



Corporate Social Responsibility Practices in Tannery Industry

The case of Selected Firms at Akaki Kality Sub –City

BY

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Assessment on Practices of Corporate Social Responsibility. A case study conducted in the Ethiopia Tannery Industry

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I Abdeta Takele certify that this thesis which I now submit for examination for the award declare of Masters of Logistic and Supply chain management, is entirely my own work and has not been taken from the work of others and to the extent that such work has been cited and acknowledged within the text of my work. This thesis has been prepared according to the regulations of postgraduate study of the Addis Ababa University and has not been submitted in whole or in part for an award in any other University or Institute. The work reported on in this thesis also conforms to the principles and requirements of ethics in research.

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This is to certify that the work embodied in the accompanying thesis entitled “Assessment of Corporate Social Responsibility Practice on Tannery: A case of selected firms at Akaki Kality sub-city” has been carried out entirely by the candidate under my direct supervision and guidance and that the candidate has fulfilled the requirements of the regulations laid down for the partial fulfillment of the requirement of the Degree of Masters of Arts in Logistics and Supply Chain Management examination of the Addis Ababa University College of Business and Economics School of Commerce.

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The Researcher.

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ACRONYMS AND AVERIATIONS

ADLI-----	Agricultural development led Industrialization
CSRED-----	Corporate Social Responsibility and environmental Disclosure
CSR -----	Corporate Social Responsibility
CSRR-----	Corporate Social Responsibility Reporting
EC-----	Environmental Council
EIA-----	Environmental Impact Assessment
EPC-----	Environmental Protection Authority
ILO-----	International Labor Organization
ISO-----	International quality standard organization
ISO14000-----	standards provide a guideline or framework for organizations that need to systematize and improve their environmental management efforts.
ISO26000-----	the designation/ guide line/ the future international standard giving guidance on social responsibility
NGO-----	Non-Government organizations
OECD-----	Organization to Economic Co-operation and Development
UN-----	United Nations
UNIDO-----	United Nations Industrial Development Organization

ABSTRACT

The study aimed to serve as a guide line for investors who are involved and going to involve in the industry and as awareness creation document by out lining the right of the general public from the industry by studying the levels of Corporate Social Responsibility, factors that motivates and its challenges of practices different dimensions of Corporate Social Responsibility in Ethiopian tannery industry by taking Ethio leather industries, Batu, and Newwing tanneries as case studies corresponding to the determinants namely economic, legal, and ethical and philanthropy responsibilities of the firm. In relation to the methodology it was mixed approach (both quantitative and qualitative) simple 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 levels, factor motivate and challenges of Corporate Social Responsibility practice and its determinants in the selected three tanneries. 80 32 and 50 workers in Ethio leather industries, Batu, and New wing tanneries respectively were selected from the total employees of 560,250 and 300 in each tannery. Data were collected through questionnaire. Moreover semi-structured interview have been also conducted with managers of the companies through open ended questions which are designed to elicit their perception about the nature of Corporate Social Responsibility their respected companies. Finally, the data collected through the questionnaires were coded, entered into computer and analyzed and presented in the form of tables using Statistical Package for the Social Sciences version 23 Software. Hence, it is through analysis of the direct relationships that insight is developed between the dependent and independent variables. Corporate Social Responsibility (dependent variable) was found to have a strong positive relationship with economic, legal, ethical and philanthropy responsibilities. The result of the study is economic legal and ethical responsibilities practices are at the begging stage whereas firms are not practicing philanthropy responsibilities ,competitive advantage, social & political legitimacy, employees motivation and. reputations, are the most motivating factors of Corporate Social Responsibility ,and challenges to practice corporate social responsibility in the firm lack of specific legislation, lack of institutions assist or low government intervention, poor stake holders integration, lack of clear guidelines & standardized metrics and lack of corporate skill ,And there is lack of awareness about the concept of Corporate Social Responsibility .Thus strengthen legal infrastructures/ enforcement and integrating stakeholders should be critical in the sector in particular for corporate sectors in general

Key word; corporate, responsibility, tannery, motivate, challenges, legal

Chapter One

Introduction.

This chapter deals with the introduction which in turn contains the background of the study, statement of the problem, objectives of the study, significance of the study, scope of the study, and organization of the thesis.

1.1 Background of the study

Most managers and academia nowadays hold the opinion that companies consequently have a role in bringing about a more sustainable world. Because of a company's financial performance is no longer the one and only company focus but also acknowledge the importance of social and environmental aspects of corporate conduct known as corporate social responsibility

Therefore corporate social responsibility is the set of obligations an organization undertakes to protect and enhance the society in which it functions or action of a firm to benefit society beyond the requirements of the law and direct interests of the firm in areas of organizational stakeholders, natural environment and general social welfare

Tanning is the process of treating skins and hides of animals to produce leather that involves a process which permanently alters the protein structure of skin to make more durable and less susceptible to decomposition or it is a chemical treatment process in which the soft and perishable proteins of animal hides or skins are converted into durable and flexible leather. (Wikipedia, the free encyclopedia)

Ethiopian leather industry. Development Institute (2013) there are 29 tanneries converting hides and skins into different types of finished leather and it is successfully moved to the production & export of higher value-added /fully processed/ finished leather.

Kenya Lather Industry Diagnosis, Strategy and Action Plan (2015) World trade in leather is one of the most widely traded commodities and is estimated at over US\$100 billion a year in 2013, leather footwear accounted for half of that figure, amounting to US\$53.5 billion.

Tannery industry is on the sectors that earns hard currency to the country and absorb unemployment .at same time it is the sector that adversely affect the environment and human as the results of its waste disposals if it is not managed/treated properly. Furthermore the substance the use as input are prone to health and environment. For instance:-

Gupta and Tamra (2007), the tanning industry is known to be very polluting especially through effluents high in organic and inorganic dissolved and suspended solids content accompanied by propensities for high oxygen demand and containing potentially toxic metal salt residues; offensive odour emanating from the decomposition of protein solid waste and a significant part of the chemical used in the leather processing is not actually absorbed in the process but is discharged into the environment

According to the United Nations Environment Program (2013), environmental risks constitute 28 percent of Sub-Saharan Africa's disease burden; outdoor air pollution is estimated to kill 800,000 people globally, and about 40,000 of these deaths occur in Sub-Sahara Africa.

According to the Africa Progress Panels (2010), Economic growth (GDP) represents the volume of economic activities and, therefore, is not a good indicator of how business activities affect people and the environment. Thus, the contributions of industries to sustainable development agendas via corporate social responsibility need to be assessed on a broader scope: (Economic, social and environmental dimensions in Sub-Saharan Africa)

However corporations are not responding to corporate social responsibility as they are demanded by society and government in general by keeping themselves as obstructionist and defensive rather than accommodative and proactive to address social or environmental problems. Similarly most companies have little concerns for the consumer, treat employees unfairly, care nothing about the deteriorating social order, and have no concept of ethical behavior, indifferent to the problems of minorities and the environment, and ignoring the environment and the consequences of the organization.

In addition developing countries companies that support voluntary approaches to meet environmental standards are frequently involved in resisting external regulations because of weak national legislation framework and no political will or effective instruments to enforce them even if necessary laws do exist

In Ethiopia corporate social responsibility is treated most of the time as economic responsibility & philanthropy by overlooking legal and ethical responsibilities even though the country is supposed to comply with national and international laws and conventions which have direct negative impact on environment and society as the result the local community judged the companies as a threat rather than as their development partnership

The central initiative of this thesis was why both Firms and local community see each other as a threat rather than as collaborative, how practices corporate social responsibility was practiced and, challenges & benefits of corporate social responsibility in the tannery industry

1.2 Statement of the problem and research questions

Ethiopia is one of the developing countries striving to enhance private sector role in its development by encouraging private sectors to boost export and to absorb unemployment. For instance Tannery industry is one of the sectors that earns hard currency and absorb unemployment even though the industry is frequently blamed by its stakeholders and academicians. Such as:-

European Commission, Integrated Pollution Prevention and Control, 2003), tanning industry is a potentially pollution-intensive industry because all the stages of leather processing, individually and collectively impacts negatively to the environment. The environmental effects that have to be taken into account comprise not merely the load and concentration of the classic pollutants, but also the use of certain chemicals: e.g., biocides, surfactants and organic solvents

Song,(2000) tanning industry wastes poses serious environmental impact on water with its high oxygen demand, discoloration and toxic chemical constituents to terrestrial and atmospheric systems

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Tadese (2015) even if there is well-established standards for the discharge of tannery or other industrial effluents have been set by the Ethiopian Environmental Protection Authority, almost all the tanneries do not comply with these national standards in particular and green supply chain management aspects in general

Taddese.(2015) concerned organizations are not committed in, green purchasing, marketing practices, investment recovery, eco-design and environmental practices are not well considered by the Ethiopian tanneries to green the whole supply chain. And majority of tanneries didn't have separate environmental unit which is responsible for all emissions and due to this they emit wastes without proper treatments consequently this practice is seriously affecting the nearby dweller

Tadese. (2015) Ethiopian Tanneries are poor in practicing, green purchasing, marketing practices, investment recovery, eco-design and environmental protection to green the whole supply chain. In addition majority of tanneries didn't have separate environmental unit which is responsible for all emissions and due to this they emit wastes without proper treatments consequently this practice is seriously affecting the nearby dweller. The environmental proclamations, policies and regulations for tannery industry are stringent/severe/ but nothing actions were taken by the concerned bodies,

Demisse and Dachas (2014) due to the absence of proper waste treatment and disposal system and inadequate safety equipment tanneries are causing adverse impacts on the workers and the community.

United Nations Environment Program (2013), environmental risks constitute 28 percent of Sub-Saharan Africa's disease burden; outdoor air pollution is estimated to kill 800,000 people globally, and about 40,000 of these deaths occur in Sub-Sahara Africa.

Mathias (2015),Ethiopian private sector are low wage, poor working condition, poor environmental management, little concerns for the consumer, treat employees unfairly, don't care about the deteriorating social order, and have no concept of ethical behavior

Asfaw (2017) Environmental NGOs in Ethiopia are engaged more on reacting to the damage that has been caused by the unsustainable business practices rather than working proactively by collaborating with corporations, government and other stakeholders.

Nigatu (2015), the civil society organizations in developing countries are away from nurturing responsible investment and are not sources of social responsibility unlike advanced nations. Because firms see each other as rival,

Nigatu.(2015) , countries in Africa look for more investment to create jobs, offer better social services in health and education. Economic responsibilities are still valued as most important, while philanthropic responsibilities are emphasized as second with legal and ethical responsibilities third and fourth respectively

Thomsen, Lindgreen, and Vanhamme, (2016), vast majority of industrial clusters in developing countries are likely to engage in socially irresponsible behavior poor in environmental management, work conditions (child labor low labor price), and poverty reduction

Robertson (2009) the private sector in Ethiopia strives but not active in CSR and private-public partnership is very limited.

Temesgen and Mouly (2008) companies expressed 100 percent positive attitude in implementing CSR towards customers, creditors and suppliers, general public and government. However, only 40 percent of companies' were positive on periodical disclosure of information to its shareholders, 80 percent believed in fair wages and security of employment, and 10 percent of companies were negative on meaningful freedom, job satisfaction and humane treatment. Overall 69 percent employees were not happy with companies' policies, 71 percent customers thought they were manipulated and another 75 percent general public were not pleased with CSR from the Ethiopian corporate sector,

Dachasa and Dndemisse. (2014) ,companies are not providing adequate safety materials(protective clothing, hearing protection, respirators and protective goggles/eyeglasses and appropriate medical services to the workers as a result majority of worker frequently faced health hazards,

Vsser (2006) developing countries have weaker legal infrastructure, lacks administrative efficiency and put low pressure for good business practices by developing smooth relationship with government and ethical dimension of CSR to has the least influence

In general corporations are not responding to corporate social responsibility as they are demanded by society and government. Thus researching social responsibility in tannery industry is a value added in exploring corporate social responsibility practices and adoption for inclusive development. It is not clear how corporate social responsibility is being practiced in the industry and what factors motivate the firms to adopt corporate social responsibility practices?

Research questions that the study answered

1. How corporate social responsibility was practiced in the tannery industry?
2. What we're motivating factors to practice corporate social responsibility in the tannery industry?
3. What were the major challenges for tannery industry to practice corporate social responsibility?

1.3. Main objective

To assess practice corporate social responsibilities, factors that motivate firms to adopt corporate social responsibility and challenges to practice it in the tannery industry

1.4. Specific objectives

1. To assess the practices of corporate social responsibility practices in the tannery industry
2. To determine factors motivating tannery industry to adopt corporate social responsibility practices
3. To identify the major challenges for tannery industry to practice corporate social responsibility

1.5. Significance of the study

The study is expected to serve as a guide line for investors who are involved and going to involve in the industry by providing sufficient information. For instance how the investors should integrate itself with stakeholders to operate in harmonious manner. At the same time the study will help as awareness creation document by out lining the right of the general public from the industry. For example the industry has to adhere environmental, labor and human right while operating its business to maintain safety, health, norms and values of the society. In addition the study will recommend how tannery industry protect the environment while conducting its business .For instance minimizing waste discharge and preventing pollution. Generally the study will give clues how to protect the environment by reducing air or water pollution by emitting hazardous waste. Finally the study help as input for policy makers by showing the gap between existing laws and regulation, and its practices in the industry .And lastly it will helps as reference for academic researcher.

1.6. Scope of the study

Akaki –Kaliti is one the industrial zone of Addis Ababa city administration which located in the southern parts of the city. The sub city is an industrial zone where 60% of metal, paints, garment, leather industries and food processing industries of the city are found. Currently, there are more than 300 industries with estimated labor force of 80,000. The high urbanization associated with population flow to Akaki Kaliti, being the industrial zone of Addis Ababa influenced the city administration to designate the area as one of the 10 sub-cities in 2005. That constitute 11 woreda

This study is empirical case study focused only on corporate social responsibility practices of Ethio Leather industries, Batu and New Wing tanneries that are found in Akaki Kaliti sub-city although CSR is equally important in all other industries, particularly other tannery industries. Thus since the study is case study on selected sub-city because of industry zone. Hence, by no means the conclusions are applicable to all sub –cities in general. The conclusions are made within the boundary of the selected sub-city and accompanying actors involved in the study. To assess practices of CSR four independent variables are selected

1.7 Organization of the thesis

This study is organized under five chapters. Chapter one deals with the introduction which in turn contains the background of the study, statement of the problem, objectives of the study, scope of the study, limitations of the study, ethical considerations and organization of the thesis. Chapter two presents concepts and definition, review of both the theoretical and empirical literatures, and conceptual framework of the study. Chapter three is about research approach, research design, sample design, data sources and instruments, analytical method of the research, and, model variables. Chapter four provides findings and discussions of both descriptive and inferential statistics to analyze corresponding to the research questions of the study. Finally, chapter five constitutes Summary, conclusions and recommendation so as to solve observed problems and to accelerate the development of CSR practices in Ethiopian leather industry particularly.

Chapter Two

Related Literature Review

Introduction

Literature review is the process in which the researchers acquaint themselves with available body of knowledge to understand the subject area better. And it helps to bring clarity and focus to your research problem, improve methodology, broaden your knowledge and contextualize your finding. This chapter has sub categories such as related theories and discussions, empirical; evidence on the topic from other researchers from both local and international research output, research gap and conceptual framework based on the review of the literature

2.1 Theoretical literature review

2.1.1 Concepts and definitions of Corporate Social Responsibility (CSR)

Literatures on CSR reveal that there are diverse definitions for the concept CSR and a universally accepted definition does not exist (Carroll, 1999, and Heemskerk, 2012). However most of these definitions share that businesses have a responsibility towards society and the environment. Here below are some of the definitions which can be traced back among the many others.

Jones (1980) corporations have an obligation to constituent groups in society other than shareholders and beyond that prescribed by law or union contract.

Commission of the European Communities (2002) companies should mix social and environmental concerns in their operation and interaction with stakeholders on a voluntary basis.

Bhattacharya (2004), the intelligent and objective concern for the welfare of society that restrains individuals and corporate behavior from ultimately destructive activities, no matter how immediately profitable, and lead in the direction of positive contributions to human betterment

Lepoutre & Heine (2006) corporate social responsibility is firms' attention to their responsibilities to their customers, employees, the local community, and the environment.

Carroll (1979, 1991 and 2016) Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time.

Thus from the fore mentioned definitions of corporate Social Responsibility/CSR/ is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and seeks organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large that includes product safety, honesty in advertising, employee rights, affirmative action, environmental sustainability and ethical behavior. To play these roles firms should demonstrate commitments to society's values, environment and economic goals through to insulate society from the negative impacts of company operations and its products and services. ‘

2.1.2 Determinants of Corporate Social Responsibility

European initiatives on corporate social responsibility (2000) good practice of CSR should integrate environment (policies carried out by the company to reduce the environmental impact of its activities), labour practices/human resources (internal policies and processes oriented to the staff for the development of their work in a safe and healthy environment, equal opportunities, encouraging work-life balance, training, participation and dialogue, with the aim of permanent development), social Performance: Company participation on social, cultural and sporting projects of the environment) and good administration (Set of rules and practices oriented to the appropriate decision-making inside the company (consensus, responsibility, efficiency, transparency, participation and law enforcement), so as to take into account the interests of the whole organization and society).

Similarly Aupperle, Carroll, & Hatfield (1985) has developed a comprehensive, hierarchical framework by dividing a business firm's responsibilities into the four distinct categories of economic, legal, ethical, and discretionary; and ranking the categories by their importance, with economic ranking the highest and discretionary ranking the lowest. Although the economic component of

being a CSR firm ranks highest in importance as an individual category, the non-economic components of the construct were nearly double the importance of the economic component alone

Thus this thesis measured the practices of corporate social responsibility by Carroll's CSR pyramid/model; economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

Economic responsibility

The primary objectives of business is to make profit/achieving economic responsibility while fulfilling its primary responsibility as economic units in society. This is for the simple fact that if a company does not make profit, it won't last, employees will lose their jobs and the company won't even be able to think about taking care of the rest of responsibilities. Therefore a company should be economically by assuring the effectiveness of business providing a 'risk premium' necessary for the corporation to stay in business and insuring the future supply of capital.

Legal responsibility

Is referred to the requirements that are placed on the firms by the law next to ensuring the company's profitability by obeying all laws range from securities regulations to labor law, environmental law and even criminal law

Ethical responsibility

It is responsibilities that a company puts on itself because its owners believe it's the right thing to do not because they have an obligation to do so that embodies those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights

Discretionary/Philanthropic responsibility

It is responsibilities that go above and beyond what is simply required or what the company believes is right by actively engaging in acts or programs to promote human welfare or good will For instance making donations directed at various causes such as education, community

2.1.3 Health and Environmental Impact of Tannery Industry

Piotr (2004) environmental aspect of CSR is the duty firms to cover the environmental implications of the company's operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country's resources by future generations. Thus Tannery industries are among the most jeopardies the environment if tis not managed seriously which is supported by scholars:-

Indian Institute of Technology Kanpur (2007) the leather sector is well known for its effluent problems polluting by the notorious odour that characterizes tanneries and tannery zones. .Nevertheless there is no concern of, local authorities and Firms about tanneries' liquid effluents which tend to be high in organic and inorganic suspended solids content accompanied by propensities for high oxygen demand and containing potentially toxic metal salt residues.; even if treatment technologies in effect reduce pollutants in the liquid form and convert them into semi-solid or solid forms., threat is being transferred from receiving waters to receiving land. Because sludge can affect the quality of soil and groundwater,

Garai. (2014), Tannery wastes affect the environment severely, causing ecological imbalance and the spreading of different kinds of fatal and contagious disease among the tannery workers and other individuals due to outdated technology, defective drainage systems, lack of financial input, and the exploitative attitude of their owners. .And lack of awareness of workers the effects of tannery waste as the result they not choose to wear personal protective equipment in the workplace

Ugya and Aziz. (2016), Tannery waste water do not only affect aquatic organisms but also terrestrial organisms when they drink from polluted receiving body. This water also seep into aquifers and pollute underground water thereby posing threat to man also.

Khwaja.(2000),lack or ineffective implementation of legislative control, no pollution control measures are being adopted by the tanning units and the hazards to the environment caused by the effluents and emissions from tanneries is an acute problem. High illiteracy among tanners and general public, unrefined conventional leather processing methods and poor processing practices have further aggravated the pollution problem caused by the tanneries

Clar , Gallo and Villam . (2015), inadequate environmental management at tanneries and especially on the management of wastewater, chemicals and hazardous waste can importantly damage the underlying soil. And discharging untreated or highly polluted wastewater, chemicals or hazardous waste on land might greatly disrupt any future use of the land such as for agriculture, recreation or urbanization.

In general the Tannery industries have affected adversely because of reluctance of Firms and regulatory bodies putting at risk the employee local community and the environment

2.1.4 Benefits of Corporate Social Responsibility

Asemah .E (2016), corporate social responsibility is the managerial obligation to take actions that protect and improve both the welfare of society as a whole and the interests of the organization. And corporate social responsibility enhance brand and reputation, reduce operation costs, attract new customers, balances power with responsibility, discourages government regulation, improves a company's public image, promotes long run profit, improved relations with the investment community and better access to capital, enhanced employee relations, productivity and innovation and stronger relations within communities through stakeholder engagement.

Similarly Maimunah. I (2009) Corporate social responsibility plays great roles in community development in creating closer ties and interdependencies between corporations and community, sharing the costs the society has to pay due to environmental degradation, transfer of technology from international companies to developing countries, environmental protection measures that done together by corporation and the communities, poverty alleviation in the communities, human right advocacy and in data gathering by ICT firms to facilitate public organization functions.

In addition Centre for Economic and Social Development (2013), to be sustainable a business has to integrate the economic, social, and environmental dimensions of sustainable development .Moreover Oyewole .S and Adewale. D (2016), the implementation of a sustainable business model is a precondition for promoting sustainable development via CSR

Moreover Galbreath.J (2009) corporate social responsibility diminishes employee turnover while improving customer satisfaction Therefore practicing corporate social responsibility helps to maintain experienced experts, customers create smooth relation among stake holders and safeguard the environment generally.

2-1-5 Challenges of corporate Social responsibility

Corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis above and beyond legal requirements to in place this practice there are various types of challenges .Some of them are:-.

Indian Institute of Technology Kanpur (2007). Low waste technologies require better skilled personnel and closer technical control than conventional processing. lack of properly trained staff at different levels, price of chemicals required in reducing or eliminating the use of the main polluting chemicals; the cost of purchase and installation of water conservation devices (wastewater collection and reuse equipment; effluent treatment chemicals and process and effluent monitoring equipment); extra personnel and training to maintain technical control of low waste technologies and effluent treatment, frequent remoteness of government-backed R & D facilities from everyday practicalities of leather making, and lack skilled personnel of legislation enforcement agencies to monitor performance of installed treatment plants .Furthermore Tsamenyi, (2007), under-developed capital markets, weak legal controls and investors protection, and economic or political uncertainty often stand in the way of CSR engagement of corporations

In nutshell even if there are number of initiatives CSR , there is no comprehensive frame that would cover standardized CSR performance metrics such as governmental standards, management systems, codes of conduct, performance standards, performance reporting, and assurance standards. As the result Companies, usually, implement separate components, or join selected initiatives.

2.1.2 Theories of Corporate social responsibility

Since there is a great heterogeneity of theories and approaches of CSR, this thesis emphasizes on theories confer to the corporation and society. The theories are the utilitarian theory, the managerial theory, and the relational theory.

Utilitarian theory

The corporation serves as a part of the economic system in which the function is mechanical i.e. traditionally known as in profit maximization. CSR ideas emerged after a realization that there is a need for an economics of responsibility, embedded in the business ethics of a corporation. Hence, the old idea of laissez faire business gives way to determinism, individualism to public control, and personal responsibility to social responsibility. Utilitarian could also be taken synonymously with instrumental theories (Garriga and Mele, 2004; Jensen, 2002) in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results. Instrumental theories were also based on the basic idea about investment in a local community in which Friedman (1970) strongly stated earlier that the investment will in long run provide resources and amenities for the livelihoods of the people in the community.

The utilitarian theories are related to strategies for competitive advantages. The proponents of these theories are, for instance, Porter and Cramer (2002) and Lutz (1996) who viewed the theories as bases for formulating strategies in the dynamic usage of natural resources of the corporation for competitive advantages. The strategies also include altruistic activities that are socially recognized as instruments for marketing.

Sec chi (2007) further divides the utilitarian group of theories into two, namely, the social costs of the Corporation and the idea of functionalism. The social cost theory has a basis for CSR in which the socio-economic system in the community is said to be influenced by the corporate non-economic forces. It is also called instrumental theory (Garriga and Mele, 2004) because it is understood that CSR as a mere means to the end, which leads to the fact that the social power of the corporation is materialized specifically in its political relationship with society. The utilitarian theory, therefore, suggests that the corporation needs to accept social duties and rights to participate in social co-operation. Within it, the functionalist theory, specifically advocates that the corporation is seen as a part of the economic system, which one of the goals is profit making. The firm is viewed as an investment, and investment should be profitable to the investors and stakeholders. Putting it from the internal point of view of the firm, CSR was coined as a defense tactic of the industrial system against external attacks because there needs a balance between profit making and social objectives for the economic system's equilibrium.

Managerial Theory

Sec chi's (2007) CSR considers socio-economic variables to measure firms' socio-economic performance, as well as to link social responsibility ideology to business strategy. Thus corporate social responsibility should be approached by the corporation internally, everything external to the corporation is taken into account for organizational decision making. Managerial theories have been divided into three sub-groups: 1) Corporate social performance (CSP); 2) Social accountability, auditing and reporting (SAAR), and 3) Social responsibility for multinationals.

It is based on the assumption that business depends on society for its growth and sustainability. CSP of a corporation is further sub-divided into five dimensions in order to keep detailed information about its existence in the corporate chains: 1) Centrality measures the way CSR is compatible with mission of the core goals; 2) specificity gauges the advantages CSR brings to the corporation; 3) pro-activity that measures the degree of reaction to external demands; 4) voluntarism that accounts for the discretion the firm in implementing CSR; and 5) visibility refers to the way the responsible behavior is perceived by community of stakeholders.. Sec chi (2005) further elaborates that SAAR are strictly related to social performance contributions through accounting, auditing and reporting procedures. SAAR means a firm accounts for its action. By doing so, firms are controlled and regulated in their actions towards performing their core business while responsible to the relevant community. The three activities are separate managerial activities but they are interrelated to each other. All these contribute to the socially responsible behavior of a firm, which finally measures the corporations' activities that have social impact. Firms are involved in SAAR activities for communication needs, to have better stakeholder involvement and for discloser concerns

CSR for multinationals companies (MNCs) grow as a result of global competitions and challenges they faced. This aspect of managerial theory comes into being as a result of the responsibility the managers have to shoulder by defining useful tools about the CSR for the multinationals companies to survive in foreign countries. Donaldson (1989, cited in Secchi, 2007) refers to the MNCs as 'moral agents', analyzed on the basis of the moral values when managers make decision in the firms, going beyond profit maximization. The logic of CSR for MNCs is also

derived from the fact that when cultural clashes become relevant due to events such as protests, demonstrations, boycotts, strikes and other negative actions against the employers.

The answer to these actions is the formulation of 'code of conduct' that should be adopted by MNCs. The success of this initiative, however, depends on client expectation and corporate reputation; the level of trust, acceptance, and cooperation shown by the stakeholders and community of workers.

Managerial theories are also strongly related to political theories based on the conceptualization by Garriga and Mele (2004) and supported by Wood and Lodgson (2002) as well as Detomasi (2008). They stress that social responsibilities of businesses arise from the amount of social power a corporation has and the corporation is understood as being like a citizen with certain involvement in the community. The origin of the political power of CSR is based on Davis's (1960) idea who proposed that business is a social institution and it must use power responsibly. It is also noted that causes that generate the social power are from inside and outside of the corporation. Detomasi (2008) further argued that strategies firms choose to adopt CSR initiatives are conditioned in part upon the domestic political institutional structures present in the home market. Political theories further demonstrate the links between economic globalization pressures felt by the companies, domestic political structures where the companies are in, and CSR policies.

Managerial theories are also covered under the integrative theories of Garriga and Mele (2004), namely, the entities of public responsibility and corporate social performance. Public responsibility stresses on law and public policy process that are taken as a reference for social performance, while corporate social performance searches for social legitimacy relevant to social issues.

Relational Theory

Relational theory as the term implies, interrelations between the firm-environment is the focus of the analysis of CSR. Relational theory is further divided into four sub-groups of theories: 1) business and society; 2) stakeholder approach; 3) corporate citizenship; and 4) social contract. Business and society is proposed to mean 'business in society' in which CSR emerges as a matter of interaction between the two entities. One of the measures of CSR is the development of

economic values in a society. Another is a person's obligation to consider the effects of his decision and action on the whole social system. Stated in the form of a general relationship, social responsibilities of businessmen need to reflect the amount of social power they have. Stakeholder approach has been developed as one of the strategies in improving the management of the firm. It is also said as a way to understand reality in order to manage the socially responsible behavior of a firm. The stakeholder approach further considers a firm as an interconnected web of different interests where self-creation and community creation happen interdependently; and individuals behave altruistically. Based on Garriga and Mele's (2004) analysis, stakeholder approach is both within the integrative and ethical theories, where the former emphasizes the integration of social demands and the latter focuses on the right thing to achieve a good society. These are supported by the work of Mitchel, Agle and Wood (1997) where balances among the interests of the stakeholders are the emphases; and the work of Freeman and Phillips (2002) that considers fiduciary duties towards stakeholders of the firms, respectively

Corporate citizenship of the relational theory strongly depends on the type of community to which it is referred. It is a path that a corporation may take to behave responsibly. Fundamentally, it is about the relationship that a corporation develops with its stakeholders, and therefore, the former has to continuously search for engagement and commitment with the latter. Corporate citizenship based on Garriga and Mele's (2004) analysis is an approach used under the integrative and political theories and this is supported by Swanson (1995) and Wood and Lodgson (2002), respectively.

Finally, the social contract theory of the relational group refers to the fundamental issue of justifying the morality of economic activities in order to have a theoretical basis for analyzing social relations between corporation and society. Hence, CSR is derived from the moral legitimacy the corporation achieves in the society and understanding about CSR is contained in the justification of social actions that legitimize the behavior of the corporation. Garriga and Mele's (2004) analysis puts the social contract theory under the group of ethical theories, the approaches of which include universal rights (UNGlobal Compact, 1999) and sustainable development (WCED, 1987; Korhonen, 2003). Both approaches of CSR are based on human rights, labor rights and respect for the environment.

To conclude theories of CSR Utilitarian is simplified in its views by the individuals and mechanical from the corporation perspective (economic system), managerial is very organizational oriented and measurable (the corporation); and relational is values-based as well as interdependent between the corporation and society (the type of the relationship).

2.2 Empirical reviews

Business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively (ISO26000, 2010)

According to Carroll (2016) .Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time. This set of four responsibilities creates a foundation or infrastructure that helps to delineate in some detail and to frame or characterize the nature of businesses 'responsibilities to the society of which it is a part. Thus on the basis of these responsibilities empirical studies of the thesis are summarized and presented below

Guide lines of UNEP towards a more sustainable tannery sector in the Mediterranean(2015), the environmental impact of tanneries might vary depending on the quality and quantity of generated pollution and the proximity of contaminant effluents to receptors (humans, plants, animals or ecosystems exposed to pollutants). Sensitive receptors include, for example, hospitals, schools, daycare facilities, elderly housing and convalescent facilities as well as ecosystems. These are areas more susceptible to the adverse effects of exposure to toxic chemicals, pesticides, and other pollutants.

Inappropriate management of the tanning industry has detrimental effect on health and environment, i.e. untreated effluents can negatively influence water supply, found to be severely under stress by the effects of climate change, excessive Chromium III uptake can cause health issues and skin rashes; exposure to Chromium VI can cause: skin rashes, upset stomachs and ulcers, respiratory problems, weakened immune systems, kidney and liver damage, Alteration of genetic material, lung cancer and death (UNIDO, 2000)

Clar , Gallo and Villam . (2015), inadequate environmental management at tanneries and especially on the management of wastewater, chemicals and hazardous waste can importantly damage the underlying soil. And discharging untreated or highly polluted wastewater, chemicals or hazardous waste on land might greatly disrupt any future use of the land such as for agriculture, recreation or urbanization.

Garai (2014), Tannery wastes affect the environment severely, causing ecological imbalance and the spreading of different kinds of fatal and contagious disease among the tannery workers and other individuals due to outdated technology, defective drainage systems, lack of financial input, and the exploitative attitude of their owners. .And lack of awareness of workers the effects of tannery waste as the result they not choose to wear personal protective equipment in the workplace

Asfaw .(2017) Environmental NGOs in Ethiopia are engaged more on reacting to the damage that has been caused by the unsustainable business practices rather than working proactively by collaborating with corporations, government and other stakeholders on International Journal of Corporate Social Responsibility.

Nigatu. (2015), the civil society organizations in developing countries are away from nurturing responsible investment and are not sources of social responsibility unlike advanced nations. Because firms see each other as rival, there is isolation which deter inter-firm learning too in his study called corporate social responsibility learning in the Ethiopian leather and footwear industry.

Lund, Lindgreen, and Vanhamme (2016), vast majority of industrial clusters in developing countries are likely to engage in socially irresponsible behavior [poor in environmental management, work conditions (child labor low labor price), and poverty reduction] on his study named Industrial clusters and corporate social responsibility in developing countries: what we know, what we do not know, and what we need to know.

Taddese (2015), concerned organizations are not committed in, green purchasing, marketing practices, investment recovery, eco-design and environmental practices are not well considered by the Ethiopian tanneries to green the whole supply chain. And majority of tanneries didn't have separate environmental unit which is responsible for all emissions and due to this they emit wastes without proper treatments consequently this practice is seriously affecting the nearby dweller. The environmental proclamations, policies and regulations for tannery industry are stringent but

nothing actions were taken by the concerned bodies on his article called green supply chain management practices in Ethiopia tannery industry,

Tadese 2015) even if there is well-established standards for the discharge of tannery or other industrial effluents have been set by the Ethiopian Environmental Protection Authority (now Ministry of Environmental Protection and Forest), almost all the tanneries do not comply with these national standards in particular and green supply chain management aspects in general

Nigatu (2015) Carroll's pyramid to the African context contextualized by Visser (2006) in order of importance of the four dimensions differs because of the economic and social challenges to the society and governance gap. As a result Countries in Africa look for more investment to create jobs, offer better social services in health and education. Since economic responsibilities are still valued as most important, while philanthropic responsibilities are emphasized as second with legal and ethical responsibilities third and fourth respectively on his article called green supply chain management practices in Ethiopia tannery industry

Visser (2008), due to Africa's high unemployment rates, shortage of Investment and high poverty, the economic role of companies is of prime value, thus leading to the importance of economic responsibilities in the African context. Companies that operate in developing countries progressively report on their economic responsibilities by indicating economic value added statements

Visser (2006) developing countries have weaker legal infrastructure, lacks administrative efficiency and put low pressure for good business practices by developing smooth relationship with government and ethical dimension of CSR to has the least influence

Demisse and Dachassa (2014) due to the absence of proper waste treatment and disposal system and inadequate safety equipment Bahir Dar tannery is causing adverse impacts on the workers and the community. The tannery disposes its solid and liquid wastes, with little if any treatment, to the nearby Abbay (Blue Nile) river which is the main source of water for the surrounding community. Hence, the community is exposed to different health hazards like asthma (respiratory diseases) and water related diseases. Moreover their domestic animals are also adversely affected as they usually drink the river water on their study called socio-economic impacts of Bahir Dar tannery

Mouly and Temesgen (2008), Ethiopian companies expressed 100 percent positive attitude in implementing CSR towards all stakeholders but only 40 percent of them felt positive in periodic disclosure to shareholders.

Robertson (2009) the private sector in Ethiopia strives but not active in corporate social responsibility and private-public partnership is very limited

Mathias (2015), the country's private sector are low wage, poor working condition and poor environmental management

Asemah (2016), corporate social responsibility enhance brand and reputation, reduce operation costs, attract new customers, balances power with responsibility, discourages government regulation, improves a company's public image, promotes long run profit, improved relations with the investment community and better access to capital, enhanced employee relations, productivity and innovation and stronger relations within communities through stakeholder engagement Galbreath. (2009) corporate social responsibility diminishes employee turnover while improving customer satisfaction

2.3. Conceptual frame work

Conceptual framework helps to identify research variables, and clarifies relationships among the variables which is linked to the problem statement that helps to set the stage of independent variables. Based from literatures Practices of corporate social responsibility measured by economic, legal, ethical, and philanthropic/ discretionary responsibilities that can be easily designated by pyramid which is synonymous with Abraham Maslow's hierarchy of needs, represented as a pyramid with the more basic responsibilities are at the bottom by taking economic responsibility as the foundation/ base of the pyramid which is the first layer legal responsibility is the second layer which is built on economic responsibility then ethical responsibility is built on legal responsibility and philanthropic/ discretionary responsibility built on ethical responsibility and it is the maximum achievement of corporate social responsibility which is similar to Abraham Maslow's Self actualization

Thus economic and legal responsibilities are required of business by society while ethical responsibility is expected of business by society; and the philanthropic responsibility is desired of

business by society .Moreover these determinants are interlinked/building block nature. Consequently, the economic responsibility was placed as the base of the pyramid because it is a foundational requirement in business since sustained profitability must be strong to support society’s other expectations of enterprises. At the same time business companies are expected to be obeyed by the law and comply with regulations because law and regulations are society’s codification of the basic ground rules upon which business is to operate in a civil society.

In addition business has the expectation, and obligation, that it will do what is right, just, and fair and to avoid or minimize harm to all the stakeholders with whom it interacts. Finally, business is expected to be a good corporate citizen (, involve in voluntary programs that benefit a community or the nation)

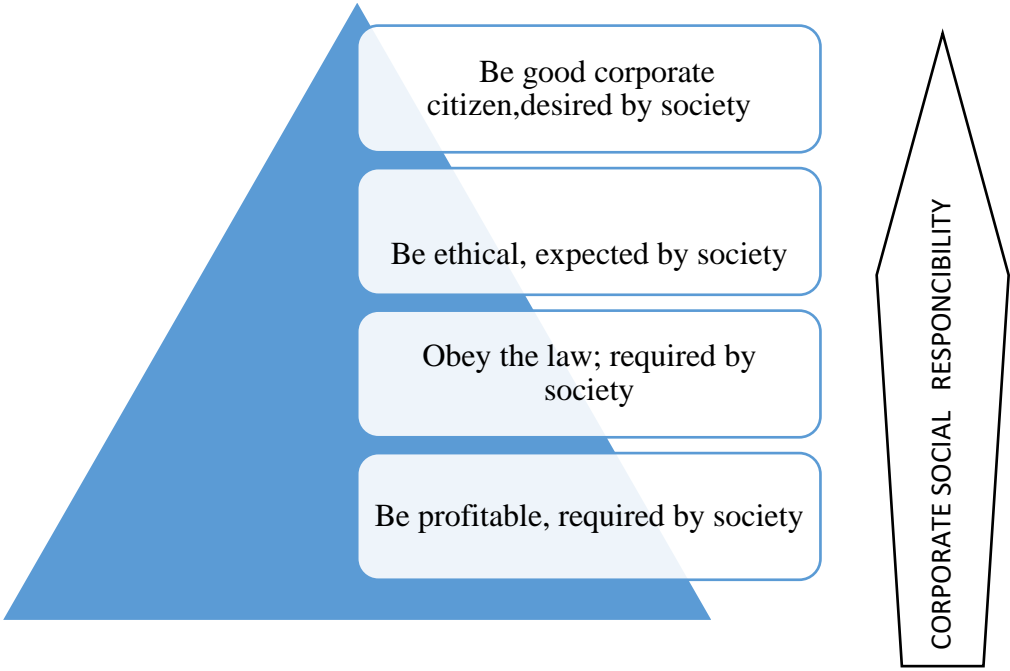


Figure 1 Conceptual framework of the study (Source: own compilation, 2018)

2.4. Identified literature gap

Business has to create value for both shareholders and society, manifesting itself as a win-win proposition. Since the success of corporate is highly based on continued good relations with a wide range of individuals, groups and institutions by this assumption the researcher has come across

different literature findings that initiates and hinders the practices of corporate social responsibility in the sector. Thus the researcher tries to identify the main problems researchers have identified and the researcher's intentions to fill the gaps that hasn't been shown in the literature

The literature has revealed that corporate leaders has low awareness about CSR by justifying it is more of the role of government rather than corporate roles, For instance they don't know how CSR be implemented in systematic way in harmony with firm's mission and sensitive to its business culture, environment, risk profile and operational condition by incorporating in their policies in organizational profile (workers concern), the community social profile (community concern), and ecosystem concern, the state of corporate social responsibility practices of developing countries is not adequately described by existing global models because of ineffective use of regulatory framework, a lack of government initiatives, view philanthropic engagement as their major CSR activity, tannery industries are not intervening as expected from them in area such as poor implementing a proper/standardized waste treatment and disposal system, poor workers protective equipment low labor price, poor working condition, poor medical treatment for those workers who are affected, poor environmental management, lack of professional advice on how & what to do in order to make its activities environmentally friendly, weaker legal infrastructure for example even if there is well-established standards for the discharge of tannery or other industrial effluents have been set by the Ministry of Environmental Protection and Forest, almost all the tanneries do not comply with these national standards...etc. In general poor managerial perception, ineffective use of regulatory framework, wrong government-business relationship, limited role of civil society and media, and organizational unwillingness.

But the literature doesn't show in detail the role of stakeholders integration in practicing CSR, major challenges to implement CSR ,role of community participation in CSR practices and the importance of clear CSR guide line and its standardized metrics, and the reason why legal infrastructure has got weakened in the sector. Thus this study is expected to fill the gaps fore mentioned.

Chapter Three

Methodology of the study

Introduction

Research methodology is a way to systematically solve the research problem, a science of studying how research is done scientifically and process used to collect information and data for the purpose of making business decisions. This chapter sub categorized in to research design, sample design, data sources and instruments and analytical method of the research

3.1. Research design

Creswell .P (2012), the research design in this study is survey research design. Survey research design is a procedure in quantitative research in which researchers administer a survey to a sample or to the entire population of people to describe the attitudes, opinions, behaviors, or characteristics of the population). In this procedure a case study research design was used and data was collected using questionnaire semi-'structured interview and observation statistically analyzed the data to describe trends about responses to questions and to test research questions and then the meaning of the data was presented and interpreted. Accordingly, this study employed a case study design to assess the determinant of corporate social responsibility on tannery the case of selected firm at Akaki kality sub-city .And it is descriptive research by using both quantitative and qualitative data collecting approaches

Qualitative approach for data that generated from managers by interview and observation managers. Whereas quantitative approach for data for questionnaire which is filled by the company's' employees. And it empirical and cross sectional case study because it focuses on a particular organizations particularly tannery organizations in a particular geographical area

3.2 Data Collection Techniques

The study used both qualitative and quantitative techniques to collect data. Qualitative technique semi-structured interview for managers of the firms because it allows the interviewer to be

prepared and appear competent during the interview, allow informants the freedom to express their views in their own terms and can provide reliable data, observation technique to grasp what is going on in the firm in the course their activities that have made to protect environment, surrounding community, employees interaction with their boss, safety and health of the employees and quantitative technique such as self-administered questioner was used for the employees of the firms since respondents answer at their convenience

3.3. Research Instrument

The research instrument that the study used was self-administered questioner to the employees of the firm and semi-structured interview for managers of the firms that describes the level of practices of CSR, factors that motivates to practice and challenges that hinders to practice, The unit of analysis is tannery firms, and a cross-sectional time dimension of study on the corporate social responsibility of business organization.

3.4. Sources of data Collection

Quantitative and qualitative approaches was employed to collect data across the study such as empirical studies/ collection and analysis of primary data based on direct observation or experiences in the 'field to describes the current status of existing condition/phenomenon. Thus self - administered questionnaire was employed for firms' employees, and semi-structured interview for managers the firms based on the convenience for the respondent's work nature to enhance the effectiveness and efficiency the process.

3.5. Sample Design

Sample design includes sampling techniques, the target population, sampling method and sample size.

3.5.1. Sampling Techniques

The research adapted both probability and non-probability sampling. From probability sampling a simple random sampling for employee was conducted since. it helps to measures a subset of individuals selected from a larger population to approximate a response from the entire group., an unbiased approach to garner the responses from a large group because individuals who make up the subset are chosen at random (each individual in the large population set has the same

probability of being selected) And from non-probability sampling techniques purposive sampling technique because of managers' similar occupation/ job, **to** ensure proper representation of the population & to get expertise knowledge

3.5.2. Target Population

The target population of the study is the current management and non-management staff members of Ethio Leather industries, Batu and New Wing tanneries that are found in Akaki Kalit sub-city Addis Ababa. The preliminary survey undertaken by the researcher before the questionnaire was distributed has indicated that there was 1110 grand total population/ total staff members of tanneries (human resource Management Departments). Among the population 560 are from Ethio Leather industries, 250 from Batu Tannery and 300 from New Wing tannery

3.5.3. Sampling Method

This study used simple random sampling from probability sampling to give equal weights for all respondents, and purposive sampling technique from non-probability sampling techniques for the personnel managers and general Service manager of Tanneries

3.5.4. Sample Size

Even though there are different methods of sample size determination for questionnaire, the study used was the one which has developed by Carvalho (1984) because of its simplicity/convenience to apply. The method is presented in table as follow.

Table 1 Carvalho's Sample Size determination for the questionnaire

Population Size	Sample Size		
	Low	Medium	High
51 – 90	5	13	20
91 – 150	8	20	32
151 – 280	13	32	50
281 – 500	20	50	80
501 – 1200	32	80	125
1201 – 3200	50	125	200
3201 – 10000	80	200	315
10001 – 35000	125	315	500
35001 – 50000	200	500	800

(Source; J.Carvalho's, 1984)

Thus taking in to account a small population size variance and the cost of taking samples and time consuming for large sample size, medium sample size have been applied in accordance with the given population size. Therefore, the samples size which has been selected for the study under consideration is 80 from Ethio Leather from the population of 560, 32 from Batu since its population 250, and 50 from New Wing from the population of 300. Though there are 162 sample, it is only 152 respondents who replied the questionnaire properly & 10 respondents haven't replied the questioner

The interview was conducted with three operational managers of the firms, such as Ethio Leather, Batu & New Wing. And one manager from Leather Industry Development Institution who is the director of monitoring and evaluation of leather industry director .Finally observation was conducted on three firms on the areas of safety & health of the employee's environmental protection and the interaction of employees with their boss

3.6 Methods of Data Analysis

Data analysis in mixed methods research relates to the type of research strategy chosen for the procedures. However, analysis occurs both within the quantitative (descriptive and inferential numeric analysis) approach and the qualitative (description) approach, after the required data were collected, both descriptive and inferential statistics were used. And the version 23 of SPSS have been used for the purpose of processing and analyzing the determinants of CSR practices through binary logistic regression and descriptive statistics.

Finally, the results of the interview guides had integrated to the responses of employees through questionnaires and have been analyzed accordingly. Similarly, facts of the observations also integrated to the responses of employees on questionnaires, and the comments of managers which have been investigated in the interview and then it have been analyzed accordingly.

3.7 Ethical considerations

The study tried to implement core universal ethical principles through respecting participants of the study, enhance their beneficence and ethical treatments of stakeholders of the study. Autonomy and dignity of research participants is ensured to protect them from exploitation of their vulnerability. That is their rights to privacy and confidentiality were protected. In relation to beneficence of people, the study tried to maximize benefits and minimize harms via recommendations on treatment of labor, consumers, communities and environments. With respect to justice, the study treats each person in accordance with what due to him or her. The study also considers prohibitions against fabricating, falsifying, or misrepresenting research data, and it promotes the truth and avoids error.

3.8 Validity and Reliability

Validity is how accurate an instrument is at measuring what is trying to measure. The validity of this study have been ascertained via different methods or techniques corresponding to whether the validity is internal, external, construct or statistical. Internal validity of the study tied to achieve by demonstrating that the independent variables are directly responsible for the effect of the dependent variable (level of CSR practices) which has been described in the conceptual framework in the chapter two. And Implementation of random sampling is the other method used to achieve the required quality of the study by avoiding the effects of extraneous variables.

The quality of the study also depends on its external validity that can be achieved by accurate representation of the population by the sample. As the sampling design of the study pointed out the sample was selected using Carvalho's sample size determination. Furthermore qualities of the study have been realized by triangulating data from questionnaires, interview and observation concurrently to minimize limitations each instruments and extracting primary data was another method to attain the validity of the study. And finally using primary data in the study could improve the validity (external) of the research paper since it is firsthand information. /from the mouth of the horse

Besides internal and external validity, construct validity plays important role in the quality of the study by creating similarity between the concept of the study and its findings. This attained through

a clear operational definition of the independent variables of the study. Independent variables of the study are briefly stated in the conceptual framework in the chapter two besides the discussions of the empirical review. It was also attempted to attain by collecting data which demonstrates that the empirical representation of the independent variables produces the expected outcome. This is also described in the literature review of the study in relation to empirical studies.

Reliability is the degree to which a research instrument produces consistent results or the ability of a questionnaire to consistently measure an attribute and how well the items fit together, conceptually

Internal consistency examines the inter-item correlations within an instrument and indicates how well the items fit together conceptually and one of the measures of this is Cronbach's alpha correlation coefficient which examine the internal consistency of the sample question.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale and the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. Thus Cronbach's Alpha test was done by items and determinants their values are 0.85 and 0.67 respectively

Reliability Statistics for items

Cronach's Alpha	N of Items
.854	50

**Reliability Statistics for
determinants**

Cronach's Alpha	N of Items
.669	4

3.9 Variables of the Study

Variable is any factor that can change in a scientific investigation or experiment. These variable may be independent and dependent. The main objective of the study is to assess the levels of corporate social responsibilities practices, factors that motivate firms to adopt corporate social responsibility and challenges to practice in the tannery industry Thus the indicators /determinants/ of corporate social responsibility are independent variables and corporate social responsibility is a dependent variable practice.

To make each of the independent variables more clear the following variables have been discussed as follows:

Economic responsibility is the responsibility of business is to make profit to its owners and serving society by providing quality goods and services, creating job opportunity to local community and selling at an affordable price.

Legal responsibility is referred to the requirements that are placed on the organization to govern competition in the market place and legal responsibilities governing almost every aspects of their operations .Such as obeying all laws range from securities regulations to labor law, environmental law, customer law, product law and even criminal law

Ethical responsibility: -refers to societal expectation that go beyond the law such as the expectation that organization will conduct their affair in a fair and just way. This means that organizations are expected to more than just comply with the law, but also make proactive effort to anticipate and meet the norms of society even if those norms are not enacted in law. For instance being environmentally friendly, paying fair wages or refusing to do business with oppressive countries. It also embodies those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral right

Discretionary responsibility is referred to society's expectation that organization be good citizen by actively engaging in acts or programs to promote human welfare or good will by philanthropic support of programs benefiting a community or a nation by donating money, employee expertise and time to worthy causes.

Chapter Four

Result Presentation, Discussions and Interpretations

Introduction

This is the main chapter of the research paper that presents the problem under study which is collected from questioner and interviews that were from the managers of the firms, answers the research questions and provides findings by using both descriptive and inferential statistics .And also summarizes the results of the study, discuss & interpret the findings

4.1 Result Presentation, Discussions and Interpretations

This section of the study sought to assess practices of CSR in Ethio leather industries, Batu, and new wing tanneries, challenges and motivating factors /driving forces using the questionnaires developed and distributed to the respondents. And analyzed the primary data collected from 152 company employees and firm managers using questionnaire and semi structured interview respectively. It is the place where seeing whether what you found confirms or does not confirm the findings of previous studies in your literature review The presentation begins with the profile of the respondents. The demographic data was used find out if people respond differently items with respect to differences in gender, age, educational background, and work experiences this is followed by the assessment of level of CSR Practice at firms and the results of factor analysis.

Table 2 Demographic data of Respondent

Demographic indicators		Frequency	Cumulative Percent
Sex	Male	110	72.4
	Female	42	100
Age	18-30	100	65.8
	31-45	36	89.5
	46 and above	16	100
Education level	Certificate	8	5.3
	Diploma	18	17.1
	BA/BSC	110	89.5
	MA/MSc and PHD	16	100
Work experience in years	0-2	62	40.8
	5-Mar	52	75
	10-Jun	26	92.1
	11 and above	12	100

Source, Own compilation, 2018

The table above shows about 72.4% of males were participated in filling questioner, about 90% of the respondents were 18-45 ages, about 95 of the respondents' educational levels are from diploma to MA/MSc and about 92% of the employees have worked from 0 to 10 year

Thus it can be inferred that the respondents are so legible to give appropriate answer for the questioner.

4.1.2. Data presentation, Discussions and Interpretations using descriptive Statistics

In this section practices corporate social responsibility was analyzed in terms of economic legal ethical and discretionary/philanthropic responsibilities .And factors that motivate & challenges the practices are described using various statistical tools.

Regarding the descriptive interpretations for variables or dimensions used on Liker scale; the measurement was used on the basis of the survey; 5 = strongly agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = strongly disagree. The mean level of agreement between the group is categorized on the scale; Sag = Strongly Agree (4.51 or greater); Ag = Agree (3.51 – 4.50); N = neither (2.51 – 3.50); D.ag = Disagree (1.51 – 2.50); and, S.dag = Strongly Disagree (1.49 or less). And, to make more comfortable for analysis three base scale is used, Agree (3.51 and above), Neutral (2.51 to 3.50), and Disagree (less than 2.50) (Dane B. 2007).

The means and standard deviations of the responses are described in Appendix 1. The mean indicates that to what level of agreement the response of all respondents is approached. It also measures practices of CSR, factors that motivate and challenges to practice in the companies with regard to the samples. Standard deviation, however, standard deviations measures the mean difference between responses. In other words, it measures variation of responses with respect to the mean. It show us whether respondents are highly deviated one another in their responses. Thus means and standard deviations of variables are described as request as the analysis.

4.1.2.1 Corporate social responsibility in terms of Economy

Economic responsibility can be described in terms of creating job opportunity to the local community, staff capacity building policy paying decent wage comparing with others company provides a reasonable benefits for employees and strives to deliver high value, & quality products that meet and/or exceed the expectations of their customers.

Table 3 Assessment of economic responsibility

Variables	frequency					mean	S.devai tion	Mea n of mea n	mean of S.d
	S.d ag	D.ag	Neit her	Ag	S.a g				
Job opportunity	4	12	0	80	56	4.24	0.707	3.862	0.862
Capacity building policy	4	12	18	100	18	3.76	0.859		
Decent wage	12	16	42	64	18	3.39	1.081		
Reasonable benefits	0	24	20	80	28	3.74	0.94		
Deliver high value, & quality product	0	4	16	80	52	4.18	0.723		

Source, Own compilation, 2018

The mean 3.39 and standard deviation1.081 of table 4.1.2.1 indicates the respondents are in different with the statement the firms are paying decent wage to their employees

From 4.1.2.1, the result of the mean of mean 3.862 and mean of standard deviation 0.862 shows significant number of respondents agree with firms are practicing economic responsibility in their

organization that indicates all firms are practicing economic responsibility even if they are not paying decent wage to their employees.

This finding implies economic responsibility is the precondition/basic requirement to exist as an entity and to step to the next responsibility. Similarly the research works of Visser (2008), Mathias (2015), Temesgen and Mouly (2008) most African countries practices economic responsibility due to Africa's high unemployment rates, shortage of investment and high poverty. And Ethiopian private sector are paying low wage and unfair wage

4.1.2.2 Corporate social responsibility in terms of Legal

Legal responsibility can be described in terms of meeting the required safety and environmental standards, suitable arrangements for health and safety, encouraging freedom of association, adhering human rights, protecting employees against sexual harassment. Child labor, forced or compulsory labor, design a clear policy and guide lines on hour standards takes adequate procedures against discriminations, polluting air or water, designing waste reduction program, promotes energy conservation program, utilizes only recyclable materials, has an open dialogue schedule with the local community on adverse issues to reduce the enterprises environmental impact in terms of waste minimization and pollution prevention. And promoting environmental awareness

Table 4 Assessment of legal responsibility

Variable	frequency					mean	S.devaition	Mean of mean	mean of S.d
	S.dag	D.ag	Neither	Ag	S.ag				
Products meet the required safety and environmental standards	4	18	32	80	18	3.59	0.937	3.41	0.968
suitable arrangements for health and safety	6	20	26	90	10	3.51	0.942		
encouraging freedom of association	0	16	40	64	32	3.74	0.912		
adheres human rights	12	16	20	92	12	3.5	1.048		
protecting employees against sexual harassment Child labor, forced or compulsory labor	16	46	22	50	18	3.05	1.238		
Has clear policy and guide lines on hour standards	0	14	30	80	28	3.8	0.864		
takes adequate procedures against discriminations	0	8	28	70	46	4.01	0.836		
Doesn't pollute air or water	8	44	54	46	0	2.91	0.894		
has waste reduction program	0	32	20	70	30	3.64	1.026		
promotes energy conservation	8	40	38	64	2	3.08	0.973		
utilizes only recyclable materials	12	78	50	8	4	2.43	0.819		
Has dialogue schedule with the local community on adverse issue	0	32	60	56	4	3.21	0.803		
reduce the environmental impact in terms of waste minimization and pollution	0	32	10	42	68	3.96	1.167		
promotes environmental awareness	8	28	38	56	220	3.37	1.101		

Source, Own compilation, 2018

The mean 3.5 and standard deviation 1.048 of table 4.1.2.2 indicates the respondents are in different with the statement the firms are adhering human rights

The mean 3.055 and standard deviation 1.238 of table 4.1.2.2 indicates the respondents are in different with the statement the firms protect their employees against sexual harassment. Child labor, forced or compulsory labor,

The mean 2.91 and standard deviation 0.894 of table 4.1.2.2 indicates the respondents are indifferent with the statement the firm doesn't pollute air and water

The mean 3.08 and standard deviation 0.973 of table 4.1.2.2 indicates the respondents are disagree with the statement the firm promotes energy conservation

The mean 2.43 and standard deviation 0.819 of table 4.1.2.2 indicates the respondents are disagree with the statement the firm utilizes only recyclable materials

The mean 3.21 and standard deviation 0.803 of table 4.1.2.2 indicates the respondents are indifferent with the statement the firm has an open dialogue schedule with the local community on adverse issues to reduce the enterprises environmental impact in terms of waste minimization and pollution prevention

The mean 3.37 and standard deviation 1.101 of table 4.1.2.2 indicates the respondents are indifferent with the statement the firms promoting environmental awareness

From table 4.1.2.2, the result of the mean of mean 3.41 and mean of standard deviation 0.968 shows significant number of respondents are don't know whether the firms practicing legal responsibility in their organization or not.

With the reference to the analysis the firms not practicing legal responsibility fully especially from protecting the environment and the employees don't know whether the firms practice legal responsibility. Because of lack clear concept among the employee about practices of legal responsibility. Supporting research findings of Temesgen and Mouly (2008), Demisse and Dachassa (2014), Vsser (2006), Gardaí (2014), Clar, Gallo and Villam (2015), due to the absence of proper waste treatment and disposal system and inadequate safety equipment tannery is causing adverse impacts on the workers and the community, the company policy abuse employees, by denying fair wage, meaningful freedom and inhumane treatment as a result of weaker legal infrastructure, lacks administrative efficiency and lack of awareness of workers the effects of tannery waste to wear personal protective equipment in the workplace even though there is well-established standards for the discharge of tannery or other industrial effluents have been set by the Ethiopian Environmental Protection Authority, almost all the tanneries do not comply with these national standards.

4.1.2.3 Corporate social responsibility in terms of ethical

Ethical responsibility can be described in terms of company's openness and transparency in relationships with customers, employees, community groups, and governmental organizations, helping the communities to solve their social problems. employs friendly or courteous or responsive personnel and respecting the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just,

Table 5 Assessment of ethical responsibility

Variable	frequency					mean	S.devaition	Mean of mean	mean of S.d
	S.dag	D.ag	Neither	Ag	S.ag				
company's openness and transparency	0	14	28	88	22	3.78	0.807	3.7	0.85
Helps the communities to solve their social problems.	4	24	52	60	12	3.34	0.929		
employs friendly or courteous or responsive personnel	4	10	40	72	26	3.7	0.921		
Respects the norms, or expectations of the society	0	12	4	108	28	4	0.728		

Source, Own compilation, 2018

The mean 3.34 and standard deviation 0.929 of table 4.1.2.3 indicates the respondents are disagree with the statement the firm helps the communities to solve their social problems

From table 4.1.2.3, the result of the mean of mean 3.7 and mean of standard deviation 0.85 shows significant number of respondents agree with firms are practicing ethical responsibility in their organization even though firms are not helping the communities to solve their social problem. With the reference to the analysis the firms are practicing ethical responsibility which is opposing the previous the research finding Visser (2008) most African countries practices economic and philanthropy by overlooking legal and ethical responsibilities due to Africa's high unemployment rates, shortage of investment and high poverty,

4.1.2.4 Corporate social responsibility in terms of discretionary/philanthropic responsibility

Discretionary/philanthropic responsibility can be described in terms of firm involvement to supports highly appreciated projects by the community (supporting local schools, health centers etc. and giving money toward charitable for the local community.

Table 6 Assessment of discretionary/philanthropy responsibility

Variable	Frequency					mean	S.devaiti on	Mean of mean	mean of S.d
	S.dag	D.ag	Neith er	Ag	S.ag				
gives money toward charitable for the local community	10	22	56	56	8	3.2	0.977	3.2	1.01
gives money toward charitable for the local community	12	20	56	48	14	3.21	1.046		

Source, Own compilation, 2018

From table4.1.2.4 the result of the mean of mean 3.2 and mean of standard deviation 1.01 shows significant number of respondents are in different with firms on practicing discretionary/philanthropy responsibility in their organization. This implies respondents don't know whether the firms practice discretionary/philanthropy responsibility or not

With the reference to the analysis the firms are not practicing but the employees don't know whether the firms practice discretionary/philanthropic responsibility.

Oposing the previous research findings Commission of the European Communities (2002) and Visser (2008) company should mix social and environmental concerns in their operation and interaction with stakeholders on a voluntary basis and most African countries practices economic and philanthropy by overlooking legal and ethical responsibilities due to Africa's high unemployment rates, shortage of investment and high poverty, respectively.

4.1.2.5 Motivating factors of corporate social responsibility

Business has to create value for both shareholders and society, manifesting itself as a win-win proposition. Since the success of corporate is highly based on continued good relations with a wide range of individuals, groups and institutions. Thus any firms that incorporates corporate social responsibility can contribute to sustainable development, reduce cost, risk and ensure better

responsiveness to market, strengthen legitimacy and reputation, get involved in global business by building sense of community and shared approach to common problems and offers leaders flexibility and incentive for firms advance of regulation or in areas where regulation seen unlikely, From this point of view factors that motivate to adopt corporate social responsibility has depicted on the table 4.1.2.5

Table 7 Assessment of factors that motivate to adopt corporate social responsibility

Variable	frequency					mean	S.devaition	Mean of mean	mean of S.d
	S.dag	D.ag	Neither	Ag	S.ag				
Competitive advantage	2	4	6	100	40	4.131	0.716	3.9	0.93
social & political legitimacy	0	12	20	72	48	4.03	0.876		
Improve financial performance	2	18	30	50	50	3.82	1.1		
Moral value or goodness/ normal ethical duties	0	14	18	82	38	3.95	0.86		
Mitigates risks	0	18	28	70	36	3.82	0.931		
Improve company's reputations	0	8	22	84	38	4	0.781		
Enhance innovations	4	16	42	58	32	3.64	1.013		
Solve social & environments problems	4	6	22	76	44	3.99	0.913		
Improve employees motivation	4	10	18	66	54	4.03	0.99		
Mitigate new regulations & Satisfy pressure groups / stakeholders	12	8	40	52	40	3.6	1.157		

Source, Own compilation, 2018

From table 4.1.2.5, the result of the mean of mean 3.9 and mean of standard deviation 0.93 shows all number of respondents agree with the factors that have mentioned in the table motivate the firm to practice corporate social responsibility in their firms even though their degree of influence varies .Accordingly competitive advantage, social & political legitimacy, employees motivation and. reputations, are taking the rank from 1-4 respectively

.Likewise the research works of Galbreath (2009) and Asemah (2016), corporate social responsibility enhance brand and reputation, reduce operation costs, attract new customers, balances power with responsibility, discourages government regulation, improves a company's

public image, promotes long run profit, improved relations with the investment community and better access to capital, enhanced employee relations, productivity and innovation and stronger relations within communities through stakeholder engagement, diminishes employee turnover while improving customer satisfaction

4.1.2.6 Challenges of corporate social responsibility

Corporate social responsibility is an inescapable priority' for corporations in today's globalized world to be the parts the glob challenges should be examined and resolved to apply in the country in general and in the study area in particular. Challenges of in the terms of lack of knowledge, lack of institutions assist or low government intervention(poor monitoring and evaluation system) lack of specific legislation ,lack of immediate benefits, high cost , lack of corporate skill , company's loss of interest, poor stake holders integration, lack of community participation, lack of clear guidelines and standardized metrics

Table 8 Assessment of challenges to adopt corporate social responsibility

Variable	Frequency					mean	S.devait ion	Mean of mean	mean of S.d
	S.dag	D.ag	Neith er	Ag	S.ag				
lack of knowledge	8	16	54	44	30	3.47	1.085	3.54	1.1
lack of institutions assist or low government intervention	4	12	40	78	18	3.62	0.891		
lack of specific legislation	4	20	30	60	38	3.71	1.018		
lack of immediate benefits	10	14	50	50	28	3.47	1.098		
high cost	16	22	30	38	46	3.50	1.33		
lack of corporate skill	4	20	40	66	22	3.54	0.989		
company's loss of interest	18	8	48	46	32	3.431	1.222		
Poor stake holders integration	4	20	38	66	24	3.57	0.990		
lack of community participation	20	26	30	50	38	3.50	1.212		
lack of clear guidelines and standardized metrics	10	24	28	52	38	3.55	1.211		

Source, Own compilation, 2018

The mean 3.47 and standard deviation 1.085 of table 4.1.2.6 indicates the respondents are in different with the challenge to practice corporate social responsibility in the firm is lack of knowledge

The mean 3.47 and standard deviation 1.098 of table 4.1.2.6 indicates the respondents are in different with the challenge to practice corporate social responsibility in the firm is lack of immediate benefits

The mean 3.5 and standard deviation 1.33 of table 4.1.2.6 indicates the respondents are in different with the challenge to practice corporate social responsibility in the firm is high cost

The mean 3.431 and standard deviation 1.222 of table 4.1.2.6 indicates the respondents are in different with the challenge to practice corporate social responsibility in the firm is company's loss of interest

The mean 3.5 and standard deviation 1.212 of table 4.1.2.6 indicates the respondents are in different with the challenge to practice corporate social responsibility in the firm is lack of community participation

The mean 3.62 and standard deviation 0.891 of table 4.1.2.6 indicates the respondents are agree with the challenge to practice corporate social responsibility in the firm is lack of institutions assist or low government intervention(poor monitoring and evaluation system)

The mean 3.71 and standard deviation 1.018 of table 4.1.2.6 indicates the respondents are agree with the challenge to practice corporate social responsibility in the firm is lack of specific legislation

The mean 3.54 and standard deviation 0.989 of table 4.1.2.6 indicates the respondents are agree with the challenge to practice corporate social responsibility in the firm is lack corporate skill

The mean 3.57 and standard deviation 0.99 of table 4.1.2.6 indicates the respondents are agree with the challenge to practice corporate social responsibility in the firm is Poor stake holders integration

The mean 3.55 and standard deviation 1.211 of table 4.1.2.6 indicates the respondents are agree with the challenge to practice corporate social responsibility in the firm is lack of clear guidelines and standardized metrics

From table 4.1.2.6 the result of the mean of mean 3.54 and mean of standard deviation 1.1 shows all number of respondents agree with the challenges that have mentioned in the table to practice corporate social responsibility in their firms even though their degree influence varies.

Accordingly lack of specific legislation, lack of institutions assist or low government intervention, poor stake holders integration, lack of clear guidelines and standardized metrics and lack of corporate skill are taking the rank from 1-5 respectively

Supporting the research works of Vsser (2006), Asfaw. (2017, Nigatu. (2015), Tsamenyi, (2007) and Indian Institute of Technology Kanpur (2007 weaker legal infrastructure, lacks administrative efficiency ,not proactively by collaborating with corporations, government , other stakeholders, away from nurturing responsible investment, under-developed capital markets, weak legal controls and investors protection, economic or political uncertainty lack of properly trained staff at different levels, price of chemicals required in reducing or eliminating the use of the main polluting chemicals; the cost of purchase and installation of water conservation devices are the most challenging practices of corporate social responsibility

4.1.3 Result Presentation and Interpretations of Inferential Statistics

Among inferential Statistics binary logistic regression was used with version 23 of SPSS had been used for the purpose of processing and analyzing the determinants of CSR practices

4.1.3.1 Log-likelihood Statistics of the Constant

In logistic regression, we can use the observed and predicted values to assess the fit of the model. The measure we use is the log-likelihood (-2LL). The log-likelihood is based on summing the probabilities associated with the predicted and actual outcomes (Tabachnick & Fidell, 2007), as cited by Field (2009). The log-likelihood statistic is analogous to the residual sum of squares in multiple regression in the sense that it is an indicator of how much unexplained information there is after the model has been fitted. It, therefore, follows that large values of the log-likelihood statistic indicate poorly fitting statistical models, because the larger the value of the log-likelihood, the more unexplained observations there are. According to Field (2009) -2LL which is less than 145 is not significant. The following table ties to describe these concepts.

Table 9 Results of Iteration History

iteration	-2 Log likelihood	Coefficient Constant
1	203.9	427
Step 0 2	203.9	427
3	203.9	427

The above SPSS output tells us about the model when only the constant is included [i.e. all predictor (explanatory) variables are omitted]. The Iteration History describes that the log-likelihood values of this baseline model are 203.931 and 203.92. These values represent the fit of the most basic model to the data. Because, these log-likelihoods value are greater than 145 relative to Field (2009) -2LL standard.

4.1.3.2. Chi-Square Statistics for the Constant

Initial SPSS outputs of the data indicate that chi-square statistic values are calculated by excluding the predictors or independent variables. If the chi-square statistic is significantly different from 0, we can conclude that the addition of one or more independent variables to the model will significantly affect the predictive power. If the value is not significant the opposite is true. Table 4.3.2 describes the value of the constant (β_0) and chi-square statistics of the data

Table 10 Chi-square values when all predictors excluded from the model

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 0 Constant	.427	.166	6.635	1	.010	1.533

Variables not in the equation

	Variables	Score	df	Sig
Step 0	Com_Eco1	15.48	1	.000
	Com_leg1	28.94	1	.000
	Com_Ethic	8.207	1	0.04
	Com_ph	5.276	1	0.022
	General statics	57.904	4	0

Table 4.3.2 summarizes the model (Variables in the Equation), and at this stage the output requires.

Quoting the value of the constant (β_0). In this regard, β_0 is equal to 0.427 is equals 57.904. This value is significant at $p < .05$ (as we can see from the Overall Statistics). This statistic tells us that the coefficients for the variables not in the model are significantly different from zero – in other words, that the addition of one or more of these variables to the model will significantly affect its predictive power. If the probability for the residual chi-square had been greater than .05 it would have meant that forcing all of the variables excluded from the model into the model would not have made a significant contribution to its predictive power (Field et al, 2009).

4.1.3.3 Log-likelihood and Chi-square of the Model

This section explains log-likelihood and chi-square statistics by inserting predictors in to the model. At this stage of the analysis the value of log-likelihood should be less than the value when only the constant was included in the model. Because lower values of log-likelihood indicate that the model is predicting the outcome variable more accurately. The log-likelihood and the related statistic, chi-square values of the SPSS outputs of the model are presented on the following table. The table also tells us the values of Cox and Snell's and Nagelkerke's R^2 , but we will discuss these a little later.

Table 11 Chi-square and log-likelihood values of the model

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	81.224	8	.000
	Block	81.224	8	.000
	Model	81.224	8	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	122.705	.414	.560

With reference to Table 4.3.1, when only the constant was included, log-likelihood is equals to 203.929. But now regarding table 4.331, the predicators has been included the values has been reduced to 122.705. This reduction tells us that the model is better at predicting whether CSR

practices existed than it was before predictors were added. The question of how much better the model predicts the outcome variable can be assessed using the model chi-square statistic, which measures the difference between the model as it currently stands and the model when only the constant was included. The value of the model chi-square statistic works on this principle and is, therefore, equal to log-likelihood with predictors included minus the value of log-likelihood when only the constant was in the model. The calculations can be stated as follow:-

$$203.9 - 122.705 = \underline{\underline{81.195}}$$

4.1.3.4 Coefficients and Statistics of Predictors

This part of the analysis is crucial because it tells us the estimates for the coefficients for the predictors included in the model. This sections of the SPSS output gives us the coefficients and statistics for the variables that have been included in the model at this point (namely Eco1, leg1, Ethic, ph and the constant). The β value is the same as the β value in linear regression: they are the values that we need to replace in model equation to establish the probability that a case falls into a certain category. The interpretation of this coefficient in logistic regression is very similar in that it represents the change in the logit of the outcome variable associated with a one-unit change in the predictor variable. In logistic regression, instead of predicting the value of a variable Y from a predictor variable X1 or several predictor variables (Xs), we predict the probability of Y occurring given known values of X1 (or Xs). The logit of the outcome is simply the natural logarithm of the odds of Y occurring, (2009). The odds ratio is described as $\text{Exp}(B)$ in the SPSS output. If the value is greater than 1, then it indicates that as the predictor increases, the odds of the outcome occurring increase. Conversely, a value less than 1 indicates that as the predictor increases, the odds of the outcome occurring decrease.

Table 12 Coefficients and statistics of the model

Variable in equation

Variable		B	S,E	Wald	Df	Sig	Exp(B)
Step1	Eco1	-.009	0.643	0.000	1	.989	.992
	Leg1	4.334	1.666	6.765	1	.009	76.247.
	Ethic	-2.427	1.028	5.572	1	.018	.088
	ph	-0.345	0.373	5.230	1	.022	2.348
constant		3.106	7.434	35.134	1	1.038	81.0

Table 4.3.4 Shows that the odds of a CSR practice is existed due to economic responsibility is .992 legal responsibility is 76.247, ethical responsibility is.088 and philanthropy is 2.348 .Thus the probability of existence of CSR practice is increases as legal responsibility increases but opposite to Philanthropy responsibilities. With reference to nature of the firm, the odds ratios are less than 1 in both to economic& ethical responsibility (0.992&0. .088) respectively Therefore, the likelihood of existence of CSR practice is decrease as the value of nature of the firm increases.

This R-statistic is the partial correlation between the outcome variable and each of the predictor variables and it can vary between –1 and 1. A positive value indicates, that as the predictor variable increases, so does the likelihood of the event occurring. A negative value implies that as the predictor variable increases, the likelihood of the outcome occurring decreases. If a variable has a small value of R then it contributes only a small amount to the model (2009).

R – Statistic can be calculated using -2log-likelihood, Wald Statistic and the degree of freedom. But the Wald statistic values are sometimes inaccurate. Thus, we use the Hosmer and Lemeshow’s measure (RL2), which is calculated by dividing the model chi-square by the original –2log-likelihood. In Table 4.3.3 the model chi-squares after the predicators have been entered into the model is 81.224. With the reference of Table 4.3.1, the original –2log-likelihoods (before any variables were entered) are 203.929. So, $RL^2 = 81.224/203.929 = 0.39$ This R2 values indicate that predicators and the existence of CSR practices are positively related. The model summary tables also gave us two other measures of R2 statistics such as Cox and Snell’s measure and Nagelkerke’s adjusted value and, all of these values in both companies are positive.

4.1.4. Qualitative data presentation and analysis

Pope. and Mays.(1995) qualitative research is development of concepts which help us to understand social phenomena in natural (rather than experimental) settings, giving due emphasis to the meanings, experiences and views of the participants on assumption that the empirical evidence they gather is related to both theoretical ideas and structures that lies beneath observable reality.

Qualitative data analysis is the range of processes and procedures whereby we move from the qualitative data that have been collected, into some form of explanation, understanding or interpretation of the people and situations we are investigating. For the consumption of this study descriptive approach by narrating the data collected with interview and observation

4.1.4.1. Qualitative data presentation and analysis from the firm managers

Production managers was selected with purposive sampling because of their expertise and the interaction with both top managers and experts by employing semi-structured interview. And their response presented below

How does the company fulfill society's expectation that organization will produce goods and services that are needed and desired by customers?

The companies are carrying out their job to full fill the needs of their customers and shareholders by producing quality products with fair price for domestic and international market. Because of our competition is with global market incase our quality declines since most of them our customers are international no one buy it which one they can access easily alternative products second it spoils country's image that result in loosing hard currency for the country

How does the firm manage the wellbeing of employees, the community and society at large?

In general behind company there is human element which is the most fundamental one. Therefore neglecting the wellbeing of employees, the community and society at large means terminating the company's operation. Based on this assumption the companies are adhering local and international rules, regulations and conventions by making conducive work environment keeping

safety and health of the employees, and designing participatory firm policy. Even though we have limitation on paying fair wage, broader capacity building program and in not participating local community to accomplish their mission in harmonious way

How does the firm safeguard the environment?

Companies are trying to safeguard environment by using sewerage cleaner option /treatment plant even though these plants are not up-to-date because of the company's affordability. As the result of the plants being aged it fails to function recurrently which takes at least two month to maintain since it is imported and easily inaccessibility of hard currency in the country at this time firms may be obligated to dispose to open environment and to minimize this risk the news tannery companies only planted in the industry zones to manage centrally by environmental authority

As the last option incase problems happen it is treated by basic chromium sulfate with low temperature in the form of oxidation number three which is called chromium recovery or recycling system since treating chromium sulfate with high temperature is hazardous.

.How does the organization involve in voluntary programs that benefit a community or the nation?

There is no company that get involved in voluntary activities that benefit the local community

What factors motivate companies to adopt corporate social responsibility practice in their firm?

Factors motivate companies to adopt corporate social responsibility practice in their firm are competitive advantages to joins in the international market, to get social and political legitimacy and to solve social and environmental problems

What are major challenges/ problems to practice corporate social responsibility in the company?

Major challenges/ problems to practice corporate social responsibility in the companies are low information how to certified for ISO 26,000 to get financial support from international organizations, lack of specific legislation lack of immediate benefits Poor stake holders integration and lack of clear guidelines, standardized metric and poor monitoring and evaluation system)

Is there monitoring and evaluation system by regulatory government and non-government bodies?

There are monitoring and evaluation system by regulatory government even though it has high irregularity /inconsistence nature which is more inclined to inspection and there is no non-government bodies who inspect still now

Thus one can conclude the companies are focusing on how to be complete on the market rather than working along with how to capacitate and paying fair wage to their employees, environment is at risk always because incase the plant fails to function the sewerage is disposed to the open environment that can harm the employees and community, they have no philanthropy experience motivating factors are only for the companies interest rather than for common interest that brings stakeholders together a to deal with on their common interest.

4.1.4.2. Qualitative data presentation and analysis from Observation

The observation was started from the gate of the firms and watching every things that had been going in the compound and their fence to check whether they are disposing to the open environment or not. And approach courtesy to security men to let me in the place where tanning process operated but the security responses were it is highly prohibited to get in to the factory to talk the employees without the permission of the general manager. And I asked the general managers to get permission the response was it is impossible to get in the factory. The only option was one surrounding their fence and I found that every firms arte discharging tannery waste to the near river and they why the refuse to get in to the companies is the fear of get exposed to government, public, medias our deed. The way they are adhering the workers', safety, security and conducive work environment

In general most of the employees are daily labors ,uneducated and youth that have poor knowledge about the right to paid fairly ,work in safety environment, make labor association to claim their right in common, For instance to negotiate salary, medical services safety clothes and etc. .Further more tannery industry is known for its offensive odours that result in respiratory problems and the offensive odour well- comes everybody on the get when any goes to the factory forgetting those who are working in Conclusion practices of corporate social responsibility not beyond creating job opportunity for the employee

Chapter Five

Summary, Conclusion and Recommendations

After careful examination of CSR practices and determinants throughout the selected companies analysis and interpretation of the study was made based on the data obtained through questionnaire distributed, an interview conducted and the observation held in Ethio leather industries, Batu, and New wing tanneries. Based on the analysis and interpretation, summary conclusion, recommendations and imitation of the study of the study are presented in this chapter.

5.1. Summary

The main objective of the thesis was to assess how corporate social responsibilities was practiced, and challenges that hindered to practice corporate social responsibility in the tannery industry. And to forward a bit of guide line for investors who are involved and going to involve in the industry by providing sufficient information in a way the firms conduct their business in harmony with stakeholders particularly with local community to realize sustainable development by out lining the right of the general public from the industry

Corporate social responsibility was not well understood by firm owners, managers. And employee. Consequently the firm owners, and managers don't care about at least obeying rules and regulation of the country; such as labor and environmental laws. Thus corporate social responsibility is at infant stage as the result of low awareness about the concept of corporate social responsibility, poor legal enforcement, and lack of stake holder's integration

5.2. Conclusion

The result of the descriptive as well as inferential analysis, an interview and observation on CSR practices and determinants of the selected tanneries was summarized. On the basis of the findings the following conclusions were forwarded.

The economic responsibility was placed as the base of the pyramid because it is a foundational requirement in business since sustained profitability must be strong to support society's other expectations of enterprises. Thus economic responsibility can be described in terms of creating job

opportunity to the local community, staff capacity building policy, paying decent wage, providing reasonable benefits for employees and striving to deliver high value, & quality products that meet and/or exceed the expectations of their customers. With the reference to the analysis firms are practicing economic responsibility in their organization even though they are paying low wage

Business companies are expected to be obeyed by the law and comply with regulations because law and regulations are society's codification of the basic ground rules upon which business is to operate in a civil society .The focus of this research was to assess legal responsibility in terms of adhering human right and environmental laws (suitable work environment and safeguarding the environment) .With the reference to the analysis the firms not practicing legal responsibility fully especially from protecting the environment and the employees don't know whether the firms practice legal responsibility or not even though they are who practice it

Business is expected to operate in an ethical fashion by anticipating and meeting the norms of the society. Thus ethical responsibility was assessed in terms of company's openness and transparency in relationships with customers, employees, community groups, and governmental organizations, helping the communities to solve their social problems. Employing friendly or courteous or responsive personnel and respecting the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just. With the reference to the analysis the firms are practicing ethical responsibility even though firms are not helping the communities to solve their social problem

Business is expected to be a good corporate citizen (involve in voluntary programs that benefit a community or the nation) that go above and beyond what is simply required or what the company believes is right which is known as discretionary/philanthropic responsibility. The focus of this research was to discretionary/philanthropic responsibility assess in terms of firm involvement to supports highly appreciated projects by the community (supporting local schools, health centers etc. and giving money toward charitable for the local community. With the reference to the analysis the firms are not practicing but the employees don't know whether the firms practice discretionary/philanthropic responsibility

Business has to create value for both shareholders and society, manifesting itself as a win-win proposition... Thus those firms that practice corporate social responsibility in their firms can be benefited. The focus of this research was to assess factors that motivate to practice in terms of competitiveness, to get social & political legitimacy improving financial performance, for moral value, mitigating risks improving company's reputations, enhancing innovations in solving social & environmental problems improving employees motivation and mitigating new regulations & satisfy pressure groups / stakeholders. Thus with the reference to the analysis all number of respondents agree with the factors that have mentioned in the table motivate the firm to practice corporate social responsibility in their firms even though their degree of influence varies. Accordingly competitive advantage, social & political legitimacy, employees motivation and reputations, are taking the rank from 1-4 respectively

Corporate social responsibility is an inescapable priority' for corporations in today's globalized world to be the parts the global challenges should be examined and resolved. . The focus of this research was to assess challenges in the terms of lack of knowledge, lack of institutions assist or low government intervention(poor monitoring and evaluation system) lack of specific legislation, lack of immediate benefits, high cost, lack of corporate skill, company's loss of interest, poor stake holders integration, lack of community participation, lack of clear guidelines and standardized metrics With the reference to the analysis challenges to practice corporate social responsibility in the firm lack of specific legislation, lack of institutions assist or low government intervention, poor stake holders integration, lack of clear guidelines & standardized metrics and lack of corporate skill are taking the rank from 1-5 respectively

5.2. Recommendation

On the basis of analysis and its findings, the following recommendations have been given in terms of short and long terms

In short term

- In relation to legal responsibility business Firms are expected to play according to the national and international rules and regulations. So it is good to Ethio leather industries, Batu, and Newwing tanneries and other tanneries to adhere the expected rules and regulations
- In relation to ethical responsibility since businesses are social construct it is good to Ethio leather industries, Batu, and Newwing tanneries and other tanneries helping the communities to solve their social problems to respond consumers, employees, shareholders, and the community's expectations
- In relation to discretionary/philanthropic responsibility Ethio leather industries, Batu, and Newwing tanneries other tanneries should involve in voluntary programs that benefit a community or the nation such as supporting local schools, health centers etc. and giving money toward charitable for the local community
- In relation to economic responsibility Ethio leather industries, Batu, and Newwing tanneries and other related companies should pay decent wage, provides a reasonable benefits and design continuous capacity building program for their employees in more advance manner to achieve high level of performance in CSR practices.

And In long terms

- Generally tanneries should design CSR strategies and implementations in harmony with the determinants
- In relation to legal responsibility Ethio leather industries, Batu, and Newwing tanneries and other tanneries need to design better CSR strategies and practices in the area of environmental protection such as , protecting air & water from pollution by emitted hazardous waste, opening dialogue schedule with the local community on adverse issues (e.g. accumulation of waste, emission/pollution etc.), doing promotion on environmental awareness by providing information to their employees to enhance their understanding of environmental issues and

better natural resource protection procedures, transparent dialogue with responsible parties especially Ethiopian Environmental Protection Agency and so on. And the firms and other tanneries should obey national laws and international convention such as ILO to protect employees from sexual harassment. Child labor, forced or compulsory labor

- Government should strength legal infrastructures to enforce and chair stakeholders such as non-governmental bodies, community, environmentalists and firms to act together.
- Government should formulate clear CSR guide line and standardized metrics to measure objectively

5.3 Limitation of the study

This study has limitation which is emanate from non-cooperativeness and low courteous of managers of the firms which is manifested in refusing any cooperation according to letter of university. To solve this problem I requested my ministry to write for me support letter to Ethiopian Leather Industries association (ELIA) to write support letters for every firms in such way to cooperate in providing me the necessary information what I'm looking for .It is after this letter I began to talk the respective manager how I going to precede my job and the managers assigned me contact person with whom I have to make communication even though all of them felt unhappy.by justifying that employees are too busy to fill your questionnaire, by not responding to my phone when I call them according to our schedule and they make frequently long appointment date not to get me In general the firms was not flexible to give relevant data as much as required and the employees were not volunteer to give full information about corporate social responsibility practices because of lack of awareness

5.4 Recommendations for Future Research

Since the study was cross- sectional and limited to particular sub .city of tannery it is impossible to generalize to all tannery industries in the country. Thus scholars and academic institutions should conduct further longitudinal research to identify in detail the problem.

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ANNEX 1

Statistical tables

Descriptive Statistics for economic responsibility

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Eco1	152	4.24	.057	.707
Eco2	152	3.76	.070	.859
Eco3	152	3.39	.088	1.081
Eco4	152	3.74	.076	.940
Eco5	152	4.18	.059	.723
Valid N (listwise)	152			

Descriptive Statistics for legal responsibility

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Leg1	152	3.59	.076	.937
Leg2	152	3.51	.076	.942
Leg3	152	3.74	.074	.912
Leg4	152	3.50	.085	1.048
Leg5	152	3.05	.100	1.238
Leg6	152	3.80	.069	.846
Leg7	152	4.01	.068	.838
Leg8	152	2.91	.073	.894
Leg9	152	3.64	.083	1.026
Leg10	152	3.08	.079	.973
Leg11	152	2.43	.066	.819
Leg12	152	3.21	.065	.803
Leg13	152	3.96	.095	1.167
Leg14	152	3.37	.089	1.102
Valid N (listwise)	152			

Descriptive Statistics for ethical responsibility

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Ethic1	152	3.78	.065	.807
Ethic2	152	3.34	.075	.929
Ehtic3	152	3.70	.075	.921
Ethic4	152	4.00	.059	.728
Valid N (listwise)	152			

Descriptive Statistics for philanthropy

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Ph1	152	3.20	.079	.977
Ph2	152	3.21	.085	1.046
Valid N (listwise)	152			

Descriptive Statistics for motivating factors

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
enhance innovation	152	3.64	.082	1.013
mitigate new regulation	152	3.66	.094	1.157
improves financial performance	152	3.82	.089	1.100
mitigates risks	152	3.82	.076	.931
for ethical duties	152	3.95	.070	.860
solve social & environmental problems	152	3.99	.074	.913
improves company's reputation	152	4.00	.063	.781
social and political legitimacy	152	4.03	.071	.876
improves employees motivation	152	4.03	.080	.990
competitive advantage	152	4.13	.058	.716
Valid N (list wise)	152			

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
company's loss of interest	152	3.43	.099	1.222
lack of knowledge	152	3.47	.088	1.085
lack of immediate benefits	152	3.47	.089	1.098
high cost	152	3.50	.108	1.337
lack of community participation	152	3.50	.098	1.213
lack of corporate skill	152	3.54	.080	.983
lack of clear guidelines and standardizes metrics	152	3.55	.098	1.211
poor stakeholders intgration	152	3.57	.081	.994
low government intervention	152	3.62	.072	.891
lack of specific legislation	152	3.71	.086	1.065
Valid N (listwise)	152			

Reliability Statistics for items

Cranach's Alpha	N of Items
.854	50

Reliability Statistics for determinants

Cranach's Alpha	N of Items
.669	4

Case Processing Summary

Weighted Cases ^a	N	Percent
Select Included in Analysis	152	69.1
ed Missing Cases	68	30.9
Cases Total	220	100.0
Unselected Cases	0	.0
Total	220	100.0

a. If weight is in effect, see classification table for the total number of cases.

Dependent Variable Encoding

Original Value	Internal Value
.00	0
1.00	1

Iteration History

Iteration	-2 Log likelihood	Coefficients	
		Constant	
Step 0	1	203.931	.421
	2	203.929	.427
	3	203.929	.427

- a. Constant is included in the model.
- b. Initial -2 Log Likelihood: 203.929
- c. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 0 Constant	.427	.166	6.635	1	.010	1.533

Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step 1 Step	81.224	8	.000
Block	81.224	8	.000
Model	81.224	8	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	122.705 ^a	.414	.560

- a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	G1	4.047	1	.044
		A2	7.071	1	.008
		Ed3	40.614	1	.000
		W4	5.452	1	.020
		Com_Eco1	15.480	1	.000
		Com_leg1	28.941	1	.000
		Com_Ehtic	8.207	1	.004
		Com_Ph	5.276	1	.022
		Overall Statistics	59.349	8	.000

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Com_Eco1	-.009	.643	.000	1	.989	.992
	Com_leg1	4.334	1.666	6.765	1	.009	76.247
	Com_Ehtic	-2.427	1.028	5.572	1	.018	.088
	Com_Ph	.854	.373	5.230	1	.022	2.348
	G1	-.345	.649	.284	1	.594	.708
	A2			4.273	2	.118	
	A2(1)	-2.695	1.372	3.862	1	.049	.068
	A2(2)	-1.288	1.245	1.071	1	.301	.276
	Ed3			13.858	3	.003	
	Ed3(1)	-45.664	14649.769	.000	1	.998	.000
	Ed3(2)	-24.162	8465.163	.000	1	.998	.000
	Ed3(3)	-20.561	8465.163	.000	1	.998	.000
	W4			8.803	3	.032	
	W4(1)	2.352	1.611	2.131	1	.144	10.506
	W4(2)	2.376	1.426	2.775	1	.096	10.763
	W4(3)	-1.745	1.383	1.592	1	.207	.175
	Constant	14.177	8465.164	.000	1	.999	1434811.522

a. Variable(s) entered on step 1: Com_Eco1, Com_leg1, Com_Ehtic, Com_Ph, G1, A2, Ed3, W4.

ANNEX 2

QUESTIONNAIER

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE
MA PROGRAM

Company Name _____

A Questionnaire to be filled by Ethio leather industries, Batu, and New wing tanneries' Employees
The purpose of this questionnaire is to collect data for a research work on the title of “ LEVELS OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN TANNERY ORGANIZATIONS IN CASE OF AKAKI KALIT SUB-CITY”

Corporate social responsibility is the commitment of businesses to contribute the sustainable economic development working with employees, their families, the local community and the society at large to improve their quality of life in ways that are both for business and good for international development. It is inherent that the availability of good corporate social responsibility could bring a profound impact on the company’s success in business undertakings. Hence the objective of this study is to assess levels of corporate social responsibility practices

Thus, your free will and cooperation in giving the reliable information is worth for the success of this work. And your participation is voluntary and responses are so confidential/ would not be disclosed to any one consequently you are not supposed write your name on the questionnaire

Please! Simply tick the most appropriate responses for you and your enterprise on space provided

Thank you in advance for your kind cooperation!

I. Self-administered questioner for employees

Back ground of the respondent

1. Gender; - Male Female
2. Age: - 18—30 31—45 46 and above
3. Educational level;- Elementary High school Certificate
Diploma BA/BSC MA/MSc and PHD
4. For how long you have worked in the organization?
0—2 year 3—5 year 6---10 year 11 and above

Economic responsibility

1. The enterprise has offered job opportunity to the local community.
a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree
2. The enterprise has staff capacity building policy. (Provision of further education, Staff training, research and development, etc.)
a) Strongly agree b) Agree C) Neither agree nor disagree
a. d) Dis agree e) Strongly disagree
3. The company is paying decent wage comparing with others
a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree
4. The company provides a reasonable benefits for employees (medical services, performance bonuses, holiday pay, transport allowances etc.)
b. a) Strongly agree b) Agree C) Neither agree nor disagree
c. d) disagree e) strongly disagree

5. The firm strives to deliver high value, & quality products that meet and/or exceed the expectations of their customers.

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

Legal responsibility

1. The firm ensures that all products meet the required safety and environmental standards.

- a) Strongly agree b) Agree C) neither agree nor disagree
d) Disagree e) strongly disagree

2. The organization has suitable arrangements for health and safety that provide sufficient protection for its employees.

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

3. The firm encourages freedom of association and the effective recognition of the right to collective bargaining of workers

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

4. The company adheres human rights (, equal opportunity, respect for employees' right to increase skills and capabilities, occupational health and safety, and fairness in the workplace.)

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

5. The company protects employees against sexual harassment. Child labor, forced or compulsory labor

- a) Strongly disagree b) Disagree C) Neither agree nor disagree
d) Agree e) strongly agree

6. The company has a clear policy and guide lines on hour standards in accordance with local labor law and ILO standards

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

7. The organization takes adequate procedures against discriminations (women, ethnic group, religion etc.)

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

8. The firm does not pollute air or water by emitting hazardous waste

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

9. The enterprise has waste reduction program.

- a) Strongly agree b) Agree C) neither agree nor disagree d)
Disagree e) strongly dis agree

10. The company promotes energy conservation program.

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

11. The company utilizes only recyclable materials

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

12. The company has an open dialogue schedule with the local community on adverse issues (e.g. accumulation of waste, emission/pollution etc.)

- a) Strongly agree b) Agree c) neither agree nor disagree
d) disagree e) strongly disagree

13. The company is trying to reduce the enterprises environmental impact in terms of waste minimization and pollution prevention.

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

14. The company promotes environmental awareness by providing information to their employees to enhance their understanding of environmental issues.

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

Ethical responsibility

1. The company display openness and transparency in relationships with customers, employees, community groups, and governmental organizations

- a) Strongly agree b) Agree C) neither agree nor disagree
d) Disagree e) strongly disagree

2...The enterprise helps the communities to solve their social problems

- a) Strongly agree b) Agree agree nor disagree d) Disagree
e) strongly disagree

3. The company employs friendly or courteous or responsive personnel

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

4. The firm respects the norms, or expectations that consumers, employees, shareholders, and the community regard as fair and just,

- a) Strongly agree b) Agree C) neither agree nor disagree
d) Disagree e) strongly disagree

Discretionary/Philanthropic responsibility

1. The firm involves and supports highly appreciated projects by the community (supporting local schools, health centers etc.)

- a) Strongly agree b) Agree C) Neither agree nor disagree
d) Disagree e) strongly disagree

2 The company gives money toward charitable for the local community

- a) Strongly agree b) agree C) neither agree nor disagree
d) Disagree e) strongly disagree

26. In general does the firm practices corporate social responsibility?

- a) Yes b), No

II. Questions are related to factors that motivate to adopt corporate social responsibility in your organization, Tick on the most appropriate responses for you and your enterprise in table provided

No	Factors that motivate to adopt corporate social responsibility	Strongly agree	Agree	Neither agree nor disagree	Disagree	strongly disagree
1	Competitive advantage					
2	To get social & political legitimacy					
3	Improve financial performance					
4	Moral value or goodness/ normal ethical duties					
5	Mitigates risks					
6	Improve company's reputations					
7	Enhance innovations					
8	To solve social & environments problems					
9	To improve employees motivation ,					
10	To mitigate new regulations & Satisfy pressure groups / stakeholders					

III. Questions are related to challenges/ problems to practice corporate social responsibility in your organization. Tick on the most appropriate responses for you and your enterprise in table provided

No	Challenges/ Problems to practice corporate social responsibility	Strongly agree	Agree	Neither agree nor disagree	Disagree	strongly disagree
1.	lack of knowledge					
2.	lack of institutions assist or low government intervention(poor monitoring and evaluation system)					
3.	lack of specific legislation					
4.	lack of immediate benefits					
5.	high cost					
6.	lack of corporate skill					
7.	company's loss of interest					
8.	Poor stake holders integration					
9.	lack of community participation					
10.	lack of clear guidelines and standardized metrics					

I thank you once again for your kind cooperation!

IV. Interview Guides for managers

1. How does the company fulfill society's expectation that organization will produce goods and services that are needed and desired by customers,
2. How does the firm manage the wellbeing of employees, the community and society at large?
3. How does the firm safeguard the environment?
4. How does the organization involve in voluntary programs that benefit a community or the nation?
5. What factors motivate to adopt corporate social responsibility practice in the firm
6. What are major challenges/ problems to practice corporate social responsibility in the company?
7. Is there monitoring and evaluation system by regulatory government and non-government bodies?