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Exploring the Practice of Corporate Social Responsibility in
Ethiopian Brewery Industry: The Case of Heineken Ethiopia
PLC

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Exploring the Practice of Corporate Social Responsibility in Ethiopian Brewery Industry: The Case of Heineken Ethiopia PLC

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and Communication**

**In Partial Fulfillment of the Requirements for the Degree of
Master of Arts in Journalism**

**By
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Declaration

I, the undersigned, declare that this thesis entitled: Exploring the Practice of Corporate Social Responsibility in Ethiopian Brewery Industry: The Case of Heineken Ethiopia PLC and submitted in partial fulfillment of the requirements for the Degree of Master of Arts in Public Relation and Strategic Communication is my original work and all the sources of materials used for the thesis have been acknowledged.

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Date

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List of Acronyms

ATA- Agricultural Transformation Agency

CSR- Corporate Social Responsibility

CBE- Commercial Bank of Ethiopia

CSOs-Civic Society Organizations

EAF-Ethiopian Athletics Federation

EFF-Ethiopian Football Federation

FGDs- Focus Group Discussion

HPR- House of People Representatives

MNCs-Multi National Companies

OSH-Organizational Safety and Health

PLC- Private Limited Company

PR- Public Relation

PPP-Public Private Partnership

TV- Tele Vision

TBL-Triple Bottom Line

Abstract

Currently the Ethiopian beer market is experiencing its biggest growth and transformation. The number of consumers is increasing alarmingly. The main driver for growth are the breweries' marketing strategy and a growing population. Alcohol related harm to people of any age remains an issue of ongoing concern for the community and a challenging area for Corporate Social Responsibility (CSR) response by the breweries. The purpose of this thesis is to explore the CSR activity of the brewery industry in the case of Heineken Ethiopia PLC. The research studied what CSR is in the context of Heineken Ethiopia, how Heineken implemented CSR, the benefits and barriers to implement CSR in Heineken and the initiatives that are done by Heineken Ethiopia to promote responsible consumption. The research employed a qualitative research approach, wherein, in-depth interview, focus group discussions (FGDs), document analysis and observations were used as data gathering instruments. The study used qualitative case study research method. With regard to the sampling procedure, twenty one internal and external stakeholders of Heineken Ethiopia were selected for interview using purposive and snowball sampling techniques. The researcher has also conducted three FGDs with farmers who supply barley for Heineken Ethiopia with a total number of eighteen participants. The FGDs have been made for the purpose of triangulation. The study showed that Heineken Ethiopia implements a systematic focused and institutionalized approach to CSR and that the understanding and practice of CSR in Heineken Ethiopia focused on type of CSR that is positively impactful on stakeholders. The study recommended that CSR programs of Heineken Ethiopia should be owned by employees at all level. Besides, the CSR activities of the company should be communicated both in digital media and the mainstream media. Furthermore, Heineken Ethiopia need to engage in serious commitment to promote responsible consumption and protect children from beer promotion.

Key words: Corporate Social Responsibility, Brewery Industry, Ethiopia, Heineken Ethiopia

CHAPTER ONE

INTRODUCTION

1.1 Background

In today's global economy, organizational survival and achievement is dependent up on satisfying both its economic (profit maximization) and noneconomic (corporate social performance) objectives by addressing the needs of the company's various stakeholders (Pirsch,&Grau, 2007).In this regard managing CSR has become one of the most essential elements for business success. According to Peterson (2009) CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders.

Nowadays, many organizations are designing and implementing CSR practices in an effort to improve the sustainability of their business. Consequently, Heineken Ethiopia should also design and implement a CSR strategy to maintain successful business. CSR is based on the premise that a business can only thrive if it operates within a thriving society. In that way, the business depends on the community it operates within, and as such, has an ethical and moral responsibility towards that community (Atuluku and Uchendu, 2016). Like some other local organizations, Heineken Ethiopia need to be socially responsible organization, which enables the company to increase its reputation in terms of achieving organizational success in serving the community that they exist. In his study, Moon (2007) stated that corporate entities should be a key stakeholder in community development because of a number of factors. One of these factors is the need for corporate entities to use their Corporate Social Responsibility (CSR) activities to contribute to sustainable community development (particularly that of their host communities), to enhance their social status and competitive edge which is critical to their existence. As a result, Heineken Ethiopia expected to be a learning organization in a way to create socially responsible business practice that enables the company to be competitive in the business environment.

Heineken Ethiopia is a large-scale brewery production wing of Heineken N.V. operating internationally in more than 70 countries. It has operated in Ethiopia since 2011 as Heineken Ethiopia PLC. Heineken Ethiopia has been engaged in the production and distribution of beer. It owns three breweries including Kilinto Brewery in the outskirt of Addis Ababa, Bedele and Harar Breweries in Oromia region with a combined production capacity of 2.1 million hectoliters of bottled and draft beer annually. The aim of this exploratory study is to assess what is known about CSR practice undertaken by brewery industry in the case of Heineken Ethiopia with respect to the promotion of socially responsible business.

1.2 Statement of the problem

One of the most effective activities in the hands of management is a CSR program carried out by companies. By exercising different social responsibility activities, a company may demonstrate to society that it is not just 'a money making machine' and that the company is fully aware of its responsibility for production, and its consequences on society on the whole as well as the environment. (Utting, 2000).

Companies producing high social risk products such as alcohol, beer and tobacco products face the highest risks of endangered reputation. These kinds of products attract a number of adversaries in the public whose negative attitude constantly creates endangering pressure on reputation. Therefore, companies producing risk products should particularly focus on their good name and strategically implement compensation strategies for the purpose of maintaining high reputation (Reast et al, 2013; Campbell, 2007).

Any benefit connected with the production, sale and use of alcoholic beverages comes at enormous cost to society. Excessive alcohol consumption was responsible for the death of millions worldwide (Henok and Yemane, 2012). Alcohol is also associated with other serious social harms including violence, child neglect and abuse, and absenteeism from work. So as to minimize the harm, alcohol producers need to prepare their marketing strategy with an appropriate sense of responsibility to the consumer public. The marketing practice should not contravene with principles of CSR. Thus, it is important to assess how the breweries could insure the sustainability of their business integrated with the welfare of the community.

Dawit (2018) wrote that Heineken Ethiopia is among the leaders in the brewery market of the country and invested significant sum of money to improve its production capacity and quality. The total investment of Heineken Ethiopia is estimated to 500 million euros. However, the company's contribution to welfare of the society and environmental sustainability is not clearly known through scientific study. There is no sufficient evidence on to what extent CSR is part of its business strategy and operations. It needs empirical investigation of existing CSR situation, awareness of CSR as business strategy and grounds to implement it.

There are studies conducted in the area of assessing CSR practice. Kassaye (2016) studied about CSR from Ethiopian perspective. The general objective of the study was to examine how companies and organizations in Ethiopia view their role and part in reaching sustainable growth and development, and to find out what the learning experiences are. The data for the study has been collected through a field study, including personal interviews and dialogues with a number of companies and organizations. The focus of the study was to assess CSR strategies of different national and multinational organizations in the Ethiopia context and their potential contribution to development. The study showed that the development of formal CSR practice was mainly driven by Multi-National Corporations (MNCs) and Non-Governmental Organizations (NGOs). These initiatives are mainly philanthropic with practices and understanding to a large extent imported from the Western countries. The other finding showed that almost all of national companies and government organizations have not developed a concept CSR. However, some of Ethiopian companies have a tradition of partnership and dialogue with their communities and stakeholders in the form informal CSR practices.

The other researcher Fentaye (2013) studied about perception of local community on CSR of brewery firms in Ethiopia. The study attempted to examine the perception of the local community about the CSR initiatives of Brewery firms in Ethiopia. The data for this study has been collected through survey method. The focus of this study was to assess the awareness level of local community about brewery firms CSR initiatives. The study concluded that the local community had positive perception to all categories of CSR initiatives of brewery firms.

For this reason, this study will focus on exploring the CSR practice of brewery industry in the case of Heineken Ethiopia. Hence, in this study the researcher aims to assess the existing CSR

practice of Heineken Ethiopia and identify the benefits and barriers of implementing CSR as the case company.

1.3 Research Questions

This study attempts to answer the following research questions:

- What is CSR in the context of Heineken Ethiopia?
- How is CSR implemented in Heineken Ethiopia?
- What are the benefits and barriers of implementing CSR in Heineken Ethiopia?
- What are the initiatives that are done by Heineken Ethiopia to promote responsible beer consumption?

1.4 Objective of the study

A. General Objective

The main purpose of this research is to explore the existing CSR practice of Heineken Ethiopia and assess the benefits and barriers to implement CSR.

B. Specific Objectives

The specific objectives are:

- To assess what CSR is in the context of Heineken Ethiopia.
- To explore the existing CSR practice of Heineken Ethiopia.
- To assess the benefits and barriers of implementing CSR in Heineken Ethiopia.
- To assess initiatives that are done by Heineken Ethiopia to promote responsible consumption.

1.5 Significance of the study

This study has assessed the CSR practice of Heineken Ethiopia. Consequently, the study will serve as reference for scholars who are working on further research related with CSR. The researcher believes that this study contributes a lot to the CSR practice in the brewery industry of

Ethiopia, specifically for Heineken Ethiopia. The findings and recommendations of the study will suggest towards the better way of CSR practice in achieving organizational success.

1.6 Scope of the study

The scope of this study is limited to explore the CSR practice of brewery industry in the case of Heineken Ethiopia. This enables the researcher to explore the existing CSR practice and suggest better way of practicing CSR in achieving organizational success in Heineken Ethiopia. Hence, the main goal of this study is to explore the CSR practice in Heineken Ethiopia.

1.7 Organization of the Study

This study comprises five chapters. Chapter one contains the study background, statement of the problem, objective, scope and limitations and significance of the study. Chapter two focuses on the literature review, which mainly concentrates on the key concepts of CSR, definitions of CSR, principles of CSR, stages of CSR, levels of CSR and theories of CSR. Chapter three mainly focuses on research methodology which includes research design, research method, target population and sampling, data collection method and validity and reliability. Chapter four contains data presentation and analysis. Finally, chapter five contains conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter demonstrates the review of related literatures. It includes concepts and definitions, theoretical and empirical reviews with additional synthesis and reflection.

2.1. Definitions of CSR

The concept of CSR was first defined by Bowen (1953): He defines CSR as the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of the society. There are a number of definitions flourished after Bowen and this results in lack of universal definition to the subject. For the purpose of this research any of the following definitions of CSR can be taken.

Akhiesh (2019) define CSR as a theory that asserts the businesses, in addition to maximizing shareholder value, have an obligation to act in a manner that benefits society.

Commission of the European Community (2019) has also defined CSR as the concept that an enterprise accountable for its impact on all relevantStakeholder. It is the continuing commitment by business to behave fairly and responsibly and contribute to economicdevelopment while improving the quality oflife of the workforce and their families aswell as of the local community and societyat large.

Caroll (1994) on the other hand, define CSR as it is concerned with treating the stakeholders of the firm ethically or in a responsible manner. ‘Ethically orSocially responsible’ means treating stakeholders ina manner deemed acceptable in civilizensocieties. Social responsibility includes economicresponsibility. Stakeholders exist both within a firm and outside. The wider aim of socialresponsibility is to create higher and higherstandards of living, while preserving theprofitability of the corporation, for peopleboth within and outside the corporation.

According to Flammer (2014) CSR is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public.

From the above definitions of CSR one can clearly understand that CSR covers issues such as employee relations, human rights, corporate ethics, community relations and the environment. More specifically, it can be categorized into five CSR dimensions, including (1) environmental, (2) social, (3) economic, (4) stakeholder, and (5) voluntariness (Dahlsrud, 2008).

The environmental dimension of CSR refers the business's impact on the environment. The goal, as a socially responsible company, is to engage in business practices that benefit the environment. It might include choosing to use recycled materials in your packaging or ad renewable energy sources like solar power to your factory (Ibid).

The social dimension of CSR involves the relationship between the business and society as a whole. When addressing the social dimension, companies should aim to use their business to benefit society as a whole. This could involve sourcing locally and paying employees of the company a livable wage. It could also involve taking on endeavors that benefit society, for instance planting trees (Ibid).

The economic dimension refers to the effect that CSR has on the finances of the company. In an ideal world, where CSR had no costs, there would be no reason to limit it. But in the real world it is important to recognize the financial impact that these actions have and to balance being a good corporate citizen with making a profit (Ibid).

The stakeholders are all of the people affected by the company's actions. These include employees, suppliers and members of the public. When considering the stakeholder dimension of CSR, the company has to consider how its business decisions affect these groups. For example, the company might be able to increase its output by having employees work more, but it should consider the impact it will have on them, not just its bottom line (Ibid).

Actions that fall into the voluntariness dimension are those that the company is not required to do. These actions are based in what the company believes is the correct thing to do. They may be based in specific ethical values that the company holds. For example, the company may believe that using organic products is the right thing to do even if the company is not required to do so (Ibid).

2.2. Principles of CSR

According to Crowther and Aras (2008) there are three principles that compile together all the activities of CSR. These are sustainability, accountability and transparency. (Crowther and Aras, 2008)

2.2.1. Sustainability

Sustainability refers to developing active engagement with local communities and profitable business aiming to ensure the long-term economic and social development of the business practice. Sustainability also includes working with government and civil society to define roles and responsibilities for social development. Moreover, sustainability involves that as to how the present actions will reflect and affect the future usability of same action. Furthermore, Sustainability describes the ability to maintain various systems and processes- environmentally, socially, and economically — over time. Sustainability originated in natural resource economics, but has since gained broader currency in terms of sustainable development. (Ibid)

2.2.2. Accountability

Accountability, on the other hand, can be defined as the ability of those affected by a corporation to hold corporations to account for their operations. This concept demands fundamental changes to the legal framework in which companies operate. These include placing environmental and social duties on directors to complement existing duties on financial matters, and legal rights for local communities to seek compensation when they have suffered as a result of directors failing to uphold those duties (Ibid).

2.2.3. Transparency

Business Dictionary defines transparency as lack of hidden agendas and conditions, accompanied by the availability of full information required for collaboration, cooperation, and collective decision making. (<http://www.businessdictionary.com>)

Transparency can also be defined from the moral point of view. First, consumer freedom increases when more information about the characteristics of various products is available. This information should also include the CSR relevant information of these products. Ethically speaking, informing transaction partners is an important aspect of showing respect to others. Stakeholders have a reasonable right to information concerning the reporting company when its activities impinge on their interests (Deegan and Rankin, 1996; Gray, 2001).

Transparency with regard to CSR can build trust among customers, employees and the local community, and help to strengthen the credibility of companies. This is important for companies, for a variety of reasons:

- Trust increases the positive acceptance of the company in the local community and creates a good basis on which conflicts can be resolved constructively and successfully.
- Trust helps companies to attract the best brains and to keep employees.

Transparency is also morally important because it enhances an attitude of honesty, openness and a commitment to truth that is implicit in thinking on CSR. Thus, it has been argued that transparency enhances a sense of accountability and responsibility (Kaptein, 2003), again virtues relevant for CSR. The argument here is that transparency makes it much easier for stakeholders to confront a company with its actions, thereby stimulating a sense of responsibility in the company.

2.3. Benefits and Barriers of adopting CSR

Many scholars of CSR such as Kurucz and Zadek asserted that implementing CSR has several benefits. Among the benefits stated by these scholars are cost and risk reduction, achieving operational efficiency, achieving competitive advantage so that the business can perform better

financially, that is strategic business reasons, building and defending reputation and legitimacy, promote innovation and help improve the welfare of society.(Kurucz, et al., 2008; Zadek, 2000).

Similarly, other scholars such as Keinert and Flammerstated that the benefits of implementing CSR include “the achievement of competitive advantage, better reaching market segments like ethical consumers and socially responsible investors, and enhanced opportunities for strategic alliances or other partnerships as major business opportunities for corporations with external constituencies, and from an internal point of view, enhancement of labor relations and employee commitment, and the achievement of overall better financial and strategic results” (Keinert, 2008; Flammer, 2015).

Nevertheless, there are also barriers of implementing CSR which is stated by scholars. Lund-Thomsen & et.al (2016) identified that the lack of willingness among developing country governments to enforce national labor and environmental laws; the tendency that economic development imperatives often override social or environmental considerations in such countries; businesses take on irresponsible attitudes seeking to obstruct the enforcement of environmental laws or pollution control initiatives, often by bribing public officials; and lack of organized unions that promote better work conditions and benefits as the key obstacles of implementing CSR.

2.4. Theories of CSR

2.4.1. Corporate Social Responsibility (CSR)

As Brusseu (2015) stated in his book Business Ethics, the title corporate social responsibility has two meanings. First, it is a general name for any theory of the corporation that emphasizes both the responsibility to make money and the responsibility to interact ethically with the surrounding community. Second, corporate social responsibility is also a specific conception of that responsibility to profit while playing a role in broader questions of community welfare.

As a specific theory of the way corporations interact with the surrounding community and larger world, corporate social responsibility (CSR) is composed of four obligations:

1. **The economic responsibility** to make money required by simple economics, this obligation is the business version of the human survival instinct. Companies that don’t make profits are—in a

modern market economy—doomed to perish. Of course there are special cases. Nonprofit organizations make money (from their own activities as well as through donations and grants), but pour it back into their work. Also, public/private hybrids can operate without turning a profit. In some cities, trash collection is handled by this kind of organization, one that keeps the streets clean without (at least theoretically) making anyone rich. For the vast majority of operations, however, there have to be profits. Without them, there's no business and no business ethics (Ibid).

2. **The legal responsibility** to adhere to rules and regulations. Like the previous, this responsibility is not controversial. What proponents of CSR argue, however, is that this obligation must be understood as a proactive duty. That is, laws aren't boundaries that enterprises skirt and cross over if the penalty is low; instead, responsible organizations accept the rules as a social good and make good faith efforts to obey not just the letter but also the spirit of the limits. In concrete terms, this is the difference between the driver who stays under the speed limit because he can't afford a traffic ticket, and one who obeys because society as a whole is served when we all agree to respect the signs and stoplights and limits (Ibid).

3. **The ethical responsibility** to do what is right even when not required by the letter or spirit of the law. This is the theory's keystone obligation, and it depends on a coherent corporate culture that views the business itself as a citizen in society, with the kind of obligations that citizenship normally entails. Many industrial plants produce, as an unavoidable part of their fabricating process, poisonous waste. The law governing toxic waste disposal might be ambiguous, but even if the companies were not legally required to enclose their poisons in double-encased, leak-proof barrels, it is the right thing to do so as to ensure that the contamination will be safely contained. It might not be the right thing to do in terms of pure profits, but from a perspective that values everyone's welfare as being valuable, the measure could be recommendable (Ibid).

4. **The philanthropic responsibility** to contribute to society's projects even when they are independent of the particular business. An industrial chemical company may take the lead in rehabilitating an empty lot into a park. None of these acts arise as obligations extending from the day-to-day operations of the business involved. They are not like the responsibility a chemical firm has for safe disposal of its waste. Instead, these public acts of generosity represent a view

that businesses, like everyone in the world, have some moral obligation to support the general welfare in ways determined by the needs of the surrounding community(Ibid).

2.4.2.The Triple Bottom Line Model

The triple bottom line (TBL) is a concept which broadens a business' focus on the financial bottom line to include social and environmental considerations. A triple bottom line measures a company's degree of social responsibility, its economic value and its environmental impact.(Elkington,1997)

The phrase was introduced in 1994 by John Elkington. A key challenge with the triple bottom line, according to Elkington, is the difficulty of measuring the social and environmental bottom lines, which necessitates the three separate accounts being evaluated on their own merits.

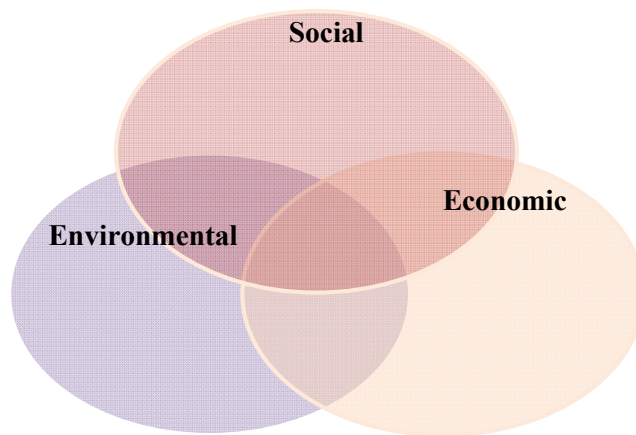


Figure 2.1 TheTripple Bottom Line Model

Source John Elkington

In the above figure it is explained that the intersection of ethics and economics, sustainability means the long-term maintenance of balance. As elaborated by theorists including John Elkington.

Together, these three notions of sustainability such as economic, social, and environmental notions, guide businesses toward actions fitted to the conception of the corporation as a participating citizen in the community and not just as a money machine.

2.4.3. Carol's CSR Pyramid Model

Carol's CSR pyramid is one of the most famous and cited models of CSR (Visser, 2005). Carroll proposed four responsibility dimensions of a businessman, in decreasing importance economic, legal, ethical and philanthropic (Figure 2.2).

Economic responsibility at the base of the pyramid acts as a foundation and gives priority to economic performance. The view in this case is that business has to be profitable and maximize shareholders' returns. Legal responsibility, on the other hand, takes the view that business has to comply with the laws and regulations of society.

Third is ethical responsibility, which highlights how society expects business to embrace values and norms, over and above what is required by law. This is a difficult dimension to handle, and is the subject of much debate by scholars (Dartey-Baah and Amponsah-Tawiah, 2011).

At the top of the pyramid is philanthropic responsibility, the actions that society expects from business as a good corporate citizen. Indeed, philanthropic responsibility entails giving back to the community, and being a good corporate citizen through participating in community welfare programs.

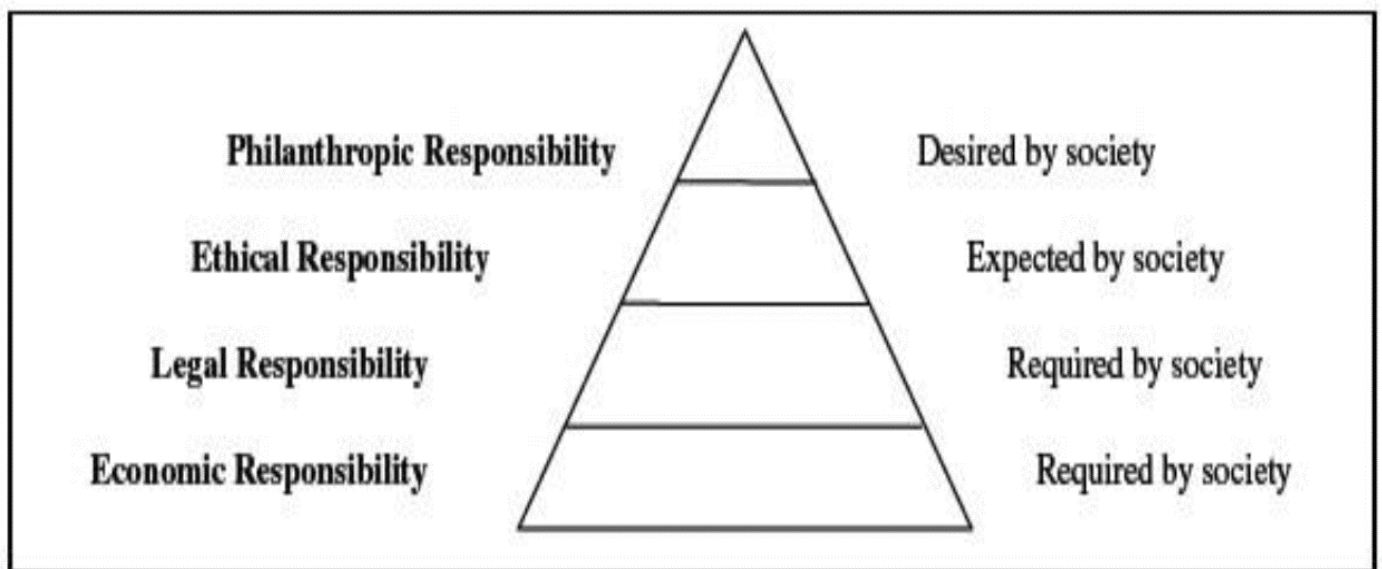


Figure 2.2 Carroll's Pyramid of CSR
Source: Carroll (1994)

2.4.4. Stakeholder Theory

Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have with respect to the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" (Freeman 2001).

It is noted that increasingly, corporate boards of directors find themselves in a position to assess the impact of social issues on stakeholder value (Petersen & Vredenburg, 2009), that means at the very least, there is growing view that business is part of the larger society and, therefore, it has responsibilities other than simply maximizing profits (Oketch, 2004).

According to Freeman's "stakeholder model of a corporation," stakeholders include managers, owners, suppliers, employees, local community, and customers; and that businesses shall be managed in consideration of the interests of these stakeholders (Freeman, 2001) and embracing stakeholders is one of the quality of responsible companies. In view of this, Lambooy (2011) put forth that responsible companies not only involve stakeholders in decisions, but also motivate them to be part of designing and executing business plans. These ideas indicate the importance of stakeholders in business decision-making in general, and execution of CSR activities in particular.

As it is stated in Werther and Chandler (2010), stakeholders can be divided into three separate groups: organizational stakeholders (internal) and economic and social stakeholders (external). The typical stakeholders under each group are outlined below.

Stakeholder groups	Typical stakeholders
Organizational stakeholders	Employees, managers, stockholders, unions
Economic stakeholders	Suppliers, customers, distributors, creditors, competitors
Societal stakeholders	Government/regulators, communities, nonprofits and NGOs, environment

Table 2.2: Stakeholders and Stakeholder Groups
(Source: Werther and Chandler, 2010)

It is indicated in CSR literature that one of the approaches that businesses can use to strengthen their relationships with stakeholders is through stakeholder dialogues/multi-stakeholder dialogues. In other words, stakeholder dialogue/multi-stakeholder dialogue is an aspect of CSR, which helps businesses better address stakeholders' interests by developing relationships with the stakeholders (Albareda, Lozano, & Ysa, 2007; Payne & Calton, 2004); and engaging in stakeholders dialogues has several benefits for both the stakeholders and the business. Kaptein and Van Tulder (2003) describe the benefits of stakeholder dialogues as allowing the business and stakeholders to gain a better understanding of each other's interests and dilemmas, facilitates getting suggestions and ideas to improve the business's CSR performance, identify areas mutual interest, and to resolve specific tensions in the relationship with stakeholders. Further, Campbell stated "corporations will be more likely to act in socially responsible ways if they are engaged in institutionalized dialogue with stakeholders" (Campbell, 2006).

2.5. CSR to the major stakeholders

As it is stated earlier, CSR consists of 'a number of activities that focus on the welfare of stakeholder groups such as community, environment, employees, customers, suppliers, and shareholders. Spiller (2000) demonstrated a range of CSR practices for the consideration of businesses for their various stakeholders as follows:

1. CSR to the Community- community engagement is one of the key pillars of CSR, alongside the concern with the workplace, the marketplace and the environment. It can take many forms. For example, some businesses choose to support a local charity with financial contributions,

sponsor a local event, organize clean-up events, and volunteer in local schools or community projects (Ibid).

CSR to the community shows the human face of the business. For example, some restaurants provide food to local homeless groups, while some manufacturers give free labor and materials to community projects. As Spiller (2000) stated companies should look for opportunities that will mutually benefit them and the community.

The company might implement an employee-led approach to philanthropy which include supporting charities chosen by the staff, encourage staff to volunteer for community activities, give staff paid time off for volunteering, and help employees to make tax-free donations to charity through 'payroll giving'.

2. Environmental CSR- it aims to reduce any damaging effects on the environment from the company's business processes. Activities may focus on, energy use, water use, waste management, recycling, emissions and eco-friendly office and business travel policies (Spiller, 2000).

Green CSR can reduce business risk, improve reputation and provide opportunities for cost savings. Even the simplest energy efficiency measures such as switching of lights and equipment when not in use, reducing the use of water, and reducing the amount of paper you waste can generate savings and make a difference to the business (Ibid).

3. CSR to the employees- it includes performing key business practices of CSR in relation to the employees of a company. It includes fair remuneration, effective communication, learning and development opportunities, fulfilling work, a healthy and safe work environment, equal employment opportunity, job security, competent leadership, community spirit and social mission integration (Ibid).

Employee driven CSR activities, as it is stated by Spiller (2000), generate a lot of positive feelings among employees which then results in a positive work environment leading to a highly positive work culture - a prerequisite for talent retention and attraction. Therefore ensuring that

companies have a strong CSR program can be significant in not only motivating employees but also to show up at work with a real sense of purpose. This has also shown to have a competitive advantage over other organizations and will extend loyalties to not just employees but also customers, partners, suppliers and other stakeholders.

4. CSR to Customers- a company's obligation to the consumers are broader compared to other stakeholders. The key obligations include industry-leading quality programs, truthful promotion, full product disclosure, minimal packaging, rapid and respectful responses to customer comment, complaints and concerns, environmentally and socially responsible production and product composition (Spiller, 2000).

According to Exforsys (2015), it is key to clearly communicate CSR efforts to reap the commercial rewards. He believes that companies must be held accountable for communicating results. Traditional communication such as brief written summaries and informative product packaging remain the preferred form of CSR communication. But social media and mobile channels combined continue to gain attraction.

5. CSR to Suppliers- Spiller (2000) has stated ten key business practices for CSR in relation to CSR. It includes develop and maintain long term purchasing relationship, clear expectations, pay fair prices and bills according to terms agreed upon, fair and competent handling of conflicts and disputes, reliable anticipated purchasing requirements, encouragement to provide innovative suggestions, assist suppliers to improve their environmental and social performance, utilize local suppliers, sourcing from minority owned suppliers and inclusion of an environmental and social element in the selection of suppliers.

In the most basic sense, it is important to offer suppliers a fair opportunity to earn the company's business through open communication. That's especially true if the company uses multiple suppliers in similar categories. While the company doesn't necessarily want to take open bids in every situation, it is important to act honestly to keep suppliers interested in doing business with it. Letting a supplier know the company is going somewhere else for a certain purchase is an

example of that kind of openness. While they may not like losing the order, they should appreciate your directness and they'll know they have to do better next time (Spiller, 2000).

6. CSR to Shareholders- Shareholders are among the major stakeholders stated by Spiller (2000). The key business practice of CSR in relation to shareholders include good rate of long term return, disseminate comprehensive and clear information, encourage staff ownership of shares, develop and build relationships with shareholders, clear dividend policy and payment of appropriate dividends, access to company's director and senior managers, annual report and accounts provide a comprehensive picture of the company's overall performance, clear long term business strategy, and open communication with the financial community.

CSR has become one of the core components of corporate strategy and a crucial instrument to minimize conflicts with stakeholders. Besides, In order for a company to be socially responsible, it first needs to be responsible to itself and its shareholders.

2.6 Corporate Social Responsibility's Development Stages

According to Rischard (2002) argument, a pattern has evolved, regarding how companies deal with the increasing demands for CSR. According to Rischard(2002), a company goes through five stages of development: first Charity and sponsoring, secondly defensive CSR, main purpose for action is protection of brand, thirdly offensive CSR, the objective is to be recognized as a world leading company in the CSR field, then works for development and decrease of poverty, the objective is to make a contribution where governments have failed, and lastly global problem solver, the objective is to find out new solutions to serious global problems. Rischard, (2002) claims most companies are found at one of the first stages. He continues declaring that some companies are operating at the same time at all stages. Rischard, (2002) more stresses the need for developing new forms of cooperation concerning the last three stages.

2.7 Levels of Corporate Social Responsibility

Johnson(2003) has come up with another proposal for how to study companies 'involvement in CSR. His analysis, CSR as a continuum ranging from companies engaged in illegal activities to

those striving for social change. Johnson's (2003) continuum has five different levels and is illustrated in figure 5.

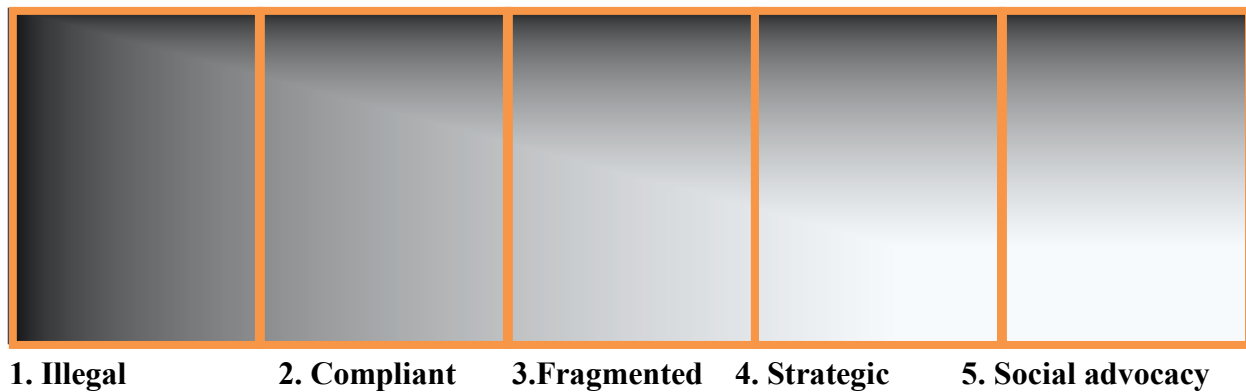


Figure 2.3 CSR Levels
Source (Johnson, 2003)

1. Illegal: at this level normally companies do not fulfill the standards established by society (Johnson, 2003).

2. Compliant: at this level companies comply in a least compliance with all local and national laws, for instance product safety, minimum salary, employee health. Beyond this legal compliance, they engage in few or no activities that might be labeled CSR (Johnson, 2003).

3. Fragmented: at this level company participated in a limited number of extra activities considered CSR, e.g., charity, community activity, environmental certification. The CSR activities of these companies are fragmented rather than strategic, and their social commitment is minimal and of mixed motives (e.g. profit-oriented or personal) (Johnson, 2003).

4. Strategic: Companies at this level specifically target those areas they believe will enhance financial performance. These companies generally have strong ethics policies and want to be environmentally friendly and support local communities, e.g. with roads, traffic, school assistance and health care (Johnson, 2003).

5. Social advocacy: At this level CSR is an ethical initiative based on the belief that a company should be good despite the financial consequences, positive or negative. Companies think about profit making as an essential condition, but not the sole purpose of their existence.

Johnson(2003) illustrates this with a quote: —We must breathe to stay alive, but few of us see breathing as our sole purpose in life. (Johnson, 2003). Likewise, business exists for a higher purpose than just to make money (Johnson, 2003). Johnson(2003) argues that at level 3 and 4, companies are socially responsible, but at level 5 companies go beyond that and become an instrument for improving the society. The distinguishing characteristic of companies at level 5 is their commitment to social change. Johnson (2003) admits a deficiency of his continuum model; a company may be at level 3 or 4 in its home country, but plants overseas may be at level 1.

2.8 Brewery Industry in Ethiopia

The first brewery in Ethiopia was established in 1922 by St. George Beer (named after the patron saint of Ethiopia). Brands like Meta and Bedele are also older brands in Ethiopia but have since been acquired by foreign companies and re-branded. The Beer industry in Ethiopia has gone through tremendous growth in the last twenty years. It transformed into one of the most competitive industries in Ethiopia with millions of birr spent on advertisements alone. The competitiveness of the industry has led to more investment in the farming sector such as in malt production (Berihun, 2018).

According to The Reporter, weekly business newspaper, the beer market in the country has shown a noticeable augmentation. The total production of beer in the country has reached about 3.6 million hectoliters per year. But being Africa's second most populous country with more than 90 million people, Ethiopia's per capita beer consumption at four liters is only a third of the consumption of its neighbor Kenya's 12 liters and a much lower volume than that of South Africa's 59 liters. The study further explains there is a gap of 3.6 million hectoliters between demand and supply. This means, beer production and consumption in Ethiopia will grow at least in to the foreseeable future. In fact, it has been growing approximately by 20pct over the past five years and will continue to grow at least by 15pct.

The Ethiopian beer production and market now more or less operated by the private sector has shown a tremendous transformation in the past few years. This booming of the beer market and increase in production can lend a hand to other sectors' development through backward and forward economic linkages. (Sisay 2017)

According to Addis Fortune, a weekly business newspaper, there are about twenty beer brands in the country. Given that Ethiopia is a largely agrarian country, a simple development in agriculture comes as a boon. The ever-increasing consumption of beer reaches 10lts per capita, the nation imported over 156,600tns of malt annually. In a bid to reverse this trend and support smallholder farmers, some breweries are reaching out to local farmers linking them to the commercial supply chains by locally sourcing raw materials.

Diageo, a company based in the United Kingdom, has enjoyed 15pc of the market share in Ethiopia. With plants in Addis Ababa, Kombolcha and Hawassa, the French- owned, BGI Ethiopia, currently remains the country's largest brewer. After adding a new plant in Hawassa, in 2011, with the capacity to produce 400,000 hectoliters, its annual beer production has now reached 1.9 million hectoliters.

Heineken, which entered the Ethiopian beer market in August 2011, after acquiring the Bedele and Harar breweries from the government agency, ranks second with an 18.7pc share of the beer market in Ethiopia. Dashen Brewery ranks third with an 18pc share.

The Ethiopian beer market is growing. The market practically doubled over the last eight years and the per capita consumption is still relatively low compared to other East African markets. The main drivers for growth are a growing population, urbanization and rising incomes.

CHAPTER THREE

METHODOLOGY

Without appropriate and valid methodology, a trustworthy research is absurd. Research is a process that involves the collecting, recording, analyzing and interpreting of information, and it is all about providing answers to questions and developing knowledge (Wilson, 2014). Yin also said that research methodology is one of the most important aspect in the research process to perform the research (Yin, 2009). In this part, topics of research methodology such as research design and case study research method are presented.

3.1. Research Design

Research design is all about specifying methods and procedures for acquiring the information needed. It is a plan or organizing framework for doing the study and collecting data (Smith &Albaum, 2010).

Accordingly, this research uses qualitative case study research methods. The case study research method is used to explore the existing CSR practice of Heineken Ethiopia. The Case study research method is selected for this research in a way to address an intensive study of a system with an aim to generalize across a larger set (Creswell, 2007; Gerring, 2004). In relation, Yin (2009) confirmed that case study research is most suitable where the research question is asking "how" and "why". In this research study context, the central research question is to assess "How CSR is implemented". In this regard, using a case study approach is appropriate in conducting the research. This study explores the existing CSR of Heineken Ethiopia. As a result, this research selects Heineken Ethiopia as a research case.

Heineken Ethiopia is established in 2011 by the Heineken family. Heineken S.C has operations in over 70 markets globally. In the last decade the company has significantly increased its exposure to emerging markets. (Heineken Ethiopia, 2012).

3.2 Study Area

This study has taken place in Heineken Ethiopia. The company is a multinational brewery with a long years of experience in brewery industry.

3.3 Target Population and Sampling Method

Heineken Ethiopia has three breweries settled at Kilinto, Bedele and Harar. The head office is settled in Addis Ababa. Thus, the head office in Addis Ababa and the brewery in the outskirt of Addis Ababa, Kilinto, have been taken as a target population for the research. Concerning the sampling method for interview and focus group discussion the study applied purposive sampling and snowball sampling techniques. The rationale behind choosing purposive sampling technique for interview is that it permits the research to select a case based on features or processes that demonstrates issues of interest in the research and where those features are likely to be present (Silverman, 2005; Denzin & Lincoln, 2000). Snowball sampling, on the other hand, helps the researcher discover characteristics about a population that the researcher wasn't aware existed (Morgan, 2008). For the sake of triangulation this research also uses external stakeholders as a target population. The tables below presents participants in the interview session.

Table 3.1 Employees of Heineken that participate in the interview

Position of Interviewee	Qty.
Managers	5
Senior Experts	2
Employees	8
Total	15

Table 3.2 Regulatory body, Partners, and Academics who participated in the interview session

No	Organization	Position of Interviewee	Qty.
1	Federal Investment Office	PR Directorate	1
2	Ethiopian Institute of Agricultural Research (EIAR)	PR Directorate	1
3	Academics		3
4	Chairman of the CSOs		1
Total			6

Three focus groups were also formed for the purpose of this research. Each group involved 8 people that make the participants a total of 18 people.

3.4 Data Collection Methods

As it is explained by Yin (2011), qualitative method allows for more flexibility in identifying factors and practical strategies than the formal, structured quantitative approach and it allows for theory development. Qualitative data collection methods include the use of in-depth interviews, Focus Group Discussions, document analysis, corporate literature, websites, articles, magazines and newspapers to provide a basis for extensive and thorough discussion of the research problem. Moreover, qualitative research approach is one of the main approaches of research methodology. It studies about experiences, behaviors and attitudes from the respondents. Therefore, due to the main research question that is related with “how” is addressed well with using qualitative methods. As compared to quantitative research approach, it does not use mathematical and statistical methods. However, qualitative research method uses logic to interpret gathered data.

3.4.1 Interviews

There are different kinds of interviewing techniques: structured, semi-structured and unstructured (Hesse-Biber&Leavy, 2011). Structured interviews involve asking all participants a series of predefined questions and keeping the interview and participant focused on those

questions. This method allows for direct comparisons between participants responses. But, it does not allow the participant to allow their own experiences to develop and provide further insights that the researcher may not have considered (Hesse-Biber&Leavy, 2011). Semi structured interviews involve the development of a set of pre-defined questions that can act as a guide but allow the conversation to remain less rigid. As Hesse-Biber&Leavy (2011) noted, this allows the participants some freedom to talk about issues that interest them and additionally allows the researcher to follow topics raised that may not have been considered in advance. In this regard, this study used semi-structured interview technique.

Interviews can be carried out through face-to-face, telephone, Skype or any other latest technology application. Face-to-face interviews were selected for this research. As Saunders et al. (2003) noted, face-to-face interviews permit a sort of interaction between the interviewer and the interviewees.

3.4.2. Focus Group Discussions (FGDs)

According to Wimmer and Dominick (2010) FGDs or group interviewing is used to gather first round information for a research study or to gather qualitative data concerning a research question. FGDs would enable the researcher to easily collect data and get deep firsthand information and the data obtained from focus groups are used to enhance understanding and to reveal diversified opinions (Ibid).

FGDs usually involve the researcher and a group of people with a similar age, gender, education and socio-economic background with the aim of sparking a dialogue between members of the group (Grix, 2004). The discussions are guided by topics supplied by the moderator (Ibid).

Accordingly, three focus groups were formed for the purpose of this research. Each group involved 6 people that make the participants a total of about 18 people. The purpose of the FGDs is to triangulate discussant's (farmers) point of view on the CSR practice of Heineken Ethiopia with the company's point of view in relation to them.

3.4.3 Observation

Observing the groups allows the recognition on the patterns of social interaction in their natural environment (Henn et al., 2009). As Yin (2009) explained, in order to observe the group interactions in real time in a setting that the members of the groups are both familiar with and as a part of the normal operations field notes from direct observation were utilized. According to Marshall (2006), observation can be defined as a systematic viewing of a specific phenomenon in its proper setting or the specific purpose of gathering data for a particular study. As Kumar (1996) noted, there are two types of observation. They are: participant observation and non-participant observation. Participant observation takes place when the observers participate in activity of the people being observed in the same manner as its member with or without their knowing that they are being observed. Whereas, non-participant observation takes place when the researcher does not get involved in the activities of the group but observes the activity of the respondents passively.

3.4.4 Document Review

There are many methods of data collection usually used in case research studies. Data from two or more sources will help to support the research answers. Therefore, this study also used document review to provide a basis for extensive and thorough discussion of the research problem. The document review includes newspapers, magazines, training manuals, videos, photos, proceeding, minutes, reports, organization policy, rule and regulations, press releases and websites.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter analyzes data which was collected through interview, focus group discussion, observation and document review. It also attempts to give answer to the research questions raised in this study. It assesses the existing CSR practice of Heineken Ethiopia and explore the benefits and barriers of implementing CSR in Heineken Ethiopia.

4.1. CSR in the context of Heineken

As it is stated in the review of literature, CSR can be defined and understood differently by different organizations. Accordingly, Heineken Ethiopia understood CSR as it is all about creating shared value, based on mutual benefits and mutual incentives. In relation to this one of the managers said:

We are partners for growth in Ethiopia. We want to ensure that our success as a business helps not only us but also the communities and societies in which we operate. Accordingly, we have done a few projects to benefit the community. For example, in the previous year we invested nearly 6,000,000 birr to expand Bedele District Hospital(M1).

The other manager also explained similar view:

As our motto is ‘we grow with Ethiopia’, the company plans and strategies are in line with the motto. For instance our value chain management system integrates economic empowerment of farmers. We want to operate in a way that improves the quality of life for local individuals and communities, helps the environment and ensures a consistent supply of our raw materials. Through our local sourcing projects, we are helping smallholder farmers to improve yields and compete against imported crops (M2).

The chairman of farmers union also confirmed that Heineken Ethiopia provides them better seeds, different trainings in relation to modern farming and others. He said:

We are beneficiaries from this project. Before the introduction of the brewery, we used to sell our products for local merchants for prices which are usually decided by the traders. But now Heineken Ethiopia buys our products with a better price. Besides, we are also supplied with better seeds, the necessary inputs and technical supports like trainings and awareness developments by the company (Chairman of Farmers Union).

The implication of the above finding is that Heineken's understanding of CSR aligns with the literature that CSR encompasses the environment, suppliers (farmers) and community which the company working in.

How are CSR activities in Heineken Ethiopia promoted and communicated?

According to one of the managers of Heineken Ethiopia (M2), CSR activities are highly promoted in the company's website. In addition to this, local media institutions were invited for the opening ceremonies of different CSR projects. The researcher also observed that various CSR activities are reported in the company's website.

Press release is also another tool of communication which is used by the company. Heineken discharges various press releases regarding sponsorships, community based activities, donations, agreements and among others. There are also fliers and leaflets in the head office with a limited quantity that informs about Heineken's CSR activities.

In order to attract public attention and keep it engaged with the community, Heineken takes an advantage of public event and the opportunity to speak publicly. The company believes that it enables them to directly reach the public attending the event and indirectly, a much larger audience.

To reach the online audience, Heineken uses the digital forms of press releases and newsletters. One of the senior experts (E2) added that blogging allows the company to create and maintain a relationship with the target audience as well as establish a two-way communication. Social media networks, on the other hand, are also utilized by Heineken to establish a direct communication with the public.

Heineken Ethiopia also have media partners which serve as a bridge communication with the community. The researcher observed that all the media partners of Heineken Ethiopia are from the print media.

The above result implies that Heineken is communicating its CSR activities mainly through digital media (website and social media).The company seldom uses the mainstream media to communicate its CSR activity.

4.2. CSR Practice of Heineken Ethiopia

One of the objectives of this study is to assess the CSR practice of Heineken Ethiopia. To do so, this research has used Carroll's CSR model. In order to see the CSR practice of the company broadly, the researcher has also used Freeman's stakeholder model. Thus, the study identifies economic, legal, ethical, and philanthropic responsibilities as a CSR dimensions. Besides, stakeholders of Heineken Ethiopia such as shareholders, employees, local community, customer, suppliers, environment and the value chain are identified as a variable to assess the CSR activities with respect to stakeholders. Heineken Ethiopia, as one of the managers explained, considers everyone that is influenced by its business operation and vice versa as the stakeholders of the company. (M1) The relationship of company's CSR activities with the company values, ambitions and strategies are also assessed in this section.

4.2.1. Economic Responsibility

Coming to Heineken Ethiopia's context, economically the company claims it is one of the leading brewers in Ethiopia and belongs to the Heineken Group, which is an international brewer in the world. With regard to economic responsibility, Heineken Ethiopia aims to grow with Ethiopia, empowering its employees to be the best at what they do every day. Heineken planned to grow its brands and to make them the most preferred in the country.

As described by one of the managers (M4), socially responsible firms are often also the most respected and the profitable. Heineken Ethiopia maintains its business relationships that are mutually profitable and socially responsible with the stakeholders. Therefore, Heineken

developed a strategy that integrates the community to grow together with the motto of ‘we grow with Ethiopia’. Regarding this the manager added:

All other CSR responsibilities be it legal, ethical or philanthropic are predicated upon the economic responsibility of the firm, because without it the others become moot considerations. Therefore, so as to insure the sustainability issues, Heineken is implementing a strategy which enables it to create a shared value of growing with communities together. Therefore, sourcing sustainably from local sources is one of the major CSR priority area of our company (M1).

The other manager also added:

Heineken is committed to long-term value creation. Our strategy is built around four business priorities for action. They are designed to enable the Company to win in the marketplace, focus on the long-term sustainability of our business and continue to delivering growth and shareholder value (M2).

Hence, the economic responsibility of Heineken Ethiopia is based on mutual benefits with the community through integrating CSR activities with the aim of winning the marketplace. Empowering communities through sourcing locally is also another CSR priority in relation to economic responsibility. Besides, the economic responsibility which is empowering community is integrated in the corporate strategy of the company.

4.2.2. Legal Responsibility

Heineken has well-developed CSR policies and codes of conduct for self-regulation as part of its internal governance mechanisms which includes protecting water and waste management, ensuring workplace safety and health to employees. Besides, it is learnt that the company has several codes of conduct and policies that relate to CSR. The codes and policies, among others, include policies that promote responsible consumption, protecting water resources and the environment, acknowledge and respect employees and human rights, and ensuring workplace health and safety.

To the contrary, from the viewpoint of national CSR law requirements, there is no direct CSR law or guideline (except for the water management laws and the labor laws) that requires businesses in the country to do some type of CSR. One of the managers (M1) revealed that laws are not the reason why Heineken Ethiopia embarks on CSR.

The other manager(M2) said that the company has several codes and policies that are designed to provide guidance to the members of the company in decision-making and in meeting legal requirements. He further stated that the company's code of business conduct is the base to notify employees about acceptable standards and behavior and a milestone for all other company-wide policies and standards.

In terms of membership of codes and charters, it was discovered in the company's online documents that Heineken Group, as a global company, has signed a number of international agreements, including the UN Global Compact and CEO Water Mandate.

The implication is that the company is doing all the CSR activities not just because of they are required by the law of the country, the study instead found that the company is undertaking CSR activities voluntarily, based on self-initiative. In addition, it is revealed that there is no existing CSR law at national level that requires or guides businesses to undertake some form of CSR.

4.2.3. Ethical Responsibility

Under ethical dimension Heineken claims to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations practices. The company categorizes the ethical dimension into three broad categories. These are personal integrity, commercial integrity and company integrity.

Under personal integrity all the activities that are done on behalf of the company should reflect the company value (passion for quality, enjoyment of life, respect for people and for the planet), what the company stands for (grow with the community) and what the company aspire to (responsible consumption). One of the managers said "We must all display personal integrity to uphold our reputation, our ability to operate and the confidence of all our stakeholders."(M1)

Commercial integrity is another ethical dimension stated by Heineken. Regarding this one of the manager said:

Wherever we operate, we demonstrate respect for people and society. As a performance-driven and entrepreneurial company, we want to develop our business while maintaining our excellent reputation. This means that we adhere to laws and regulations, as well as to the letter and the spirit of this code and its underlying policies (M3).

The third ethical dimension that is claimed to be recognized by the company is company integrity. Under company integrity Heineken expects its employee to care for the company resources (including information) regardless of where they work and whatever their role is. As one of the manager(M5) explained, they have a duty to use and protect company resources carefully and professionally, to the best of their ability and in line with their value and intended use.

One of the senior experts (E2) said that Heineken Ethiopia is a pioneer in Ethiopia to share responsible messages in beer advertisements as one of the company's ethical responsibility.

The above result implies that Heineken is committed to several ethical responsibilities as its CSR practice. The activities are mainly categorized in to three, personal integrity, commercial integrity and company integrity. Under these three categories Heineken Ethiopia embraces all ethical activities.

4.2.4. Philanthropic Responsibility

Heineken has engaged in different philanthropic activities to support the local communities. The company donates ample amount of money for different community based problems such as drought, displacement, rural and urban development and others. In this regard one of the managers said:

Heineken Ethiopia considers itself a 'Partner for Growth' and this means we take our Corporate Social Responsibility seriously. It also means we invest and believe in partnerships that bring sustainable change and improvements for communities. This is demonstrated in several health related projects in Harar, Bedele and Kilinto where we have our operations (M1).

Heineken Ethiopia also works in collaboration with Heineken Africa Foundation that is established to support the improvement of health for people living in sub-Saharan African communities. The Ethiopian Red Cross Society is another organization that Heineken Ethiopia is working with. The collaboration is done with the aim of supporting health related problems.

A project called Public Private Partnership (PPP) is another indicator of Heineken's philanthropic activity. The project has the objective of ensuring long term water availability in Harar Regional State. PPP is co-funded by the Dutch Ministry of Foreign Affairs through the Sustainable Water Fund.

As one of the managers explained, Heineken administers scholarship programs to assist disadvantaged local students, works on road safety activities in the local areas that it operates, runs projects to create access to clean water and sanitation facilities for vulnerable communities, and educates the public about the dangers of drunk driving. (M2)

The above result reveals that Heineken Ethiopia is participating in philanthropic activities concerning social problems. Moreover, Heineken works with several NGO's like Ethiopian Red Cross Society and Heineken Africa Foundation.

4.2.5. CSR and Shareholders

CSR practice regarding shareholders is publishing necessary information in annual financial and sustainability reports. One of the managers said:

We publish both financial and CSR reports at global level. In addition, we also provide the CSR/sustainability report online. We believe that we are responsible to convey our shareholders with necessary and honest information (M2).

The other manager also explained similar view:

We always strive to maintain transparent communication with our respective shareholders. Making important information available and ensuring timely disclosure of information to our respective shareholder is one of our major CSR activity (M1).

Thus, the above finding implies that the company is doing its best to serve the interest of the shareholders, transparent to the shareholders and the company, committed to supply all the required information on a timely basis which include publishing necessary information in annual financial and sustainability reports and releasing the information online. As indicated in CSR literature, being concerned about shareholders/owners and providing them the necessary information on a timely basis is one aspect of a company's responsibility.

4.2.6. CSR and Employees

Heineken Ethiopia exhibits various CSR practices towards their respective employees. CSR practices include providing health care coverage and accident insurance, annual bonuses, holiday gifts, transportation services/allowances, training and education opportunities that involve paying for employees' education/tuition and implementing occupational safety and health standards to ensure a safe and healthy working environment for employees. One of the manager said:

I can assuredly say that the safety standards of our company are the highest. The employees may confirm that the safety measures and standards are exceptionally high at the company and that accidents are not tolerated at all. In Heineken we have 5 core behaviors that include: Put Safety First! Safety goes beyond the brewery gates – it is for all of us, all of the time. At the end of every day we want to go home safe and well. Taking care of ourselves and those around us is always our top priorities(M5).

The employees who participated in the interviews also affirmed that Heineken Ethiopia provides the best safety standards, and created a very safe and healthy working environment. They have highly admired the safety and health standards of their respective company. They have even indicated that one of the greatest achievements of the company after the acquisition by foreign parent company is the introduction of creditable safety and health standards and procedures.

Moreover, the employees also asserted that they receive regular training that relates to their work as well as training that focuses on awareness creation about CSR.

The researcher has also observed during the field observation at Klinto Brewery that Heineken Ethiopia implements the major organizational safety and health principles. The researcher himself was provided introductory information about OSH before getting in to the beer factory. In the work site, all the employees were equipped with necessary safety devices and the work place was free from hazards that could cause accidents.

However, there is some reservation from some of the senior employees of Heineken Ethiopia that training programs are not properly designed to prepare them for career development. They said that almost all the trainings, except for OSH related trainings, focus only on introducing the company's values and codes. The participants expressed their doubt that it might be to discourage old blood employees. One of the employee describe the situation as:

I have been working in this company for about 20 years. I spent almost half of my age with the company and as a result I used to consider the company as my own. Nevertheless, after the acquisition, the company completely overlooks me. I have never been promoted since the acquisition. I tried to express my dissatisfaction via the labor association but the association itself is highly affiliated by the management(EM1).

One of the managers (M3) has also admitted the problem in relation to the old blood employees. He said that the old blood employees are a bit passive as compared to the new bloods. He expressed his view as:

I believe some of the old blood employees are change resistive. Due to this they are not able to cop up themselves with the new company's management system and promotion policy. To solve this problem, we have been conducting so many trainings in order to aware them about the new company's value, vision, mission, ambition and different codes and policies of the company. In fact, the trainings are conducted with the aim of making the employees to have a shared vision and the result is promissory (M3).

In view of delivering catering services to employees, Heineken Ethiopia provides free lunch and subsidize meal for the employees who are working in the breweries.

Hence, from the above interview of both the employees and the managers it can be observed that there are plenty of employee-oriented CSR practices that the company is undertaking it includes training opportunities, medical coverage, catering services, bonuses, transportation services, holiday gifts, and intensive safety induction programs. However the dissimilar responses of the employees in the brewery show that there is poor unification of employees in Heineken towards their company; they lack a spirit of “we-ness” to unite and stand up together for their company. Besides, there is also a disruptive approach among the employees. As the interview infers, there is a segregation of employees in to two groups: (i) the old blood employees who used to work for the company since the pre-acquisition era; and (ii) the new blood employees, who are hired in the post-acquisition era.

4.2.7. CSR and Local Community

When it comes to CSR activities concerning the local community, Heineken Ethiopia claims that it is engaged in various CSR activities that benefits the local community. The CSR activities that are claimed to be undertaken by the company for the community are creating employment opportunities, engaging in community dialogues, sponsoring, and financially contributing to development projects.

4.2.7.1. Employment opportunity

Even if the company website and Heineken Ethiopia’s managers mentioned creating employment opportunity as one of the company’s CSR activities, various critics such as the academic community indicate that Heineken is not doing enough in creating employment opportunities. The critics’ standpoint is that Heineken is a high tech company that limits the involvement of people. To the contrary, the Ethiopian economy needs highly labor intensive businesses due to the highest unemployment rate. The researcher also probed from the senior employees that the company terminated more than 300 senior employees from Bedelle and Harar breweries. Regarding this the researcher tried to explore how the high-tech Heineken is favored

for Ethiopian high labor intense economy from the regulatory body, that is the Ethiopian Investment Commission. The PR directorate explained the cause as follows:

Whenever we invite foreign companies, we highly concern on CSR related issues such as environment protection, job opportunity and welfare of the community. In this regard we found Heineken blameless. In fact the company may reduce number of employees but it doesn't mean that it will not higher again. It is obvious that you cannot find a company which is perfectly tailored to our needs. It is all about compensation. Currently Heineken is one of the 10 high tax payer companies. In addition, unlike other breweries Heineken plays a great role in promoting modern farming system through providing productive malt barley.

One of the managers of Heineken Ethiopia has also a similar view. He said:

The people who left Heineken were not bare handed, they had been paid well. They can create a job by the money. We paid them up to 400,000 birr. On the other hand, most of our new employees are fresh graduates with no work experience. It has, therefore, a significant contribution on reducing joblessness of educated citizens.(M5)

The employees who participated in this research have also confirmed that Heineken Ethiopia paid a good amount of money. One of the employee said:

In fact the company paid the terminated employees a good amount of money as a compensation. But they would be more advantageous if they were in the company. The company could train them to adopt the new way of production.
(E3)

From the above result one can understand that regarding employee opportunity Heineken has a gap. To compensate the existing problem Heineken designed ways that could lessen the negative impact. Among the ways hiring fresh graduates and paying good amount of money for the terminated employees are the major ones.

4.2.7.2. Engaging in community dialogues

In relation to the engagement in community dialogues Heineken involves in Civil Society Organizations (CSOs) such as 'idir'/አ ጅ ረ / [a social and financial tradition widespread both in urban and rural areas]. One of the managers said:

In order to be part of the solution that the communities encounter, we participate in civil society organizations nearby to our Kilinto Brewery. This was done through the purchase of tents, chairs, cooking utensils, and loud speakers with its accessories which costs over 750,000 birr. Over 360 people from different Idirs and the local administration were part of the handover event along with our media partners. We were filled with pride when we saw the gratitude by members of the community (M1).

The chairman of the CSOs also confirmed that Heineken is good at engaging in community dialogues. One of the chairman of the CSOs /idir/ around kilintobrewery who participated in the study said:

We [me and the members] consider the brewery as one of our member. We invite them in our meetings. They attend in the meeting and give us their opinion and help towards the issue. On the other hand, they also invite us when they have parties and inaugurations. In the previous year they gave us plenty of materials. Now we are one of the strongest CSOs in the community. Thanks to Heineken.

The researcher also observed that there are plenty of photographs and videos that show the company attending meetings with CSOs, providing different gifts and receiving awards from the community representatives.

The implication of the above interview is that beyond helping the community to own necessary materials that will be used during the loss of relatives, the support was an opportunity to showcase Heineken's real concern to the community. Besides, meeting with the community is important to understand the actual feeling of the community towards the brewery and brands.

4.2.7.3. Sponsorship

Heineken is sponsoring various social, cultural, sport, and entertainment events. As one of the managers (M1) explained Heineken is sponsoring the Ethiopian national football club in both gender category. Heineken Ethiopia also announced in 2018 that it signed a 5 year agreement with the Ethiopian Athletics Federation (EAF) through its brand Sofi Malt. The sponsorship kicked off the previous year and will run until 2022.

The deal with Ethiopian Football Federation (EFF), on the other hand, will land the federation 3.5 million birr every month and 14 million birr for each four years. One of the managers (M1) of Heineken explained that in line with its sponsorship objectives, Heineken, under its brand Walia, will launch a number of events that aim at preparing both the male and female national football teams for the upcoming competitions.

In the entertainment stream Heineken Ethiopia had been sponsoring different TV and radio shows in different TV and radio channels. Besides several musicians had been sponsored by Heineken Ethiopia. Following the recent alcohol advertisement regulation by the government, Heineken has ceased to renew its agreement.

The implication of the above result is that Heineken Ethiopia has allocated large amount of money for sponsorship mainly in the sport sector.

4.2.8. CSR and Customers

In relation to customer, Heineken Ethiopia claims to promote responsible consumption through public responsibility messages and advertisements. Discouraging drunk driving is also another CSR practice of Heineken Ethiopia in relation to customers. As it is explained by one of the managers (M2), the company educates its customer not to drive drunk. The company also aware its bartenders to serve the customers politely and not to serve alcohol to people who are underage; and taking measures to reduce the impact of its advertisements on children.

4.2.9. CSR and Farmers

In terms of CSR with regard to farmers, Heineken works much more closely with smallholder barley farmers. One of the managers explained:

We have a motto called ‘growing with Ethiopian from barley to bar’. The motto shows that we are keeping the supply chain from local farmers up to the end user. We work towards sourcing barley locally and help to build the capacity of the local small scale farmers. To do so, we have initiated a Public Private Partnership called CREATE which is an acronym for Community Revenue Enhancement Through Agricultural Technology Extension, in partnership with the Agricultural Transformation Agency and Ethiopian Institute of Agricultural Research, aimed at improving quality and quantity of malt barley grown in Ethiopia as well as improved access to markets for farmers (M1).

The other manager also explained similar view:

Our activities are highly farmers centered. They are our suppliers. We work closely with local farmers and provide a range of support like offering improved quality seeds, giving trainings and professional advices, facilitating access for credit, delivering transportation facilities to transport their harvest and others (M2).

The farmers who participated in this study that work with Heineken have also expressed that they are very much satisfied with their business relationship with the company and they impressively appreciated the support they receive from the company.

The interview responses from the managers asserted that Heineken is mainly doing this to assist the local farmers in order to support and build their capacity, despite the fact that it is much more convenient and cheaper for the companies to import barley from foreign markets. They further said Heineken Ethiopia, in collaboration with governmental organizations such as Agricultural Transformation Agency (ATA) and Ethiopian Institute of Agricultural Research (EIAR), is striving to increase the quality and quantity of barley.

The above result implies that Heineken Ethiopia has a good relationship with the farmers/suppliers/.The Company assists the farmers to increase the quality and amount of barley that they produced. Besides, the company, in collaboration with ATAand EIAR, is striving to ensure a consistent supply of barley locally. Moreover, Heineken Ethiopia facilitates access to credit to buy inputs and gives marketing advice and transportation facilities.

4.2.10. CSR and Environment

With respect to environment, Heineken has a strategy with a motto of “Brewing a better world.” The company is acting to mitigate the impact of environmental and social risks and that it looks at ways to create genuine economic opportunities for both its business and its stakeholders. Heineken focuses on six key areas where the company and its employees believe they can make the biggest difference. The key areas are 1. Protecting water resources 2. Reducing carbon emissions 3. Sourcing sustainably 4. Advocating responsible consumption and 5. Growing with communities(M5).

Given that breweries are assumed to have high water consumption, the researcher starts his investigation of CSR to the environment with assessing the efforts that the company exerts to conserve water resources and the mechanisms that the company applies to manage waste. Hence,Heineken Ethiopia describes its approach for addressing water-related issues as ‘Water Stewardship’. The company aims to reduce water consumption in its breweries by 25% by 2020.In relation to this one of the manager (M1) said,“Beer is 95% water so balancing the needs of the community with our own needs is at the heart of our approach to water within Heineken.”

In review of water consumption before and after the acquisition, Heineken has significantly reduced from 10.9 HL/HL in 2011 to 4.56 hl/hl in April 2019. This means the company is well on the right track towards reaching its water consumption target of 3.8 hl/hl (or below) by 2020.

The major mechanisms that the company applies to manage waste and reduce water consumptions are 1. Re-using final CIP (Cleaning Internal Pipes) rinsing water, water overflow for ground cleaning. 2. Implemented Daily Utilities Monitoring system (DMS) for water consumption. 3. Use of high pressure water guns on frequently cleaned areas. 4. Close

monitoring and fixing of leakages, and condensation. Regarding this the other manager added the following idea:

In addition to the major activities held by Heineken Ethiopia, Bedele Brewery, one of the three breweries of Heineken, has invested 23 million birr in the upgrading of a Waste Water Treatment Plant. This is an aerobic plant which is discharging treated effluent water to the environment. This is in strict compliance and adherence to both Ethiopian law and regulation and Heineken standards as well (M2).

From the above findings it is revealed that Heineken Ethiopia recognizes and has focused on its responsibility to promote responsible water use. Moreover, all the activities related to the environment have been done in a planned manner. The activities mainly focus on minimizing the negative environmental impact of the company's operations.

4.2.11. CSR and Company's Value

As it is stated in the review of literature in chapter two of this paper, CSR is all about creating a shared value. Consequently, Heineken Ethiopia's values are stated in different phrases such as 'We build true human connections and breakdown barriers', 'We brew the best beer', 'We are brand builders', 'We see our strength in trust, diversity and progress', 'We always advocate for responsible consumption', 'We work with our customers and partners to grow together and seek to win with integrity and fairness', 'We stand by our values: passion for quality, enjoyment of life, respect for people and for the planet'.

The above result shows that the values of Heineken Ethiopia are in line with the basic principles of CSR that are mentioned in the review of literature. These are sustainability, accountability and transparency.

4.2.12. CSR and Marketing

In exploring Heineken's engagement in CSR from a viewpoint of marketing, all the respondents including different managers, employees and external stakeholders stated that one of the reasons why

Heineken Ethiopia implement CSR activities is for the purpose of improving competitiveness and is even considered as a useful tool to seize market prospects/opportunities, or that CSR contributes to business survival and growth as well as improving good will and image building, or it brings about commercial and reputational benefits.

The implication is that there is marketing behind the company's engagement in CSR. The above result shows that from the perspective of marketing and CSR, Heineken affirmed that CSR contributed to improving their reputation and image, and it has also contributed to enhanced competitiveness.

4.2.13. CSR and Company's Corporate Strategy

In view of the relationship between Heineken's strategy and its CSR activities, CSR is integrated in the entire strategy of the company. The company strategy, as it is stated in the company's website, is built around four business priorities for action. They are designed to enable the Company to win in the marketplace, focus on the long-term sustainability of its business and continue to delivering growth and shareholder value.

On the sustainability side, a dedicated 10-year program, from 2010 up to 2020, named Brewing a Better Future is an area of specific attention. Brewing a Better Future mainly focuses on mitigating the impact of environmental and social risks and that the company look at ways to create genuine economic opportunities for both its business and its stakeholders.

The above result indicates that all the CSR activities mentioned in the theories of CSR are integrated in the company strategy of Heineken Ethiopia.

4.2.14. CSR as Multi-National Company

As a Multi-National Company, Heineken Ethiopia applies a decentralized CSR strategy in the local context in order to be more responsive to the needs of the local people and to respond to local conditions. In exploring the international corporate strategy of Heineken which relate to CSR, and the result turned out that the company mostly have common international strategies that focus on: promoting responsible consumption, sourcing locally, and protecting the environment such as through conservation and development of water resources, waste management, and carbon control. Nevertheless, the implementation is left to the management of the local companies that is Heineken

Ethiopia to implement the strategy. This means Heineken Ethiopia is performing CSR in the Ethiopian context autonomously. Regarding this one of the managers said:

We have introduced verities of notions for the country. Among these the introduction of the idea of responsible consumption with responsibility messages is one of the positive practices. We have implemented communication of responsibility messages as part of our strategy to promote responsible consumption, and this promotion of responsible consumption is a new experience to the Ethiopian brewery sector. Moreover, with respect to the strategy of sourcing locally, Heineken Ethiopia in particular, is working closely with thousands of poor farmers across the country in order to improve the productivity and income of the farmers through agronomical support. The company works with local farmers based on contract strategy that provides the farmers with training on best agronomical practices, input and improved quality seeds, premium price, and packaging and transportation assistance. In general, Heineken Ethiopia as a MNCs contributes a lot for the local CSR practice (M2).

The academics and the regulatory body also agreed that breweries including Heineken Ethiopia have introduced so many CSR practices in Ethiopia. They further said some breweries such as Heineken Ethiopia need to be acknowledged for their knowledge sharing practice of their international experience with regard to waste management and carbon control, the report from Ethiopian Ministry of Environment and Forest shows that breweries, including Heineken Ethiopia, exert at most effort in managing their waste and the brewery sector is not a high carbon polluter in the country.

The implication of the above result is that Heineken Ethiopia, as a MNCs, implements all the CSR activities in the local context.

4.2.15. CSR and Company's Ambition

Heineken Ethiopia's ambition, as it is stated in its website, is to brew a better world across the entire value chain, from barley to bar. This shapes Heineken's contribution to delivering the UN

Sustainable Development Goals which aim to end global poverty protect the planet and ensure prosperity.

The implication is that the ambition of Heineken Ethiopia integrates the major CSR activities such as manufacturing responsibly (brewing a better world) and considering all the value chain (from barley to bar).

4.2.16. CSR and the Value Chain

In view of the CSR practice of Heineken Ethiopia across the value chain, the company clearly stated the value chain and implement the CSR activities accordingly. The value chain identified by Heineken Ethiopia are six. These are 1. Agriculture (barley) 2. Brewing 3. Packaging 4. Distribution 5. Customers and 6. Consumers (bar).

With regard to agriculture Heineken Ethiopia claims that the company produces beer and cider from natural ingredients which are sourced with care. The company recognizes and motivates the farmers for volume of supply, quality, and contract compliance, application of good practices, and timely supply.

In relation to brewing, on the other hand, Heineken Ethiopia believes that brewing beer and making cider is a craft. Thus, the company strives to make its employee more skillful through on the job and off the job trainings. Making the working environment favorable is another CSR activity of Heineken Ethiopia in relation to brewing.

The company also believes that packaging enables the brand to stand out. Regarding distribution, the majority of its products are consumed in Ethiopia. The CSR manager said that they are here to serve Ethiopia.

Heineken Ethiopia's brands such as Wallia, Bedelle, Buckler and Sofi Malt are purchased and consumed in bars, restaurants, and from retailers around the country and thousands of consumers enjoy one of its brand every day.

4.3. Benefits and barriers of implementing CSR in Heineken Ethiopia

This section demonstrates the benefits and barriers of implementing CSR, which is in line with the third research question of the study – What are the benefits and barriers of implementing CSR in the local context? This section presents the benefits and barriers involved in implementing CSR.

4.3.1. Benefits of implementing CSR in Heineken Ethiopia

The managers of Heineken strongly believe that the company may have several benefits in implementing CSR. In terms of the benefits of CSR, Heineken Ethiopia has identified the following benefits of implementing CSR: improving the company's image and reputation, commercial and reputational benefits.

All the company managers believe that CSR has positive effects on the company's image and reputation, they further stated that implementing CSR activities has Positive effects on employee motivation, retention, and recruitment. It also helps the company to save costs and increase revenues from higher sales and market share. Moreover, Heineken considers that CSR-related risks such as boycotts, negative press and strike against the company can be reduced.

Commercial benefit is the other benefit that Heineken believe to be achieved through implementing CSR activities. The company believes implementing CSR can attract new customers. The CSR manager said that there are socially conscious customers who always stand with responsible businesses and these customers increase the companies' profitability, and enhance its competitiveness in the market.

Regarding reputational benefits the external communication manager said that the good deeds that the company had done in terms of CSR has come around in the form of improved reputation. Heineken Ethiopia has won several awards regarding community based CSR activities.

The above result shows that implementing CSR benefits Heineken and its stakeholders in terms of improving customer loyalty, enhancing employee loyalty and moral, improved productivity, positive relations with the community and competing in the market as well.

4.3.2. Barriers of Implementing CSR in Heineken Ethiopia

Though the company gets several benefits through implementing CSR, there are barriers that Heineken faces in the process of implementing CSR activities. One of the barriers stated by almost all of the managers is lack of awareness of the community towards CSR activities that are done by the company. In relation to this one of the managers said that:

Lack of awareness among communities regarding the importance of protecting some of the CSR activities we do is a common experience. For example, we donate nearly a 2,000,000birr equipment for one of the health center in Addis, but we notice such equipment get no protection from the local concerned body, we even notice some of the equipment such as ultrasound, and CBC machine haven't been used yet. So, lack of well-developed awareness about CSR in the local area is one of the major challenges(M4).

The other barrier stated by the company is numerous social problems in the society. Heineken complained that the company receives numerous requests for support lots of people from the various regions of the country on a daily basis. The company further criticized that such individual requests are difficult to collect and organize due to the dispersed problem. Besides, it is also problematic that the company budget limit is also an internal barrier to CSR. In view of this one of the managers explained the issue as follows:

We are encircled by twofold challenges. The first one is the intense of social problems in the country, there are lots of social problems that are really burdensome. The other one is that there are various requests for funding that reach our office from all corners of the country. These individual requests are usually difficult to organize due to the dispersed problem. And most of all our CSR budget can never be big enough given the enormity of the social problems around (M1).

From the above result one can infer that Heineken faces difficulties in managing requests for support from different parties. It is mainly because of the size of the requests for support. Lack of awareness of the society towards the CSR initiatives is also another problem.

4.4. CSR and Responsible Consumption

Here, the research will assess the CSR practice of Heineken Ethiopia with respect to responsible consumption, which is one of the research question of this research paper. Consequently, the researcher tries to assess the case from the company and the academic point of view.

The most common CSR concern that claimed to be practiced by Heineken Ethiopia is promoting responsible consumption. It was found that the company is devoted to promote responsible drinking. In relation to this, one of the senior expert of the company said that as one of the leading brewers, responsible consumption is a key focus area as part of their sustainability agenda. He further said that beer is a natural product enjoyed by millions of people around the world. It is and can be part of a balanced lifestyle when consumed responsibly. The company actively promotes the enjoyment of beer in moderation with a campaign called “BeLik /በ ልክ /, BeAgbab /በ አ ግ በ ቡ/, BeHalafinet /በ ሃ ላ ፈ ነ ት/,” which roughly translates to “In moderation, appropriately, with responsibility”. One of the managers also added that:

We have started working with University and Driving School students to raise the awareness of what it means to Enjoy Responsibly. The BeLik /በ ልክ / logo is on all our billboards and print advertisements, along with alcohol content on our brands and that it is not sold to younger than 18 years of age. Our responsible consumption message is to drink in moderation, at the right time, in the right place for the right reasons (M2).

For its employees, Heineken Ethiopia has ‘the Cool @ Work’ program which is a deliberate program of awareness creation and actions that help employees ensure responsible consumption of alcohol and prevention of harm to themselves and others in the work place by avoiding misuse and abuse. Heineken also celebrates Global Beer Responsibility Day annually. The aim of the program is to raise awareness of the employees of Heineken Ethiopia and external stakeholders the impact of alcohol abuse and to work together to make moderation the social norm. In the program, different activities were held on moderate drinking and team building activities.

The researcher also observed that the billboards of Heineken Ethiopia in different streets of Addis Ababa and found the message “BeLik /በ ልክ/, BeAgbab /በ አግባቡ/, BeHalafinet /በ ሃላፊነት/,” in a clear and readable language. Besides, the researcher also observed that there are leaflets and brochures that promote responsible consumption both in the head office and in the brewery.

As opposed to Heineken Ethiopia the academics blame the company that it has several advertisements that can mislead the public. They indicated that beer is integrated with the world of work and the values it represents by mentioning one of the advertisement of Heineken that says “ጎበኝተኝበተይገበበዛል”/hard workers invite[Beadle]each other/. In the commercials, as to the academics, beer is being positioned as a reward to celebrate the fruit of hard work or effort.

One of the senior expert of Heineken said that Heineken advocates for drinking responsibly and indicate that their products are not meant for persons under the age of 18 through media advertisements. However, the academics, indicate that the breweries are not doing enough in instilling responsible consumption. The academics’ standpoint is that the responsibility messages are only rhetoric, which lack practical monitoring and implementation. Besides, minors are not considered.

In view of this, The House of People’s Representatives (HPR) passed a draft bill banning alcohol advertisements on billboards and broadcast media after a long debate. The bill further puts strict restrictions on advertising and promotion of alcohol. The new law aims to protect children and the youth from being seduced by the commercials of liquor and become addicted and unproductive. It also plans to address the consequences of alcohol consumption on the health of individuals and over economy.

The above result implies that Heineken Ethiopia aware its customer about responsible consumption through trainings, events and print medias. Moreover, there are also messages in Heineken’s commercials that are misleading in their contents.

4.5. Data Analysis and Development of Themes

It is stated in the previous chapter that FGDs is one of the major data gathering tools employed to achieve the objective of this study. The FGDs are aimed at providing an insight from the farmers' point of view.

Demographically a total of 18 farmers were involved in the three groups. The variables in the study are: age, education status, marital status and social context. The age range of the participants was between 25 and 65.

The discussion is based on the five recurring thematic concepts identified from the group discussions. The thematic concepts are: the company's support to increase productivity, benefits that the farmers get from working with Heineken Ethiopia, contribution of Heineken Ethiopia in environmental protection activities in and around the farming areas, Farmers' concerns regarding the activities of Heineken Ethiopia, and Farmers' expectations from the company in their business relationship.

The five thematic concepts are discussed one by one in the following manner.

4.5.1. Heineken Ethiopia's support to increase productivity

In exploring what support the farmers get from Heineken Ethiopia, all the FGDs with the farmers revealed that there are various forms of support that the farmers receive from the company. The farmers who participated in the FGDs indicated that the company has facilitated for them access to credit, which are basically loans, to buy inputs such as fertilizers for their farming activities. They also get improved quality seeds from the brewery on a credit basis; the farmers uphold that the yields of the improved quality seeds are very high. Here are some of the excerpts:

FGD A (1) I have a land estimated to four hectares, I plant malt barley. Currently, with the help of Heineken Ethiopia, I get seven tons per hectare, whereas I used to only get two. And, because my barley is of the highest grade, I can sell it for more money per ton. My total income is much better than the past. Now I paid all the credits that I took from the company. Hopefully the future with Heineken will be better.

FGD C (3) some of us have even managed to produce over 15 quintals of barley from 50 K.gs of better quality seeds that we received from the company.

FGD C (2) Heineken Ethiopia offered us market opportunity to sell our barley with a better price than the market offer.

FGD B (1) Heineken Ethiopia provides us agronomical support, training opportunities and business advice.

The finding of the group discussion is in line with the result of the in-depth interview with the management of Heineken Ethiopia with regard to CSR and farmers/suppliers/.

4.5.2.Benefits that the farmers get from working with Heineken Ethiopia

When asked to reflect the benefits that they get from working with Heineken Ethiopia, all of the respondents said that unlike the past times they are now certain on the availability of the market with an attractive price. The opportunity to get a loan is also another benefit mentioned by participants. The participants shared their opinion as follows:

FGD A (1) Heineken Ethiopia provides us an attractive price that is much higher than what the market used to pay us.

FGD B (5) It is not only the money that we get from the company but also we get knowledge and skill, we have been given lots of trainings by the company and its partners. We are not oblivious any more.

FGD C (3) The input credits that we get from the company has also made life easier, because we assert that we get loans/credits from the company to buy the necessary inputs such as improved quality seeds and fertilizer.

The above result indicates that Heineken Ethiopia provides the farmers many packages of benefits. However, few of the respondents are not satisfied with the benefits that Heineken Ethiopia provide them. The farmers argue that it is a mutual benefit. One of the respondents said:

FGD C (4) our relationship with Heineken Ethiopia is market-based. No more!
No less!

4.5.3. Contribution of Heineken Ethiopia in environmental protection activities in and around the farming areas

The group discussion in relation to Heineken Ethiopia's contribution in environmental protection, all the farmers who are participated in the FGDs explained that there is no environmental protection activity that has taken place by the company.

4.5.4. Farmers' concerns regarding the activities of Heineken Ethiopia

The farmers who participated in the FGDs expressed some critical worries that the local community complains about the company. The farmers' concerns regarding the activities of Heineken Ethiopia are mainly fear of discontinuity of support, and fear of polluted water. The following are the extracts of the respondent's views on this notion:

FGD C (2) The experts who are supporting us told us informally that unless it is renewed the supporting program designed by Heineken Ethiopia ends up soon. We are really concerned in this issue.

FGD B (6) Heineken Ethiopia promised to give a continuous support of aids for the community of Killinto. We heard the company built a hospital at Bedelle and offer a clean water at Harar. However, here at Kilinto big projects are yet to be built. We have plenty of economic problems that need support.

FGD A (1) Even though we visited the water treatment plant in the brewery and found it unswerving, we still have worries that the released water from the brewery might be polluted. This is due to the fact that we have lost many cattle and we suspect they are poisoned with the chemical released from the brewery.

FGD C (4) I personally am concerned with the price that Heineken is willing to pay us. Some of my friends and I have asked that to be adjusted. There are many factors and hardship that goes with our work, and I think that price should be raised.

Based on the findings it is quite easy to figure out that the majority of the participants sharesimilar views regarding their concern of business relationship with Heineken Ethiopia. They emphasize that they fear discontinuity of support and water pollution.

However, one of the discussants had a different point of view on concerns of farmers regarding their business relationship with Heineken Ethiopia. FGD C (4) states that he is not attracted by the price which is allocated by the company.

The view of this individual contradicts with the in-depth interview findings that depicts Heineken Ethiopia is offering a premium price which is much better than the market offer.

4.5.5. Farmers' expectations from the company in their business relationship

To discover the respondents view concerning their expectations from the company in their business relationship, the farmers were asked to reflect on the issue at hand. Accordingly, the findings indicated that the majority of the respondents suggest the company to take part in other social dimensions such as expansion of schools and health service facilities in their areas, as these are some of the social services that they and their children lack. Some of the participants have also expect an adjustment of barley price which is allocated by the company. Otherwise, as farmers currently working with the company, they stated that they are happy with the support they get from the brewery. Explaining the issue they said that:

FGD C (5) we are really happy with our business relationship with Heineken Ethiopia. We are now much better than the past. Our future expectation from the company is that since the community is extremely poor, we need a friendly support from Heineken Ethiopia on our serious problems. That are basic infrastructures like schools and health centers.

FGD B (4) Life in the country is getting tough. The inflation rate is very high. I think Heineken Ethiopia should consider that and adjust the purchasing price.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1. Discussion of the Findings

This study aims to explore the existing practice of CSR in Heineken Ethiopia, examine CSR practice of Heineken Ethiopia using Carroll's model and stakeholder theory, and assess the benefits and barriers of implementing CSR in Heineken Ethiopia. The findings of the study are discussed as follows.

5.1.1. CSR in the Context of Heineken Ethiopia

The interview result with the managers of Heineken Ethiopia reveals that the company understands CSR as creating a shared value with the communities and societies in which the company operate. Even if Heineken Ethiopia's understanding of CSR is not in line with the definitions of CSR, the company aligns its CSR engagement with sustainably running business, which is among the core principles of CSR. (Crowther and Aras, 2008)

5.1.2. The practice of CSR in Heineken Ethiopia

According to the interview respondents selected for this research work, Heineken Ethiopia implements economic, legal, ethical and philanthropic dimensions of CSR.

In the economic responsibility dimension, Heineken Ethiopia practices activities that are based on mutual benefits with the community through integrating CSR activities with the aim of winning the marketplace. Therefore, it can be noted that winning the marketplace (making profit) is the economic responsibility of any business including Heineken Ethiopia. ((Brusseau, 2015)

Heineken Ethiopia implements CSR activities voluntarily through developing self-regulatory codes and regulations as there is no CSR law in the country. Brusseau also mentioned that companies must understand legal responsibility as a proactive duty. (Ibid)

Regarding the ethical dimension, on the other hand, Heineken Ethiopia embraces all its ethical activities under three major categories, personal integrity, commercial integrity and company integrity. More specifically, the company performs the ethical responsibility through its value of

respect for people and for the climate. This finding is also supported by scholars that companies has to do what's right even when not required by the letter or spirit of the law.(Ibid)

In view of the philanthropic responsibility, Heineken Ethiopia allocates enormous amount of money for the donation of different social problems arose in the country such as drought, displacement, rural and urban development. Besides, Heineken Ethiopia is doing its philanthropic activity in collaboration with different NGOs and civic organizations. This finding is in line with the idea of CSR scholars that businesses, like everyone in the world, have some moral obligation to support the general welfare in ways determined by the needs of the surrounding community.(Ibid)

Heineken Ethiopia communicates its CSR activities using communication tools like press conference, press release, and public attendance. Concerning the media outlets, Heineken Ethiopia often uses the digital media.

With regard to the implementation of CSR towards stakeholders the interview result reveals that Heineken Ethiopia considers everyone that is influenced by the company's business operation and vice versa as the stakeholder of the company. It includes shareholders, employees, local community, customers, farmers, the environment, and the value chain. Besides, all these stakeholders, except for the complaint from the employee side, are embraced in the CSR activity of the company. This finding is in line with Freeman's definition of CSR that says businesses shall be managed in consideration of the interests of stakeholders and embracing stakeholders is one of the quality of responsible companies. (Freeman, 2001)

Some of the respondents from the employees of Heineken Ethiopia stated that there is a problem in Heineken Ethiopia regarding employees' relationship with the management and among themselves. According to the respondents, partiality and lack of unity among employees are major problems. This is against the idea of Freeman that organizational stakeholders such as employees need to be motivated, empowered and treated equally. (Freeman, 2001)

From the results obtained through FGDs, the study shows that the majority of discussants agreed that Heineken Ethiopia provides a support in relation to productivity improvement. Trainings and better seed provision are among the support that the farmers get from Heineken Ethiopia. Besides, the discussants also stated that they are benefited with credit facility and attractive price

allocation. As Spiller (2000) stated pay fair prices, encouragement to provide innovative suggestions and assist suppliers to improve their environmental and social performance are CSR activities for suppliers (farmers). (Spiller, 2000).

In view of the contribution of Heineken Ethiopia in environmental protection around the farming area, all of the discussants revealed that there is no any activity which is employed by Heineken Ethiopia in relation to environmental protection around the farming area. Such irregularity contradicts with the idea of Spiller (2000) that says companies should do an environmental and social element in the selection of suppliers. (Spill 2000).

The farmers' concern relative to their relationship with the company are fear of discontinuity of support, and fear of water pollution.

The farmers' expectation from Heineken Ethiopia are purchasing price adjustment and additional support in building infrastructures like school and health center.

5.1.3. Benefits and barriers of implementing CSR in Heineken Ethiopia

There are different kinds of benefits that are related with Heineken Ethiopia's CSR activity. It includes benefits like, good reputation, positive image towards the company and commercial and benefits. This finding is supported by scholars that companies may engage in CSR to improve their efficiency and enhance their reputation, brand, and trust". (Kurucz, et al., 2008; Zadek, 2000).

To the contrary, lack of society's awareness towards CSR initiatives and the severe financial problem of the society, which leads to inability to address all the problems, are the major barriers of Heineken Ethiopia to implement CSR practices.

5.2 Conclusion

This research paper has focused on the CSR practice of brewery industry and its implementation, the benefits and barriers in implementing CSR practices in brewery industry in the case of Heineken Ethiopia.

It explores the CSR practices available in the company and how they are implemented. Furthermore, it assesses the benefits and barriers in implementing CSR in Heineken Ethiopia.

This research used qualitative case study method. The case study research method is used to explore the existing CSR practice in Heineken Ethiopia. The research identified economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility as the main dimensions of CSR.

The finding of this research indicates that Heineken Ethiopia implements a systematic focused and institutionalized approach to CSR and that the understanding and practice of CSR in Heineken Ethiopia focused on type of CSR that is positively impactful on stakeholders.

The economic, legal, ethical, and philanthropic dimensions of CSR are implemented in Heineken Ethiopia holistically. Besides, CSR is strategically used to create competitive advantage and meet the company's economic responsibilities.

In view of the level of Heineken Ethiopia's involvement in CSR, the research result shows that the company is in strategic level that it target to win the market through strong ethics policies and by being environmentally friendly.

The company's CSR activity with regard to responsible consumption is not satisfactory.

Heineken Ethiopia is undertaking CSR activities voluntarily, there is no national law or regulations that require businesses to practice CSR activities in the country.

5.3. Recommendations

So as to resolve segregation among employees and employees with the managers, a CSR program should be owned by employees at all levels. Each employee can contribute in his or her

way, but each needs to be motivated to do so, both to feel a part of the program and to feel good about participating.

Given that the lesser number of digital media operators in the country, using the digital media as a major media outlet might lead to lack of knowledge among stakeholders about CSR initiatives in the beer market in general and especially in Heineken Ethiopia. Therefore, Heineken Ethiopia has to communicate its CSR activity in the mainstream media together with the digital media.

Heineken Ethiopia need to engage in serious commitment to promote responsible consumption and protect children from beer promotion.

5.4 Future Research

The writer of this research work doesn't believe that this research can satisfy the demands on CSR practices. Therefore, other similar research works will satisfy more question and demands on the area. Thus, it is recommended that other studies on CSR practices will definitely fill the gap. Moreover, the researcher would like to recommend Heineken Ethiopia should take a look at the findings and recommendations of this research paper so that it can fill the gap in CSR related activities.

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Appendix I. Interview Questions

These interview questions are prepared to collect relevant data to explore the existing CSR practice and factors that affect CSR practices. Therefore, you are kindly requested to provide as accurate and recent information as possible. **Your cooperation on the interview would be highly appreciated!**

Background Information

1. Would you explain your educational background, your position in the company and your work experience?

What is CSR in the context of Heineken?

1. What is your view on Corporate Social Responsibility?
2. How the CSR strategy of an international company can be implemented by the local management in the brewery sector?
3. Is the company's CSR program owned by employees at all level?
4. Do you have CSR strategy?

What are the benefits and barriers of implementing CSR in Heineken Ethiopia?

1. What are the factors that promote and/or prevent the adoption of CSR practices and principles by the company (Heineken)?
2. Do you openly profile yourself as socially responsible actors who are willing to embrace societal concerns on alcohol related harm?
If yes what are the indicators?
If no why not?
3. How about involving in sponsorship schemes, public awareness talks or dialogues, education programs, networking events, and partnerships with government as well as voluntary codes of practice for marketing and advertising?
4. What is/are the cause/causes the company as a whole will exclusively support?

How CSR practice is implemented in Heineken Ethiopia?

1. Do you have a website dedicated to CSR which display various CSR related programs and/or campaigns?
2. Does Corporate Social Responsibility addresses the community needs?
3. Do you have a sustainable development report?

4. Are the CSR principle clearly defined in Heineken?
5. Does the company establish the relationships with the community partners?
Is their expectation defined?
6. In what activity will your company participate? How often? When?
7. Does the company communicate what they are doing?(both internally and externally)

How we implement a CSR program that promote responsible consumption?

1. Is there any program that encourage responsible drinking and to educate consumer?
2. Is there any volunteering activity in cleaning up watersheds or the like?
3. Is there any CSR initiatives relevant to the reduction of harmful drinking?
Like alcohol information and education provision
Drinking driving prevention
Research involvement
Policy involvement
The creation of social aspects of the organization
4. Does the company form a partnership with social issues experts and non-for- profit organization?
5. Is there any program initiated by Heineken to target alcohol misuse and related harm?
6. Is there any self-regulatory practices for a certain industry? For example advertisement

Interview Questions for the Academics

1. What is your opinion towards the CSR activities of brewery industry?
2. Do you think the breweries such as Heineken Ethiopia practicing their business ethically?
3. What should breweries do to promote responsible consumption?

Interview Questions for the Regulatory Body

1. How Heineken Ethiopia is preferable for Ethiopian labor intensive economy where it is a high tech company?
2. What are the contributions of breweries such as Heineken Ethiopia on CSR initiatives?

Do you think breweries are promoting responsible consumption?

Appendix II. Focus Group Discussions (FGDs) Checklist

. Thematic Questions for FGDs

I. Demography

1. Name/Code _____
2. Age _____
3. Gender _____
4. Education level _____
5. Occupation _____

II. Contribution of Heineken Ethiopia to Smallholder farmers to increase productivity

1. Does Heineken Ethiopia support you to increase productivity? Yes NO
2. If the answer is yes what are the supports?
3. Do you think the supports are satisfactory?

III. Benefits that the farmers get from working with Heineken Ethiopia

1. Are you benefited from working with Heineken Ethiopia? Yes No
2. If the answer is yes what are the benefits?
3. Do you think you are well benefited?

IV. Efforts that the company made in environmental protection activities in and around the farming area

1. Is there any activity such as environmental protection activities that is made by Heineken Ethiopia in the farming area? Yes NO
2. Do you think that is enough?

V. Farmers concerns regarding the activities of the company

1. Is there anything that concerns you in relation to your relationship with Heineken?

Yes No

2. If yes, what are they?

3. Have you ever discussed your concerns with the company?

VI. Farmers expectation from the company

1. What do you expect from the company?

Appendix III. Observation Checklist

1. Does the company implement the major OSH related materials?
2. Does the company have recorded videos and photographs that show CSR activities?
3. Is the working place free from hazards?
4. Does the company provide for the employees a safety protection materials?
5. Does the company promote responsible consumption in the bill boards and leaflets?