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ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF BUSINESS ADMINISTRATION

ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN COFFEE  
INDUSTRY: THE CASE OF MULLEGE, HAILE COFFEE AND BEZUAYEHU SHONE  
PRIVATE LIMITED COMPANIES

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ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
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This is to certify that the dissertation prepared by Zerihun Chacka "ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN COFFEE INDUSTRY: THE CASE OF MULLEGE, HAILE COFFEE AND BEZUAYEHU SHONE PRIVATE LIMITED COMPANIES" and submitted in partial fulfillment of the requirements for the EMBA Degree in Management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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## **DECLARATION**

I hereby declare that the work which is being presented in this research project entitled “ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN COFFEE INDUSTRY: THE CASE OF MULLEGE, HAILE COFFEE AND BEZUAYEHU SHONE PRIVATE LIMITED COMPANIES)” is my own original work, has not been presented for a degree in any other university; and that all sources of material used for the research project have been duly acknowledged.

Mr. Zerihun Chacka

\_\_\_\_\_

Signature

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Date

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## **ACRONYMS AND ABBREVIATIONS**

CSR: Corporate Social Responsibility

CSP: Corporate Social Performance

CED: Committee for Economic Development

BSR: Business for Social Responsibility

CSI: Corporate social investment

CRR: Country Review Reports

APRM: African Peer Review Mechanism

## ABSTRACT

*The study aimed at studying the practices of different dimensions of Corporate Social Responsibility (CSR) in the case of Mullege, Haile Coffee plantation and Buzayehu Shone Coffee Plantation PLC. In doing so, the study assessed CSR based on the seven core subjects. These seven core subjects of CSR were socio demographic characteristics, awareness, economic, legal, ethical, philanthropic, and importance. In relation to the methodology, stratified random sampling technique was used in selecting respondents. The study has been conducted on the basis of the quantitative and qualitative research techniques to assess the nature or practice of CSR in the selected three companies. 84, 57 and 26 employees were selected from the total employees of 146, 100 and 46 at Mullege, Haile Coffee and Buzayehu Shone respectively. Data were collected through questionnaire. Moreover, structured and unstructured interview were also conducted with managers and administrators of the respected companies through open ended questions which are designed to elicit their perception about the nature of CSR in their respected companies. Finally, the data collected through the questionnaires were coded, entered into computer and analyzed and presented in the form of percentage, frequency tables, charts and non-parametric tests using SPSS version 24 Software. Finally, the results of the study show that the three case companies were found indifferent in their CSR practices regarding awareness, economic and legal responsibilities. On the other hand, the three case companies were found different in their CSR practices regarding ethical and philanthropic responsibility. Additionally, the three case companies mainly engage in CSR activities to gain improved financial performance, enhanced reputation, meeting regulatory requirements and growing community pressure. And challenges faced by the companies while implementing CSR include, location, managements' perception of CSR as a cost and unavailability of a clear CSR guidelines. Accordingly, recommendations were extended to strengthen the good practice and improve where needed through building a close relationship with stakeholders to find and tackle challenges as well as recommendations for further research in the area.*

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

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

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

While 90% of the coffee production takes place in the developing countries, its consumption happens mainly in the industrialized countries (Ponte 2004). This relationship mirrors the North-South relation, and the multiple challenges that are involved. In order to approach the research question, it is important in a first step to understand the social, economic and environmental problems, which influence the coffee supply chain. A supply chain shows all activities and processes that are involved in the development of a product from its raw state to a finished good to consumption, as Löfbergs calls it "from bean to cup" (Löfbergs, 2013). Often supply chains within the coffee sector are very complex, with beans changing hands several times on their way from the producer to the consumer (Fairtrade 2012: 19).



Figure 1.1: Simplified supply chain of coffee

The ethical concerns the coffee industry mainly associated with the practices in the supply chain that it related with the company collect coffee beans at a fair price, participation in the farmers' community development, ensuring no child labor involved the farming of coffee in the community, chemical free coffee farming, chemical free coffee bean package and many more.

The paper did not try to provide with a comprehensive and guaranteed list of CSR activities that would suit to Mullege, Haile coffee, and Bezuayehu Shone coffee plantations PLC. Rather the paper focused on general principles and approaches to CSR concept that can be understood and used by selected PLC for the study as a foundation towards excellence in CSR. The paper will also provide a guide to responsible business on how to identify and apply principles of corporate social responsibility in the selected PLCs.

It is believed that introducing CSR implementation concept can enrich and bring also competitive advantages for similar companies which would like to engage themselves strategically in CSR.

## **1.2. BACKGROUND OF THE INDUSTRY**

Coffee is one of the most widely traded and consumed commodities in the world. The demand for coffee is also growing (FAO, 2015A; Panhuysen & Pierrot, 2018), perhaps due to increased demand from emerging economies. Despite its wide consumption in developed countries, coffee is overwhelmingly grown in less developed economies. In addition, it is estimated that 70% of the approximately 25 million coffee producers are smallholders who manage less than 10 ha of land (Panhuysen & Pierrot, 2018; Rahn et al., 2018). This means that coffee production is potentially a source of economic development (FAO, 2015a; Rahn et al., 2018). Even though smallholders and developing economies produce most of the world's coffee, they reap few of the benefits. Global trade and sale of coffee is increasingly concentrated in a few “mega” companies housed mostly in the developed world (Panhuysen & Pierrot, 2018).

Coffee is vital to the cultural and socio-economic life of Ethiopians. It sustains the livelihoods for over 15 million and provides important income from casual labor and for many additional poor rural peoples. It contributes 25%-30% of the country's foreign exchange earnings (FDRE MOT, 2012). Agriculture, dominates Ethiopian economy, and accounts for about half of GDP, 90% of exports, 85% of total employments in the country. Consequently, Ethiopia stood third in the world and first in Sub-Saharan Africa in terms of the share of GDP that stems from agriculture (Jema, 2008).

Therefore, it is imperative to see the CSR practices in this potential sectors in our country, one of the main important cash crop that can play a leading role in economic development is coffee and its output export and domestic markets potential values.

### **1.3. STATEMENT OF THE PROBLEM**

In the new millennium, CSR activities represent the challenge and a truly paradigmatic shift for business corporations (Jamali & Mirshak, 2006). Despite a good awareness and intentions, the CSR approach of the companies, CSR is still largely conceived in the context of voluntary philanthropic responsibility advantage as a result of enlightened entrepreneurship exercised by owners of the organization, with the corresponding responsiveness processes and outcomes modest at best (Jamali & Mirshak, 2006). The actual practice of CSR in the developing world is not a wide spread phenomenon. Even though most of CSR issues are included in the various laws and policies of the country, their implementation is inevitably lagging behind; that may be due to lack of full awareness of the relevant practices and its consequences. Some companies are also reluctant to the implementation of such rules as costs might be a reason for them. Though, developing countries' firms are still in the preliminary level of development in their awareness and integration of CSR activities within their corporate policies and strategies, which is reflect on the country's early stage of private sector development (Mandurah, Khatib Al-Sabaan, 2012).

While those managers are conscious in the CSR concept and exhibit a positive attitude toward it, there is a gap between employee and top management attitude and perception of the concept. Tends to lean toward being classical and viewed as philanthropic responsibility rather than strategic orientation. A company's performance and business in general could not be measured exclusively by gaining economic profit to the organizations. Rather its shareholders and managers should be responsible for all others who directly and/or indirectly affect or are affected by a firm's business activities (Vitezic, 2011). The motivation for CSR is likely to be strictly familiar and the private sector cannot be expected to be effectively engaged in a sustainable CSR drive. Paradoxically, it is precisely in a developing country context that the need for CSR type initiatives is subtlest (Jamali & Mirshak, 2007).

In due fact presently all over the world consumers, employees and social communities have become more and more attentive of CSR efforts of companies and base their relationship with them based on this. Accountability is one of the processes whereby a company seeks to ensure integrity. The leading and most authoritative outcomes from the fact that investment in mineral-

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

This paper envisaged to assess the stakeholders' perception of CSR carried out by Mullege PLC, Haile Coffee PLC, and Bezuayehu Shone Coffee plantation PLC and measure the level of feeling and attitude of employees and part of the societies towards the company CSR activity. The researcher also believe that this research helps other domestic company's leaders to comprehend the concept and effect of CSR and to include on their day by day business decision.

#### **1.4. REASERCH QUESTION**

This research tries to address the following questions

1. What CSR polices and principles are implemented in the three case companies?
2. How do the three case companies' employees perceive the corporate social responsibility practice in their companies?
3. How do the three case companies' managers in various functional areas of the organization understand and perceive the CSR practice of the company?

#### **1.5. OBJECTIVES OF THE STUDY**

##### **1.5.1. GENERAL OBJECTIVE**

The general purpose of this study is to assess the corporate social responsibility practices of Mullege, Haile coffee and Bezuayehu shone private limited companies.

##### **1.5.2. SPECIFIC OBJECTIVE**

The specific objectives of the study would like to achieve are:

- To assess the actual practice of CSR in the selected case companies,
- To examine employees' perception of corporate social responsibility practice of their companies?
- To investigate how managers in various functional areas of the three case companies perceive CSR practices.

## **1.6. SIGNIFICANCE OF THE STUDY**

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

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

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

## **1.7. SCOPE OF THE STUDY**

The study focuses on CSR and tries to assess it based on the findings in six core subjects; awareness, economic, legal, ethical, philanthropic, importance of CSR. This research tries to assess the practice of CSR at Mullege, Haile Coffee and Buzayehu Shone Coffee Plantation PLC. In this research stakeholder represents, employees, and shareholders operating here in Addis Ababa and up country, however, due the outbreak of global pandemic, the research work focused on the selected three PLCs employees in the head offices located in Addis Ababa and farm site offices.

## **1.8. ORGANIZATION OF THE PAPER**

The research consists of five chapters. The first chapter focuses on introductory aspects like background of the study, statement of the problem, objective of the study, scope of the study, significance of the study, definition of terms. Chapter two present the theoretical and empirical literature review, which was served as a basis for understanding the subject matter. Chapter three was focused on the methodology of the study. Chapter four concentrated with the presentation and analysis of data obtained from responses. The fifth chapter is conclusions along with possible recommendation.

## **1.9. DEFINITION OF TERMS**

Corporate Social Responsibility: is the most frequently used term among scholars to describe business engagement in social activities (Lohman & Steinholtz, 2003).

Economic Responsibility: it refers to profitability of the organization (Gudjonsdottir & Jusubova, 2015).

Legal Responsibility: it refers to complying with laws and regulation (Gudjonsdottir & Jusubova, 2015).

Ethical Responsibility: it refers to do the right thing in a fair and just ways beyond the legal requirment (Gudjonsdottir & Jusubova, 2015).

Philanthropic Responsibility: it refers to voluntary giving and service to the society (Gudjonsdottir & Jusubova, 2015).

## **CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1. THEORETICAL LITERATURE REVIEW**

##### **2.1.1. DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY**

It is vital and valuable to define the related terms and concepts of corporate social responsibility before directly drives to word-by-word meaning of Corporate Social Responsibility. The concept of Corporate Social responsibility is twisted around business and society. According to Carroll, business may be defined as the assembly of private, commercially oriented (Profit oriented) organization, fluctuating in size from one person, proprietorships to corporate giants. However, Society may be defined as a community, a nation, or a wide federation of people having common traditions, values, institutions, and collective activities and interests. As such, when we speak to business and society relationship, we may in fact be referring to business and the local community, Business and the country as a whole, business and global public or business and specific group of people). For the last three decades, business has been undergoing, received unlike, and strong inspection from the public. These long process as the result comes out some level of standard concern as to what responsibilities business has to the society. These concerns have produced an unprecedented number of pleas for corporate social responsibility (CSR). Corporate Social Responsibility has been redefined over the years. The concept of CSR is much debated. Practitioners argue that there is a strong business case for CSR, in that business organizations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profit. Proponents of CSR also posit a virtuous relation between the increased presence of foreign investment and the promotion of growth and development in the countries concerned. These links have led private sector actors in the mining sector to turn to multilateral institutions and bilateral agencies not only for financial support of various kinds for their business operations (loans, export credits for example), but also, more recently, for support for their projects in the area of CSR. Critics, however, argue that CSR distracts from the fundamental economic role of businesses; others argue that business engagement in social and community development is, more likely than not, destined to be outward, short termed, and neither equitable nor sustainable (Campbell, 2011).

### **2.1.2. THEORIES OF CORPORATE SOCIAL RESPONSIBILITY**

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

#### **2.1.2.1. CORPORATE SOCIAL PERFORMANCE THEORY**

As Carroll (1979) outlined an initial definition of Corporate Social Performance (CSP) an entire spectrum of obligations to society must encompass the economic, legal, ethical, and discretionary categories of business performances. These four categories were also known as Carroll’s hierarchy of corporate responsibilities.

Wood (1991, p.693) also mentioned that CSP is the “configuration in the business organization of principles of social responsibility, processes of response to social requirements, and policies, program and tangible results that reflect the company’s relations with society.” In addition, Wood (1991) expanded the definition of CSP by presenting the CSP model, which includes principles of CSP, the processes of corporate social responsiveness, and outcomes of corporate behavior. Principles of CSP, in Wood’s model, embrace the principle of legitimacy, the principle of public responsibility, and the principle of managerial discretion. The concept of the ‘principle of legitimacy’ has originated with Davis’ statement, which represents how businesses obtain legitimacy and power from society. However, if businesses do not appropriately use power, then they will lose it (Davis, 1960). ‘Principle of public responsibility’ focuses on the social responsibility of business because business and society are interrelated with each other. Wood’s depiction of the ‘principle of managerial discretion’ explains that the duties of managers and other employees should be structured to deploy discretion toward socially responsible and ethical outcomes (Wood, 2010).

According to Wood (2010), the processes of social responsiveness comprise certain types of processes for environmental scanning, stakeholder management and issues management. In Wood's model, 'processes of social responsiveness' are rooted in an understanding of analysis on the environmental issues, including social, political, legal, and ethical environments, and its impact on the engagement with stakeholders (Wood, 2010). In addition, issues management can allow business to investigate and monitor social or political issues such as public affairs officials. Wood's (2010) major contribution was to implement a crucial missing part into earlier CSP models. The earlier model offered by Carroll (1979) did not include the outcome variable. Thus, Wood's research went further than simply reflecting the earlier research. Wood developed the outcome variable in his model. "Outcomes and impacts of performance," is conceptualized as comprising three effects – effects on people and organizations, effects on the natural and physical environments, and effects on social systems and institutions. As articulated by Wood (1991), the 'outcomes of corporate behavior' represents a significant piece of the CSP model with emphasis on the assessment of CSP. According to Wood (1991), the corporate behavior should be fairly and objectively evaluated at varying levels of effects. The positive and negative effects are equally to be assessed. Some of these include: the positive impacts on job creation and creation of new technology, and the negative impacts on the disposal of hazardous waste and political corruption.

#### **2.1.2.2. SHAREHOLDER VALUE THEORY**

Shareholder value theory focuses on shareholder utility maximization to maximise the value of the corporation for its shareholders (Crane et al., 2008). The view of shareholder utility maximization was promulgated by many scholars, and therefore the names that were prevalent therein period include Friedman (1970), Ross (1973), Jensen and Meckling (1976). Nobelist Friedman was an influential contributor to the first shareholder value theory. In 1962, he proposed, along side his wife Rose Friedman: "In such an economy, there's one and just one social responsibility of business — to use resources and have interaction in activities designed to extend its profits goodbye because it stays within the principles of the sport , which is to mention , engages in open and free competitions, without deception or fraud" (Friedman, 1962).

Also, Friedman (1970) set forth an initial definition of the “shareholder value-oriented” approach: “the just one responsibility of business toward the society is that the maximization of profits to the shareholders, within the legal framework and therefore the ethical custom of the country”. Shareholder Value Theory encompasses a variety of philosophical assumptions, including that citizenry act in pursuit of civil right and property is considered an absolute right (Crane et al., 2008). As Crane et al. (2008) said, the controversial a part of this theory is that the complete separation of the functions of the general public and personal spheres. It rejected the responsibilities for the results of business activities. Although Friedman's views of ‘Shareholder Value Theory’ are supported by many corporations who are seeking huge profits especially in Anglo-Saxon countries, many scholars criticized that shareholder maximization value only focuses on short-term profit and ignores the stakeholders’ interests. As a result, the firms got to establish good relationships with all stakeholders like employees, customers, suppliers, and native communities (Crane et al., 2008; Hosmer, 1995; Kotter and Heskett, 1992). Besides, the main target on property rights in Shareholder Value Theory gave thanks to modern theories of property, which questions the sooner definition of property. for instance, capital is not any longer wont to describe the asset of corporations within the times. Actually, people that add the corporation are its most vital asset (Handy, 1997).

### **2.1.2.3. STAKEHOLDER THEORY**

Stakeholder theory’ gained prevalence during the mid-1980s, even though there are severe voices of criticism on the shareholder theories from multiple scholars (Jamali, 2008). Freeman (1984) first proposed the stakeholder concept in his 1984 book “Strategic Management: A Stakeholder Approach.” This book provided a replacement perspective to increase corporations’ responsibilities beyond shareholders. After reading his book, Jonker and Foster (2002) also acknowledged that Freeman created a generic stakeholder map and re-conceptualized the character of the corporation to market and support the legitimization of latest sorts of managerial action. In contrast to the ‘shareholder theory’, the ‘stakeholder theory’ incorporates the external environment of the corporation with emphasis on the role of internal and external stakeholders, like employees, suppliers, shareholders, and customers. When it involves ‘stakeholders’, Freeman (1984) defined it as “any group who can affect or is suffering from the achievement of the firm’s objectives” (p.25). Clarkson (1995) provided another definition of ‘stakeholders’ by arguing that “the term stakeholders refers to “persons or groups that have, or claim, ownership,

rights, or interests during a corporation and its activities, past, present, or future. Such claimed rights or interests are the results of transactions with, or actions taken by, the corporation, and should be legal or moral, individual or collective.” Clarkson (1995) also distinguished primary and secondary stakeholders by defining the “primary stakeholder group” as “one without whose continuing participation the corporation cannot survive as a going concern”.

Typically, the primary stakeholder group includes shareholders, investors, employees, customers, suppliers, governments, and communities (Clarkson, 1995). In his paper, Clarkson also addressed that the relationships between corporation and primary stakeholder group are characterized by mutual interdependence. Further, Clarkson (1995) identified the ‘secondary stakeholder groups’ as those “who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival. The media and a wide range of special interest groups are considered as secondary stakeholders under this definition” (p.107). Clarkson (1995) explains the principle ideas of ‘stakeholder theory’ by mentioning “the firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm activities. The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services” (quoted from Crane et al., 2008). Based on Freeman’s stakeholder model, the concept of CSR can be defined as “corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract” (Jones, 1980, p. 56-60). In addition, other scholars such as Donaldson and Preston (1995) captured the implication of the stakeholder concept by noting that stakeholders can be identified by their interests in the affairs of the corporation, and “the interests of all stakeholders have intrinsic value” (p. 81). Clarkson (1995) has made one of the soundest definitions of this theory as follows: “The Corporation itself can be defined as a system of primary stakeholder groups, a complex set of relationships between and among interest groups with different rights, objectives, expectations, and responsibilities. The corporation's survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group, so that each group continues as a part of the corporation's stakeholder system. Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system” (Clarkson, 1995, p.106-107).

The stakeholder theory has established a rich array of theoretical tools to explore the natures, interests, and managements of corporations. According to Donaldson and Preston (1995), the theory can be used to operationalize the function of the corporation which includes the identification of moral or philosophical assumption and management of corporations. As Donaldson and Preston (1995) noted, “The stakeholder theory has been used to describe, the nature of the firm (Brenner & Cochran, 1991), the way managers think about managing (Brenner & Molander, 1977), how board members think about the interests of corporate constituencies (Wang & Dewhirst, 1992), and how some corporations are actually managed (Clarkson, 1991; Halal, 1990; Kreiner & Bhambri, 1991)”.

The stakeholder theory can be applied to the management literature. For example, Collins and Porras (1994) noted that stakeholder management has been used quite extensively in many companies and provides a guideline, which can lead to business success in the long term. But it is important to note that what is required is further research to establish sound conclusions on the relationship between stakeholder theory and financial performance (Berman et al., 1999). By extending the economic approach to CSR, extensive empirical research has been conducted to assess the correlation between corporations’ social responsibility and financial performance and yielding different results. Some scholars found that there was a positive relationship between economic performance and social responsibility such as the “content of pollution control disclosures” research conducted by Belkaoui (1976). Other studies also identified the relationship between economic performance and CSR.

#### **2.1.2.4. CORPORATE CITIZENSHIP THEORY**

Most recently, businesses are engaging in philanthropic activities and making donations to the community (Crane et al., 2008). As Crane et al. (2008) noted, “this has been understood as an expression of excellent corporate citizenship.” In Epstein’s definition, “Good (corporate) citizenship” refers to the concept that a corporation assists community well-being through its financial and non-monetary contributions. This was deemed for several years to be the essence of socially responsible business behavior (Epstein, 1989).

Since the 1990s, the term “Corporate Citizenship” has been widely used as like CSR by academics (Matten et al., 2003). Also, Logsdon and Wood (2002) draw on an in depth study on global corporate citizenship which emphasizes that the linguistic change from corporate social responsibility to corporate citizenship includes a profound change within the normative understanding of how companies should act concerning their stakeholders. Meanwhile, Windsor (2001) demonstrated an understanding of “Corporate Citizenship” by noting “as a managerial movement that effectively substitutes a special conception, also as language, for responsibility.” An extended conceptualization of corporate citizenship has been elaborated by Matten and Crane (2005). In explaining the essential idea of extended corporate citizenship, Matten and Crane (2005) described “Corporate Citizenship” because the role of the corporation in administering citizenship rights for people and acknowledged that the corporation administers certain aspects of citizens for other constituencies, including employees, customers, shareholders, and wider constituencies with no direct transactional relationship to the corporate.

Besides, with this conceptualization of corporate citizenship, corporate citizenship is more theoretically grounded and more descriptive of a specific role that some corporations are playing” (Matten & Crane, 2005, p.174). Matten and Crane (2005) also suggest that there has been a shift in responsibility for shielding citizenship rights faraway from governments to corporations due to globalization. As they argued, “the notion of citizenship is often most appropriately introduced to management theory as how of descriptively framing the empirical relationship of the individual to the corporation, no matter one's normative assumptions about what role corporations should play” (Matten & Crane, 2005, p. 175). Matten and Crane's model of corporate citizenship provides compelling arguments for taking the social role of the corporation under consideration. As Crane et al. (2008) summarized, “First, the corporation may be a provider of social rights (by supplying or not supplying individuals with social services which give the individual with the liberty to participate in society, like education, health care, and other aspects of welfare). Second, the corporation is an enabler of civil rights (enabling or constraining citizens’ civil rights, which give freedom from abuses and interference by third parties). Third, the corporation may be a channel for political rights (Being a further conduit for the exercise of individual’ political rights, which enable active participation in society)”.

Overall, the extended view of “Corporate Citizenship” focuses on the roles and actions of the corporation within the process of administering, enabling, and channeling these citizenship rights (Matten & Crane, 2005), providing a descriptive approach for addressing “the social and ethical dimensions of business and its role in expecting and defending human rights” to CSR (Crane et al., 2008, p.73). Moreover, the “Corporate Citizenship” theory provided a worldwide perspective on the state of the practice during a ddressing business issues in a global arena related to universal human rights (Crane et al., 2008). Furthermore, as Gardberg and Fombrun (2006) stated, citizenship programs are strategic investments in certain circumstances, which “can help globalizing companies neutralize their alien futures by strengthening community ties and by enhancing their reputation among potential local employees, customers, and regulators” (Crane et al., 2008, p.74).

### **2.1.3. GLOBAL DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY**

In the 21st century’s world is more interconnected, more globalized than ever. it's to be noted that ongoing globalization won't cease but it's expected the globalization will proceed also as national borders will slowly be pushed to the background as free movement of capital, persons, information, and liberalization of trade take a breakthrough. it might be foolish to think the CSR concept and CSR movement will stay apart from this global trend. The recent history of CSR proved the CSR is as globalized as all other areas of act.

Globalization of CSR has been further driven by global problems and issues like example global climate change, lack and contamination of fresh and beverage, pollution of the environment, a decrease of biodiversity, a decrease of arable land, and hunger and extreme poverty. As solving these highly complex issues would be inefficient at an area level, a worldwide approach and involvement of profit and non-profit sectors and governments all round the world is required. Similarly, a worldwide approach in CSR and administered at a worldwide level is more efficient than CSR conducted only locally; and CSR can and as recent history has already proved helps tackle the above-mentioned issues.

Due to these and also various other reasons global CSR is growing and will not be overlooked. to mention that much of the planet differs from Europe during this area is like saying that there's

one set of rules for the planet and one for Europe. Actually, it's more an issue of worldwide harmonization. A company's social behavior reception and abroad should be a mirrored image of itself regardless of what. If a corporation behaves well as an honest corporate citizen in its parent company but is guilty of social misbehavior in other countries, then there's corporate hypocrisy that would come to haunt this company. A reputable company operating in additional countries should have a code of ethics and CSR policy that govern its employees and subsidiaries worldwide. to mention that within the home country a corporation will do things a method, but during a Third World country, an equivalent company will do something else because the laws are less stringent is just wrong. For CSR to feature positive value it must be practiced everywhere, no matter jurisdiction or national borders. If an enterprise operates in additional countries, simply write a CSR policy for the house country isn't sufficient.

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

The emerging generation of CSR carries with it the popularity that a worldwide framework is vital for all organizations, both large and little. a worldwide CSR is aware of the multiple cultures, value sets, and communicative practices of various nations while recognizing that organizational contexts are not any longer bounded by the nation-state. Fundamental changes are emerging within the new generation of CSR. This transformation is strongly related to dynamic processes of globalization including: The intensification and deepening of material, political, and cultural exchange, the development of global consciousness thorough processes of reflexivity, the disembodiment of events and institutions which permits new realignments and restructuring of social interaction across time and space, compression of time and space; and the rapid diffusion of ideas and knowledge enabled through new information technologies.

#### **2.1.4. CORPORATE SOCIAL RESPONSIBILITY (CSR) IN ETHIOPIA**

The notion of Corporate Social Responsibility is generally perceived as a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. Is the sole mission of business enterprises, public or private, small or gigantic to find ways of bagging lucrative profits out of their business dealings at the expense of everything else? This is a question raised by many. CSR is becoming more mainstreamed as forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society. It is argued that "Sustainability isn't just important for people and the planet, but also is vital for business success".

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

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

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

In its nature, CSR is a topic which extends across several policy areas like corruption, ethics, environment, gender and labor issues where the government is supposed to act on it. Hence, the government need to take research-based actions in enforcing CSR strategies in Ethiopia, since it has a pivotal role in ensuring sustainable economic growth while concurrently mitigating social and environmental impacts of business both in the country and around the world.

**2.1.5. WHO ARE THE STAKEHOLDERS?**

As per Buchholtz and Carroll (2008) stakeholders are categorized primary and secondary as follows: Primary Stakeholders have a direct stake in the organization and its success, therefore they are most influential. These include, shareholders and investors, employees and managers, customers and other partners (suppliers). Secondary Stakeholders influential as well, especially in affecting reputation and public standing, but their stake in the organization is more indirect. These includes, government and regulators, civic institutions, social pressure groups, media and academic commentators, trade bodies and competitors

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



Figure 2.1. Stakeholders of Corporate Social Responsibility (Carroll and Buchholtz, 2008)

### **2.1.6. PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY**

According to Crowther and Aras (2008) books' of "Corporate Social Responsibility" have put three basic principles, which together compile all CSR activities. These are sustainability, accountability and transparency. It further entails that the concept of sustainability is merely focuses on as to how the present actions will reflect and affect the future usability of same action. If resources are utilized presently, then they are no longer available in the future, and this is of particular concern if resources are finite in quantity. Therefore, at some point in the future there should be an alternative that fulfill the function currently provided by these resources. For instance, paper industry has a policy to replant and replace the harvested plants and this has an effect both in terms resources availability and cost on future need. Sustainability therefore implies that society must use no more of a resource than can be regenerated. In broader expiration of context, Corporate Social Responsibility (CSR) embraces a range of principles or ideas, ranging from corporate governance, business ethics, and sustainable development through to human rights and environmental concerns.

### **2.1.7. WHY COMPANIES ENGAGED IN CSR?**

There are a number of reasons why companies are engaging CSR in their facet of the modern business environment. The core contributor to the cause is that society's awareness on the subject and their demanding expectation enforces the business to incorporate the CSR into their daily practices. The following summary shows highpoints that weigh the reason of CSR in contemporary business entities. Moral obligation, sustainability, reputation, increased sales and market share, improved brand positioning, improved image and power, and increased ability to attract, motivate, and retain employees.

### **2.1.8. BUSINESS BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY**

Kivivirta (2010) lists business pay backs originating from CSR activities. These benefits are positive effects on company image, reputation, employee motivation, retention and recruitment, cost savings, revenue increase from higher sales and market share, and CSR related risk reduction or management. Cost savings tend to be the easiest way to begin CSR activities. Cost savings can arise from material substitution, lower energy consumption, reduced material storage and handling costs or reduced waste disposal.

A company handling CSR aspects well can have better access to capital since some investors may pay attention to social and environmental performance and give preference to companies handling these aspects well. The financial services companies have a significant role in offering financing. They can have an effect on the companies applying finance by requiring better CSR behavior. Business case refers to a call for an investment in a project or initiative that promises to yield a sufficient return to justify the spending. In the case of CSR this means that the organization will be better off financially by attending not only its core business but CSR as well. Four general types of the business case for CSR are cost and risk reduction, profit maximization and competitive advantage over industry rivals, reputation and legitimacy, and synergetic value creation meaning finding win-win situations between the company and its stakeholders.

#### **2.1.9. CORPORATE SOCIAL RESPONSIBILITY IN EUROPE**

Over the recent years the debate about CSR has spread very rapidly across Europe, particularly as a part of the intense discussion about sustainability and globalization. Discussion on sustainability and sustainable development to a certain degree preceded debate about CSR nevertheless today both these immensely important topics are discussed and dealt with hand- in hand.

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

production, conservation and management of natural resources, public health, social inclusion, demography, and migration; and global poverty

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

#### **2.1.10. THE CORPORATE SOCIAL RESPONSIBILITY PYRAMID OF DEVELOPING COUNTRIES**

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



Figure 2.2. The CSR pyramid in developing countries (Visser, 2008)

### **2.1.11. DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY IN AFRICA**

Corporate social obligation (CSR) is a developing thought for organizations. The Country Review Reports (CRRs) assembled through the African Peer Review Mechanism (APRM) give an exceptional focal point through which CSR application in Africa can be checked. Progressively, thinking regarding the matter is moving past altruism to requests for the fundamental incorporation of social worries into business arranging. In Africa, notwithstanding progressed deduction regarding the matter, its application across the vast majority of the landmass stays in its early stages – specially appointed and of restricted adequacy. The very terms of CSR in Africa are challenged: enacted requests are habitually overlooked, while discusses rage about fitting business commitments towards laborers. Corporate social speculation (CSI) is unevenly applied and draws in analysis for neglecting to address key issues. This arrangement preparation allures for more noteworthy consolation of CSR and CSI, perceiving its willful nature while focusing on the upsides of taking a fundamental, coordinated way to deal with it.

On the off chance that it has ever been acknowledged that the matter of business is carefully business, that time has passed. The world over, organizations are confronting expanding requests that they look past their own advantages and organize those of the social orders where they work. Obliging these requests is turning into an unavoidable component of working together. This

conveys with it likely expenses and potential advantages. How these difficulties are overseen will impact the direction and lead of business in the years to come.

CSR has become a mainstream slogan. In Africa, which is attempting to accommodate financial development with formative advantages, this is a developing key issue. The desire with respect to governments and common society that business should 'give back' is an amazing drive. Subsequently, the APRM has demonstrated an enthusiasm for CSR activities.

These approach instructions rise up out of an ongoing examination report on corporate administration, as observed through the APRM CRRs. Looking at the six conditions of the Southern African Development Community that have gone through survey – Lesotho, Mauritius, Mozambique, South Africa, Tanzania and Zambia – it investigations what they uncover about CSR in Africa and investigates the comparing strategy suggestions.

#### **2.1.12. CSR EXPERIENCE IN AFRICA**

A significant African commitment to corporate administration thinking has been to settle in contemplations of partners' inclinations in business activities. This is intended to add to maintainability, in connection both to organizations and to the economies inside which they work. This position has been created by South Africa's powerful King Committee on Corporate Governance and is the working suspicion of the APRM.

From this way to deal with corporate administration comes a direction towards CSR. In Zadek's terms, it is a second-if not third-age approach, accepting business commitments and requesting coordinated, fundamental reactions. In origination, Africa's desires for CSR are extensive. Practically speaking, despite the fact that growing, the take-up of corporate administration and CSR in Africa stays lopsided. Organizations' commitments to their partners – all in all, barring CSI – outline this well.

In certain fields, these commitments have been enacted. Nonetheless, a running subject all through the APRM reports is that African states' administrative frameworks are deficiently actualized. Subsequently, the APRM reports note that obligatory work and natural necessities are severely upheld and now and again just disregarded. This proposes that for a significant part of

the mainland, CSR has scarcely started, even in original terms. CSR reaches out past lawful necessities; in reality, the reports show that the terms of CSR in Africa stay challenged. A typical conjuring around wage levels and working conditions is the idea of 'decency'. This is all the while a prime CSR thought and a shaky manual for activity. While calling for 'reasonableness', the reports are conflicting in their treatment of how to accomplish this.

For instance, Tanzanian specialists are depicted as 'amazingly came up short on' – yet the report takes note of that pay levels must reflect 'profitability, intensity and moderateness' permitting organizations to develop to long haul supportability. In Zambia, on the other hand, the call is unambiguously for higher wages, since 'modest work doesn't really improve the intensity of businesses as it prompts lower profitability of human power'. The various methodologies received by these reports underline the trouble engaged with overseeing CSR in immature economies. There are not many simple or uncontroversial compromises.

#### **2.1.13. THE CORPORATE SOCIAL RESPONSIBILITY PYRAMID**

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

##### **2.1.13.1. ECONOMIC RESPONSIBILITY**

In the beginning, businesses were created as economic objects intended to provide goods and services to social customers. Before it was anything else, the business organization was the basic economic unit in our society (Carroll 1991). The primary motive was to establish as the primary motivation for entrepreneurship. Businesses were created to produce goods and services that customers wanted and needed (Carroll, 1991). Carroll (1991) explains that it is important for corporations to perform reliably to maximize earnings per share and to earn as many profits as possible. Furthermore, the author stated its importance that CSR lies in keeping a durable and

competitive position on the market, to reach a high level of operational efficiency, and to have a successful organization by being defined as one consistently profitable corporation (Carroll, 1991).

#### **2.1.13.2. LEGAL RESPONSIBILITIES**

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

#### **2.1.13.3. ETHICAL RESPONSIBILITIES**

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

#### **2.1.13.4. PHILANTHROPIC RESPONSIBILITIES**

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



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

#### **2.1.14. RESPONSIBILITY TO STAKEHOLDERS**

The administrators of organizations can best advance the drawn out reasonability of an endeavor by adjusting the necessities of its partners with the monetary prerequisites of supporting and growing a business (UNCTAD, 2008). Investors are the financial specialists of one organization and are the center variables for its turn of events. Carroll (1991) additionally proposed an organization ought to act in a way predictable with amplifying income per share.

**Obligation to Employees:** An endeavor's present and future representatives are critical to the organizations keen on compensation, plans and expectations of the business, working conditions, work possibilities, wellbeing and security, the board of dangers, mechanical relations, and staff advancement openings (UNCTAD, 2008). Sybille (2006) recommended that organizations ought to furnish representatives with a reasonable and safe workplace just as assurance against workers in labor law.

**Duty to Local Communities (Surrounding people group):** Issues identified with monetary advancement is frequently the essential region of enthusiasm for organizations' encompassing network. Similarly, among a network's essential advantages are issues identified with the control of neighborhood wellbeing, security and training tasks and security dangers and data on network grumblings about corporate exercises and taking care of. In certain unique situations, the nearby

network may likewise have worries about the effect of organizations' procedure on culture. Such effects can result from the improvement of new items or administrations, or from age of domestic movement (UNCTAD, 2008). Great organizations are required to fabricate great associations with neighborhood networks. When making arrangements and exercises, the associations should consider its effects on networks. There is a program of help for network undertakings and exercises that is suitable to the association and the necessities of the network. There is a method to guarantee that dangers to public security coming about because of the association's items and activities are limited.

Obligation to the Government and their organizations: Governments are keen on the manner by which endeavors accept obligations toward society, in the deliberate activities of undertakings in this field and in the effect of big business' social commitment. Governments need such data to assist them with planning social and financial policies, just as to help distinguish holes in guideline and authorization (UNCTAD, 2008). Obligation to the legislature is additionally primarily in the component of social duties. The organization ought to stand by laws and regulatory standards and guidelines and subject itself to the oversight of the legislature and must submit financial reports and proclamations as required and acknowledge management by fund and assessment authority.

Obligation to Creditors: The monetary business sectors comprise of various stakeholders, including proprietors/investors, loan specialists, banks, rating organizations and investigators. Corporate duty data needed by the money related area incorporates the financial outcomes of generally speaking methodology of organizations, danger and notoriety, obey laws and guidelines, effect of plant increments or terminations and comparable choices (UNCTAD, 2008). Incorporate secure the interests and advantage of loan bosses, for example, ideal data during an organization merger, diminishing of enrolled capital and liquidation.

Obligation to the Environment: Many associations are as of now getting all the more ecologically cordial in their activities. Numerous organizations plan restricted, subjective, nonfinancial data generally through a yearly report, yet some huge organizations, especially those working in earth

touchy modern areas have begun unveiling noteworthy quantitative and subjective data on the issue.

Duty to Customers: CSR activities can likewise contribute a lot to fortifying an organizations' upper hand through upgrading its associations with its clients (Okpara and Wynn, 2012). As per Pelozza and Shang (2011) client worth can increment by CSR exercises, or it might grow new wellsprings of client esteem, associations can increase an upper hand.

Duty to Suppliers: By working intimately with colleagues or providers, associations can diminish inconvenience and expenses and increment quality. Associations with union and joint endeavor accomplices and with franchisees are similarly significant with serious offering in determination of providers. Over the long haul building connections may bring about sensible costs, terms, and desires along with quality and solid conveyance by embracing socially and earth capable practices (EU, 2001).

#### **2.1.15. IMPORTANCE OF CSR TO COFFEE INDUSTRY**

The espresso area's dynamic commitment with maintainability issues seems, by all accounts, to be a moderately new wonder. Indeed, even more up to date is the need to manage reusing and squander. Close to the waste created by the "espresso to go" portable drinking society and bistros, the prominence of espresso cases – for example single-use compartments made of metal or plastics – is making piles of waste obscure to the customary strategy for preparing espresso. The pioneer in this top notch espresso area has been Nespresso, an auxiliary and brand of the Swiss organization Nestlé. Numerous different organizations from rebate retailers to large brand coffeeshouse chains like Starbucks – have duplicated Nespresso's machine-and-container idea, adding to both the notoriety and the waste issue. Close to the issue of waste creation, espresso organizations are tending to the issue of moral sourcing. A key however in no way, shape or form the main component is sourcing through "reasonable exchange.

#### **2.2. EMPIRICAL LITERATURE REVIEW**

According to Weber (2008), there are 127 published studies empirically investigating the relationship between companies' corporate social performance and their financial performances between 1972 and 2002. Multiple researchers found a positive correlation between CSR and financial performance of corporations (e.g. Frooman, 1997; Griffin and Mahon, 1997; Roman et

al., 1999). In addition, Wagner et al. (2001) analyzed the relationship between environmental and economic performance and found mixed results in their quantitative empirical research.

Similarly, Margolis and Walsh (2003) conducted a meta-investigation of 127 multiple regression studies and found mixed results, but all studies concluded that there was a dominant positive relationship between the two variables. On the other hand, compared to the positive relationship found in research, sustainability researchers found a U-shaped relationship between economic performance and CSR (Schaltegger & Synnestvedt 2002, p. 314; Steger 2006, p. 417).

Specifically, for instance, Wagner and Schaltegger (2004) tested the hypothesis of an inverse U shaped relationship between environmental activities and economic performance. They concluded when companies display a higher level of pursuing an environmental strategy oriented towards shareholder value, they will be more likely to have a stronger relationship between environmental activities and economic performance than other companies without such a strategy. As discussed previously, the results that represented relations between CSR and financial performance are different, because scholars adopt different ways to operationalize the two variables (Choi et al., 2010; Orlitzky et al., 2003). Since various studies explored the multiple dimensions of a company's CSR, this study is an attempt to use stakeholder theory measuring CSR in this area by examining the relationship between stakeholder relationship and corporation financial performance.

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

Further, Choi et al. (2010) conducted study on the relation between CSR and corporate financial performance by using the stakeholder-weighted index measurement. They documented a positive and significant relation between CSR and corporate financial performance. These findings enhanced empirical research in stakeholder theory and suggested the important aspects of CSR to primary stakeholders that can improve their financial performance. Therefore, it is worthwhile to use stakeholder theory to explore the relations between the two variables in a specific industry. However, a related study investigating the correlation between the disclosure of stakeholder relations on corporations' websites and financial performance in coffee industry could not be identified.

### **2.3. THE CONCEPTUAL FRAMEWORK OF THE STUDY**

In the wake of perusing and looking into the same number of exact discoveries, the accompanying applied structure is created for this exploration. The calculated structure of the exploration is created by mixing various components from various essayists. As it has been said over the essential partners, in whom it is currently portrayed in the external side of the equator of the underneath drawing, are investors, Employees, Customers and the Community. Investors with regards to this examination allude to Leadership Team (LT). The other partners for example worker, network and Customers have no relevant change from their unique significance so does on this investigation. The duty of business through its proprietors or directors essentially is to deliver and sell items and administrations that society needs and to sell them at reasonable pieces. Costs that society thinks speak to the genuine estimation of the products and enterprises conveyed and that give business benefits satisfactory to guarantee its endurance and development and to compensate proprietors. While thinking monetary duty, business utilizes numerous administration ideas that are guided towards money related adequacy - focus toward income, costs, venture, vital choices making, and zeroed in on long haul budgetary execution and so on of the association. Hence, above all else proprietors ought to fulfill their own monetary enthusiasm as it is their essential explanation behind speculation.

In the subsequent spot, business has legitimate due ingenuity that ought to keep laws and guidelines under which it works. Business is relied upon to agree to the laws and guidelines declared by administrative, state and neighborhood governments at the standard procedures

under which business must work. Organizations are required to seek after their monetary missions with the structure of the law. The laws incorporate convenient settlement of important expenses, applying natural laws, satisfying up item legitimate guidelines and satisfying of legally binding commitments.

Since laws are fundamental however not sufficient, moral obligations are expected to grasp those exercises and practices that are normal or denied by society despite the fact that they are not classified into the law. Moral obligations incorporate full extent of standards, norms, qualities, and desires that reflect what Customers, workers, investors, and the network see as reasonable, just, and predictable with deference for assurance of partners moral rights. Issues not secured by law because of the explanation identified with new coming changes or matters under open discussion, business need to see alternatives to apply by thinking about the incredible moral standards of good way of thinking. Consequently, this nature of moral view makes it dynamic transaction with legitimate obligation classification. Organizations are relied upon to work at levels over the necessary law.

The fourth one is issues identified with willful, optional, or generous duties. The sum and the idea of this activity is only intentional, guided simply by the business is its own longing just to take part in social exercises that are not compulsory or legally necessary.

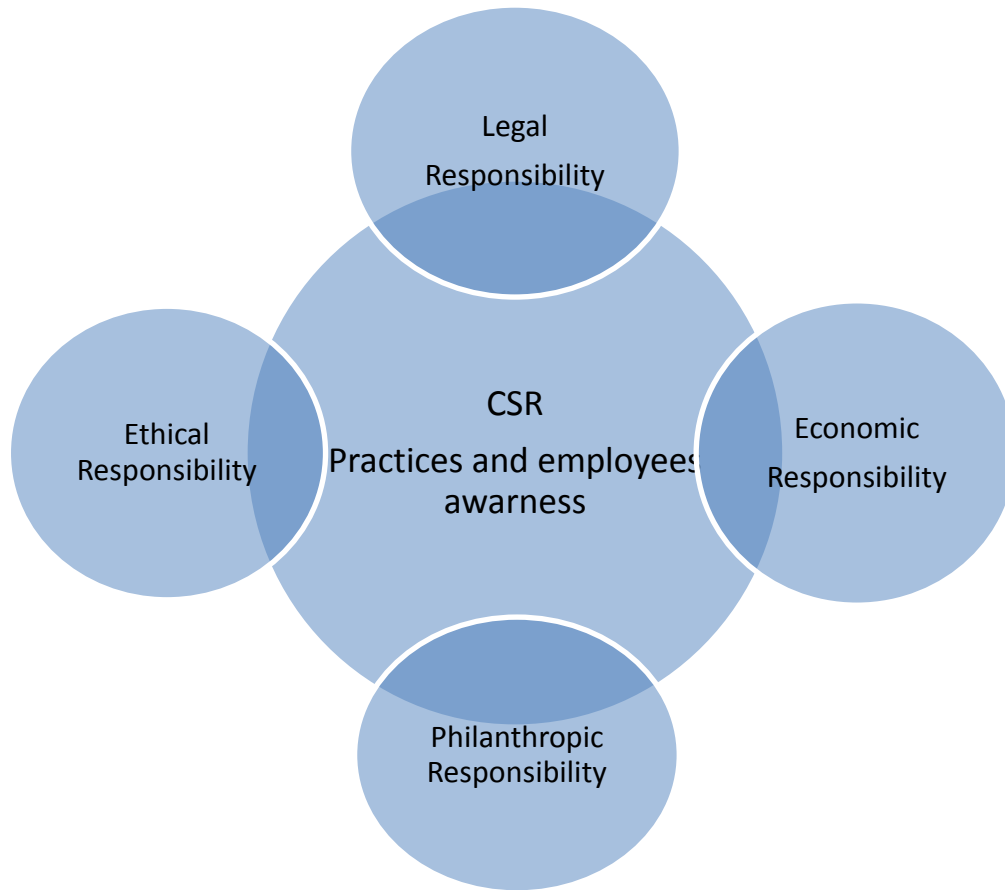


Figure 2.4: Conceptual framework of the study based on the reviewed literatures

## **CHAPTER THREE**

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

#### **3.1. RESEARCH APPROACH**

To achieve the research objectives, a mixed approach was used. Hence, both quantitative data and qualitative data were gathered to reach in meaningful findings. The rationale for choosing a mixed approach for the study was mainly due to the nature of the problem under study and the group involved in it. Frequently, researchers that use mixed methods employ a research design that uses both quantitative and qualitative data to answer a set of questions.

##### **3.1.1. QUALITATIVE RESEARCH APPROACH (GATHERING UNDERSTANDINGS)**

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

##### **3.1.2. QUANTITATIVE RESEARCH APPROACH (ESTABLISHING STATISTICAL RELIABILITY)**

This study also used quantitative research approach to utilize detailed questionnaires distributed to respondents, generalized larger population and to conduct comparisons between three groups. It also gave a great deal of flexibility in analyzing the results besides the research used various publications and research papers in developing the questionnaires that are proven related the research topic.

#### **3.2. DATA SOURCES**

In general, the study used both primary and secondary data sources. Primary sources introduced to collect initial material useful to know the companies' employees, and managers (key informant's) opinion on the CSR practices of the respective companies. On the other hand, secondary data is collected from both published and unpublished materials which are cited at the end of the study report. Secondary sources such as annual performance reports, office memos on CSR activities, company strategy papers and various publications used to collect relevant data.

Different comments given by customers also used as a source obtained from records of company's department.

### 3.3. TARGET POPULATION

The target population, which the survey undertakes comprised employees of the Haile Coffe, Mullege and Buzayehu Shone, and managers who are responsible for the implementation of the strategy of the company got special attention on this research because they have ample knowledge about the study. Thus, the target population are 292 employees, 146 from Mullege, 100 from Haile Coffee and 46 from Buzayehu Shone.

### 3.4. SAMPLING SIZE & SAMPLING PROCEDURE

To achieve the research objective, sample size was determined based on the simplified formula proposed by Yamane (1967) (as cited in Tewodros 2017). From the target population of 292 employees of the selected case companies' appropriate samples for questionnaire administration have been determined by using simple random sampling technique to give equal weights for each company under study. Then, proportion sampling was used to distribute sample size proportionally for each company employees.

#### A. EMPLOYEES

Table 3.1: Mullege, Haile coffee and Buzuhayehu Shone coffee plantation permanent employees

| Company         | Population | Sample |
|-----------------|------------|--------|
| Mullege         | 146        | 84     |
| Haile Coffee    | 100        | 57     |
| Bezuayehu Shone | 46         | 26     |
| Total           | 292        | 167    |

Source: Human Resource department of the respective company's

$$n = \frac{N}{1+N(e^2)}$$

Where,  $n$  is sample size,  $N$  is the population size and  $e$  are the level of precision. A 95% confidence level and  $e = 0.05$ , are assumed for determining sample size for this study. Based on the formula presented, the number of samples that used to represent employees of the organization is:

Sample size for Employees

$$\frac{292}{1+292(0.05)^2} = n = 167$$

### **3.5. DATA COLLECTION METHOD**

In view of the research practice this research used, quantitative and qualitative data collection methodology to collect variety of data. Among the various ways of data collection methodologies, questionnaire, and key informant interview were used. The questionnaire was adopted from previous studies done by Abebe (2020); Asfaw (2014); Nigussu (2017). Questionnaire survey were used to collect information about the CSR practices from the employees of the three case companies and key informant interview questionnaire were used to collect information from the respective company's managers or representatives who are directly involved in the implementation of the CSR.

### **3.6. DATA PROCESS AND ANALYSIS**

Once the required data was collected, descriptive statistical tools were applied using statistical software for social sciences (SPSS) for the purpose of analyzing the collected data. Since the nature of the collected data was five point Likert Scale 1 (strongly disagree) to 5 (strongly agree) and the results that the research is looking for are simple descriptive statistics, the appropriate analysis technique would be measure of central tendency like frequency distributions and percentiles to understand, group and find patterns. As a result, descriptive statistics have been employed to analyze quantitative data using charts and tables. Frequencies were converted to percentages so as to ease analysis of the data, and presentation of the findings of the research. The study was carried out at three companies (Mullege, Haile Coffee and Bezuayehu Shone) to enable comparisons and understand the internal CSR practices of the companies. A kruskal Wallis test (non parametric test or distribution free) were used compare the three unmatched groups' CSR practices.

### **3.7. ETHICAL CONSIDERATIONS**

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

Confidentiality - the respondents was assured that they would not confused and that their response was remain confidential. The information they provided was confidential and used for academic research purpose only.

Organizational approval - the researcher assured respondents that the study got approval and obtained a written recommendation letters from Addis Ababa University and Mullege, Haile Coffee, and Bezuayehu shone coffee plantation PLC. The letters explained the idea and purpose of the research and used to contact the concerned members of the respondents.

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

### **3.8. VALIDITY AND RELIABILITY**

In order to see the degree to which the questionnaire measures what it is supposed to measure a 10% sample pilot test were conducted. To measure the internal consistency of the questionnaire items, and how consistent they were for each individual from one administration of an instrument to another and from one set of items to another, the study used Cronbach alpha using data from all the respondents. Separate reliability tests for each of the variables were computed. The key statistic in interpreting the reliability of the scale was the alpha listed under the reliability co-efficient section at the end of the output. Bruin (2006) explains that the value of coefficient alpha ranges from (no internal consistency) zero to (complete internal consistency) one; accordingly, the alpha coefficient for the seven items were 0 .996, suggesting that the items have relatively high internal consistency. A reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations. Simon, (2011) mentioned that the rationale for internal consistency is that the individual items or indicators of the scale should all be measuring the same construct and thus be highly inter-correlated. The measurement scales for the variables in this study were based on a 5-point likert scale ranging from "strongly disagree" to "Strongly agree". The questionnaire had 39 statement questions

which were later grouped in to 7 items and the Cronbach alpha was calculated for the seven grouped items.

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

Table 3.2: Cronbach Alpha for the questionnaire

| Reliability Statistics |  |            |
|------------------------|--|------------|
| Cronbach Alpha         | Cronbach Alpha Based on Standardized Items | N of Items |
| .992                   | .991                                       | 45         |

As it can be seen in the above table 3. the Cronbach alpha test of all times in the study show that 0.996 there were a good or an acceptable internal consistency of the questionnaire items.

Table 3.3: Cronbach Alpha for variables within questionnaire

| Variables                     | Cronbach Alpha | N of Items |
|-------------------------------|----------------|------------|
| Socio-demographic information | 0.358          | 4          |
| Awareness                     | 0.982          | 13         |
| Economic                      | 0.978          | 4          |
| Legal                         | 0.986          | 5          |
| Ethical                       | 0.965          | 5          |
| Philanthropic                 | 0.994          | 5          |
| Importance                    | 0.890          | 4          |
| Perception                    | 0.989          | 5          |

Source: SPSS output

As shown in table 3.3 it can be seen that all of the seven items contribute positively to yield the highest Cronbach alpha for the instrument.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATION

#### 4.1. DESCRIPTIVE STATISTICS

##### 4.1.1. SOCIO DEMOGRAPHIC INFORMATION

###### Sex

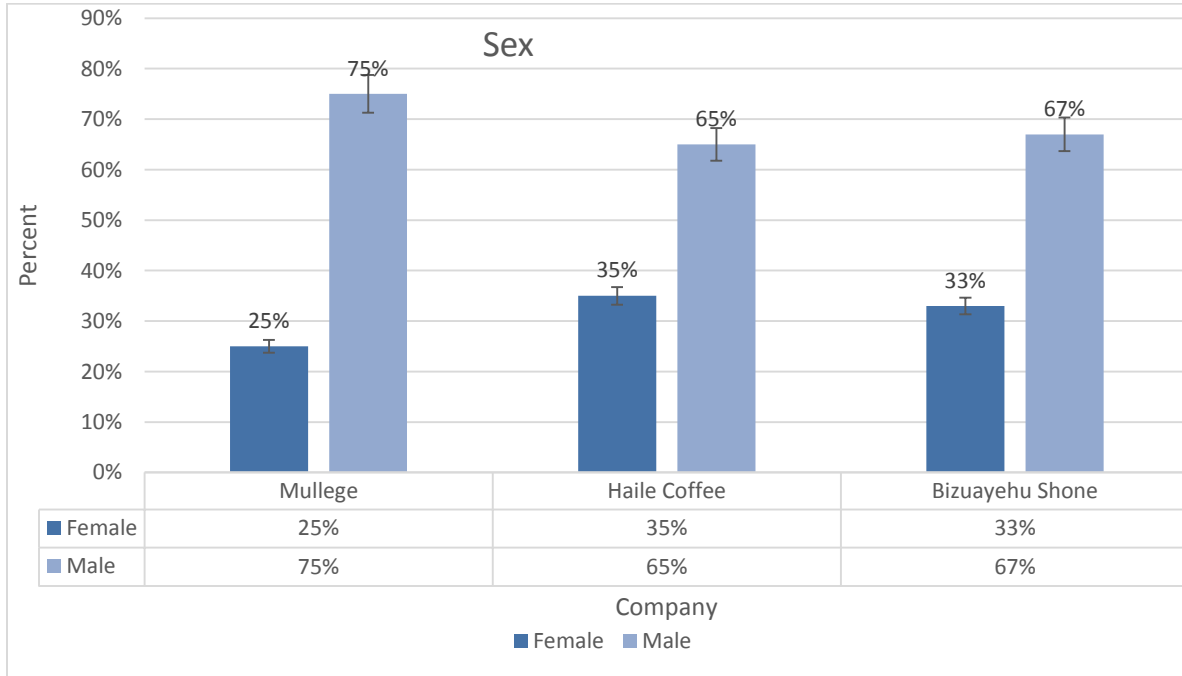


Figure 4.1: Sex of the respondents

As shown in the figure 4.1, (75%) of Mullege employees were male and (27%) of Mullege employees were female. (65%) of Haile Coffee employees were male and (35%) of Haile Coffee employees were female. (67%) of Buzayehu Shone employees were male and (33%) of Buzayehu Shone employees were female. From this, we see the female distribution was dominated by the distribution of male at all three case companies.

## Age

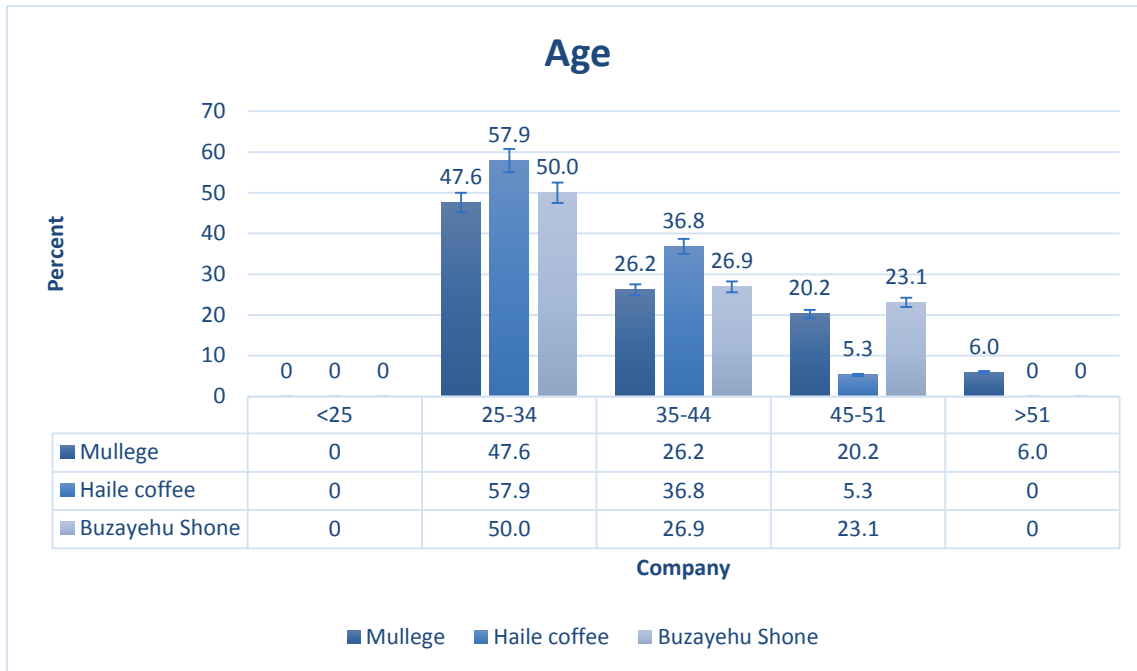


Figure 4.2: Age of the respondents

As shown in the figure 4.2, 47.6% of Mullege respondents were found in the age range of 25-34, 26.2% of Mullege respondents were found under the age group of 35-44, 20.2% of the respondents were found under the age group of 45-51 and 6% of the respondents were found under above 51 age group. 57.9% of Haile Coffee respondents were found under age group of 25-34, 36.8% of the respondents were found under age group of 35-44 and 5.3% of the respondents were found under age group of 45-51. 50% of Buzayehu Shone respondents were found under age group 25-34, 26.9% of the respondents were found under the age group of 35-44 and 23.1% of the respondents were found under the age group of 45-51. From this, we see that 25-34 age group was the dominant age group where most of the respondent are found and followed by 35-44 age group.

## Education

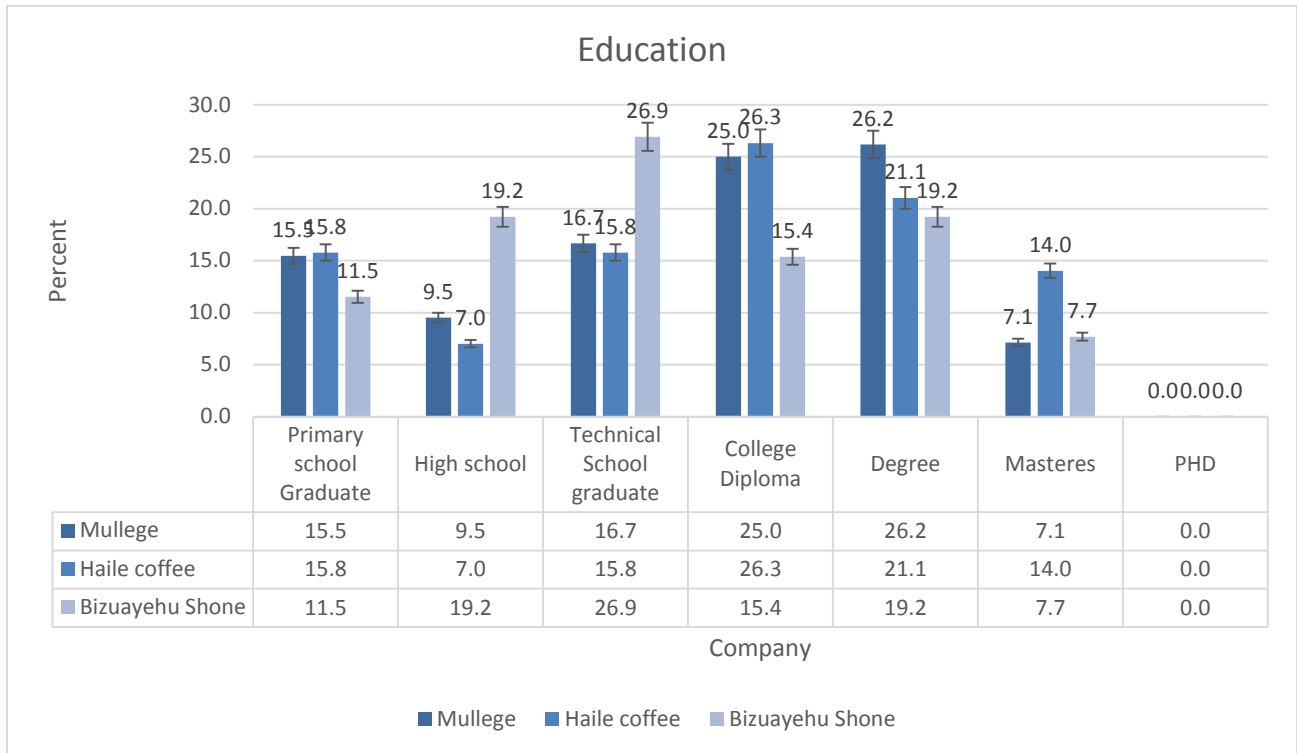


Figure 4.3: Education level of the respondents

As shown in the figure 4.3, 15.5% of Mullege respondents were primary school complete, 9.5% of the respondents were high school complete, 16.7% of the respondents were technical school complete, 25% of the respondents were diploma complete, 26.2% of the respondents were degree complete and 7.1% of the respondents were masters complete. 15.8% of Haile Coffee respondents were primary school complete, 7% of the respondents were high school complete, 15.8% of the respondents were technical school complete, 26.3% of the respondents were diploma complete, 21.1% of the respondents were degree complete and 14% of the respondents were master degree complete. 11.5% of Buzayehu Shone’s respondents were primary school complete, 19.2% of the respondents were high school complete, 26.9% of the respondents were technical school complete, 15.4% of the respondents were diploma complete, 19.2% of the respondents were degree complete and 7.7% of the respondents were master degree complete. From this, we see that most of the respondents were diploma and degree complete.

#### 4.1.2. CORPORATE SOCIAL RESPONSIBILITY AWARENESS

Table 4.1: CSR Awareness of the employees

| Being as profitable as possible  |                   |          |         |       |                |        |
|--|-------------------|----------|---------|-------|----------------|--------|
|  | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total  |
| Mullege  | 4                 | 5        | 5       | 39    | 31             | 84     |
|  | 4.8%              | 6.0%     | 6.0%    | 46.4% | 36.9%          | 100.0% |
| Haile Coffee   | 0                 | 2        | 3       | 36    | 16             | 57     |
|  | 0.0%              | 3.5%     | 5.3%    | 63.2% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 4        | 7       | 10    | 5              | 26     |
|  | 0.0%              | 15.4%    | 26.9%   | 38.5% | 19.2%          | 100.0% |
| Maintaining strong competitive position  |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 54    | 14             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 64.3% | 16.7%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 33    | 18             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu  | 0                 | 2        | 4       | 14    | 6              | 26     |
|  | 0.0%              | 7.7%     | 15.4%   | 53.8% | 23.1%          | 100.0% |
| Maintaining high level of operating efficiency   |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 54    | 14             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 64.3% | 16.7%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 0        | 5       | 13    | 8              | 26     |
|  | 0.0%              | 0.0%     | 19.2%   | 50.0% | 30.8%          | 100.0% |
| Be a law-abiding corporate citizen   |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 36    | 32             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 42.9% | 38.1%          | 100.0% |
| Haile Coffee   | 0                 | 2        | 3       | 34    | 18             | 57     |
|  | 0.0%              | 3.5%     | 5.3%    | 59.6% | 31.6%          | 100.0% |
| Bezuayehu  | 0                 | 3        | 3       | 14    | 6              | 26     |
|  | 0.0%              | 11.5%    | 11.5%   | 53.8% | 23.1%          | 100.0% |
| Provide goods and services that meet minimal legal requirements  |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 54    | 14             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 64.3% | 16.7%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 0        | 4       | 14    | 8              | 26     |
|  | 0.0%              | 0.0%     | 15.4%   | 53.8% | 30.8%          | 100.0% |
| Perform with expectations of societal morals and ethical norms   |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 36    | 32             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 42.9% | 38.1%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 33    | 18             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu  | 0                 | 2        | 2       | 15    | 7              | 26     |
|  | 0.0%              | 7.7%     | 7.7%    | 57.7% | 26.9%          | 100.0% |
| Do not compromise ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 54    | 14             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 64.3% | 16.7%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuavehu  | 0                 | 0        | 5       | 15    | 6              | 26     |
|  | 0.0%              | 0.0%     | 19.2%   | 57.7% | 23.1%          | 100.0% |

|  |      |      |       |       |       |        |
|--|------|------|-------|-------|-------|--------|
|  | 0.0% | 0.0% | 19.2% | 57.7% | 23.1% | 100.0% |
| Doing what is expected morally or ethically  |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 7     | 35    | 32    | 84     |
|  | 4.8% | 7.1% | 8.3%  | 41.7% | 38.1% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 33    | 18    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 57.9% | 31.6% | 100.0% |
| Bezuayehu  | 0    | 2    | 3     | 14    | 7     | 26     |
|  | 0.0% | 7.7% | 11.5% | 53.8% | 26.9% | 100.0% |
| Benefits and charitable expectations of society assist the fine and performing arts      |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 6     | 54    | 14    | 84     |
|  | 4.8% | 7.1% | 7.1%  | 64.3% | 16.7% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 35    | 16    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 61.4% | 28.1% | 100.0% |
| Bezuayehu  | 0    | 0    | 6     | 13    | 7     | 26     |
|  | 0.0% | 0.0% | 23.1% | 50.0% | 26.9% | 100.0% |
| Aid humanitarian institutions  |      |      |       |       |       |        |
| Mullege  | 4    | 8    | 7     | 31    | 33    | 83     |
|  | 4.8% | 9.6% | 8.4%  | 37.3% | 39.8% | 100.0% |
| Haile Coffee   | 0    | 3    | 4     | 32    | 18    | 57     |
|  | 0.0% | 5.3% | 7.0%  | 56.1% | 31.6% | 100.0% |
| Bezuayehu  | 0    | 2    | 2     | 16    | 6     | 26     |
|  | 0.0% | 7.7% | 7.7%  | 61.5% | 23.1% | 100.0% |
| Aid public educational institutions  |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 6     | 35    | 33    | 84     |
|  | 4.8% | 7.1% | 7.1%  | 41.7% | 39.3% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 35    | 16    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 61.4% | 28.1% | 100.0% |
| Bezuayehu  | 0    | 0    | 5     | 14    | 7     | 26     |
|  | 0.0% | 0.0% | 19.2% | 53.8% | 26.9% | 100.0% |
| Developing practical solutions in the organizations, on the environment management level |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 6     | 54    | 14    | 84     |
|  | 4.8% | 7.1% | 7.1%  | 64.3% | 16.7% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 33    | 18    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 57.9% | 31.6% | 100.0% |
| Bezuayehu  | 0    | 2    | 4     | 14    | 6     | 26     |
|  | 0.0% | 7.7% | 15.4% | 53.8% | 23.1% | 100.0% |
| Give voluntary and charitable activities to local communities                            |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 7     | 35    | 32    | 84     |
|  | 4.8% | 7.1% | 8.3%  | 41.7% | 38.1% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 35    | 16    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 61.4% | 28.1% | 100.0% |
| Bezuayehu  | 0    | 0    | 6     | 13    | 7     | 26     |
|  | 0.0% | 0.0% | 23.1% | 50.0% | 26.9% | 100.0% |

Source: Own SPSS output

The above table 4.1. shows the frequency distribution and percentage for employees' awareness about CSR in Mullege, Haile Coffee and Buzayehu Shone. It is shown that for Mullege a total of 83.3% respondents "agree" (46.4%) and "strongly agree" (36.9%) that CSR is being as profitable as possible. For Haile Coffee a total of 91.3% respondents "agree" (63.2%) and "strongly agree" (28.1%) that CSR is being as profitable as possible. On the other hand, for Buzayehu a total of 57.7% respondents "agree" (38.5%) and "strongly agree" (19.2%) that CSR is being as profitable

as possible. From this it can be said that most of the respondents agree that CSR is being as profitable as possible.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is maintaining strong competitive position. For Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%) that CSR is maintaining strong competitive position. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (53.8%) and “strongly agree” (23.1%), that CSR is maintaining strong competitive position. from this it can be said that most of the respondents agree that CSR is maintaining strong competitive position.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is maintaining high level of operating efficiency. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is maintaining high level of operating efficiency. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (50%) and “strongly agree” (30.8%), that CSR is maintaining high level of operating efficiency. from this it can be said that most of the respondents agree that CSR is maintaining high level of operating efficiency. It is shown that for Mullege a total of 91% respondents “agree” (42.9%) and “strongly agree” (38.1%), that CSR is be a law-abiding corporate citizen. For Haile Coffee a total of 91.2% respondents “agree” (59.6%) and “strongly agree” (31.6%), that CSR is be a law-abiding corporate citizen. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (53.8%) and “strongly agree” (23.1%), that CSR is be a law-abiding corporate citizen. From this it can be said that most of the respondents agree that CSR is Be a law-abiding corporate citizen.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is to provide goods and services that meet minimal legal requirements. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is to provide goods and services that meet minimal legal requirements. On the other hand, for Buzayehu a total of 84.6% respondents “agree” (53.8%) and “strongly agree” (30.8%), that CSR is to provide goods and services that meet minimal legal requirements. From this it can be said that most of the respondents agree that CSR is to provide goods and services that meet minimal legal requirements.

It is shown that for Mullege a total of 81% respondents “agree” (42.9%) and “strongly agree” (38.1%), that CSR is to perform with expectations of societal morals and ethical norms. For Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), that CSR is to perform with expectations of societal morals and ethical norms. On the other hand, for Buzayehu a total of 84.6% respondents “agree” (57.7%) and “strongly agree” (26.9%), that CSR is to perform with expectations of societal morals and ethical norms. From this it can be said that most of the respondents agree that CSR is to perform with expectations of societal morals and ethical norms.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is not compromising ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is not compromising ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (57.7%) and “strongly agree” (23.1%), that CSR is not compromising ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws. From this it can be said that most of the respondents agree that CSR is not compromising ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is doing what is expected morally or ethically. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is doing what is expected morally or ethically. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (57.7%) and “strongly agree” (23.1%), that CSR is doing what is expected morally or ethically. From this it can be said that most of the respondents agree that CSR is doing what is expected morally or ethically.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR benefits and charitable expectations of society assist the fine and performing arts. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR benefits and charitable expectations of society assist the fine and performing arts. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (50%) and “strongly agree” (26.9%), that CSR Benefits and charitable expectations of society assist the fine and

performing arts. From this it can be said that most of the respondents agree that CSR benefits and charitable expectations of society assist the fine and performing arts.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is to aid humanitarian institutions. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is to aid humanitarian institutions. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (50%) and “strongly agree” (26.9%), that CSR is to aid humanitarian institutions. From this it can be said that most of the respondents agree that CSR is to aid humanitarian institutions.

It is shown that for Mullege a total of 81% respondents “agree” (41.7%) and “strongly agree” (39.3%), that CSR is to aid public educational institutions. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is to aid public educational institutions. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (26.9%), that CSR is to aid public educational institutions. From this it can be said that most of the respondents agree that CSR is to aid public educational institutions.

It is shown that for Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that CSR is developing practical solutions in the organizations, on the environment management level. For Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), that CSR is developing practical solutions in the organizations, on the environment management level. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (23.1%), that CSR is developing practical solutions in the organizations, on the environment management level. From this it can be said that most of the respondents agree that CSR is developing practical solutions in the organizations, on the environment management level.

It is shown that for Mullege a total of 81% respondents “agree” (41.7%) and “strongly agree” (38.1%), that CSR is to give voluntary and charitable activities to local communities. For Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that CSR is to give voluntary and charitable activities to local communities. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (50%) and “strongly agree” (26.9%), that CSR is give voluntary and charitable activities to local communities. From this it can be said that most of the respondents agree that CSR is to give voluntary and charitable activities to local communities.

Table 4.2: Kruskal Wallis Test for Awareness

| Test Statistics <sup>a,b</sup> |       |       |       |       |       |      |       |      |       |      |      |       |      |
|--------------------------------|-------|-------|-------|-------|-------|------|-------|------|-------|------|------|-------|------|
|                                | AW1   | AW2   | AW3   | AW4   | AW5   | AW6  | AW7   | AW8  | AW9   | AW10 | AW11 | AW12  | AW13 |
| Chi-Square                     | 6.939 | 5.241 | 4.160 | 1.874 | 4.594 | .351 | 3.854 | .562 | 3.762 | .558 | .525 | 5.241 | .552 |
| Df                             | 2     | 2     | 2     | 2     | 2     | 2    | 2     | 2    | 2     | 2    | 2    | 2     | 2    |
| Asymp. Sig.                    | .031  | .073  | .125  | .392  | .101  | .839 | .146  | .755 | .152  | .757 | .769 | .073  | .759 |
| a. Kruskal Wallis Test         |       |       |       |       |       |      |       |      |       |      |      |       |      |
| b. Grouping Variable: Company  |       |       |       |       |       |      |       |      |       |      |      |       |      |

Source: Own SPSS output

As table 4.2 indicates a Kruskal Wallis test was used to determine whether there was a significant difference in the awareness level of corporate social responsibility among the selected case companies. The result showed that there was no significant difference found in the awareness level of CSR among Mullege, Haile Coffee and Buzayehu employees in all awareness component measures.

Similarly, the qualitative data obtained from key informant interview with beneficiary communities shows that the three case companies have almost the same awareness about CSR.

*“He knows about CSR very well (Corporate Social Responsibility) and the main reason for his company to engage in corporate social responsibility (CSR) was not a choice for them but a need to be fulfilled from the very beginning” (Plantation coordinator, Buzayehu Shone).*

*“He read and trained regarding concept of CSR practices which makes them socially accountable and fair towards their stakeholders” (Sustainability Manager, Mullege).*

### 4.1.3. ECONOMIC RESPONSIBILITY

Table 4.3 Economic Responsibility

| The company is committed to being as profitable as possible                |                   |          |         |       |                |        |
|--|-------------------|----------|---------|-------|----------------|--------|
|  | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total  |
| Mullege  | 4                 | 6        | 6       | 36    | 32             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 42.9% | 38.1%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 1        | 6       | 12    | 7              | 26     |
|  | 0.0%              | 3.8%     | 23.1%   | 46.2% | 26.9%          | 100.0% |
| The company strives to maintain a strong competitive position              |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 7       | 35    | 32             | 84     |
|  | 4.8%              | 7.1%     | 8.3%    | 41.7% | 38.1%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 1        | 4       | 15    | 6              | 26     |
|  | 0.0%              | 3.8%     | 15.4%   | 57.7% | 23.1%          | 100.0% |
| The company strives to maintain a high level of operating efficiency       |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 54    | 14             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 64.3% | 16.7%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 4       | 32    | 18             | 57     |
|  | 0.0%              | 5.3%     | 7.0%    | 56.1% | 31.6%          | 100.0% |
| Bezuayehu  | 0                 | 1        | 4       | 13    | 8              | 26     |
|  | 0.0%              | 3.8%     | 15.4%   | 50.0% | 30.8%          | 100.0% |
| The company believes that its success described as being always profitable |                   |          |         |       |                |        |
| Mullege  | 4                 | 6        | 6       | 36    | 32             | 84     |
|  | 4.8%              | 7.1%     | 7.1%    | 42.9% | 38.1%          | 100.0% |
| Haile Coffee   | 0                 | 3        | 3       | 35    | 16             | 57     |
|  | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu  | 0                 | 1        | 6       | 12    | 7              | 26     |
|  | 0.0%              | 3.8%     | 23.1%   | 46.2% | 26.9%          | 100.0% |

Source: Own SPSS Output

The above table 4.3 shows the frequency distribution and percentage for economic responsibility of CSR items, Mullege a total of 81% respondents “agree” (42.9%) and “strongly agree” (38.1%), that their company is committed to being as profitable as possible. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that their company is committed to being as profitable as possible. On the other hand, for Buzayehu a total of 73.1% respondents “agree” (46.2%) and “strongly agree” (26.9%), that their company is committed to

being as profitable as possible. From this it can be said that most of the respondents agree that their company is committed to being as profitable as possible.

From Mullege a total of 79.8% respondents “agree” (41.7%) and “strongly agree” (38.1%), that the company strives to maintain a strong competitive position. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that the company strives to maintain a strong competitive position. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (57.7%) and “strongly agree” (23.1%), that the company strives to maintain a strong competitive position. From this it can be said that most of the respondents agree that the company strives to maintain a strong competitive position.

From Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), on the contrary, a total of 13.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that company strives to maintain a high level of operating efficiency. From Haile Coffee a total of 87.7% respondents “agree” (56.1%) and “strongly agree” (31.6%), that the company strives to maintain a high level of operating efficiency. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (50%) and “strongly agree” (30.8%), that the company strives to maintain a high level of operating efficiency. From this it can be said that most of the respondents agree that the company strives to maintain a high level of operating efficiency.

From Mullege a total of 81% respondents “agree” (64.3%) and “strongly agree” (16.7%), that their company believes that its success described as being always profitable. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that their company believes that its success described as being always profitable. On the other hand, for Buzayehu a total of 73.1% respondents “agree” (46.2%) and “strongly agree” (26.9%), that their company believes that its success described as being always profitable. From this it can be said that most of the respondents agree that their company believes that its success described as being always profitable.

Table 4.4: Kruskal Wallis Test for Economic responsibility

| Test Statistics <sup>a,b</sup> |   |   |  |   |
|--------------------------------|---|---|--|---|
|                                | The company is committed to being as profitable as possible | The company strives to maintain a .0strong +-+ competitive position | The company strives to maintain a high level of operating efficiency | The company believes that its success described as being always profitable. |
| Chi-Square                     | 5.308   | .780  | 4.664  | 1.070   |
| Df                             | 2   | 2   | 2  | 2   |
| Asymp. Sig.                    | .070  | .677  | .097   | .586  |
| a. Kruskal Wallis Test         |   |   |  |   |
| b. Grouping Variable: Company  |   |   |  |   |

Source: Own SPSS output

As table 4.4 indicates a kruskal wallis test were used to determine whether there was a significant difference in the economic responsibility achievement among the selected case companies. The result showed that there was not significant difference found in the economic responsibility accomplishment among Mullege, Haile Coffee and Buzayehu employees in all economic component measures.

Similarly, the qualitative data obtained from key informant interview with beneficiary communities shows that the three case companies has almost the same economic responsibility practices of CSR engagement.

*“Company has a procedure of a written communication to respond to every customer complaint. The organization continually improve the quality of the products. It also strives to lower its operating cost by increasing the workers’ efficiency and closely monitor employees’ productivity” (Agronomy and Production manager, Haile Coffee).*

*“The company has a procedure to respond to every customer complaint when they deal with a limited number of customers with amicable and understanding relationship. They invite their customers to pay us a visit and see how they produce the products and provide them. Most of the time the complaints arising from their customers is the lengthy period the export processing takes. It continually improves the quality of the*

products. It also always strives to lower its operating cost but never at the expense of their employees and closely monitor employees' productivity" (Plantation Coordinator, Buzayehu Shone).

"The company have a procedure to respond to every customer complaint in which they have regular meeting to each stakeholder accordingly, along with such discussions comment boxes and other tools they receive customer complaints and then they analyze it through "Go See, Think, Do" (GSTD) problem solving approach and finally they will respond to it. The company continually improve the quality of the products by explicitly delegated personnel as quality control manager who follow up updated improvements. It always strives to lower its operating cost in each and every transaction and annual business activities by making a comparison between recurring cost, fixed cost (with deprecation values) and social commitments with the expected profits. This framework helped them to reduce operating cost. The company closely monitor employees' productivity based up on continuous evaluation of employees' activities" (Sustainability Manager, Mullege).

#### 4.1.4. LEGAL RESPONSIBILITY

Table 4.5: Legal Responsibility

| The company always acts in a manner consistent with expectations of Government.   |                   |          |         |       |                |        |
|---|-------------------|----------|---------|-------|----------------|--------|
|   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total  |
| Mullege   | 4                 | 6        | 6       | 53    | 15             | 84     |
|   | 4.8%              | 7.1%     | 7.1%    | 63.1% | 17.9%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 1        | 3       | 16    | 6              | 26     |
|   | 0.0%              | 3.8%     | 11.5%   | 61.5% | 23.1%          | 100.0% |
| The company strives to comply with various Federal, regional laws and regulations |                   |          |         |       |                |        |
| Mullege   | 4                 | 6        | 6       | 37    | 31             | 84     |
|   | 4.8%              | 7.1%     | 7.1%    | 44.0% | 36.9%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 35    | 16             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu   | 0                 | 1        | 4       | 14    | 7              | 26     |
|   | 0.0%              | 3.8%     | 15.4%   | 53.8% | 26.9%          | 100.0% |
| The company always tried to be a law-abiding corporate citizen                    |                   |          |         |       |                |        |
| Mullege   | 4                 | 6        | 6       | 34    | 33             | 83     |
|   | 4.8%              | 7.2%     | 7.2%    | 41.0% | 39.8%          | 100.0% |

|  |      |      |       |       |       |        |
|--|------|------|-------|-------|-------|--------|
| Haile Coffee   | 0    | 3    | 3     | 33    | 18    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 57.9% | 31.6% | 100.0% |
| Bezuayehu  | 0    | 1    | 4     | 14    | 7     | 26     |
|  | 0.0% | 3.8% | 15.4% | 53.8% | 26.9% | 100.0% |
| The company makes every effort to fulfill their legal obligations. |      |      |       |       |       |        |
| Mullege  | 4    | 6    | 6     | 37    | 31    | 84     |
|  | 4.8% | 7.1% | 7.1%  | 44.0% | 36.9% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 35    | 16    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 61.4% | 28.1% | 100.0% |
| Bezuayehu  | 0    | 0    | 6     | 14    | 6     | 26     |
|  | 0.0% | 0.0% | 23.1% | 53.8% | 23.1% | 100.0% |
| The company provide goods/services that meet legal requirements    |      |      |       |       |       |        |
| Mullege  | 4    | 8    | 6     | 34    | 32    | 84     |
|  | 4.8% | 9.5% | 7.1%  | 40.5% | 38.1% | 100.0% |
| Haile Coffee   | 0    | 3    | 3     | 33    | 18    | 57     |
|  | 0.0% | 5.3% | 5.3%  | 57.9% | 31.6% | 100.0% |
| Bezuayehu  | 0    | 1    | 3     | 15    | 7     | 26     |
|  | 0.0% | 3.8% | 11.5% | 57.7% | 26.9% | 100.0% |

Source: Own SPSS output

As shown in the table 4.5 the frequency and percentage distribution for legal responsibility of CSR items, Mullege a total of 81% respondents “agree” (42.9%) and “strongly agree” (38.1%), that their company always acts in a manner consistent with expectations of Government. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that their company always acts in a manner consistent with expectations of Government. On the other hand, for Buzayehu a total of 73.1% respondents “agree” (46.2%) and “strongly agree” (26.9%), that their company always acts in a manner consistent with expectations of Government. From this it can be said that most of the respondents agree that their company strives to comply with various Federal, regional laws and regulations

From Mullege a total of 80.9% respondents “agree” (44%) and “strongly agree” (36.9%), that their company strives to comply with various federal, regional laws and regulations. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), that their company strives to comply with various Federal, regional laws and regulations. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (26.9%), that their company strives to comply with various Federal, regional laws and regulations. From this it can be said that most of the respondents agree that their company strives to comply with various Federal, regional laws and regulations.

From Mullege a total of 80.8% respondents “agree” (41%) and “strongly agree” (39.8%), that their company always tried to be a law-abiding corporate citizen. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company always tried to be a law-abiding corporate citizen. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (26.9%), on the contrary, a total of 3.8% “disagree” and “strongly disagree” and the rest (15.4%) are “neutral” that their company always tried to be a law-abiding corporate citizen. From this it can be said that most of the respondents agree that their company always tried to be a law-abiding corporate citizen.

From Mullege a total of 80.9% respondents “agree” (44%) and “strongly agree” (36.9%), on the contrary, a total of 13.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that their company makes every effort to fulfill their legal obligations. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company makes every effort to fulfill their legal obligations. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (53.8%) and “strongly agree” (23.1%), on the contrary, a total of 0% “disagree” and “strongly disagree” and the rest (23.1%) are “neutral” that their company makes every effort to fulfill their legal obligations. From this it can be said that most of the respondents agree that their company makes every effort to fulfill their legal obligations.

From Mullege a total of 78.6% respondents “agree” (40.5%) and “strongly agree” (38.1%), on the contrary, a total of 13.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that their company provide goods/services that meet legal requirements. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company provide goods/services that meet legal requirements. On the other hand, for Buzayehu a total of 84.6% respondents “agree” (57.7%) and “strongly agree” (26.9%), on the contrary, a total of 3.8% “disagree” and “strongly disagree” and the rest (11.5%) are “neutral” that their company provide goods/services that meet legal requirements. From this it can be said that most of the respondents agree that their company provide goods/services that meet legal requirements.

Table 4.6: Kruskal Wallis Test for legal responsibility

| Test Statistics <sup>a,b</sup> |   |   |  |  |   |
|--------------------------------|---|---|--|--|---|
|                                | The company always acts in a manner consistent with expectations of Government. | The company strives to comply with various Federal, regional laws and regulations | The company always tried to be a law-abiding corporate citizen | The company makes every effort to fulfill their legal obligations. | The company provide goods/services that meet legal requirements |
| Chi-Square                     | 4.661   | .352  | .628   | 1.054  | .263  |
| Df                             | 2   | 2   | 2  | 2  | 2   |
| Asymp. Sig.                    | .097  | .839  | .731   | .590   | .877  |
| a. Kruskal Wallis Test         |   |   |  |  |   |
| b. Grouping Variable: Company  |   |   |  |  |   |

Source: Own SPSS output

As table 4.6 indicates a kruskal wallis test were used to determine whether there was a significant difference in the legal responsibility achievement among the selected case companies. The result showed that there was not significant difference found in the legal responsibility accomplishment among Mullege, Haile Coffee and Buzayehu employees in all legal component measures.

Similarly, the qualitative data obtained from key informant interview with beneficiary communities shows that the three case companies has almost the same legal responsibility practices of CSR engagement.

*“ The company regularly pays tax without any interruption and timely. Managers of the company are also well informed about relevant environmental laws and their products meet the legal standards and always honor contractual obligations” (Agronomy and Production manager, Haile Coffee).*

*“The company regularly pays tax without any interruption and timely. Managers of his organization are well informed about relevant environmental laws. The company’s products meet the legal standards and always honor contractual obligations” (Plantation Coordinator, Buzayehu Shone).*

*“The company regularly pays tax without any interruption and timely this has well been recognized by Ministry of Revenue’s appreciation reward. The managers of the organization are well informed about relevant environmental laws being trained by*

professionals by using scenarios. The company's products meet the legal standards as they produce with the existed and launched standards. It always honors contractual obligations and they did not receive claim from their copartners" (Sustainability Manager, Mullege).

#### 4.1.5. ETHICAL RESPONSIBILITY

Table 4.7: Ethical Responsibility

| The company always acts in a manner consistent with societal ethical norms        |                   |          |         |       |                |        |
|---|-------------------|----------|---------|-------|----------------|--------|
|   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total  |
| Mullege   | 4                 | 6        | 6       | 37    | 31             | 84     |
|   | 4.8%              | 7.1%     | 7.1%    | 44.0% | 36.9%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 34    | 16             | 56     |
|   | 0.0%              | 5.4%     | 5.4%    | 60.7% | 28.6%          | 100.0% |
| Bezuayehu   | 0                 | 0        | 5       | 13    | 8              | 26     |
|   | 0.0%              | 0.0%     | 19.2%   | 50.0% | 30.8%          | 100.0% |
| The company strives to comply with various Federal, regional laws and regulations |                   |          |         |       |                |        |
| Mullege   | 4                 | 8        | 13      | 37    | 22             | 84     |
|   | 4.8%              | 9.5%     | 15.5%   | 44.0% | 26.2%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 2        | 4       | 14    | 6              | 26     |
|   | 0.0%              | 7.7%     | 15.4%   | 53.8% | 23.1%          | 100.0% |
| The company always tried to be a law-abiding corporate citizen                    |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 38    | 16             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 35    | 16             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu   | 0                 | 0        | 5       | 13    | 8              | 26     |
|   | 0.0%              | 0.0%     | 19.2%   | 50.0% | 30.8%          | 100.0% |
| The company makes every effort to fulfill their legal obligations.                |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 38    | 16             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 2        | 2       | 15    | 7              | 26     |
|   | 0.0%              | 7.7%     | 7.7%    | 57.7% | 26.9%          | 100.0% |
| The company provide goods/services that meet legal requirements                   |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 38    | 16             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 35    | 16             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu   | 0                 | 1        | 4       | 14    | 7              | 26     |
|   | 0.0%              | 3.8%     | 15.4%   | 53.8% | 26.9%          | 100.0% |

Source: Own SPSS output

As shown in the table 4.7 the frequency and percentage distribution for Ethical responsibility of CSR items, Mullege a total of 80.9% respondents “agree” (44%) and “strongly agree” (36.9%), on the contrary, a total of 13.9% “disagree” and “strongly disagree” and the rest (7.1%) are “neutral” that their company always acts in a manner consistent with societal ethical norms. From Haile Coffee a total of 89.3% respondents “agree” (60.7%) and “strongly agree” (28.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company always acts in a manner consistent with societal ethical norms. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (50%) and “strongly agree” (30.8%), on the contrary, a total of 0% “disagree” and “strongly disagree” and the rest (19.2%) are “neutral” that their company always acts in a manner consistent with societal ethical norms. From this it can be said that most of the respondents agree that their company always acts in a manner consistent with societal ethical norms.

From Mullege a total of 70.2% respondents “agree” (44%) and “strongly agree” (26.2%), on the contrary, a total of 14.3% “disagree” and “strongly disagree” and the rest (15.5%) are “neutral” that their company strives to comply with various Federal, regional laws and regulations. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company strives to comply with various Federal, regional laws and regulations. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (53.8%) and “strongly agree” (23.1%), on the contrary, a total of 7.7% “disagree” and “strongly disagree” and the rest (15.4%) are “neutral” that their company strives to comply with various Federal, regional laws and regulations. From this it can be said that most of the respondents agree that their company strives to comply with various federal, regional laws and regulations.

From Mullege a total of 64.2% respondents “agree” (45.2%) and “strongly agree” (19%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company always tried to be a law-abiding corporate citizen. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company always tried to be a law-abiding corporate citizen. On the other hand, for Buzayehu a total of 80.8% respondents “agree” (50%) and “strongly agree” (30.8%), on the contrary, a total of 0% “disagree” and “strongly disagree” and the rest (19.2%) are “neutral” that their company always

tried to be a law-abiding corporate citizen. From this it can be said that most of the respondents agree that their company always tried to be a law-abiding corporate citizen.

From Mullege a total of 64.2% respondents “agree” (45.2%) and “strongly agree” (19%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company makes every effort to fulfill their legal obligations. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company makes every effort to fulfill their legal obligations. On the other hand, for Buzayehu a total of 84.6% respondents “agree” (57.7%) and “strongly agree” (26.9%), on the contrary, a total of 7% “disagree” and “strongly disagree” and the rest (7.7%) are “neutral” that their company makes every effort to fulfill their legal obligations. From this it can be said that most of the respondents agree that their company makes every effort to fulfill their legal obligations.

From Mullege a total of 64.2% respondents “agree” (45.2%) and “strongly agree” (19%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company provide goods/services that meet legal requirements. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that The company provide goods/services that meet legal requirements. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (26.9%), on the contrary, a total of 3.8% “disagree” and “strongly disagree” and the rest (15.4%) are “neutral” that The company provide goods/services that meet legal requirements. From this it can be said that most of the respondents agree that The company provide goods/services that meet legal requirements.

Table 4.8: Kruskal Wallis Test for ethical responsibility

| Test Statistics <sup>a,b</sup> |  |   |  |  |   |
|--------------------------------|--|---|--|--|---|
|                                | The company always acts in a manner consistent with societal ethical norms | The company strives to comply with various Federal, regional laws and regulations | The company always tried to be a law-abiding corporate citizen | The company makes every effort to fulfill their legal obligations. | The company provide goods/services that meet legal requirements |
| Chi-Square                     | .074   | 4.172   | 9.581  | 10.491   | 8.989   |
| Df                             | 2  | 2   | 2  | 2  | 2   |
| Asymp. Sig.                    | .964   | .124  | .008   | .005   | .011  |
| a. Kruskal Wallis Test         |  |   |  |  |   |
| b. Grouping Variable: Company  |  |   |  |  |   |

Source: Own SPSS output

As table 4.8 indicates a kruskal wallis test were used to determine whether there was a significant difference in the legal responsibility achievement among the selected case companies. The result showed that there was not significant difference found in the legal responsibility accomplishment among Mullege, Haile Coffee and Buzayehu employees in the legal component measures, the company always acts in a manner consistent with societal ethical norms and the company strives to comply with various federal, regional laws and regulations while significant difference was found in the legal responsibility accomplishment among Mullege, Haile Coffee and Buzayehu employees in the legal component measures, the company always tried to be a law-abiding corporate citizen, the company makes every effort to fulfill their legal obligations and the company provide goods/services that meet legal requirements.

Similarly, the qualitative data obtained from key informant interview with beneficiary communities shows that the three case companies has different ethical responsibility practices of CSR engagement.

*“The company have a formal code of conduct but not well organized. Top managers of the company always monitor the potential negative impacts of its activities on community. There is also an evaluation program every six months’ interval to bring fairness toward co-workers and confidential procedure in the company for employees to*

*report any misconduct at work (such as stealing or sexual harassment). The salespersons and employees at all level are required to provide full and accurate information to all customers” (Agronomy and Production manager, Haile Coffee).*

*“The company have a formal code of conduct to do right and be just. Top managers of the company do not monitor the potential negative impacts of the company’s activities on community as it is too unsafe to be involved in monitoring activities of the community. Employee representatives as a part of evaluation and performance is a key scale to be fair toward co-workers as an integral part of their employee evaluation process. There is confidential procedure in the company for employees to report any misconduct at work (such as stealing or sexual harassment). The company work as a family and everyone is looking after the other and incidents are reported with no fear to the whistle-blower. The salespersons and employees at all level are required to provide full and accurate information to all customers” (Plantation Coordinator, Buzayehu Shone).*

*“The company have a formal code of conduct which each employee read and agreed upon it before the contract. The top managers at the head quarter make a physical supervision to monitor the potential negative impacts of the company’s activities on community. Each employee is evaluated based on standard (objectively) with regard to his achievement to given target in a fair and equal way toward co-workers as an integral part of the employee evaluation process of the company. There is confidential procedure for employees to report any misconduct at work (such as stealing or sexual harassment) by using workers’ association as well as formal chain. The salespersons and employees provide full and accurate information to all customers with a limited relation” (Sustainable Manager, Mullege).*

#### 4.1.6. PHILANTHROPIC RESPONSIBILITY

Table 4.9: Philanthropic Responsibility

| The company always acts in a manner consistent with philanthropic and charitable expectations of society. |                   |          |         |       |                |        |
|---|-------------------|----------|---------|-------|----------------|--------|
|   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total  |
| Mullege   | 4                 | 10       | 16      | 38    | 16             | 84     |
|   | 4.8%              | 11.9%    | 19.0%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 2        | 5       | 13    | 6              | 26     |
|   | 0.0%              | 7.7%     | 19.2%   | 50.0% | 23.1%          | 100.0% |
| The company strives to assist the fine and performing arts.   |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 38    | 16             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 35    | 16             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu   | 0                 | 1        | 6       | 12    | 7              | 26     |
|   | 0.0%              | 3.8%     | 23.1%   | 46.2% | 26.9%          | 100.0% |
| The company participate in voluntary and charitable activities within their local communities             |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 37    | 16             | 83     |
|   | 4.8%              | 10.8%    | 20.5%   | 44.6% | 19.3%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 2        | 3       | 14    | 7              | 26     |
|   | 0.0%              | 7.7%     | 11.5%   | 53.8% | 26.9%          | 100.0% |
| The company aids private and public educational institutions.   |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 37    | 17             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 44.0% | 20.2%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 35    | 16             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 61.4% | 28.1%          | 100.0% |
| Bezuayehu   | 0                 | 1        | 3       | 15    | 7              | 26     |
|   | 0.0%              | 3.8%     | 11.5%   | 57.7% | 26.9%          | 100.0% |
| The company assists projects that enhance a community's "quality of life" and poverty alleviation.        |                   |          |         |       |                |        |
| Mullege   | 4                 | 9        | 17      | 38    | 16             | 84     |
|   | 4.8%              | 10.7%    | 20.2%   | 45.2% | 19.0%          | 100.0% |
| Haile Coffee  | 0                 | 3        | 3       | 33    | 18             | 57     |
|   | 0.0%              | 5.3%     | 5.3%    | 57.9% | 31.6%          | 100.0% |
| Bezuayehu   | 0                 | 2        | 4       | 13    | 7              | 26     |
|   | 0.0%              | 7.7%     | 15.4%   | 50.0% | 26.9%          | 100.0% |

Source: Own SPSS output

As shown in the table 4.9 the frequency and percentage distribution for philanthropic responsibility of CSR items, Mullege a total of 64.2% respondents "agree" (45.2%) and "strongly agree" (19%), on the contrary, a total of 16.7% "disagree" and "strongly disagree" and the rest (19%) are "neutral" that their company always acts in a manner consistent with

philanthropic and charitable expectations of society. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company always acts in a manner consistent with philanthropic and charitable expectations of society. On the other hand, for Buzayehu a total of 73.1% respondents “agree” (50%) and “strongly agree” (23.1%), on the contrary, a total of 7.7% “disagree” and “strongly disagree” and the rest (19.2%) are “neutral” that their company always acts in a manner consistent with philanthropic and charitable expectations of society. From this it can be said that most of the respondents agree that their company always acts in a manner consistent with philanthropic and charitable expectations of society.

From, Mullege a total of 64.2% respondents “agree” (45.2%) and “strongly agree” (19%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company strives to assist the fine and performing arts. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company strives to assist the fine and performing arts. On the other hand, for Buzayehu a total of 73.1% respondents “agree” (46.2%) and “strongly agree” (26.9%), on the contrary, a total of 3.8% “disagree” and “strongly disagree” and the rest (23.1%) are “neutral” that their company strives to assist the fine and performing arts. From this it can be said that most of the respondents agree that their company strives to assist the fine and performing arts.

From, Mullege a total of 63.9% respondents “agree” (44.6%) and “strongly agree” (19.3%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.5%) are “neutral” that their company participate in voluntary and charitable activities within their local communities. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company participate in voluntary and charitable activities within their local communities. On the other hand, for Buzayehu a total of 80.7% respondents “agree” (53.8%) and “strongly agree” (26.9%), on the contrary, a total of 7.7% “disagree” and “strongly disagree” and the rest (11.5%) are “neutral” that their company participate in voluntary and charitable activities within their local communities. From this it can be said that most of the

respondents agree that their company participate in voluntary and charitable activities within their local communities.

From, Mullege a total of 64.2% respondents “agree” (44%) and “strongly agree” (20.2%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company aids private and public educational institutions. From Haile Coffee a total of 89.5% respondents “agree” (61.4%) and “strongly agree” (28.1%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that their company aids private and public educational institutions. On the other hand, for Buzayehu a total of 84.6% respondents “agree” (57.7%) and “strongly agree” (26.9%), on the contrary, a total of 3.8% “disagree” and “strongly disagree” and the rest (11.5%) are “neutral” that their company aids private and public educational institutions. From this it can be said that most of the respondents agree that their company aids private and public educational institutions.

From, Mullege a total of 64.2% respondents “agree” (45.2%) and “strongly agree” (19%), on the contrary, a total of 15.5% “disagree” and “strongly disagree” and the rest (20.2%) are “neutral” that their company assists projects that enhance a community’s “quality of life” and poverty alleviation. From Haile Coffee a total of 89.5% respondents “agree” (57.9%) and “strongly agree” (31.6%), on the contrary, a total of 5.3% “disagree” and “strongly disagree” and the rest (5.3%) are “neutral” that The company assists projects that enhance a community’s “quality of life” and poverty alleviation. On the other hand, for Buzayehu a total of 76.9% respondents “agree” (50%) and “strongly agree” (26.9%), on the contrary, a total of 7.7% “disagree” and “strongly disagree” and the rest (15.4%) are “neutral” that the company assists projects that enhance a community’s “quality of life” and poverty alleviation. From this it can be said that most of the respondents agree that The company assists projects that enhance a community’s “quality of life” and poverty alleviation.

Table 4.10: Kruskal Wallis Test for philanthropic responsibility

| Test Statistics <sup>a,b</sup> |   |   |   |   |  |
|--------------------------------|---|---|---|---|--|
|                                | The company always acts in a manner consistent with philanthropic and charitable expectations of society. | The company strives to assist the fine and performing arts. | The company participate in voluntary and charitable activities within their local communities | The company aids private and public educational institutions. | The company assists projects that enhance a community's "quality of life" and poverty alleviation. |
| Chi-Square                     | 9.820   | 8.375   | 10.094  | 8.647   | 9.810  |
| Df                             | 2   | 2   | 2   | 2   | 2  |
| Asymp. Sig.                    | .007  | .015  | .006  | .013  | .007   |
| a. Kruskal Wallis Test         |   |   |   |   |  |
| b. Grouping Variable: Company  |   |   |   |   |  |

Source: Own SPSS output

As table 4.10 indicates a kruskal wallis test were used to determine whether there was a significant difference in the philanthropic responsibility achievement among the selected case companies. The result showed that there was significant difference found in the legal responsibility accomplishment among Mullege, Haile Coffee and Buzayehu employees in the legal component measures, the company always acts in a manner consistent with philanthropic and charitable expectations of society, the company strives to assist the fine and performing arts, the company participate in voluntary and charitable activities within their local communities, the company aids private and public educational institutions and the company assists projects that enhance a community's "quality of life" and poverty alleviation.

Similarly, the qualitative data obtained from key informant interview with beneficiary communities shows that the three case companies has different philanthropic responsibility practices of CSR engagement.

*"The company see salary scale of the organization more or less similar to the average as compared to the industry average. It encourages employees to join civic organizations that support the community such as bargaining agreement of workers of*

*the farm and labor association. It has flexible company policies that enable employees to better coordinate work and personal life but not well organized. The company does not give adequate contributions to charities. However, it supports local sports and cultural activities but not regularly” (Agronomy and Production manager, Haile Coffee).*

*“The company standardize its salary scale as compared to the industry average. It encourages community members to engage with school and infrastructure building effort that support the community. It has flexible company policies that enable employees to better coordinate work and personal life. As much as possible it gives affordable contributions to charities and support local sports and cultural activities all the time” (Plantation Coordinator, Buzayehu Shone).*

*“The company see the salary scale of their organization as compared to the industry average as it is very good. Educated and experienced employees payed more equivalent to their role and accomplishment. The senior one gain increments with regard to their achievement. The company encourage employees to engage in variety seminars, public charity events, development organization programs that support community. It has flexible company policies that enable employees to better coordinate work and personal life and give adequate contributions to charities. The company support local sports and cultural activities however, it’s not adequate. They have a contribution some percent of economic gain from each export container to buna sport club but they will extend this to other clubs too” (Sustainable Manager, Mullege).*

### 4.1.7. IMPORTANCE OF CSR ENGAGEMENT

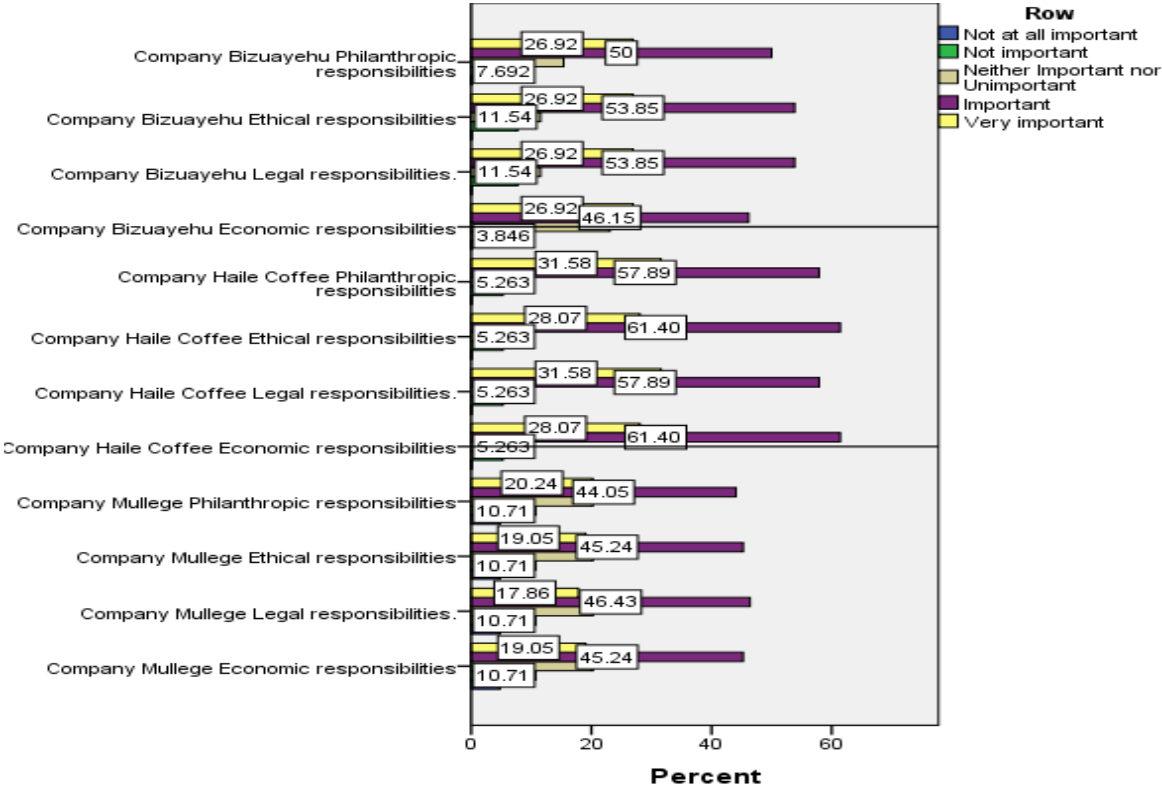


Figure 4.4: CSR importance

As the figure 4.9 the importance of Corporate Social Responsibility engagement shows that economic, legal, ethical and philanthropic responsibility was important among Mullege, Haile Coffee and Buzayehu. However, to see the CSR engagement importance difference among the case companies Kruskal Wallis rank test was employed.

Table 4.11: Kruskal Wallis Rank Test for CSR importance

| <b>Ranks</b>                   |              |     |           |
|--------------------------------|--------------|-----|-----------|
|                                | Company      | N   | Mean Rank |
| Economic responsibilities      | Mullege      | 84  | 74.57     |
|                                | Haile Coffee | 57  | 96.54     |
|                                | Bezuayehu    | 26  | 87.00     |
|                                | Total        | 167 |           |
| Legal responsibilities.        | Mullege      | 84  | 72.99     |
|                                | Haile Coffee | 57  | 97.68     |
|                                | Bezuayehu    | 26  | 89.56     |
|                                | Total        | 167 |           |
| Ethical responsibilities       | Mullege      | 84  | 74.07     |
|                                | Haile Coffee | 57  | 95.92     |
|                                | Bezuayehu    | 26  | 89.96     |
|                                | Total        | 167 |           |
| Philanthropic responsibilities | Mullege      | 84  | 74.17     |
|                                | Haile Coffee | 57  | 97.11     |
|                                | Bezuayehu    | 26  | 87.02     |
|                                | Total        | 167 |           |

Source: Own SPSS output

As shown in table 4.11 the mean rank of CSR importance among case companies, Haile Coffee ranked first in the importance of economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility while Buzayehu shone and Mullege were followed.

Table 4.12: Kruskal Wallis Test for importance of CSR

| <b>Test Statistics<sup>a,b</sup></b> |                           |                         |                          |                                |
|--------------------------------------|---------------------------|-------------------------|--------------------------|--------------------------------|
|                                      | Economic responsibilities | Legal responsibilities. | Ethical responsibilities | Philanthropic responsibilities |
| Chi-Square                           | 8.375                     | 10.940                  | 8.788                    | 9.045                          |
| Df                                   | 2                         | 2                       | 2                        | 2                              |
| Asymp. Sig.                          | .015                      | .004                    | .012                     | .011                           |
| a. Kruskal Wallis Test               |                           |                         |                          |                                |
| b. Grouping Variable: Company        |                           |                         |                          |                                |

Source: Own SPSS output

As table 4.12 indicates a kruskal wallis test were used to determine whether there was a significant difference in the importance of CSR engagement among the selected case companies. The result showed that there was significant difference found in the importance of CSR among Mullege, Haile Coffee and Buzayehu employees in the importance of economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

## CHAPTER FIVE

### 5. CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. CONCLUSIONS

As it is presented in the analysis, the study assessed CSR practices at Mullege, Haile Coffee and Buzayehu Shone Coffee plantation PLC. Based on the findings in seven core subjects used to assess the CSR practices; socio demographic information, awareness, economic, legal, ethical, philanthropic, importance of CSR analyzed in chapter four, here, the research questions raised in the chapter one are answered.

Socio demographic information: the result of the sex distribution shows that the female distribution was dominated by the distribution of male at all three case companies. The age distribution of the respondent shows that 25-34 age group was the dominant age group and followed by 35-44 age group. The education distribution of the respondents shows that most of the respondents were technical school, diploma and degree complete.

Corporate Social Responsibility Awareness: all three case companies were indifferent in the awareness level of CSR in being as profitable as possible, maintaining strong competitive position, maintaining high level of operating efficiency, be a law-abiding corporate citizen, provide goods and services that meet minimal legal requirements, perform with expectations of societal morals and ethical norms, do not compromise ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws, doing what is expected morally or ethically, benefits and charitable expectations of society assist the fine and performing arts, aid humanitarian institutions, aid public educational institutions, developing practical solutions in the organizations, on the environment management level, developing solutions on work & life balance for employees and give voluntary and charitable activities to local communities.

Economic responsibility: all three case companies were indifferent in the engagement level of economic responsibilities, as they were committed to being as profitable as possible, strived to maintain a strong competitive position, strived to maintain a high level of operating efficiency and believed that its success described as being always profitable.

Legal responsibility: all case companies were indifferent in their engagement level of legal responsibility where they always acted in a manner consistent with expectations of Government, strived to comply with various federal, regional laws and regulations, they always tried to be a

law-abiding corporate citizen, they always made every effort to fulfill their legal obligations and they always provided goods/services that meet legal requirements.

**Ethical Responsibility:** all three case companies were different in their engagement level of ethical responsibility were they always acted in a manner consistent with societal ethical norms and they always strived to comply with various federal, regional laws and regulations. However, they were found different in their engagement level of ethical responsibilities that they were always tried to be a law-abiding corporate citizen, they were made every effort to fulfill their legal obligations and they were provided goods/services that meet legal requirements.

**Philanthropic Responsibility:** all three case companies were found different in their engagement levels of philanthropic responsibilities where they always acted in a manner consistent with philanthropic and charitable expectations of society, they always strived to assist the fine and performing arts, they always participated in voluntary and charitable activities within their local communities, they always aided private and public educational institutions and they assisted projects that enhance a community's "quality of life" and poverty alleviation.

## **5.2. RECOMMENDATIONS**

Based on the strengths and gap of CSR practices in Mullege, Haile Coffee and Buzayehu Shone identified as a result of the assessment the following recommendations were given.

In the areas such as CSR awareness, economic and legal responsibilities where the companies were found to have prevalent practices of CSR are recommended to continue. In the areas such as ethical and philanthropic responsibilities where the companies were found to have less prevalent practices of CSR, it should look in to its practices and take measures that will improve its performance.

Improvements can be achieved through:

- The government should give Haile Coffee and Buzayehu Shone recognition to keep and promote their good practices in economic and legal responsibility as it provided to Mullege by Ministry of Revenue.
- The three case companies should build a close relationship with stakeholders such as its employees, government and community to find and tackle challenges by actively engaging CSR in discussion on how it is performing.

- The three case companies might also benefit from preparing a clear CSR guideline and plan on how to implement and integrate corporate social responsibility practices of Ethical and philanthropic responsibility throughout the organization and through its decision and activities.
- The three case companies' relocation of resources to where CSR practices (ethical and philanthropic responsibility) are less can also be beneficial for both the community, employees and the companies. It will allow the companies carry out CSR activities without affecting the community and vice versa.

### **5.3. LIMITATION OF THE STUDY**

For further research, it is proposed that a case study approach may provide a clearer understanding of the nature, type and extent of CSR practices within the particular organizations. It may also provide insight into the motivation for undertaking CSR and the challenges of such activities.

It is also recommended that a longitudinal study be adopted. This may provide deeper insight into CSR practices and challenges. A longitudinal study would allow assessment of the direction of the relationships between CSR and the challenges.

Lastly, it was noted earlier that the limitation of this research is that due to Covid 19 it focused on Mullege, Haile Coffee and Buzayehu head office located in Addis Ababa city and coffee farm site. Future researcher may include the respective coffee farm and export capacity of the companies which would allow for comparison between company practices and farm indicator compliance.

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## APPENDIXES

### ANNEX 1: EMPLOYEE QUESTIONNAIRE

ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF MANAGEMENT  
EMBA PROGRAM

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

#### INTRODUCTION

Dear respondents, this questionnaire, is designed for doing a research entitled “ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE THE CASE OF MULLEGE, HAILE COFFEE AND BEZUAYEHUHA YEHU SHONE PRIVATE LIMITED COMPANIES” for the partial fulfillment of the requirement for the award of Executive Master of Business Administration (EMBA).

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

Dear respondent I, kindly request your genuine feedback on each of the questions at your free will and be open to accept or reject to respond.

I thank you in advance for your cooperation!

With Regards,

Zerihun Chacka

#### General Instruction

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

#### Part I. Background Information (Thick the box with X or ✓)

1. Sex            A. Female             B. Male

**2. Age group**

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

**3. Marital Status:**

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

**4. Level of Education**

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

**5. Your income level**

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

**5. Work Experience**

- A. ≤ 2 years  B. 3-5 years  C 6 -9 years  D. Above 10 years

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

Instructions: (**thick the box with X or ✓**) and write on the space provided if you have additional idea to share.

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

- A. I have no idea of what it is   
B. I have only little knowledge about the subject   
C. I participate actively on it and it is an aim to the organizations

Please specify if there is other

-----

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

- A. Participation in training courses and/or seminars   
B. Participation in workshops   
C. Research in the Internet

D. From different Media

E. I have not doing any effort on the matter

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

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

A. To accomplish the environmental legislation

B. To integrate volunteering actions

C. To promote equal opportunities between women and men at all levels

D. To integrate ethics or develop an ethical code

E. To assume social and environmental care in organizations activities

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

---

3. Employees of awareness about Corporate Social Responsibility (CSR).

(thick **the box with X or ✓**)

Response range:

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

| No | Variables   | Strongly agree           | Disagree                 | Neutral                  | Agree                    | Strongly agree           |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1  | Being as profitable as possible                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | Maintaining strong competitive position                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3  | Maintaining high level of operating efficiency                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4  | Be a law-abiding corporate citizen                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5  | Provide goods and services that meet minimal legal requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6  | Perform with expectations of                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|    |  |                          |                          |                          |                          |                          |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|    | societal morals and ethical norms  |                          |                          |                          |                          |                          |
| 7  | Do not compromise ethical norms to achieve corporate goals. Ethical behavior should go beyond compliance with laws | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8  | Doing what is expected morally or ethically  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9  | Benefits and charitable expectations of society assist the fine and performing arts                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 | Aid humanitarian institutions  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 | Aid public educational institutions  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 | Developing practical solutions in the organizations, on the environment management level                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 | Developing solutions on Work & Life Balance for employees  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 | Give voluntary and charitable activities to local communities  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

(thick the box with X or ✓)

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

| No   | Variables   | Strongly disagree        | Disagree                 | Neutral                  | Agree                    | Strongly Agree           |
|--|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Economic responsibilities (components) of CSR</b> |   |                          |                          |                          |                          |                          |
| 1  | The company is committed to being as profitable as possible   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | The company strives to maintain a strong competitive position | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3  | The company strives to maintain a                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |   |                          |                          |                          |                          |                          |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | high level of operating efficiency  |                          |                          |                          |                          |                          |
| 4   | The company believes that its success described as being always profitable.                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Legal responsibilities (components) of CSR</b>         |   |                          |                          |                          |                          |                          |
| 1   | The company always acts in a manner consistent with expectations of Government.                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2   | The company strives to comply with various Federal, regional laws and regulations                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3   | The company always tried to be a law-abiding corporate citizen  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4   | The company makes every effort to fulfill their legal obligations.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5   | The company provide goods/services that meet legal requirements   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Ethical responsibilities (components) of CSR</b>       |   |                          |                          |                          |                          |                          |
| 1   | The company always acts in a manner consistent with societal ethical norms                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2   | The company strives to comply with various Federal, regional laws and regulations                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3   | The company always tried to be a law-abiding corporate citizen  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4   | The company makes every effort to fulfill their legal obligations.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5   | The company provide goods/services that meet legal requirements   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Philanthropic responsibilities (components) of CSR</b> |   |                          |                          |                          |                          |                          |
| 1   | The company always acts in a manner consistent with philanthropic and charitable expectations of society. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2   | The company strives to assist the fine and performing arts.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3   | The company participate in voluntary and charitable activities within their local communities             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |  |                          |                          |                          |                          |                          |
|---|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 4 | The company aids private and public educational institutions.                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | The company assists projects that enhance a community's "quality of life" and poverty alleviation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**5. Importance of CSR responsibility (components**

(thick the box with X or ✓)

Use the scale 1 - 5 to answer, where:

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

| NO | Variables Component (Responsibility) | Not at all important     | Not important            | Neither Important nor Unimportant | Important                | Very important           |
|----|--------------------------------------|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| 1  | Economic responsibilities            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | Legal responsibilities.              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| 3  | Ethical responsibilities             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| 4  | Philanthropic responsibilities       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |

6. Do you expect that organization's CSR (social or environmental efforts) activity to pay back or? Give benefit to the organization? (thick the box with X or ✓)

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

7. Do you think that the company is strictly obeys the law in any aspects of the business?

- A. Yes
- B. No

8. Please (thick the box with X or ✓) the number you think is suit to your perception

**Response range**

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

| No | Characteristics   | Strongly disagree        | Disagree                 | Neutral                  | Agree                    | Strongly agree           |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1  | The company promotes honest/ethical employee behavior                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | The company has commitment to safe place workplace ethics                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3  | The company protect employee from any sort of harassment                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4  | The company provides/pays portion of medical and education? due by employees. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5  | The company categorize as employees friendly/courteous/responsive.            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

9. Do you believe it is important to inform stakeholders about the PLC's CSR activity?

1. Yes       2. No

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

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## **ANNEX 2: MANAGERS QUESTIONNAIRE**

**ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF MANAGEMENT  
EMBA PROGRAM**

### **QUESTIONNAIRE FOR MANAGERS**

#### **INTRODUCTION**

Dear respondents, this questionnaire, is designed for doing a research entitled **ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE THE CASE OF MULLEGE, HAILE COFFEE AND BEZUAYEHUHAYEHU SHONE PRIVATE LIMITED COMPANIES** for the partial fulfillment of the requirement for the award of Executive Master of Business Administration.

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

I thank you for your cooperation!

With Regards,

Zerihun Chacka

1. What is your position in the company? \_\_\_\_\_

2. Do you know about of CSR? -

\_\_\_\_\_

—

3. What could be the main reason for your company to engage in corporate social responsibility (CSR)?

### **A. Economic Responsibility**

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

### **B. Legal Responsibility**

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

### **C. Ethical Responsibility**

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

### **D. Discretionary or philanthropic Responsibility**

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

## ANNEX 3: HAILE COFFEE ENVIRONMENTAL CERTIFICATION



# Certificate



For

**Haile and alem International PLC ,Yepo coffee and Spice  
Developmnt Project**

CERES-F-102244

AG-Farm

**Issue date: 7/17/2019**

**Expiration date: 7/16/2022**

In conformance with the Rainforest Alliance Standard(s):

**RA Sustainable Agriculture Standard 2017**

Crop(s) approved: Coffee Arabica

Level of compliance: Level C

*\* Haile and alem International PLC ,Yepo coffee and Spice Developmnt Project can sell as certified products from 4/29/2020 onwards.*

Client Location: Ethiopia

Address: Masha town ,Yepo farmers village

Inspection Body Authorized by Rainforest Alliance (if applicable):

Revision date: 6/4/2020

CB Authority Signature

CERES issues the following certificate under ISO/IEC 17065:2013 accreditation by for the Rainforest Alliance scope.

**Country:** Germany **Registration Number:** **Valid until:** 12/2/2019

ceres@ceres-cert.com - +49 9151 - 83 90 100  
CERTification of Environmental Standards - GmbH

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**ANNEX 4: BUZAYEHU SHONE ENVIRONMENTAL CERTIFICATION**



**Certificate**



For

**Bezuayhehu Shone Coffee plantation PLC**

CERES-F-102743

AG-Farm

**Issue date: 9/3/2020**

**Expiration date: 9/2/2023**

In conformance with the Rainforest Alliance Standard(s):

**RA Sustainable Agriculture Standard 2017**

Crop(s) approved: Coffee Arabica

Level of compliance: Level C

*\* Bezuayhehu Shone Coffee plantation PLC can sell as certified products from 8/13/2020 onwards.*

Client Location: **Ethiopia**

Address: **Limmu, Ethiopia**

Inspection Body Authorized by Rainforest Alliance (if applicable):

**Revision date: 8/30/2020**

CERES issues the following certificate under ISO/IEC 17065:2013 accreditation by ~~for the Rainforest Alliance scope.~~

**Country:** Germany **Registration Number:** **Valid until:** 12/2/2019

ceres@ceres-cert.com - +49 9151 - 83 90 100  
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