

# ***Analysis of Stakeholders Perception towards Corporate Social Responsibility Case: BGI Ethiopia***

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## ***ABSTRACT***

*The modern business environment has characterized by very dynamic nature and features in its activities. This dynamics caused by internal and external factors that could manage by the business organization, employees of the company and the community in which the business has done. If a company gets involved in active implementation of CSR, could maintain loyal customer and brand which are a corner stone for establishing reputable business.*

*In this research, a descriptive case study approach with quantitative research method for collecting and analyzing the data are used. The case chosen in this study is BGI Ethiopia, which is one of the well-known and long serving brewery companies in the country.*

*The result of this study shows the following facts; Consumers: The consumers revealed that their knowledge towards the concept is very limited and the practice of corporate social responsibility in the organization is not along with the concepts and theoretical framework of CSR. Community: Having healthy community and environment is a base to have healthy business. In line with this concern, the community of BGI Ethiopia does not have trust on the company. Of course, the concept is new for the community as well as for the nation as well, but, as far as their understanding most of the respondents believed that the company not yet done on CSR activities. Employees: Regarding awareness of the concept of CSR in BGI Ethiopia and Castle winery, the employee respondents react in better manner than consumers and community respectively. Despite the above results, employees reveal better results regarding the CSR practice done by BGI Ethiopia and Castle winery.*

*Key words: Corporate social responsibility, Stakeholder's perception and Practice of CSR in BGI Ethiopia.*

## Introduction

### 1.1 Background of the study

The concept of Corporate Social Responsibility (CSR) began in the 1920s; however, due to the Great Depression and World War II, it failed to become a serious topic amongst business leaders until the 1950s. CSR found itself in the spotlight in 1951; when Frank Abrams, chairman of the board for Standard Oil of New Jersey. He has published an article in Harvard Business Review where he stated that is business' obligation: to conduct the affairs of the enterprise to maintain an equitable and workable balance among the claims of the various directly interested groups, a harmonious balance among stockholders, employees, customers, and the public at large (Frederick, 2006).

In 1953, Howard Bowen made the first significant scholarly contribution by publishing the book, *The Social Responsibilities of the Businessman*. Here he proposed the CSR definition as "the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953)." Over the subsequent decades, CSR definitions, practices and adoption of CSR expanded immensely. Philosophies such as management as a trustee, Christian ethics and the balance of power between business and society were popularized (Frederick, 2006). A commissioned study by the Committee for Economic Development in 1970 contributed a paradigm shift into the CSR debate by recognizing that a balance between social and economic interests was a necessary factor.

Today, more and more companies are realizing that in order to stay productive, competitive,

and relevant in a rapidly changing business world, they have to become socially responsible. In the last decade, globalization has blurred national borders, and technology has accelerated time and masked distance. Given this sea change in the corporate environment, companies want to increase their ability to manage their profits and risks, and to protect the reputation of their brands. Because of globalization, there is also fierce competition for skilled employees, investors, and consumer loyalty. How a company relates with its workers, its host communities, and the marketplace can greatly contribute to the sustainability of its business success.

Presently it is imperative that business needs to manage its relationship with society and surrounding environment to achieve and meet its core business objective. It means business performance is also being measured on the bases of level and impact of its activity on the environment and society as a whole. Company's responsibilities and trustworthiness in the eyes of customers and the population is now being used as a parameter to position the companies against its competitors. Thus top-level managers are paying proper due attention on all their activities, actions and respective impacts towards the environment and the society. When a strategic issue mentioned, firms' social policies require active involvement of the entire company, particularly in the top management (Varadarajan & Menon, 1988).

In a given consumer product manufacturing company such as BGI Brewery S.Co, the major partaker of stakeholders measurement are consumers mostly and its employees and the surrounding communities in its area of activity partly. Assessing to know the degree of affirmative acceptability level amongst its major stakeholders will let the company

recognize its prestige and help take needful steps for the next level of success.

This research paper therefore focused on assessing the application of CSR effort & its effect in consumers, employees and surrounding communities' towards the company, BGI Brewery S.Co.

## 2. Background and Literature Review

### 2.1. Overview of CSR

The concept Corporate Social Responsibility might be unfamiliar to several, but the aspiration for socially responsible companies is emerging (Carroll & Shabana, 2010). Even if it is a new concept, the customers and investors are expecting a company that actions sustainable to environment and society. The way companies act socially responsible can be dissimilar, but common is the increased compression of satisfying stakeholder's needs.

### 2.2. Definition of CSR

Corporate Social Responsibility have been redefined over the years. The concept of CSR much debated. Practitioners argue that there is a strong business case for CSR, in that business organizations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profit. Proponents of CSR also posit a virtuous relation between the increased presence of foreign investment and the promotion of growth and development in the countries concerned. These links have led private sector actors in the mining sector to turn to multilateral institutions and bilateral agencies not only for financial support of various kinds for their business operations (loans, export credits for example), but also, more recently, for support for their projects in the area of CSR. Critics, however, argue that CSR distracts from the fundamental economic role of businesses; others argue that business engagement in social and community development is, more likely than not, destined

to be outward, short termed, and neither equitable nor sustainable (Campbell, 2011).

### 2.3. Who are the Stakeholders of CSR?

“Stake is an interest in or share in an undertaking” (Buchholtz and Carroll, 2008), in a small group of friends who have out for a dinner or launch each of them has an interest or stake, in groups decision. No money will spent yet until each of the group conveys his own stake or interest in terms of choosing and preferring what would taken.

As per Buchholtz and Carroll, stakeholders are categorized primary and secondary as follows: Primary Stakeholders has a direct stake in the organization and its success, therefore they are most influential. These include:

- ✓ Shareholders and investors
- ✓ Employees and Managers
- ✓ Customers
- ✓ Other Partners ( Suppliers)

Secondary Stakeholders influential as well, especially in affecting reputation and public standing, but their stake in the organization is more indirect. These include:

- ✓ Government and regulators
- ✓ Civic institutions
- ✓ Social pressure groups
- ✓ Media and academic commentators
- ✓ Trade bodies
- ✓ Competitors

The figure, which presented below shows the summary of business and stakeholders in holistic approach.

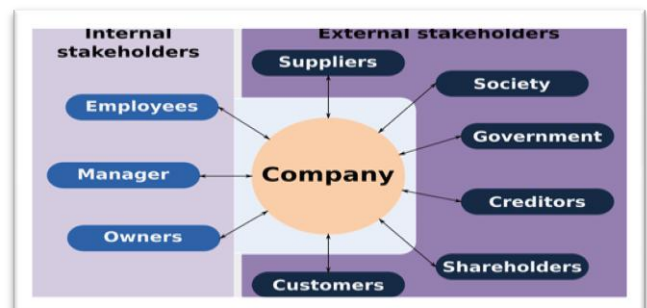


Fig. 2.1. Internal and External stakeholders of CSR

## 2.4. Principles of CSR

Crowther and Aras in their book of “Corporate Social Responsibility” have put three basic principles, which together compile all CSR activities. These are-

1. Sustainability
2. Accountability
3. Transparency

It further entails that the concept of sustainability is merely focuses on as to how the present actions will reflect and affect the future usability of same action. If resources are utilized presently, then they are no longer available in the future, and this is of particular concern if resources are finite in quantity.

Accountability is concerned with an organization recognizing that its actions affect the external environment, and therefore assuming responsibility for the effect of its action. These are therefore related to measuring and quantifying the effect and do the due diligent to internal and external concerned stakeholders. Thus, the concept is about assuming responsibility and letting the parties know the fact on the ground.

## 2.5. Why CSR implemented in Companies?

There are a many reasons why companies are engaging CSR in their facet of the modern business environment.

- ✓ **Moral obligation-** The companies engage in CSR since they believe it is their duty to be a good citizen and “do the right thing”.
- ✓ **Sustainability-** the Company focuses on environmental and community stewardship with the belief that it is best for the company in the end. A good explanation for this comes from The World Business Council who explains sustainability as followed: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”
- ✓ **License to operate-** Many companies only engage in CSR because they forced to follow

regulations and permissions from governments, communities and other stakeholders to be able to conduct business.

- ✓ **Reputation -** Many companies explain that they use CSR to improve the reputation and company image, to strengthen the brand, in order to demonstrate moral and because it even could raise the company’s stock value.

## 2.6. The CSR Pyramid

A four-part conceptualization of CSR included the idea that the corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) responsibilities as well (Carroll, 1979). CSR can be described by identifying four different kinds of responsibilities that companies have toward their stakeholders: economic, legal, ethical and philanthropic.

### 2.7.1. Economic Responsibility

In the beginning, businesses were created as economic objects intended to provide goods and services to social customers. Before it was anything else, business organization was the basic economic unit in our society (Carroll 1991). The primary motive was to establish as the primary motivation for entrepreneurship. Businesses were created to produce goods and services that consumers wanted and needed (Carroll, 1991).

### 2.7.2. Legal Responsibilities

Carroll (1991) explains that it is essential for a corporation to perform in a consistent way with expectations of government and law and comply with different states, federal, and local principles. His further list that it is essential to be an honest corporation and successful organization that defined as one and that achieves its legal responsibilities.

### 2.7.3. Ethical Responsibilities

Carroll (1991) defined five different components regarding the ethical

responsibilities and the first one treats the importance, like the other responsibilities, in a manner consistent with expectations of social morals and ethical norms. He explained that it is essential to both recognize and respect new ethical or moral norms generally assumed by society. Further, he explains that it is essential for a corporation to prevent ethical norms from being compromised in order to achieve corporate goals.

#### **2.7.4. Philanthropic Responsibilities**

According to Carroll (1991), importance lies in the fact that corporation performs in a consistent way with the philanthropic expectations of society. It is also essential to aid fine and performing arts and that managers and employees take part in voluntary activities within their local communities.

#### **2.8. CSR in Developing Countries**

In developing countries, more of the focus of CSR is put on social issues than on environmental or ethical issues (Visser, 2008). A similarity between large companies in developing and developed countries is the approach on reporting their CSR activities. Still, there is a lack of CSR initiatives in the business strategies (Baskins, 2007). In developing countries, there are mainly larger companies performing CSR activities since their global competitors are doing it and thereby compelling them to do it as well (Baskins, 2007).

#### **2.9. CSR Pyramid Developing Countries**

A modified CSR pyramid, originally explained by Carroll, can be used when describing CSR in developing countries in which, economic responsibilities still get the most emphasis. However, philanthropy given the second highest priority, then legal and ethical responsibilities these give a fair view for the CSR (Visser, 2008).

#### **2.10. CSR to Stakeholders**

The managers of companies can best promote the long-term viability of an enterprise by balancing

the needs of its stakeholders with the financial requirements of sustaining and growing a business (UNCTAD, 2008). Shareholders are the investors of one company and are the core factors for its development. Carroll (1991) also suggested a company should perform in a manner consistent with maximizing earnings per share.

### **3. Research Design and Methods**

According to Trochim (2005), research design "provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project work together to try to address the central research questions." The research design is like a recipe.

#### **3.1. Research Approach**

##### **3.1.1. Qualitative (Gathering Insights)**

This is typically a one-on-one process, in which a researcher poses questions directly to selected individuals. The questions will often ask not only for information and for opinions but also allow the interviewer to probe the richness of emotions and motivations related to the topic.

##### **3.1.2. Quantitative (Establishing Statistical Reliability)**

This process will be used detailed questionnaires often distributed to selected numbers of people. Questions are typically multiple choice and participants choose the most appropriate response among those listed for each question.

#### **3.2. Data Sources**

Alike other research papers, there are two types of data sources, primary and secondary will incorporated and utilized in this research paper.

##### **3.2.1. Primary Source of Data**

These data are the data that are collected using methods such as survey questionnaire during some CSR activities at its production premises and some outlets, interviews of customers and employees as well as logs (objective data sources).

##### **3.2.2. Secondary Sources of Data**

Secondary sources such as annual performance reports, office memos on CSR activities, company strategy papers and the like used to collect relevant data. Different comments given by customers at different outlets were used as a source. This may be obtained from records of marketing department.

### 3.3. Target Population

According to Asmamaw Tilahun (2011) quoting the works of Babbie(1989:170) that the aggregation of elements from which the sample is actually selected is called population. This research gathered the necessary data from the target population by using different methods. These are, primarily consists of employees of the company, shareholders of the company, community and customers of company that are found in Hawassa manufacturing plant and Ziway winery plant, higher level managers who are responsible for the design and implementation of the CSR policy and strategy of the company.

### 3.4. Sampling Size & Sampling Technique

The sample size will determined based on the following simplified formula proposed by Yamane (1967) (as cited in Israel 2003).

$$\frac{N}{1+Ne^2} = n$$

Where, *n* is sample size, N is the population size and *e* is the level of precision. A 90% confidence level and *e* = 0.1, are assumed for determining sample size for this study. **Table 3.3 Summary of sample size determination**

No.	Categories	Target Population	No. of respondents	Remark
1.	Shareholders	Top level managers of the Company(All)	14	Formula
2.	Employees	Permanent and temporary employees of Hawassa and Castle Winery Ziway.	94	Formula
3.	Community	Surrounding People	98	Judgmental

		(Hawassa and Ziway)		
4.	Consumers	Domestic customers(From Hawassa and Ziway)	100	Formula
<b>Total</b>			<b>306</b>	

Source: The researcher's computation

### 3.5. Data Collection Method

In light of the research methodology this research used, quantitative and qualitative data collection methodology that are implemented to collect variety of data.

Among the various ways of data collection methodologies, the following were found to be useful. These are questionnaire, interview survey, observations, etc.

### 3.6. Method of Data Processing and Analysis

**Descriptive statics:** (Mean, Mode, median, standard deviation & variation) used on the general objective of this paper in order to measure the accuracy of data collected and to infer statistical interpretations.

## 4. Data Analysis and Interpretation

### 4.1. Introduction

The findings provided a better understanding of the practice of the company in relation to corporate social responsibility and its effect on the stakeholders' attitude towards the company. To achieve the research objective, the following research questions, as stated in chapter one have been formed on the basis of data gathering, analysis and data interpretation.

- To assess the actual practice of CSR in the company,
- Assess perceptions of stakeholders of BGI Ethiopia Brewery S.Co. On corporate social responsibility
- To assess the effect of CSR on Stakeholders attitude towards the company
- To assess how the staff members in various functional areas of the organization see the practice of CSR

## 4.2. Interpretation and Analysis of Results from Consumers

### 4.2.1. Demographic Characteristics of the Respondents

This section gives an overview over demographic characteristic of 90 consumers who usually consumes the products of BGI Ethiopia S.C. From the survey, information about sex, age, family responsibility, employment status and salary of the respondents were gathered and presented as follows:

**Table 4.1 Demographic Characteristics of Respondents- Consumers**

Demography				
Sex	Male	Number	Female	Number
	74%	67	26%	23
Age Group	18-28	29-39	39-50	>50
	25%	35%	23%	17%
Responsibility in household	Father	Mother	Children	Other
	35%	15%	35%	15%
Employment Status	Employed	Self-Employed	Unemployed	Student
	40%	22%	18%	20%
Income Range	<3000	3001-6000	6001-10,000	>10,000
	30%	27%	34%	9%

Source: Own survey, April 2018

According to the data collected and presented consumers of BGI products are 74% and 26% male and female respectively. Therefore, dominant numbers of consumers are male.

Concerning respondents Employment status, the above table shows, majority of the respondents are employed, which is 32 % and followed by self-employed which is 21%. Unemployed and students accounted 18% and 20% respectively. From a data we can understand that most of the customers of BGI Ethiopia products are employed and self employed. However, we have to take in

to consideration the ratio of students and unemployed groups because they take 18% and 20% respectively.

The data show that generally 30% of respondents earn below 3000 birr per month, 27% respondents income ranges between 3001birr-6000 birr, 34% included in the income level that range between 6001-10,000 birr and the remaining 9% which the lowest proportion of respondents earn monthly income of above 10,001 birr. Therefore, all income-earning groups are the consumers of the products of BGI Ethiopia. But, it looks to reveal that the products of BGI Ethiopia are for the middle-income earning group, according to the data it's represented by 61%.

### 4.2.2. Customers Awareness towards CSR of the Company

In this section of the data analysis and interpretation, I would like to show BGI Ethiopia consumers perception towards the act of the company's CSR activity in relation with the products, advertisement, charity and other point.

**Table 4.2: Consumers Awareness towards CSR of the company**

Questions	Total	Yes		No	
		Frequency	%	Frequency	%
1. Do you trust BGI Ethiopia products are safe to consume?	90	82	91.8	9	9
2. Do you see BGI Ethiopia strive to improve the quality of its product?	90	40	44.5	50	56



3	Does BGI Ethiopia quickly respond	90	35	39	55	61
	and address to consumer problems?					
4	Do you think the advertisements of the company are made in a socially responsible way?	90	68	75	22	25
5	Do you know any social development /donation activity of the company	90	20	22	70	78
6	Are you aware of any environment damaging activity of the company?	90	30	33	60	67
7	Are you aware of any unethical behavior of the company?	90	15	17	75	83

Source: Own survey, April 2018

**A. Consumer’s trust on products**

Safety is the most important point in for consuming products and services of every company. At this point the customers were asked if they are comfortable to consume the products of BGI Ethiopia. As I have tried to show in Table 4.2., most of the consumer respondents, which are 91%, believed that the products of BGI Ethiopia are safe to consume. The remaining 9% of the respondents think that it is not safe to use the products. In addition, they have tried to back their 'NO' answer by raising some issues.

**B. Perception towards Quality Improvement**

According to the data collected and presented in

the above table; 44% of the respondents said there is quality improvement by BGI Ethiopia on its products and the remaining 56% believed does not done by the company.

**C. Company’s response to the complaint and problems of consumers**

On the other hand, it helps the company to have loyal customer for the product. Based on my data 39% of the respondents said, the company is responsive to their problems and 61% of the consumers reveal that the company is not active to accommodate the consumers question and complains.

**D. Advertisements of the Company**

Customers are the first one to test those advertisements and promotions. Customers of BGI Ethiopia advertisements are designed in socially responsible way and the above table shows that most of the customers 68 (75%) agreed with the idea while the remaining 22 (25%) of them thought that it is irresponsible. This figure shows 25% of the respondents believed that the advertisements of the company are not responsible.

**E. Perceptions of Customers towards Charitable activity of the company**

Respondents of this research were asked if they notice any donations and charitable activities made by the BGI Ethiopia Company. Only 22% of them were able to recognize charitable activities of the company while the others 78% of them do not know any donation of the company.

**F. Environmental Protection of the Company**

Based on the data on the table below we can understand that most of the respondents 67% confirm that the company is not acting on the ways that damage environment while the remaining 33% of them think that the company is not acting lawfully to the environment.

**G. Ethical Consideration of the Company**

From the respondents 17% of them thought that the company is running unethically on the way that can affect the norms and values of the



country while the remaining 83% of them confirms that the company is acting ethical.

### 4.3. Interpretation and Analysis of Results from Community

#### 4.3.1. Demographic Characteristics of the Respondents

Community in this study is one of the most important stakeholders related to implementation of Corporate Social Responsibility. The results from the survey are going to be presented in accordance with sex, age, family responsibility, employment status and salary of the respondents as follows.

**Table 4.3 –Demographic Characteristics of Respondents Community**

Demography				
Sex	Male %	Number	Female %	Number
	55%	44	45%	36
Age Group	<18	18-28	29-39	>39
	5%	17%	38%	39%
Responsibility in household	Father	Mother	Children	Other
	37%	38%	15%	10%
Employment Status	Employed	Self-Employed	Unemployed	Student
	25%	37%	31%	7%
Income Range	<2000	2001-5000	5001-8000	>8000
	39%	30%	16%	15%

Source: Own survey, April 2018

#### A. Sex of the respondents

As clearly shown in Table 4.3., 55% of the respondents are male and the remaining 45% are female. The respondents of this study dominated by male because they have keen to

give a response related to the corporate social responsibility issue of BGI and the male group is more prone to consume BGI products.

#### B. Age of the Respondents

As observed from the data the dominant age groups 39% of the total respondents belong to the age group between >39 years, followed by 38 % of respondents whose age group is 29-39. The remaining 17 % and 5% of the respondents are between the age of 18- 28 and <18 respectively. This shows that majority (77%) of the respondents included in the study were above the age of 29.

#### C. Responsibility of Respondents on Their Family

The lion share taken by father and mother its 37% and 38% respectively. The remaining fractions 15 % of respondents are children's and 10% of the respondents are categorized as others. From this, we can understand that most of the respondents are responsible for their family since they are fathers and mothers. Therefore, we can assume that their answer is based on the knowledge of responsibility.

#### D. Employment Status of the Respondents

Concerning respondents Employment status, the above table shows, among the respondents who are able to work only 25% employed and job secured. Majority of the respondents are fall under the category of self-employed and unemployed by 37% and 31% respectively. So, the community around the company is very susceptible for unemployment and job insecurity. The student share is 7% of the total respondent involved in this research.

#### E. Monthly Family Income of the Respondents

Table 4.3 also displays monthly income levels of the respondents' who are involved in this study. generally 39% of respondents earn below 2000 birr per month, 30% respondents income ranges between 2001birr-5000 birr, 16% included in the income level that range safety

concern of the company is under question mark and they replied 'NO'. They have mentioned some rationales to back their answer, some of these are; the noise of the machinery late nights, the noise of trucks, dry and liquid waste of the company, gas emission from the factory. The remaining 48% percent of the respondents think that the company is concerned for their safety.

### **B. Community's trust Towards Company's Response to their Complaint and Problems**

According to Table 4.4, 36% of the respondents feel and respond that BGI Ethiopia responsive for their complaints and problems. On the contrary, majority of the respondents (64%) revealed that that BGI Ethiopia does not have a care and responsive for their problems and complains.

### **C. Advertisements of the Company**

Communities around BGI Ethiopia were asked if the company's advertisements and promotion has done in socially responsible manner or not. In the above table, the data revealed the fact that most of the respondents (66%) believed that advertisement and promotion of BGI Ethiopia is not disparate to the social norms, values and ethical conducts. Nevertheless, not hardly any (34%) of them thought that it is irresponsible.

### **D. Perceptions of Community towards Charitable activity of the company**

Most part of the respondents its 61% whispered that the company is not got involved in charitable and donation activities. The respondents do not consider that kind of provision as such charity for the community. On the other hand, significant number of respondents 39% believed that company is doing its best effort towards charity and donation for the sake of the community.

### **E. Training Opportunity by the Company**

Among 80 respondents of this research 17 which means 21% of them believe that the company is providing enough training and job

opportunity to the local community but the remaining 35 (79%) suppose that the company is not providing enough training to them.

### **F. Environmental Protection of the Company**

The most critical dimension of CSR, especially in beer and winery industry and similarly industries, is protection of the environment. On the subject of CSR in beer and winery industry, environmental protection has described in terms of the following issues.

- Comply with environmental laws, rules and regulation
- Waste reduction and pollution minimization
- Protection of natural environment
- creating environmental awareness

Based on the data on the table above we can understand that most of the respondents 51% confirm that the company has a significant negative effect on the surrounding environment while the remaining 49% of them think that the company is doing fine with the environment.

### **G. Ethical Behavior of the Company**

From all, 44% of them thought that the company is running unethically on the way that can affect the norms and values of the country while the remaining 56% of them confirms that the company is completely ethical. The issue related to the St. George.

between 5001-8000 birr and the remaining 15% which the lowest proportion of respondents earn monthly income of above 8001 birr. From this, one can understand that majority of the respondent earn below 2000 birr that show most of the respondents are found low and medium income level.

### **4.3.2. Communities Awareness towards CSR of the Company**

Here the researcher tried to disclose the data that reveal the communities awareness towards the product, wastage, infrastructure and

donation and charitable activities.

**Table 4.4: Communities Awareness towards CSR of the company**

Community Awareness		Total	Yes		No	
			Frequency	%age	Frequency	%age
1	Do you trust BGI Ethiopia care for the safety of the surrounding?	80	34	48	46	52
2	Does BGI Ethiopia quickly respond and address to communities problems?	80	29	36	51	64
3	Do you think the advertisements of the company are made in a socially responsible manner?	80	53	66	27	34
4	Do you know any social development/donation activity of the company?	80	31	39	49	61
5	Does the organization have an open dialogue with the local community?	80	17	21	63	79
6	Does the company purchase your local raw Material inputs to their production?	80	15	19	65	81
7	Does the company offer training opportunity to People from the local community?	80	17	21	63	79
8	Are you aware of any environment damaging activity of the company?	80	41	51	39	49

9	Do you notice any kind of unethical act by the company?	80	35	44	45	56
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Source: Own survey, April 2018

**A. Community’s trust towards safety of the surrounding**

According to the data gathered 52% of the respondents from the community answered the respondents from the community answered the safety concern of the company is under question mark and they have replied 'NO'

**4.4. Interpretation and Analysis of Results from Employees of BGI Ethiopia**

**4.4.1. Demographic Characteristics of the Respondents**

Demographic characteristics or respondents give a chance to the researcher and other audience to draw a picture who replied for the study.

**A. Sex of Respondents**

The data gathered by the researcher revealed that male respondents were 57 in number (71%) and female respondents were 23 (29%). Therefore, BGI Ethiopia employees who respond to this research dominated by male and the number of female respondents are also significant.

**B. Age of Respondents**

As observed from the above table, the dominant age group is, 28(35%) of the total respondents belong to the age group of 20-29 years. Its followed by 24(30%) respondents whose age group is 30-39 years, 21 (26%) of the respondents age group is 40-49, the elder age group above 50 years accounted for 5(6%) and 2(3%) of the respondents included in the age interval of below 20 years.

**C. Marital Status of the respondents**

The above table shows that majority of the respondents are Married which represent 59 % that is 37 people out of 80 respondents. Meanwhile, 37 or 60 % respondents are single.

#### D. Education Level

The findings were shows that all ranges of education included by the survey except the ceiling and the floor, PhD and below 12<sup>th</sup> grade. As indicated in the data in the midst of 80 respondents; 46 (58%) respondents are first degree holders, 22 college diploma holders of respondents cover (28%) of the total respondents, the third significant group of respondent weighing up 10(12%).

#### E. Income Levels of the Respondents

The last demographic factor explained in this section was monthly income levels of the respondents' in the study. The largest share for income level belongs to 3001-6000(34%) and below 3000(26%). It's followed by 6601-8000(20%) and the least share possessed by above 8001(15%) As the research survey, convey in Table 4.5. most of the employee respondents fall in lower income level by taking the two ranges together, its 34% and 26%, 3001-6000 and below 3000 respectively. This can be related to their educational background and qualification.

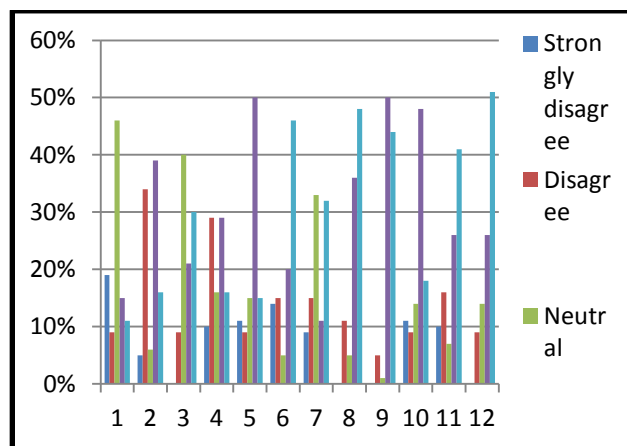
#### 4.4.2. Employees Knowhow about CSR

In this section of the analysis respondents were asked to identify the extent of their comprehension towards CSR by forwarding questions which are very close to identify the meaning of CSR, important source of knowledge about CSR, and extent of respondents knowledge towards CSR.

#### 4.4.3. Employees Level of Awareness towards CSR

At this section, awareness of the employees was assessed towards corporate social Responsibility. They are asked about different perspective of CSR.. Results of their answer are shown below in graph 4.1.

Graph 4.1. Awareness of the employees



Source: Own survey April 2018

Concerning the first question 37(46%) of the respondents said they are neutral to the issue. The second largest portion of respondents reveals that they strongly disagree with the concept. The agreed and strongly agreed respondents accounted 15(12%) and 11(9%) respectively. Considerable amount of respondents also give their answer by disagree and strongly disagree 7(9%) and 15(19%) respectively.

As far as maintaining strong competitive position expresses CSR in organizations, 31 (30%) agree and 13(16 %) strongly agree. Other respondents 5, 27 and 4 with response rate of 6%, 34% and 5% said neutral, disagree and strongly disagree respectively.

The table also shows the response rate on maintaining high level of operating efficiency 7, 32, 17 and 24, the response rate 9%, 40%, 21% and 30% says disagree, neutral, agree and strongly agree respectively.

To the item being as profitable as possible, maintaining strong competitive position and maintaining high level of operating efficiency as it shown in table 4.7.

In addition, graph 4.1. 23(29%) and 13 (16%) of respondents agree and strongly agree on the issue of be a law-abiding corporate citizen. It means respondents believe that it is important item to express CSR views in business organizations. In addition to those who agree on the issue, 13, 23 and 8 respond as neutral, disagree and strongly disagree with the response rates of 16%, 29% and 10% respectively. Almost 40(50%) and 12(15%) of respondents agree and strongly agree respectively on the issue provide goods and services that meet minimal legal requirements. Respondents also reply neutral, disagree and strongly disagree with the response rates of 15%, 9% and 11% include 12, 7 and 9 of the total respondents respectively.

In the above Table 4.7 also shows that 16(20%) and 37(46%) of respondents agree and strongly agree on the issue of performing with expectations of societal morals and ethical norms. The remaining employees have said neutral, disagreed and strongly disagreed by 5%, 15% and 14% respectively.

In relation with developing solution on work and life balance for employees most respondents, 40(50%) of them agrees with the idea followed by 35(44%) which represented by strongly agree. The remaining one (1%) and 4 (5%) respondents fall on neutral and disagree with the idea. There is no respondent who answered strongly disagree option.

To sum up, the means for most of the CSR items listed in the study indicated towards the view that CSR expressed in business organizations.

#### 4.4.4. Employee’s perception towards Company’s act on CSR

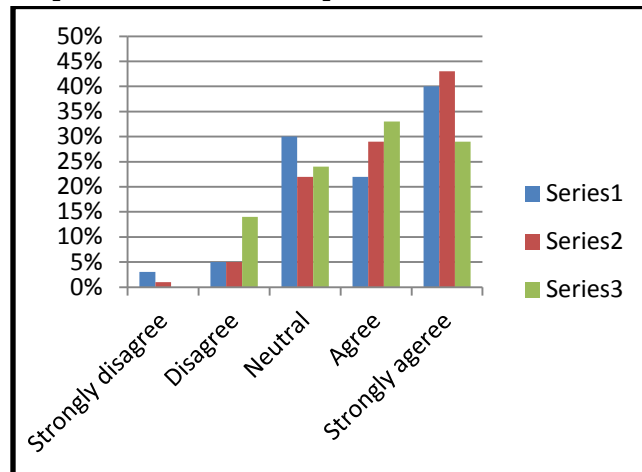
Under this section, the company’s CSR level measured by eyes of employees. They were asked different questions from different perspectives that

can describe CSR. The results and findings of this study are discussed as follows.

#### A. Economic Perception

Here is also the graphical presentation of the data specifically concerned with economic component of CSR in the organizations.

Graph 4.2. Economic components



Source: Own survey, April 2018

In Table 4.8 offered the issue that defines stakeholders’ perceptions on economic responsibilities of the company. Consequently the respondents on the issue to decide on importance of maximizing earning per share to shareholders of the organization, majority of the respondent 32(40%) strongly agreed that the company is striving to increase its profitability as much as possible and 29(23%) of them are neutral about the idea. Additionally 18(22%) , 4(5%) and 2(3%) respondent’s stands on agreed, disagree and strongly disagree respectively.

#### B. Legal perspectives

The first point in this survey table show that 33% and 15% respondents respectively disagree and strongly disagree that the company is doing business in the way consistent with government expectation is important. From this the respondents consider doing business with government expectation is important to carry out their CSR aim to stakeholders and society at large. To the other end 16% and 5% respondents

respectively agree and strongly agree with the idea while the remaining 11 % stays neutral with the point. From the results of interview made with the managers of the company almost all of them describe that the company is acting accordingly with the rules and regulations of the government. This shows there is high level of discrepancy in the company.

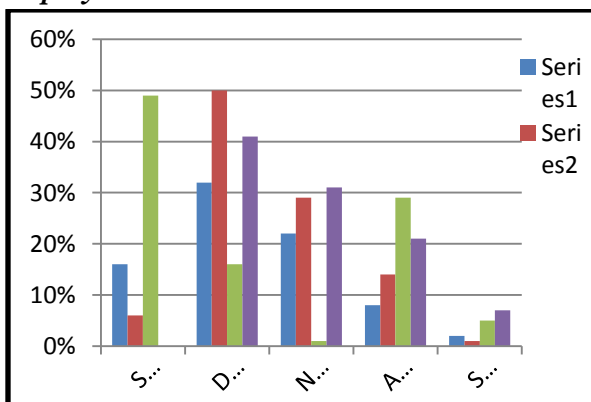
**C. Ethical Components**

The first point in the above table shows asks the respondents if they thought the company is running in a manner that consistent with the society ethical norms. Among them greatest number 40 % agree with the idea followed by 30% of them who represents Disagree about the concept. The remaining 24% and 6 % stays neutral and strongly agrees with the point. This indicates that most of the respondents agree on importance of ethical norms to carry out organizations CSR goals. This may because of high value that the society gives to the moral norms. Managers of the company were also asked about the point on the interview.

**D. Philanthropic responsibilities**

The following graphical presentation would help us in order to have a clear picture about the philanthropic perception of the employees of BGI Ethiopia.

**Graph 4.3. Philanthropic perception of employees**



Source: Own survey, April 2018

As the graph shows us, most of the respondents answer fall in between of

normal, disagree and strongly disagree. Among these the third question got the highest respondent of strongly disagree option.

**4.4.5. Employees Perception towards the Importance of CSR for the Company**

The importance levels in implementing of CSR responsibility in organizations is show using four components of CSR. These components of CSR include economic responsibility related to profitable (provide investment, create jobs, and pay taxes etc.), legal responsibility include obey the law, ethical responsibility related to doing of business (adopt voluntary codes of governance and ethics) and philanthropic responsibility be a good corporate citizen (set aside funds for corporate social/community projects).

**A. Economic Responsibility (Components)**

According to the data 28 % and 28% of respondents that represent employees of the organization thought that economic responsibilities are very important and neither important nor unimportant respectively. The remaining 24% and 20% of the respondents thought that economic responsibilities are important and not important.

**B. Legal Responsibility (Components)**

The same table above also shows that 34% and 34% of respondents of the total sample answered as important and very important for legal responsibility respectively. This indicates that majority of the respondents think the legal responsibility of CSR is important to the organizations, to meet their important corporate goals of business organizations. They expect to respect and obey the law of federal, regional state and local laws. Few respondents 21% also think that the legal responsibility of business organizations is not at all important CSR



activities, as it should totally on voluntary basis. The remaining 11% respondents were neutral to this diminution of CSR.

### **C. Ethical responsibility (components)**

Most respondents of this study (49%) think that components of ethical responsibilities are very important for the organization in attain the CSR goals supported by 11% of them as it is important. 26% of others among the remaining respondents believe that it is not important. The remaining 14 % of them stays neutral about its importance.

### **D. Philanthropic responsibility (components)**

In relation with philanthropic responsibility of the organization, 66% of the respondents believe that it is very important to have it as strategies that also supported by 5% of the total respondents saying it is important. However, few respondents consider philanthropic responsibilities as not important and not at all important for them with response rate of 22% and 5% respectively. These respondents believed that the purpose of business is business.

### **4.4.6. The Payback or Benefit to Socially Responsible Organizations**

The above table describes about the pay back of CSR activity to the organization itself. Respondents from the representatives of employees were asked if they believe that the company's CSR activity bounce back through for different the forms. 67% of them think that it helps the company through developing its image in general. 25 % from the remaining respondents think that t adding value to its products. The remaining 5% of the respondents thought that it would help through both decreasing cost of production and increase values of the products. 33% of the respondents are indifferent on the issue.

## **5. Conclusion and Recommendation**

### **5.1. Conclusion**

Though it is very encouraging out come to be known as "Safe to consume", which is almost all the stakeholders agree with now, it is imperative to make sure this will sustain forever. One of the important parameter that would guarantee long lasting best quality of the product is to have a proper quality improvement program in place in to the routine business operation.

Needless to know to what extent the Management of BGI Ethiopia has given attention to its quality improvement Program, more than half of employee's don't recognize their activity in relation to its improvement program. This will not give confidence and grantee for the sustainability of the current achievement.

Besides the above point on the quality improvement program, it is also observed that the company has unfastened compliant management in its operation. The company has no relevant and reliable compliant management program.

It is observed and recorded in the interview session of this research very few members of the top management employees confirmed that there are social and philanthropic functions carried out by BGI Ethiopia such us in water supply project, provision of training for the community, Community education sponsorship project, sport event sponsorship, sponsorship for health care, etc.

Even though some of the above functions are not hidden from the public arena, neither the customer nor the community boldly confirms that BGI Ethiopia adequately executes these engagements in such a way that meets the stakeholders' expectations'. However, almost next to nothing has known by major stakeholders.

Amongst the basic classification of corporate



social responsibility categories, employees concluded that the company is not doing well in its social and philanthropic responsibilities despite the fact they know the above-mentioned responsibilities are more important to the company other than the two. These are economic and legal.

## 5.2. Recommendations

To build the customer's and society's confidence towards the company's image, it is better to improve the quality of its products, services, and highly participate on environmental protection activities around the company. For any news or improvements, it is better if the company establish a formal network to inform the customers and the community about it.

This can be done through-

\* Different advertisements and sales campaigns in due respect the norms and ethics of the society. It will help the company to build good image on the stakeholders mind and show the company's towards commitment level different perspectives and help understand each other;

\* Bi-yearly community engagement program such as celebrating the BGI Ethiopia community day, tree planting day, mountain climbing day, annual sporting events day, etc.

\* Quarterly distributors and key account meetings day, on customer and consumer activation programs etc.

Finally, to perform CSR activities not yet satisfactorily, BGI Ethiopia is expected to be more serious on their day-by-day CSR function and should incorporate CSR as one of its main objective to be accomplished. This can manifested though:

- Allocate enough fund to the sole purpose of CSR applications,
- Establish committee that incorporate members from each stakeholders

category;

- Provide training and awareness creating activities;
- Prepare policies and rules to controller CSR implementation.

Most importantly focus on society major problems and can reduce the life cost, and make their socially responsible activities by communicating stakeholders. (Expending water for life project- Providing one drilling borehole to the community, sponsoring community education need, sponsoring community animal farm project, participate in traffic accident elimination projects, allocation program; participate in drivers safety programs, etc.

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