.1
	disagree	45	44.1	54	64.3
	neutral	6	5.9	3	3.6
	Agree	13	12.7	18	21.4
	strongly agree	9	8.8	3	3.6
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item four under environment. It is shown that for Addis Ababa branch a total of 72.5% respondents “disagree” (44.1%) and “strongly disagree” (28.4%) on the contrary, a total of 21.5% “agree” and “strongly agree” and the rest (5.9%) are “neutral” that the organization conserves and reduces its use of water and reuses it in its own operations. On the other hand for Akaki branch a total of 71.4% respondents “disagree” (64.3%) and “strongly disagree” (7.1%) on the contrary, a total of ???% “agree” and “strongly agree” and the rest (3.6%) are “neutral” that that the organization conserves and reduces its use of water and reuses it in its own operations. From this it can be said that most of the respondents disagree that that the organization conserves and reduces its use of water and reuses it in its own operations for both the enterprises.

Table 34: The organization strives to ensure the availability of resources

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	19	18.6	15	17.9
disagree	48	47.1	47	56.0
neutral	21	20.6	7	8.3
Agree	13	12.7	10	11.9
strongly agree	1	1.0	5	6.0
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item five under environment. It is shown that for Addis Ababa branch a total of 65.7% respondents “disagree” (47.1%) and “strongly disagree” (18.6%) on the contrary, a total of 13.1% “agree” and “strongly agree” and the rest (20.6%) are “neutral” that the organization strives to ensure the availability of resources in the future. On the other hand for Akaki branch a total of 73.9% respondents “disagree” (56%) and “strongly disagree” (17.9%) on the contrary, a total of 17.9% “agree” and “strongly agree” and the rest (8.3%) are “neutral” that the organization strives to ensure the availability of resources in the future. From this it can be said that most of the respondents disagree that the organization strives to ensure the availability of resources in the future.

Table 35: The organization improves its environmental impacts

		Addis Ababa branch		Akaki branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	12	11.8	10	11.9
	disagree	43	42.2	36	42.9
	neutral	16	15.7	16	19.0
	Agree	25	24.5	18	21.4
	strongly agree	6	5.9	4	4.8
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item six under environment. It is shown that for Addis Ababa branch a total of 54% respondents “disagree” (42.2%) and “strongly disagree” (11.8%) on the contrary, a total of 30.4% “agree” and “strongly agree” and the rest (15.7%) are “neutral” that the that the organization identifies and improves environmental impacts of its operations, including resource use and waste disposal. On the other hand for Akaki branch a total of 54.8% respondents “disagree” (42.9%) and “strongly disagree” (11.9%) on the contrary, a total of 26.2% “agree” and “strongly agree” and the rest (19%) are “neutral” that that the organization identifies and improves environmental impacts of its operations, including resource use and waste disposal. From this it can be said that most of the respondents disagree that that the organization identifies and improves environmental impacts of its operations, including resource use and waste disposal.

#### 4.2.5. Fair operating practices

Here, all the four questions under fair operating practices were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode fair operating practices.

Table 36: total statistics of fair operating practices

		Addis Ababa branch	Akaki branch
N	Valid	102	84
	Missing	0	0
Mean		3.74	3.93
Mode		4	4

Data source: SPSS output

Though the mean doesn't exactly represent a specific level of agreement in the likert scale, it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the branches are above 3.5 indicating that most of the responses tend to be "agree". Additionally the mode simply shows the most frequently observed response for all the five statements under organizational governance being "agree". From this we can conclude that most of the respondents agree that the enterprise is doing good regarding fair operating practices.

Table 37: Actions are taken in respecting the law

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	5	4.9	6	7.1
disagree	16	15.7	18	21.4
neutral	18	17.6	6	7.1
agree	37	36.3	41	48.8
strongly agree	26	25.5	13	15.5
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item one under fair operating practices. It is shown that for Addis Ababa branch a total of 61.8% respondents "agree" (36.3%) and "strongly agree" (25.5%), on the contrary, a total of 20.6% "disagree" and "strongly disagree" and the rest (17.6%) are "neutral" that actions are taken in respecting the law and practicing fairness in dealing with other businesses. On the other hand for Akaki abattoir branch of 64% respondents "agree" (48.5%) and "strongly agree" (15.5%), on the contrary, a total of 28.5% "disagree" and "strongly disagree" and the rest (7.1%) are "neutral" that actions are taken in respecting the law and practicing fairness in dealing with other businesses. From this it can be said that most of the respondents agree that actions are taken in respecting the law and practicing fairness in dealing with other businesses.

Table 38: The organization has a system to identify the risks

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	8	7.8	2	2.3
disagree	23	22.5	15	17.9
neutral	9	8.8	5	6.0
agree	49	48.0	54	64.3
strongly agree	13	12.7	8	9.5
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item two under fair operating practices. It is shown that for Addis Ababa branch a total of 60.7% respondents “agree” (48%) and “strongly agree” (12.7%), on the contrary, a total of 30.3% “disagree” and “strongly disagree” and the rest (8.8%) are “neutral” that the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption. On the other hand for Akaki branch a total of 73.8% respondents “agree” (64.3%) and “strongly agree” (9.5%), on the contrary, a total of 20.2% “disagree” and “strongly disagree” and the rest (6%) are “neutral” that the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption. From this it can be said that most of the respondents agree that the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption.

Table 39: The organizations accounts for its impacts

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	25	24.5	13	15.5
disagree	44	43.1	40	47.6
neutral	5	4.9	10	11.9
agree	26	25.5	19	22.6
strongly agree	2	2.0	2	2.4
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean mode, the table above shows the frequency distribution and percentage for item three under fair operating practices. It is shown that for Addis Ababa branch a total of 67.6% respondents “disagree” (43.1%) and “strongly disagree” (24.5%) on the contrary, a total of 27.5% “agree” and “strongly agree” and the rest (4.9%) are “neutral” that the organizations accounts for the impacts of its decisions and activities on society and the environment. On the other hand for Akaki branch a total of 63.1% respondents “disagree” (47.6%) and “strongly disagree” (15.5%) on the contrary, a total of 25% “agree” and “strongly agree” and the rest (11.9%) are “neutral” that the organizations accounts for the impacts of its decisions and activities on society and the environment. From this it can be said that most of the respondents disagree that the organizations accounts for the impacts of its decisions and activities on society and the environment.

Table 40: The organization is transparent

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	10	9.8	5	6.0
disagree	28	27.5	20	23.8
neutral	3	2.9	5	6.0
agree	56	54.9	43	51.2
strongly agree	5	4.9	11	13.1
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item four under fair operating practices. It is shown that for Addis Ababa branch a total of 59.8% respondents “agree” (54.9%) and “strongly agree” (4.9%), on the contrary, a total of 37.3% “disagree” and “strongly disagree” and the rest (2.9%) are “neutral” that the organization is transparent about the purpose, nature and outcomes of its activities. On the other hand for Akaki branch a total of 64.3% respondents “agree” (51.2%) and “strongly agree” (13.1%), on the contrary, a total of 23.8% “disagree” and “strongly disagree” and the rest (6%) are “neutral” that the organization is transparent about the purpose, nature and outcomes of its activities. From this it can be said that most

of the respondents agree that the organization is transparent about the purpose, nature and outcomes of its activities.

#### 4.2.6. Customer issues

Here, all the four questions under customer issues were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for customer issues.

Table 41: Total statistics of customer issues

		Addis Ababa branch	Akaki branch
N	Valid	102	84
	Missing	0	0
Mean		3.81	3.72
Mode		4	4

Data source: SPSS output

Though the mean doesn't exactly represent a specific level of agreement in the likert scale, it can tell us the average or the central point for most of the responses. As we can see in the table above the mean for both of the branches are above 3.5 indicating that most of the responses tend to be "agree". Additionally the mode simply shows the most frequently observed response for all the five statements under organizational governance being "agree". From this we can conclude that most of the respondents agree that the enterprise is doing good regarding fair operating practices.

Table 42: Factual and unbiased information is provided for customers

		Addis Ababa branch		Akaki abattoir branch	
		Frequency	Percent	Frequency	Percent
Valid	strongly disagree	2	2.0	2	2.4
	disagree	5	4.9	13	15.5
	neutral	6	5.9	6	7.1
	agree	74	72.5	43	51.2
	strongly agree	15	14.7	20	23.8
	Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item one under customer issues. It is shown that for Addis Ababa branch a

total of 87.2% respondents “agree” (72.5%) and “strongly agree” (14.7%), on the contrary, a total of 6.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that factual and unbiased details of products and services are provided for customers. On the other hand for Akaki branch a total of 75% respondents “agree” (51.2%) and “strongly agree” (23.8%), on the contrary, a total of 17.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that factual and unbiased details of products and services are provided for customers . From this it can be said that most of the respondents agree that factual and unbiased details of products and services are provided for customers.

Table 43: Information is understandable

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	4	3.9	5	6.0
disagree	7	6.9	5	6.0
neutral	19	18.6	17	20.2
agree	58	56.9	47	56.0
strongly agree	14	13.7	10	11.9
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item two under customer issues. It is shown that for Addis Ababa branch a total of 70.6% respondents “agree” (56.9%) and “strongly agree” (13.7%), on the contrary, a total of 10.8% “disagree” and “strongly disagree” and the rest (18.6%) are “neutral” that information is provided in a manner that can be understood by customers. On the other hand for Akaki branch a total of 67.9% respondents “agree” (56%) and “strongly agree” (11.9%), on the contrary, a total of 12% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that information is provided in a manner that can be understood by customers. From this it can be said that most of the respondents agree that information is provided in a manner that can be understood by customers.

Table 44: Products and services provided are safe

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	13	12.7	14	16.7
disagree	5	4.9	6	7.1
Valid agree	62	60.8	44	52.4
strongly agree	22	21.6	20	23.8
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item three under customer issues. It is shown that for Addis Ababa branch a total of 76.2% respondents “agree” (52.4%) and “strongly agree” (21.6%), on the contrary, a total of 23.8% “disagree” and “strongly disagree” that products and services provided are safe and do not carry unacceptable risk of harm when used or consumed. On the other hand for Akaki branch a total of 67.9% respondents “agree” (56%) and “strongly agree” (23.8%), on the contrary, a total of 23.8% “disagree” and “strongly disagree” that products and services provided are safe and do not carry unacceptable risk of harm when used or consumed. From this it can be said that most of the respondents agree that products and services provided are safe and do not carry unacceptable risk of harm when used or consumed.

Table 45: There is a system for protecting customer data

	Addis Ababa branch		Akaki branch	
	Frequency	Percent	Frequency	Percent
strongly disagree	1	1.0	5	6.0
disagree	13	12.7	16	19.0
Valid neutral	5	4.9	0	0
agree	79	77.5	56	66.7
strongly agree	4	3.9	7	8.3
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item four under customer issues. It is shown that for Addis Ababa branch a total of 81.4% respondents “agree” (77.5%) and “strongly agree” (3.9%), on the contrary,

a total of 13.7% “disagree” and “strongly disagree” and the rest (4.9%) are “neutral” that there is a system for obtaining, using and protecting customer data. On the other hand for Akaki branch a total of 75% respondents “agree” (66.7%) and “strongly agree” (8.3%), on the contrary, a total of 25% “disagree” and “strongly disagree” that there is a system for obtaining, using and protecting customer data. From this it can be said that most of the respondents agree that there is a system for obtaining, using and protecting customer data.

#### 4.2.7. Community involvement

Here, the two questions under community involvement were grouped in SPSS and total descriptive statistics was run. The table below shows the overall mean and mode for customer issues.

Table 46: Total statistics for community involvement

		Addis Ababa branch	Akaki branch
N	Valid	102	84
	Missing	0	0
Mean		3.12	3.41
Mode		2	2

Data source: SPSS output

As we can see in the table above the mean for both of the branches are below 3.5 indicating that most of the responses tend to be “disagree”. Additionally the mode simply shows the most frequently observed response for all the responses of the two statements under community involvement and development being “disagree”. From this we can conclude that the enterprise is doing poorly regarding community involvement and development.

Table 47: The organization outreaches to community

	Addis Ababa abattoir enterprise		Akaki abattoir enterprise	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	10	9.8	9	10.7
Disagree	51	50.0	39	46.4
Neutral	15	14.7	16	19.0
Agree	21	20.6	18	21.4
strongly agree	5	4.9	2	2.4
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows the frequency distribution and percentage for item one under community involvement and development. It is shown that for Addis Ababa branch a total of 59.8% respondents “disagree” (50%) and “strongly disagree” (9.8%) on the contrary, a total of 25.5% “agree” and “strongly agree” and the rest (14.7%) are “neutral” that the organization engages in a proactive outreach to community. On the other hand for Akaki branch a total of 57.1% respondents “disagree” (46.4%) and “strongly disagree” (10.7%) on the contrary, a total of 23.8% “agree” and “strongly agree” and the rest (19%) are “neutral” that the organization engages in a proactive outreach to community. From this it can be said that most of the respondents disagree that the organization engages in a proactive outreach to community.

Table 48: The organization provides secure and decent jobs

	Addis Ababa abattoir enterprise		Akaki abattoir enterprise	
	Frequency	Percent	Frequency	Percent
Valid strongly disagree	9	8.8	10	11.9
Disagree	27	26.5	17	20.2
Neutral	12	11.8	11	13.1
Agree	49	48.0	44	52.4
strongly agree	5	4.9	2	2.4
Total	102	100.0	84	100.0

Data source: SPSS output

In addition to the mean and mode, the table above shows frequency distribution and percentage for item two under community involvement and development. It is shown that for Addis Ababa branch a total of 52.9% respondents “agree” (48%) and “strongly agree” (4.9%), on the contrary, a total of 35.3% “disagree” and “strongly disagree” and the rest (11.8%) are “neutral” that the organization provides secure and decent jobs for parts of the community. On the other hand for Akaki branch a total of 54.8% respondents “agree” (52.4%) and “strongly agree” (2.4%), on the contrary, a total of 32.1% “disagree” and “strongly disagree” and the rest (13.1%) are “neutral” that the organization provides secure and decent jobs for parts of the community. From this it can be said that most of the respondents agree that the organization provides secure and decent jobs for parts of the community.

### **4.3. Interview**

Interviews were conducted with two of the top management of Addis Ababa abattoir enterprise both in Addis Ababa and Akaki branches to acquire information on why the enterprise engages in activities of CSR and what challenges are being faced while undertaking CSR. The information obtained on these two questions is summarized by the researcher and presented below.

**Question 1.** What are the reasons for the enterprise to engage itself in the activities of CSR?

From the discussion with the managements, the researcher was able to understand that the enterprise engages itself in CSR activities with the hope to gain the following benefits.

**Improved financial performance:** Corporate Social Responsibility plays vital role in winning the customer’s confidence leading to increased sales and customer loyalty that will help growing the business.

**Enhanced image and reputation:** again, according to the opinions of the management, their engagement in strict product quality and health management (considering the Ethiopian community has a culture of eating raw meat) had helped the enterprise to win the hearts of its customers and resulted in customer loyalty.

**Product safety, quality and decreased liability:** “we do not negotiate on the qualities of our meat” was the words of the managing director of the enterprise. This helped the enterprise to decrease its liability regarding safety and quality of products.

**Meeting regulatory requirements:** engaging in CSR activities allowed the enterprise to meet environmental and fair operational and legal requirements.

**Growing community pressure:** management also mentioned that so far the community has grown in putting much pressure on the enterprise questioning it to improve its environmental performance. The organization has also been improving its self by adopting better waste management techniques to meet the interests of its community.

**Question 2.** What challenges do you face in implementing CSR?

**Location:** Today, the Addis Ababa abattoirs public enterprise faces challenge to meet the growing public demand to upgrade its environmental and social standard in the currently aging infrastructure of the current abattoir especially the Addis Ababa branch located in the city center as it disturbs the living conditions of the people who live around it causing them to suffer from the disturbances brought by the continuous inflow of livestock. Through the interview the researcher was also able to learn that there is relocation, expansion and modernization program to build new abattoirs infrastructure that will allow the enterprise to upgrade the living standards and conditions of the people who live around it. The project will also allow the closing of the current abattoir located in the city center. Additional challenges such as non-availability of organized planning regarding CSR and non-availability of clear CSR guidelines were also discussed by management.

## **CHAPTER FIVE**

### **5. Summary of findings, conclusion and recommendations**

In this chapter, all the findings reported in the previous chapter is summarized, concluded and recommendations are given. As it was mentioned in the first chapter the study had an objective of answering the initially raised three main questions the first being what the current CSR practices of the Addis Ababa abattoir enterprise are. Following that why the enterprise engages itself in the activities of CSR and finally, what challenges does the enterprise face in implementing CSR. These questions were briefly explained and answered in chapter four. In this chapter the findings presented in chapter four will be summarized as follows.

#### **5.1. Summary of findings**

##### **5.1.1. Demographic summary**

In this section, the demographic characteristics of respondents were assessed with five item questions (i.e. gender, educational level, age, work position and work experience). The results for these five questions are summarized as follows:

Most of the respondents are male indicating that the work population is male dominated. Most of the respondents are also degree holders and fall in the employee section of work position. Following that, Most of the respondents are within the age range of 18-40 and have 3-10 years of experience.

##### **5.1.2. Core subjects of CSR summary**

In this section, the findings for all the item questions raised under the seven core subjects of CSR (i.e. organizational governance, human rights, labor practice, fair operating practices, the environment, customer issues and community involvement and development) are summarized.

#### **Organizational governance**

In this section, five questions were raised and their findings show that:

Most of the respondents agree that decisions are made and implemented in pursuit of organizational objectives, management takes responsibility for the impacts of its decisions and activities and the organization tries to increase its ability to behave in a socially responsible manner. In addition to that, most of the respondents agree that management takes responsibility for the impacts of its decisions and activities, also most of the respondents agree that management takes responsibility for the impacts of its decisions and activities

On the contrary, most of the respondents disagree that Social responsibility is integrated throughout the organization, decision-making processes and structures are conducive to social responsibility. Finally total statistics shows that most of the respondents agree that the enterprise is doing good regarding organizational governance.

### **Human rights**

In this section, four questions were raised and their findings show that: Most of the respondents agree that the organization has a human rights policy that gives meaningful guidance on how to protect human rights. On the contrary, Most of the respondents disagree that the human rights policy is integrated throughout the organization, the organization assesses how it's existing and proposed activities may affect human rights and the organization has an effective grievance resolution mechanism. Finally total statistics shows that most of the respondents disagree that the enterprise is doing good regarding human rights.

### **Labor practice**

In this section, nine questions were raised and their findings show that:

Most of the respondents agree that Equal opportunities are insured for all workers with no discrimination either directly or indirectly in any labor practice, rights and obligations are distributed for both employers and employees in the interest of both the organization and employees and equal compensation for work of equal value is provided.

Most of the respondents disagree that fair and appropriate conditions of work are given and they also disagree that there is negotiation, consultation and exchange of information among employers and employees. Additionally they have disagreed that the organization provides information on the social, economic and environmental impacts of its actions, and that all workers are provided with access to skills development, training and opportunities for career advancement. Most of the respondents also disagreed that the organization analyzes and controls the health and safety risks involved in its activities and workers are protected from risks to health caused by working conditions. Finally total statistics shows that most of the respondents disagree that the enterprise is doing good regarding labor practice.

### **The environment**

In this section, six questions were raised and their findings show that: Most of the respondents disagree that the organization tries to improve its environmental performance by preventing water and air pollution, and there is an effective waste management system that controls discharges to water and air. They also disagreed that the organization conserves and reduces its use of water and reuses it in its own operations and the organization strives to ensure the availability of resources in the future. Most of the respondents also disagree that the organization identifies and improves environmental impacts of its operations, including resource use and waste disposal. On the contrary, most of the respondents agree that wastes are processed before being disposed so that their pollution to the environment is reduced. Finally total statistics shows that most of the respondents disagree that the enterprise is doing good regarding the environment

### **Fair operating practices**

In this section, four questions were raised and their findings show that: Most of the respondents agree that: actions are taken in respecting the law and practicing fairness in dealing with other businesses, the organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption, and the organization is transparent about the purpose, nature and outcomes of its activities. But on the contrary, most of the respondents disagree that the organizations accounts for the

impacts of its decisions and activities on society and the environment. Finally total statistics shows that most of the respondents agree that the enterprise is doing good regarding fair operating practices.

### **Customer issues**

In this section, four questions were raised and their findings show that: Most of the respondents agree that: factual and unbiased details of products and services are provided for customers, information is provided in a manner that can be understood by customers, products and services provided are safe and do not carry unacceptable risk of harm when used or consumed, there is a system for obtaining, using and protecting customer data and finally total statistics shows that most of the respondents agree that the enterprise is doing good regarding fair operating practices.

### **Community involvement and development**

In this section, four questions were raised and their findings show that: most of the respondents disagree that: the organization engages in a proactive outreach to community. And on the contrary, most of the respondents agree that the organization provides secure and decent jobs for parts of the community. Finally total statistics shows that most of the respondents disagree that the enterprise is doing good regarding community involvement and development.

#### **5.1.3. Interview summary**

A structured interview having two questions was administered and the information acquired shows that the enterprise engages itself in CSR activities with the hope to gain improved financial performance, enhanced image and reputation, customers trust, product safety, quality and decreased liability, growing community pressure and meeting regulatory requirements.

While undertaking CSR, the enterprise also faces challenges/barriers such as: location, non-availability of organized planning regarding CSR and non-availability of clear CSR guidelines.

## 5.2. Conclusions

As it is presented in the analysis, the study has assessed CSR practices of Addis Ababa abattoir enterprise based on the seven core subjects of CSR. The findings are summarized and stated in the above sections. Here, the research questions raised in the first chapter are answered.

Therefore, based on the findings of the study the researcher has concluded that the enterprise has a good practice regarding three of the core subjects and it also has a poor practice regarding four of the core subjects. The conclusion is further shown in table 83 below.

Table 49: Summary of conclusions

No	Core subjects of CSR	CSR practices of AAAE
1	Organizational governance	Good
2	Human rights	Poor
3	Labor practice	Poor
4	The environment	Poor
5	Fair operating practices	Good
6	Customer issues	Good
7	Community involvement and development	Poor

As it is shown in the above table, the results of the study shows that the enterprise has good corporate social responsibility practices regarding organizational governance, fair operating practices and customer issues. On the other hand the enterprise has poor corporate social responsibility practices regarding human rights, labor practice, the environment and community involvement and development.

Additionally from the information acquired through interview, the researcher was able to understand that the enterprise engages itself in CSR activities with the hope to gain improved financial performance, enhanced image and reputation, customers trust, product safety, quality and decreased liability, growing community pressure and meeting regulatory requirements. And challenges faced by the enterprise while implementing CSR include location, non-availability of organized planning regarding CSR and non-availability of clear CSR guidelines. The researcher was also able to observe that the enterprise mainly focuses on product safety, quality and customers trust which are good aspects of CSR, but it also ignores other elements such as labor practice.

### **5.3.Recommendations**

Based on the strengths and gap of CSR practices in Addis Ababa abattoir enterprise identified as a result of the assessment the following recommendations are given.

In the areas such as organizational governance, fair operating practices and customer issues where the enterprise is found to have good practices of CSR are recommended to continue. In the areas such as human rights, labor practice, the environment and community involvement where the enterprise is found to have poor practices of CSR, it should look in to its practices and take measures that will improve its performance.

Improvements can be achieved through:

- Building a close relationship with its stakeholders such as its employees and its community to find and tackle challenges by actively engaging in discussion on how it is performing.
- The enterprise might also benefit from preparing a clear CSR guideline and plan on how to implement and integrate corporate social responsibility practices throughout the organization and through its decision and activities. In doing so, the *Handbook for Implementers of ISO 26000, Global Guidance Standard on Social Responsibility* can provide useful inputs for the enterprise.

- Relocation of facility to where human activities are less can also be beneficial for both the resident community and the enterprise. It will allow the enterprise carry out its activities without affecting the community and vice versa.

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## Appendices

### Annex 1 Questionnaire

#### Addis Ababa University

#### School of Business and Economics

#### Department of MBA

A study is being conducted on the title: “ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES: CASE STUDY ON ADDIS ABABA ABATTOIRS AND ABYSYNIA TANNERY”. This research is under process for partial fulfillment of requirements for a degree in Master of Business Administration (MBA). It is a great contribution if you attempt all the questions issued in the questionnaire since your answer is of utmost importance for the completion of this research. Any information you fill in this questionnaire will be kept confidential and used only for this study.

Thank you in advance for sharing your valuable information and time in completing this questionnaire.

#### General Instruction

1. There is no need of writing your name on the sheet
2. Please feel free and attempt all questions
3. Please read the instruction provided for each section

#### Section 1; General information of Respondents

Please put a tick ( ) mark where appropriate (Please tick one box for each row)

1	Sex	Male <input type="checkbox"/>	Female <input type="checkbox"/>		
2	Education level	Diploma <input type="checkbox"/>	First degree <input type="checkbox"/>	above degree <input type="checkbox"/>	
3	Work position	Manager <input type="checkbox"/>	Supervisor <input type="checkbox"/>	Employee <input type="checkbox"/>	
4	Age	18-30 <input type="checkbox"/>	31-40 <input type="checkbox"/>	41-50 <input type="checkbox"/>	Above 51 <input type="checkbox"/>
5	Work experience	2 <input type="checkbox"/> years	3-5 years <input type="checkbox"/>	5-9 years <input type="checkbox"/>	Above 10 years <input type="checkbox"/>

## Section 2; Core subjects of CSR

Based on how your organization understands and implements corporate social responsibility (CSR), in terms of the following core subjects to what extent do you agree with the following statements? Please circle a score of your choice, on a scale of 1 to 5, where 1 represents “strongly disagree” and 5 represents “strongly agree”

### Core subject one: Organizational Governance

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
6	Decisions are made and implemented in pursuit of organizational objectives.	1	2	3	4	5
7	Social responsibility is integrated throughout the organization.	1	2	3	4	5
8	Management takes responsibility for the impacts of its decisions and activities.	1	2	3	4	5
9	The organization tries to increase its ability to behave in a socially responsible manner.	1	2	3	4	5
10	Decision-making processes and structures are conducive to social responsibility.	1	2	3	4	5

### Core subject two: Human Rights

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1) Due diligence						
11	The organization has a human rights policy that gives meaningful guidance on how to protect human rights.	1	2	3	4	5
12	The human rights policy is integrated throughout the organization.	1	2	3	4	5
13	The organization assesses how its existing and proposed activities may affect human rights.	1	2	3	4	5
Issue 2) Resolving grievances						
14	The organization has an effective grievance resolution mechanism	1	2	3	4	5

### Core subject three: Labor practices

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1) Employment and employment relationships						
15	Equal opportunities are insured for all workers with no discrimination either directly or indirectly in any labor practice.	1	2	3	4	5
16	Rights and obligations are distributed for both employers and employees in the interest of both the organization and society.	1	2	3	4	5
Issue 2) Conditions of work and social protection						
17	Fair and appropriate Conditions of work are given.	1	2	3	4	5
18	Equal compensation for work of equal value is provided.	1	2	3	4	5
Issue 3) Social dialogue						
19	There is negotiation, consultation and exchange of information among employers and employees.	1	2	3	4	5
20	The organization provides information on the social, economic and environmental impacts of its actions.	1	2	3	4	5
Issue 4) Health and safety at work						
21	Workers are protected from risks to health caused by working conditions.	1	2	3	4	5
22	The organization analyzes and controls the health and safety risks involved in its activities.	1	2	3	4	5
Issue 5) Human development and training in the workplace						
23	All workers are provided with access to skills development, training and opportunities for career advancement.	1	2	3	4	5

#### Core subject four: The Environment

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1) Prevention of pollution						
24	The organization tries to improve its environmental performance by preventing water and air pollution.	1	2	3	4	5
25	There is an effective waste management	1	2	3	4	5

	system that controls discharges to water and air.					
26	Wastes are processed before being disposed so that their pollution to the environment is reduced.	1	2	3	4	5
Issue 2) Sustainable resource use						
27	The organization conserves and reduces its use of water and reuses it in its own operations.	1	2	3	4	5
28	The organization strives to ensure the availability of resources in the future.	1	2	3	4	5
Issue 3) Protection of the environment, biodiversity and restoration of natural habitats						
29	The organization identifies and improves environmental impacts of its operations, including resource use and waste disposal.	1	2	3	4	5

Core subject five: Fair operating practices

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1) Anti-corruption						
30	Actions are taken in respecting the law and practicing fairness in dealing with other businesses.	1	2	3	4	5
31	The organization has a system to identify the risks of corruption and maintain policies and practices that counter corruption.	1	2	3	4	5
Issue 2) Accountability						
32	The organizations accounts for the impacts of its decisions and activities on society and the environment.	1	2	3	4	5
Issue 3) Transparency						
33	The organization is transparent about the purpose, nature and outcomes of its activities.	1	2	3	4	5

Core subject six: Customer issues

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1) Fair marketing						
34	Factual and unbiased details of products and services are provided for customers.	1	2	3	4	5

35	Information is provided in a manner that can be understood by customers.	1	2	3	4	5
Issue 2) Protecting consumers' health and safety						
36	Products and services provided are safe and do not carry unacceptable risk of harm when used or consumed.	1	2	3	4	5
Issue 3) Customer data protection and privacy						
37	There is a system for obtaining, using and protecting customer data.	1	2	3	4	5

Core subject seven: Community involvement and development

No	Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Issue 1)						
38	The organization engages in a proactive outreach to community	1	2	3	4	5
Issue 2)						
39	The organization provides secure and decent jobs for the parts of community	1	2	3	4	5