

Assessing Stakeholders' Perception on Application of Corporate Social Responsibility in Meta Abo Brewery Share Company

Ezana Mesele (MBA)¹ and Mesfin Lemma (Ph.D.)²

ABSTRACT

In recent years, Corporate Social Responsibility (CSR) has gradually become a leading issue in business. Heightened corporate attention to CSR has not been entirely voluntary. Many companies awoke to it only after being surprised by public response to issues they had not previously thought were part of their responsibilities. But despite their intent, the practice and what drives them to engage is not lucid. Thus, the prime essence of this study was to assess the practice of CSR in Meta Abo Brewery S.C. The study used both qualitative and quantitative research approaches and it is mainly dependent on primary source of data in which three types of structured questionnaires were developed to get data from respondents composed of customers, community and employees while managers of the company were interviewed. To meet the research objective the researchers used different sampling techniques and procedures to select the samples from each stakeholder's category. The findings depicts that the employees awareness towards concept of CSR is at its lowest level. The stakeholders' perceptions on components of CSR include economic, ethical, legal, and philanthropic responsibilities agreed that items listed are important aspects to business organizations socially responsible activities. The prioritization of CSR to the company includes philanthropic, next ethical, then economic and finally legal responsibilities. The company needs to allocate enough amount of budget and focus on training and developing mechanisms that help to communicate with the stakeholders.

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

¹ Distribution Director, Meta Abo Brewery S.C., Ethiopia

² Associate professor at International Leadership Institute, Ethiopia

1. Introduction

One of humankind's greatest challenges this century will be to ensure sustainable, just and balanced development. The needs of current and future generations cannot be met unless there is respect for natural systems and international standards protecting core social and environmental values. In this context, it is increasingly recognized that the role of the business sector is critical. As a part of society, it is in business' interest to contribute to addressing common problems. Strategically speaking, business can only flourish when the communities and ecosystems in which they operate are healthy.

Presently it is imperative that business needs to manage its relationship with society and surrounding environment so as to achieve and meet its core business objective. Means business performance is also be 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. Being a strategic issue, a firms social policies require active involvement of the entire company, top management in particular (Varadarajan & Menon, 1988).

In the new millennium CSR activities represents challenge and a truly paradigmatic shift for business corporations (Jamali & Mirshak, 2006). Despite good awareness and intentions, the CSR approach of the companies, CSR is still largely conceived in the context of voluntary philanthropic responsibility initiative as a result of enlightened entrepreneurship exercised

by owners of the organization, with the corresponding responsiveness processes and outcomes modest at best (Jamali & Mirshak, 2006).

On the other hand, CSR from the marketing context, while adding that decision makers in corporate reflect an increased desire for “doing well & doing good”. Companies utilize the CSR concept strategically by selecting areas of focus that fit with their value, choosing issues related to core products & core market, and supporting social issues that provide opportunities to meet their need of being acceptable by its major stakeholders. The quality and level of favorable acceptance and relationship of a company with its stakeholders is critical to its own success (Kotler and Lee, 2005).

Though, developing countries’ firms are still in the initial level of development in their awareness and integration of CSR activities within their corporate policies and strategies, which is reflect on the country’s early stage of private sector development (Mandurah, Khatib & Al-Sabaan, 2012). While those managers are aware of the CSR concept and exhibit a positive attitude toward it, there is a gap between employee and top management attitude and perception of the concept. Tends to lean toward being classical and viewed as philanthropic responsibility rather than strategic orientation.

The actual practice of CSR in the developing world is not a wide spread phenomena. Even though most of CSR issues are included in the various laws and policies of the country, their implementation is inevitably lagging behind; that may be due to lack of full awareness of the relevant practices and its consequences. Some companies are also reluctant to the implementation of such rules as costs might be a reason for them.

In a given consumer product manufacturing company such as Meta Abo 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. Therefore, this paper envisaged to assess the application of CSR carried out by Meta Abo Brewery and measure the level of feeling and attitude of consumers, employees and part of the societies towards the company CSR activity. The researchers also believe that this research help other domestic company's leaders to comprehend the concept and effect of CSR and to include on their day-by-day business decision.

This study has attempted to address the following questions:

1. Do policies and principles of CSR are implemented in Meta Abo Brewery S. Co?
2. What are the perceptions of stakeholders on corporate social responsibility (CSR) practice of Meta Abo Brewery S. Co.?
3. How did the staff members in various functional areas of the organization see the practice of CSR?

2. Literature Review

2.1. Definition of Corporate Social Responsibility

The concept of Corporate Social responsibility is twisted around business and society. According to Carroll business may be defined as the assembly of private, commercially oriented (Profit oriented) organization, fluctuating in size from one person, proprietorships to corporate giants. However Society may be defined as a community, a nation or a wide federation of

people having common traditions, values, institutions, and collective activities and interests. As such, when we speak to business and society relationship, we may in fact be referring to business and the local community (Coca Cola and Atlanta or with the same token Meta and Sebeta, Business and the country as a whole, business and global public or business and specific group of people).

Corporate Social Responsibility has been redefined over the years. The concept of CSR is much debated. Practitioners argue that there is a strong business case for CSR, in that business organizations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profit. Proponents of CSR also posit a virtuous relation between the increased presence of foreign investment and the promotion of growth and development in the countries concerned. These links have led private sector actors in the mining sector to turn to multilateral institutions and bilateral agencies not only for financial support of various kinds for their business operations (loans, export credits for example), but also, more recently, for support for their projects in the area of CSR. Critics, however, argue that CSR distracts from the fundamental economic role of businesses; others argue that business engagement in social and community development is, more likely than not, destined to be outward, short termed, and neither equitable nor sustainable (Campbell, 2011). Similarly, CSR is a framework for formulating and employing the expanded roles and responsibilities of the corporate sector to include incorporation of the opportunities and needs of a wider community in the business model. In the areas of environment, social and community development, employment and labor and human rights (UNECA & AU, 2010).

2.2. Who are Stakeholders?

Stakeholder is an individual or a group that has one or more of various kinds of stakes in an organization. Just as stakeholders may be affected by the decision, action, policies, or practices of the business firm, these stakeholders also may affect the decision, actions, policies or practices of the business firm. Therefore there is two-way interaction or exchange of interaction between stakeholders and business.

As per Buchholtz and Carrol stakeholders are categorized primary and secondary as follows:

Primary Stakeholders have a direct stake in the organization and its success, therefore they are most influential. These include:

- *Shareholders and investors*
- *Employees and Managers*
- *Customers*
- *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 main point that should not be ignored here is that the secondary stakeholders can quickly become key ones. This often occurs by way of

media or special interest group (Boycott or demonstration) takes precedence over the other claims. Thus it is useful to comprehend both primary and secondary class of stakeholders while making a decision in the organization.

The figure below is trying to summarize business and stakeholders in a holistic approach.

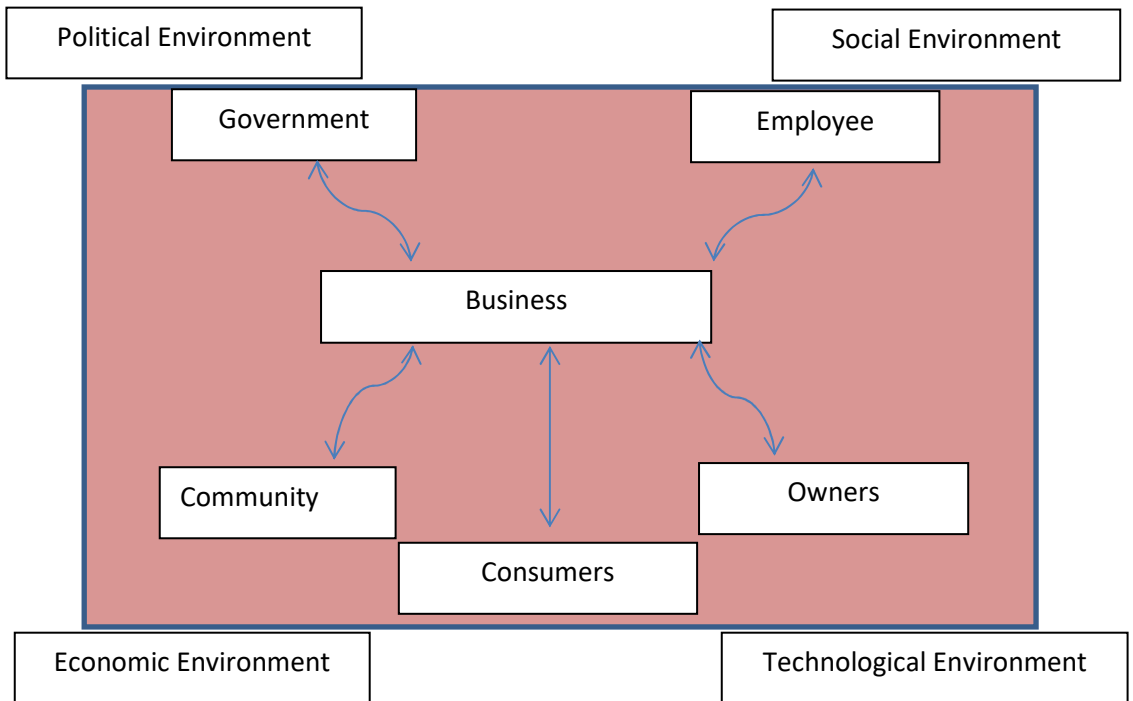


Figure1: Primary and Secondary Stakeholders of CSR

2.3. Principles of Corporate Social Responsibility

In broader expiration of context, Corporate Social Responsibility (CSR) embraces a range of principles or ideas, ranging from corporate governance, business ethics, and sustainable development through to human rights and environmental concerns. They are explained more fully.

- **Business ethics:** Ethical businesses assess the moral implications of their actions, from product development to manufacturing to distribution, in order to stay competitive. Many issues fall under the rubric of business ethics: human rights, environmental protection, worker health and safety, labor standards, marketing, accountability, and reporting. Business ethics is concerned with a compliance with internal regulations and government mandates. An ethical business will also look beyond its own ethical practices to the practices of its business partners and suppliers.
- **Sustainable development:** Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of needs, in particular the important needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.
- **Corporate governance:** The system of rules, practices and processes by which a company is directed and controlled. Corporate governance is the basis of accountability in companies, institutions and enterprises, balancing corporate economic and social goals on the one hand with community and individual aspirations on the other (Bolanle, et al., 2012).
- **The environment:** The environmental concerns of businesses can be divided into the local and the global. All businesses must comply with legislation that prevents gross pollution of water, air, and soil. Manufacturing businesses can buy permits or trade tariffs in order to

be able to pollute up to a certain limit. They must also make provision for cleaning up. Businesses must also face up to global environmental concerns; they know that their activities can have wide ranging repercussions on the environment, especially on global warming through the emission of greenhouse gases.

- **Working in the community:** Businesses have always had some sort of relationship with the communities that live around them, usually because not only they recruit staff locally but also the environmental aspect. Businesses spend time and money assisting local communities in a variety of ways e.g. Supporting education programs and health awareness initiatives.
- **Human Resource Management:** This includes recruitment and training, equal opportunities, profit sharing and share ownership schemes.
- **Supply chain management:** Businesses engaging in corporate social responsibility review their suppliers' practices encouraging suppliers to meet the challenges of a socially responsible business if they want to continue trading with them.
- **Socially responsible investment (SRI):** Where SRI was in the past developed for religious groups, it is available in many different formats to address issues of concern to people of any faith, or none. The proliferation of socially responsible or ethical funds has led to the creation of indices of socially responsible companies (Bolanle et al, 2012).

2.4. Why Companies Engaged in CSR

There are a number of reasons why companies are engaging CSR in their facet of the modern business environment. The core contributor to the cause

is that society's awareness on the subject and their demanding expectation enforces the business to incorporate the CSR into their daily practices. The following summary shows highpoints that weigh the reason of CSR in contemporary business entities.

- **Moral obligation**– 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 long run. 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 are 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.

2.5. Business Benefits of Corporate Social Responsibility

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

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

2.6. Responsibility 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.

- **Responsibility to Employees:** An enterprise's present and future employees are important to the companies interested in remuneration, plans and intentions of the business, working conditions, job prospects, health and safety, management of risks, industrial relations, and personnel development opportunities (UNCTAD, 2008). Sybille (2006) suggested that firms should provide employees with a fair and safe

working environment as well as protection against employees in labor law.

- **Responsibility to Local Communities (Surrounding community):** Issues related to economic development are often the primary area of interest for companies' surrounding community. Equally among a community's primary interests are issues related to the control of local health, safety and education projects and security risks and information on community complaints about corporate activities and handling. In some contexts, the local community may also have concerns about the impact of companies' operations on culture. Such impacts can result from the development of new products or services, or from generation of domestic migration (UNCTAD, 2008). Good companies are expected to build good relationships with local communities. When making plans and activities, the organizations should take into account its impacts on communities.
- **Responsibility to the Government and their institutions:** Governments are interested in the way in which enterprises assume responsibilities toward society, in the voluntary initiatives of enterprises in this field and in the impact of enterprise's social engagement. Governments need such information to help them formulate social and economic policies, as well as to help identify gaps in regulation and enforcement (UNCTAD, 2008). The company should abide by laws and administrative rules and regulations and subject itself to the supervision of the government and must submit fiscal reports and statements as required and accept supervision by finance and tax authority.
- **Responsibility to Creditors:** The financial markets consist of different stakeholders, including owners/shareholders, lenders, banks, rating agencies and analysts. Corporate responsibility information required by

the financial sector includes the financial consequences of overall strategy of companies, risk and reputation, obey laws and regulations, impact of plant additions or closures and similar decisions (UNCTAD, 2008). Include protect the interests and benefit of creditors, such as timely information during a company merger, decrease of registered capital and liquidation.

- **Responsibility to the Environment:** Many organizations are currently becoming more environmentally friendly in their operations. Many companies prepare limited, qualitative, nonfinancial information mostly through an annual report, but some large companies, particularly those operating in environmentally sensitive industrial sectors have started disclosing significant quantitative and qualitative information on the issue.
- **Responsibility to Customers:** CSR initiatives can also contribute much to strengthening a firms' competitive advantage through enhancing its relationships with its customers (Okpara & Wynn, 2012). According to Pelosa and Shang (2011) customer value can increase by CSR activities, or it may develop new sources of customer value, organizations can gain a competitive advantage.
- **Responsibility to Suppliers:** By working closely with business partners or suppliers, organizations can reduce complication and costs and increase quality. Relationships with alliance and joint venture partners and with franchisees are equally important with competitive bidding in selection of suppliers. In the long run building relationships may result in reasonable prices, terms and expectations together with quality and reliable delivery by adopting socially and environmentally responsible practices (EU, 2001).

2.7. Conceptual Framework of the Study

The conceptual framework of the research is developed by blending different factors from different writers. As it has been said above the primary stakeholders, in whom it is now described in the outer hemisphere of the below drawing, are shareholders, Employees, Community and consumers. Shareholders in the context of this study refer to Leadership Team (LT). The new owner of Meta, Diageo PLC who has registration both in US and UK, has numerous shareholders across the globe. As part of its policy the company leadership team has to be bought a share and should be shareholder to lead and run the Diageo business in any market. The other stakeholder's i.e., employee, community and consumers have no contextual change from their original meaning so does on this study.

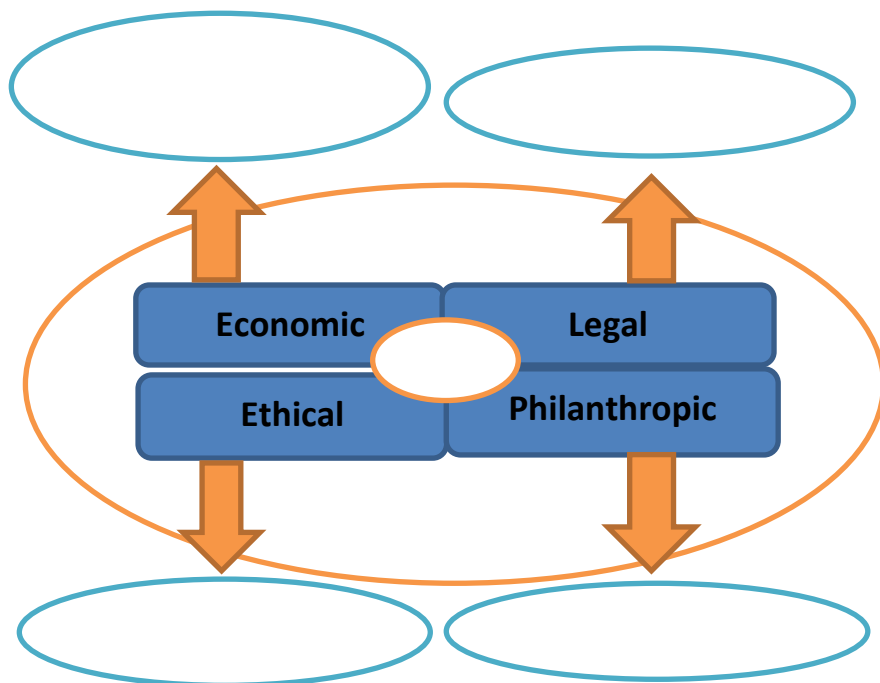


Figure 2: Conceptual Framework of the Study

The conceptual frame work on figure below portrays the four components of CSR, beginning with the basic building block of the economic performance at the first. At the same time, business is expected to obey law, because law is society's codification of acceptable and unacceptable practices. In addition, there is business's responsibility to be ethical. At its most basic level, this is the obligation to do what is right, just and fair ad to avoid or minimize harm to stakeholders (employee, consumers, the community and others). Finally, business is expected to be good corporate citizen to fulfill its philanthropic responsibility.

A CSR from the above four stakeholders on the conceptual framework as a unified whole shows on how the firm might engage in decision, action, policies and practices that simultaneously fulfill all the responsibility components. As put in the diagram, business should not fulfill the responsibilities in some sequential fashion starting from the first to the last. Rather, business is expected to fulfill all its responsibility concurrently. Means the Total Social Responsibility of business is the concurrent fulfillment of the economic, legal, ethical, and philanthropic responsibilities.

In the form of equation:

$$\text{Corporate Social Responsibility (CSR)} = \text{Economic Responsibility (EconR)} + \text{Legal Responsibility (LR)} + \text{Ethical Responsibility (ER)} + \text{Philanthropic Responsibility (PR)}$$

If we translate in managerial term the socially responsible firm should:

- Make a profit
- Obey the law
- Be ethical
- Be good corporate citizen

It is also essential to look the four components of corporate social responsibility along with the stakeholders. The level and degree of impact by each of the components of responsibility to stakeholders are different. Economic responsibility most dramatically impact shareholders/ owners and employees as two are entities that are directly impacted if the company is not financially successful. In fact legal responsibility is crucial to the owners, in today's business most of the legal concerns are emanating from the employee and consumer stakeholder. Ethical responsibilities touch all the stakeholders, but current trend it evolves mostly employees and consumers. Communities are being affected mostly by philanthropic responsibility but it is employees that are next to be affected by this category of responsibility.

3. Research Methods

This research used both qualitative and quantitative methods. Furthermore, primary and secondary data are incorporated and utilized in this research. The target population which the survey undertakes was employees of the company in Addis Ababa, community, customers of company and managers who are responsible for the implementation of the strategy of the company. To meet the research objective on hand, the researchers used different sampling techniques and procedures to select samples from each stakeholder category. Respondents from the total population were selected by the judgment of the researchers since it involves selection of employees who have enough awareness about the company's CSR.

A. Employees: Meta has 520 employees. The sample size was determined based on the following simplified formula proposed by Yamane (1967) (as cited in Israel, 2003).

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

$$\frac{520}{1+520(0.1)^2} = 84$$

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 the purpose of determining sample size for this study.

Based on the formula presented, the number of sample that used to represent employees of the organization is 84.

Convenience sampling technique was employed to get individual respondent from each department. From the total 84 questionnaires, 60 of them (71.4%) were completed and used for analysis.

B. Community: It is appropriate to take a sample from the total population. However, the exact number of total population is difficult to know and it is stated as unknown. So it is difficult to determine the sample size methodologically. But it is possible to determine it pragmatically. Therefore, based on the available time and finance, 60 respondents were stated as a sample size which was expected to represent the total population. From the total questionnaires that were distributed, 52 of them (86.7%) were collected.

C. Consumers: like that of the community it is too difficult to determine the population size. So, researchers use the same method and select 65 domestic consumers who purchase and use the company's products locally. They were chosen by judgment of researchers from different Meta houses in the city. From the distributed 65 questionnaires, 60 of them (92.3%) were fit to analyze. In this study, self-administered and structured questionnaire was used to collect data from respondents. A questionnaire was administered to three stakeholders namely employees, community and consumers of the companies CSR activities.

4. Results and Discussions

4.1. Discussion and Analysis of Results from Community

Communities Awareness towards CSR of the Company

In this section customers of Meta Abo Brewery S.C were asked about their perception towards the act of the company's CSR in relation with the products, wastage, infrastructure charity and other points.

A. Community's Confidence towards the Company

As long as it is a manufacturing factory, it is obvious that it is going to harm the surrounding community in different ways. Most importantly than the consumer's, safety is the most important point in for the society around the company. The company is located around Sebeta and obviously there are a lot of responsibilities expected from the company for that community. Just like the customers, respondents from the community were asked if they are comfortable with the company being there. As we can see from the table below, 62 percent of respondents trust the company as safe to community while the remaining 38% percent of the respondents think that the company is not safe for them. Some of them mentioned that they think the company's west might pollute the surrounding environment.

Table 1: Communities Awareness towards CSR of the company

Items		Total	Yes		No	
			Frequency	%	Frequency	%
1	Do you trust Meta Abo Brewery safe to community?	52	32	62	20	38
2	Does Meta Abo Brewery quickly respond and address to communities problems?	52	29	56	33	44
3	Do you know any social development/donation activity of the company?	52	27	52	25	48
4	Does the organization have an open dialogue with the local community?	52	17	33	35	67
5	Does the company purchase your local raw material inputs to their production?	52	12	23	40	77
6	Does the company offer training opportunity to the people from the local community?	52	17	33	35	67
7	Are you aware of any environment damaging activity of the company?	52	31	60	21	40

B. Company's Response to the Complaint and Problems of the Community

As long as the company is close to the community, there is obviously going to share something together. When there is something that glues them together, there must be problems and compliant in resource sharing. The company is expected to handle those complaints and problems in the correct manner. Socially responsible company should respond quickly to the problems of its stakeholders especially to those who are very close. Community around Meta Abo Brewery S.C was asked if the company is handling their situations in case of complaints and problems in the right way at the right time. 56% of them were able to test the company's care for them and tried to respond for their complaints while the others 44% still have some complaints and problems that were not addressed by the company. From this one can understand that there is a gap in complaint management of the company and there are still some gaps that need to be addressed.

C. Perceptions of Community Towards Charitable activity of the company

Just like mentioned above in the case of customers, companies are expected to involve in donation and provide some charity especially for the surrounding community. The community needs to feel the company as their own. Donation and provision of infrastructures will help them to develop such feelings. Respondents of this research were asked if they receive or notice any donations and charitable activities made by the company. 52% of them were able to recognize charitable activities of the company while the others 48% of them don't know anything about donation of the company.

D. Discussion with the Community

The company needs to communicate with the community regularly to clear things out. They are expected to discuss about the wastage system, job opportunities and other matters. This kind of discussion helps the company and the community to come close to each other. People around the company were requested if they participate or heard of any of discussions and meetings organized by the company. Among them, 17 (33%) of them gives the confirmation about it but the remaining 35(67%) of them doesn't participate or heard of any discussions or meeting prepared by the company. From this one can say that the company is not working with the community satisfactorily.

E. Purchase of Local Products of the Community

Both the company and the community need to work together and support each other. Corporate social responsibility includes supporting the local community by purchasing their products and services. Respondents of this research were asked if they have any business relationship with the

company or if the company purchases any of the local raw materials produced by the community. 23% of them confirm that the company is working with them while the remaining 77% of them doesn't know any business relationship with the company.

F. Training Opportunity by the Company

As long as the company exists in the community it is expected to provide different job and training opportunity to the people around the company. These opportunities help the people to create a sense of belongingness with the company. 33% of respondents believe that the company is providing enough training and job opportunity to the local community but the remaining 67% of them thinks that the company is not helping them in this case.

G. Environmental Protection of the Company

Representatives of the local community were asked if their environment is affected by the company. Based on the data on the table above one can understand that 60% confirm that the company has a significant negative effect on the surrounding environment while the remaining 40% of them think that the company is doing fine with the environment.

H. Ethical Behavior of the Company

As table 1 show, representatives were asked if they know any unethical acts of the company that violate the norms and ethics of the society. From all, 46% 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 54% of them confirms that the company is completely ethical.

4.2. Discussion and Analysis of Results from Employees of the Company

4.2.1. Employees Level of Awareness Towards Corporate Social Responsibility

In this section, awareness of the employees was assessed towards CSR. They were asked about different perspective of CSR. Results of their answer are discussed below in table 2.

With regard to the first issue that deals with maximizing earnings per share only 27% respondents agree on this issue, while 26% disagree to consider maximizing earnings per share as the important way to view CSR in the organizations, and 47% are neutral to this item with mean value 2.93. On the other hand, as far as maintaining strong competitive position expresses CSR in organizations, 55% agree while 38% disagree respectively with mean value 3.28.

As shown in table 2, 17(28%) and 10 (17%) 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. Similarly, 28% and 10% disagree and strongly disagree respectively. Provide goods and services that meet minimal legal requirements items with mean value of 3.48 considered important to views CSR.

Table 2 also shows that with mean value 3.73, 67% of respondents agree on performing with expectations of societal morals and ethical norms express well CSR. Moreover, as illustrated in the table 2 response illustrated for the idea "benefits and charitable expectations of society aid the fine & performing arts", 44% of respondents agreeas the way by which CSR

activities expressed with mean value 3.43. furthermore, in relation with developing solution on work and life balance for employees 50% respondents, agree with the idea followed by 43% which represented by strongly agree with mean value of 4.32, which shows high level of agreement.

Table 2: Employees awareness towards CSR

Items			1	2	3	4	5	Total
1	Being as profitable as possible	Frequency	11	5	28	9	7	60
		%age	18	8	47	15	12	100
		Mean	2.93					
2	Maintaining strong competitive position	Frequency	3	20	4	23	10	60
		%age	5	33	7	38	17	100
		Mean	3.28					
3	Maintaining high level of operating efficiency	Frequency	-	5	24	13	18	60
		%age	-	8	40	22	30	100
		Mean	3.73					
4	Be a law-abiding corporate citizen	Frequency	6	17	10	17	10	60
		%age	10	28	17	28	17	100
		Mean	3.13					
5	Provide goods and services that meet minimal legal requirement	Frequency	7	5	9	30	9	60
		%age	12	8	15	50	15	100
		Mean	3.48					
6	Perform with expectations of societal morals and ethical norms	Frequency	8	9	3	12	28	60
		%age	13	15	5	20	47	100
		Mean	3.73					
7	Benefits and charitable expectations of society assist the fine and performing arts	Frequency	5	9	20	7	19	60
		%age	8	15	33	12	32	100
		Mean	3.43					
8	Developing practical solutions in the organizations, on the environment management level	Frequency	-	7	3	22	28	60
		%age	-	12	5	37	46	100
		Mean	4.22					
9	Developing solutions on Work & Life Balance for employees	Frequency	-	3	1	30	26	60
		%age	-	5	2	50	43	100
		Mean	4.32					

1= Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly agree

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. Most of them lie in the highest range (means ranging from 3.13 to 4.32), indicating that the sample of the employees surveyed perceived these as

manifestation of CSR are found significant and that the items are relevant to the Company. The other values to maximizing earnings per share, be a law-abiding corporate citizen, do not compromise ethical norms to meet corporate goals ethical behavior should go beyond compliance with laws, and provide help to the society.

4.2.2. Employee's perception towards Company's CSR activity

Under this section, the company's level of commitment towards CSR was studied with the eyes of employees. They were asked different questions from different perspectives such as economic, legal, ethical and philanthropic.

A. Economic Perception

In table 3 responded on importance of maximizing earning per share to shareholders of the organization, majority of the respondent 78% agreed that the company is striving to increase its profitability as much as possible with mean value of 4.28. This can show that respondents consider this item as important to organizations to decide economic responsibility of organization CSR activities.

Table 3: Economic Components

	Items		1	2	3	4	5	Total
1	The company is committed to being as profitable as possible	Frequency	-	2	14	9	35	60
		%age		3	23	15	59	100
		Mean	4.28					
2	The company strives to maintain a strong competitive position	Frequency	-	2	9	15	34	60
		%age		3	15	25	57	100
		Mean	4.35					
3	The company strives to maintain a high level of operating efficiency	Frequency		7	13	9	31	60
		%age		12	22	15	53	100
		Mean	4.06					

The following subject is in the economic responsibility of organization CSR activities is that the company's struggle to maintain strong competitive

position. Table 3 shows that 82% of the respondents agree with the idea with mean value of 4.3 i.e., respondents believe that the company is committed to keep up strong competitive position for the organization to meet economic responsibility for their stakeholders. This may be because respondents believe that obtaining strong competitive position is an important source of high economic strength of the organizations, which is very useful in implementing CSR activities towards their stakeholders. Furthermore, with mean value of 4.06 the respondents agree with the organizations' level of commitment to keep up a high level of operating efficiency. This implies that respondents believed that maintaining a high level of operating efficiency is important and crucial to organization in achieving economic responsibility of CSR. To conclude the above results, it shows the three categories competition, operational efficiency and be as profitable as possible, gets high level of attention by the company that implies any successful CSR program by the business organizations highly depends on their competitive position and operation efficiency.

B. Legal Perspectives

According to table 4, the respondents' perceptions on legal components of CSR in Meta Abo brewery S.C, which is one of important social responsibility of business organizations towards the stakeholders, reveals that 60% of respondents disagree with mean value 2.3 that the company is doing business in the way consistent with government expectation is important. The other point in the legal responsibility of organization CSR activities is being law abiding citizen. At this point majority of the respondents which is 56% were agreed with the idea. From this we can understand that the employees of Meta Abo Brewery S.C believe that their employer is law abiding citizen and involve in legal businesses.

Table 4: Legal Components

	Items		1	2	3	4	5	Total
1	The company always acts in a manner consistent with expectations of Government.	Frequency	11	25	8	12	4	60
		%age	18	42	13	2	7	100
		Mean	2.3					
2	The company always tried to be a law-abiding corporate citizen	Frequency	4	12	10	28	6	60
		%age	7	2	17	46	10	100
		Mean	3.8					
3	The company makes every effort to fulfill their legal obligations.	Frequency	3	31	9	11	6	60
		%age	5	52	15	18	10	100
		Mean	2.76					
4	The company provide goods/services that meet legal requirements	Frequency	6	8	8	28	10	60
		%age	10	13	13	47	17	100
		Mean	4.25					

The third issue in case of legal responsibility is fulfilling legal obligation. Regarding this, the greatest number of respondents 57% disagree with mean value of 2.76 with the idea, which means the company is not operating in its best ability to fulfill its legal obligation. It is very important to fulfill their legal obligations to meet the legal responsibility of CSR activities by the organizations. Regarding the last point in this category which is providing goods and services that comply with legal requirements, 67% of respondents agree with mean value of 4.25. This shows that most of the respondents think that the company is providing lawful products and service to the society and customers.

C. Ethical Components

The following table 5 mainly deals about employee's view about ethical responsibility of the company. It is mainly described by four variables which are ethical norms and moral norms, which going beyond business organizations legal obligations and requirements to their stakeholders. When we summarize the results of table 6 based on their mean the company is in moderate situation in terms of ethical responsibility which is represented by medium to lower mean value 3.23; 3; 3.23 and 2.95. That implies that the

company still expected to amend its policy and procedure especially in case of respecting societal norms and ethics.

Table 5: Ethical responsibilities of employees

	Items		1	2	3	4	5	Total
1	The company always acts in a manner consistent with societal ethical norms.	Frequency	-	18	14	24	4	60
		%age	-	30	23	40	7	100
		Mean	3.23					
2	The company prevents ethical norms from being compromised in line with achieve corporate goals.	Frequency	10	12	15	14	9	60
		%age	17	20	25	23	15	100
		Mean	3					
3	The company tries to do what is expected morally or ethically.	Frequency	-	18	14	24	4	60
		%age	-	30	23	40	7	100
		Mean	3.23					
4	The company knows that ethical behavior goes beyond simple compliance with laws and regulations.	Frequency	1	26	12	17	4	60
		%age	2	43	20	28	7	100
		Mean	2.95					

D. Philanthropic Responsibilities

Under this section the results get from the respondents which represent the employees in relation with philanthropic responsibility of the company. This section includes charity to the society, supporting arts, helping public educations and helping projects that help to reduce poverty. The results were discussed as below.

Table 6: Stakeholders' Perceptions on Philanthropic Components of CSR in Business

	Items		1	2	3	4	5	Total
1	The company always acts in a manner consistent with philanthropic and charitable expectations of society.	Frequency	12	24	16	6	2	60
		%age	20	40	27	10	3	100
		Mean	2.37					
2	The company strives to assist the fine and performing arts.	Frequency	4	30	17	8	1	60
		%age	7	50	28	13	2	100
		Mean	2.53					
3	The company provides assistance to private and public educational institutions.	Frequency	29	10	1	17	3	60
		%age	48	17	2	28	5	100
		Mean	2.25					
4	The company assists projects that enhance a community's "quality of life" and poverty alleviation.	Frequency	-	24	19	4	13	60
		%age	-	40	32	7	21	100
		Mean	3.1					

When we summarized the above table based on their mean result, they are revolving around the average ranges between 2.25 and 3.1. From this one can understand that the company is very weak in terms philanthropic. Among the components of CSR, philanthropic plays greater role for the company's relationship with the society. Giving training opportunity to the local community is the other responsibility that modern business organizations assume in parallel with their achieving their corporate objectives.

4.2.3. The Pay Back or Benefit to Socially Responsible Organizations

Table 7 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 for the organization and help itself through different forms. 75% of them think that it helps the company through developing its image in general. 20 % from the remaining respondents think that the company's act on CSR will help it through adding value to its products. The remaining 5% of the respondents thought that it

will help through both decreasing cost of production and increase values of the products.

Table 7: Organization Pay Back In Implementing CSR (Social or Environmental Efforts)

Do you expect that organization's CSR (social or environmental efforts) activates to pay back or give benefit to the organization?	Frequency	Percent
Yes, by decreasing production cost per unit	-	-
Yes, by adding value to products	12	20
Both, decreasing production cost unit and adding value	3	5
Yes, by improving company image in general	45	75
No, I don't expect CSR efforts to pay back	-	-
Total	60	100

5. Conclusion And Recommendations

5.1. Conclusion

Though it is very encouraging out come to be known as “ Safe to consume “,which 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 Meta has given attention to its quality improvement Program, more than half of the employee's don't recognize their company 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 Meta Abo Brewers S.C. such as Water for life program for the community, Effluent water Treatment Project (ETP), Waste water Treatment Project (WTP), Graduate in Training program (GIT), Community Education Sponsorship Program, Local Raw Material (LRM) sourcing project, Sponsorship cycle sport, Don't Drink and Drive campaign etc. Even though some of the above functions are not hidden from the public arena, neither the customer nor the community boldly confirms that these engagements are adequately executed by Meta Abo Brewery in such a way that meets the stakeholders' expectation. However almost next to nothing is 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 than the other two categories that is 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 and services and also 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 commitment level towards different perspectives and so help understand each other.
- Bi-yearly community engagement program such as celebrating the Meta 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.

With regard to compliant management of the company, it is important to develop clear system as to how the complaints are being addressed in Meta. It is such an important tool that the company keeps the track of its quality and service alignment with its consumers and customers. Meta has modern quality testing laboratory in its production facility. However it is not clear how complaints are being received, picked and channeled to the concerned body whoever part of Meta and due processed and reverted back based on the process outcome. It is recommended to restructure the functional unit in a way that any sort of complains are gathered, processed and change to action to improve its consumer satisfaction. The researchers recommend that this can be done under customer service section with the title "Customer Complaint Manager" which will operate in a simple single counter table equipping with proper format so that complaints can be flowing and pouring to the concerned function. At this stage it is also possible to make opt computer application programs to fast track and efficiently manage the issues day by day or case by case depending on the number and complexity of complains.

Adequate attention by the company leadership team that leads to come up different social programs together with the stakeholder's participation that zoom & focus only on societal responsibility function should be in place as earliest possible. This will be done by delegating few members of the management and employees, workers union representatives, community leaders, Sebeta Mayor Office representatives and consumers elite person etc. The committee will pledge the program through brainstorming the current challenges, trends and opportunities and landed at a firm program that will alleviate or help alleviate one of the society or community challenge with affordable resource. It is clear that this will not be easy & takes some days and weeks to implement, but regularly follow up and do communication to stakeholders is critically important to the success of proposed CSR. This defiantly raises the bar of employee belongingness, customer loyalty and community engagement.

Even if it is judged by stakeholders that company's engagement in CSR is minimal, it doesn't seem that there is a mechanism that stakeholders clearly know what is being carried out by the company in relation to CSR. Thus there must be a communication channel that cascades information and updates across and down up to the shop floor level. This can be done through the local intranet communication, notice board announcement, or through bi-monthly in house magazine.

Extending intensive workshop or training programs to the employees scoping around CSR how it works in modern world, in Ethiopia and in different organizations will increase the level of knowledge that the employees have on CSR. This can also be given along with different trainings or can be done through small gatherings like cookies and cake club

in the organization so that employees can have access to grasp what CSR means.

One other important concept in which most international factories are now currently putting in their main list of activity is local raw material sourcing strategy. This means obtaining the raw materials from the local sources. In theory more than 80% of input in any brewery is malt and barley where can be sourced from local farms. Nevertheless, getting the right local partner with the right level of quality, though the right value chain process is a big challenge. Like the other breweries do, Meta is also depending on importation of malt from abroad mainly Europe. The basic reason is there is no enough capability in local farms to provide the required quality and quantity of malt and barley to enable brew the breweries. This is defiantly a complex process that will require quite a number of professional, agronomists, farmers, researchers etc. In Meta context this project is being led by one of the procurement category manager while it is advisable to be sponsored by one of the senior management member where decisions and direction can be leveraged from the point of view of beating the bottom line both from cost and CSR perspective.

Finally, to perform CSR activities satisfactorily, Meta 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 be 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 allocation program, participate in Drivers safety program etc.

References

- Akinyomi, Oladele John (2012). Survey of corporate social responsibility practices in Nigerian manufacturing sector. *International Journal of Research Studies in Management*. DOI: 10.5861/ijrsm.2012.177
- Baskin, J. (2006). 'Corporate Responsibility in Emerging Markets'. *Journal of Corporate Citizenship*, 24, winter: 29–47.
- Bolanle, A. B., A. S. Olanrewaju & A. A. Muyideen. (2012). Corporate Social Responsibility and Profitability of Nigeria Banks: A Causal Relationship. *Research Journal of Finance and Accounting*, Vol. 3(1): 6-17.
- Buchholtz, A. K and Carroll, Archie B. (2009). *Business and Society*, International student edition. ISBN-13:978-0-324-5865-5
- Campbell, B. (2011). Corporate Social Responsibility and development in Africa: Redefining the roles and responsibilities of public and private actors in the mining sector. *Resources Policy*. doi:10.1016/j.resourpol.2011.05.002
- Carroll, A. B. and K. M. Shabana. (2010). The business case of corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Review*, Vol. 12(1): 85-105.
- Carroll, Archie B. (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Business Horizons*, 34, pp. 39–49.
- Carroll, Archie B. (2000). A commentary and an overview of key questions on corporate social performance measurement. *Business & Society*, vol. 39, no. 4, pp. 466-478.
- Ethiopian Environmental Protection Authority (EPA) (2010). Environment for Development, <http://www.epa.gov.et>, accessed (04/05/2013)
- Ethiopian Environmental Protection Authority (EPA) (2010). Environment for Development, retrieved <http://www.epa.gov.et/default.aspx> (01/06/13)
- EU, (2001). Commission of the European Communities, Green Paper: Promoting a European framework for Corporate Social Responsibility. Brussels.
- Giannakakos, G., Litinas N, & Theotokas, I (2009). Characteristics of corporate social responsibility indicators. *International Conference on Business, Economics, Management and Marketing*, Paris, France.
- Jamali D and Mirshak R. (2006). Corporate social responsibility (CSR): theory and practice in a developing country context, *Journal of business ethics*, Vol. 72 Issue 3, p. 243-262
- Jamali, Dima and Mirshak, Ramez (2006). Corporate social responsibility (csr): theory and practice in a developing country context. *Journal of Business Ethics* 72:243-262 DOI 10.1007/s10551-006-9168-4

- Jamali, Dima and Neville, Ben (2011). Convergence versus divergence of CSR in developing countries: an embedded multi-layered institutional lens. *Journal of Business Ethics* 102:599–621 DOI 10.1007/s10551-011-0830-0.
- Kotler, Philips. and Lee, Nancy (2005). *Corporate Social Responsibility – Doing the Most Good for Your Company and Your Cause*. New Jersey: John Wiley and Sons, Inc. (HB: pp. 307, \$29.95 US, ISBN: 0- 474-47611-0)
- Meta Abo Brewery S.Co.(2010). *Company Annual Report*. Addis Ababa. PP 4-8
- NedaVitezić (2011). Correlation between Social Responsibility and Efficient Performance in Croatian Enterprises.Zb. rad. Ekon.fak. Rij. vol. 29 page 423-442.
- Okpara, J. O.; Wynn, P. (2007). The impact of ethical climate on job satisfaction, and commitment in Nigeria: Implications for management development, *Journal of Management Development* 27(9): 935– 950. <http://dx.doi.org/10.1108/02621710810901282>
- Peloza, J., & Shang, J. (2011). How corporate social responsibility activities create value for stakeholders? A systematic review. *Journal of the Academy of Marketing Science*, 39(1), 117–135.
- Sybille, Sachs & Maurer M. (2009): *Toward Dynamic Corporate Stakeholder Responsibility*. *Journal of Business Ethics* 85: 535-544.
- UNCTAD (United Nations Conference on Trade and Development) (2007). *World Investment Report, 2008*. UNCTAD, Geneva, p. 161.
- UNECA (United Nations Economic Commission for Africa) and AU (African Union) (2010). *Minerals and Africa’s Development: A Report of the International Study Group on Africa’s Mining Regimes, Second Draft*. August.
- United Nation (2006). *Millennium Development Goals Report 2006*. Brussels.
- Wayne Visser (2008). Corporate social responsibility in developing countries, in a. crane, a. Mcwilliams, D. Matten, J. Moon & D. Siegel (eds.), *The Oxford Handbook of Corporate Social Responsibility*, Oxford: Oxford University Press, 473-479.
- Varadarajan, P. Rajan&Menon, Anil (1988). *Cause Related Marketing: A Journal of Marketing*.
- Visser, W. (2008). *CSR Drivers: The Forces Shaping Corporate Sustainability and Responsibility*, CSR International Inspiration Series, No. 3.
- Yamane, Taro. (1967). *Statistics: An Introductory Analysis*, 2nd Edition New York: Harper and Row.