



**A STUDY ON CORPORATE SOCIAL RESPONSIBILITY IN RWANDAN
MANUFACTURING FIRMS WITH REFERENCE TO INYANGE INDUSTRIES LTD**

A Dissertation Submitted to the University of Rwanda, College of Business and Economics in partial Fulfillment of the Requirements for the Award of a Master's Degree of Business Administration (Finance Option)

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DECLARATION

I Ngarambe Julian do hereby declare that the work presented in this thesis is my original work and has never been presented by elsewhere by anybody for the award of any academic qualification.

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CERTIFICATE

I hereby certify that this thesis entitled “A Study on Corporate Social Responsibility in Rwandan Manufacturing Firms with Reference to Inyange Industries Ltd” is a bonafide original work done by Mr. Julian Ngarambe. The thesis was duly corrected and modified according to the recommendations made by the Jury in his defense on 19th October 2018.

Prof. RAMA.B.RAO

Kigali, 29th October 2018

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LIST OF ABBREVIATIONS

1. CSP: Corporate Social Performance
2. CSR: Corporate Social Responsibility
3. DRC: Democratic Republic of Congo
4. EAC: East African Community
5. EJBO: Journal of Business Ethics and Organization Studies
6. EMS: Environmental Management systems,
7. GAP: Good Agricultural practices,
8. MBA: Masters of Business Administration
9. MD: Managing Director
10. RBS: Rwanda Bureau of Standards
11. RBV: Resource Based View
12. SWOT Analysis: Analysis of the company's Strength, Weakness, Opportunities and Threats
13. UHT: Ultra Heat Temperature
14. USD: United States Dollars
15. VAT: Value Added Tax
16. VRIS: Valuable Rare Inimitable and Non Substitutable

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ABSTRACT

The general purpose of the study was to analyze the extent to which Inyange Industries Ltd is socially responsible. Specifically it focuses on review of policies and regulations of corporate social responsibility practices in Rwanda with respect to manufacturing especially Inyange Industry during 2011- 2014, examination of current practices and implementations of CSR with specific reference to Inyange Industry, identify gaps in CSR practices in Inyange Industry, analysis of strengths and weaknesses in CSR practices (SWOT analysis) with respect to Inyange Industry during 2011-2014, and to offer suggestions for better practice of CSR at Inyange Industry. The study was analytical and involved some sampling techniques used to select sample as well as data collection techniques. The sampling techniques used include simple random sampling method and purposive method. Purposive method was used specifically for the two categories of the community around Inyange Industry (Local leaders) and the customers of Inyange Industry (Distributors) while simple random sampling was used on Inyange Industry employees only. Data collection method used are, Questionnaire, Interview was used with the help of an interview guide.

The population dealt with during the study is Inyange Industry Employees, Customers of Inyange Industry (Distributors) and the community around Inyange Industry (Local leaders).

The results indicate that the company has made significant efforts in as far CSR is concerned but more efforts are still required as regards profitability, CSR reporting, Process certification example EMS, GAP, company profitability/meeting shareholders' expectations, service delivery, product diversification, product packaging, labor law, Tax law and Environmental law.

The recommendations made to improve and excel on each factor considered in the study include; there be a proper way of reporting CSR activities, put in place mechanisms of recycling the waste products such as bottles, pineapple and passion wastes, profitability should be given much emphasis, system certification mostly GAP and EMS should be focused on, there should be continuous improvement on service delivery, product diversification, and on other areas where the respondents ranked them as low, and average.

CHAPTER ONE

INTRODUCTION

1.1. Background to the study

Presently, corporate social responsibility is perceived as a situation whereby companies willingly integrate social and environmental concerns in their daily business activities and how they interact with stakeholders.

The European Commission defines it as “a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment (European Commission, 2001)”.

It deals with complex issues such as human resources management, relations with local communities, health and safety at work, environmental protection, and consumers, laws, and regulations and relations with suppliers.

“The notion of CSR is one of ethical and moral issues surrounding corporate decision making and behavior. Knowing if a company should undertake certain activities or refrain from doing so because they are beneficial or harmful to society is a central question. Social issues deserve moral consideration of their own and should lead managers to consider the social impacts of corporate activities in decision making. Regardless of any stake holders’ pressures, actions which lead to things such as the conservation of the Earth’s natural resources or bio-diversity preservation are morally praiseworthy (European Commission, 2001)”.

“However, some argue that the contribution of concepts such as CSR is just a reminder that the search for profit should be constrained by social considerations (Valor, 2005)”.

CSR is seen as a source of competitive advantage in some companies and not as an end in itself. Consequently, the concept of CSR has developed gradually from being considered as detrimental to a company’s profitability, to being considered as somehow benefiting the company as at large.

The CSR concept has been formed in a number of ways which are built on the foundations of divergent views regarding the role of business entities in society.

Business Ethics and Organization Studies (Vol. 12, No. 1 2007, Branco, Manuel Castelo), CSR is understood as a two-way relationship which involves recognition on the part of “society” both of its significance and of the efforts of companies to gain “society’s” approval

of its behavior. Therefore, CSR relates to society's constituent groups' expectations about corporate behavior that companies have to identify and try to conform with.

According to the article published by (Mallen Baker 8 Jun 2004), different organizations have framed different definitions - although there is considerable common ground between them. He further defined CSR as how companies manage the business processes to produce an overall positive impact on society.

According to the World Business Council for Sustainable Development in its publication *Making Good Business Sense* by Lord Holme and Richard Watts as cited by (Mallen Baker 8 Jun 2004), used the following definition;

Corporate Social Responsibility is the persistent commitment of organizations to operate ethically and to contribute to economic development while paying attention to the quality of life of the workforce and their families and considering the local community and society at large.

On the other hand, the European Commission hedges its bets with two definitions wrapped into one concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001).

According to the University of Edinburgh (2013), CSR aims to ensure that companies conduct their business in a way that is ethical. This means taking account of their social, economic and environmental impact, and consideration of human rights.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line-Approach"), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that (Branco, Manuel Castelo 2007).

Milton Friedman when speaking to the New York Times Magazine (September 13, 1970) mentioned that “A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes”.

By considering this, I would say that if CSR concepts are properly attended to, it enhances a variety of benefits to the company ranging from profitability, having a competitive edge over its rivals, brand image and attachment to its customers, reduced risks and mitigative measures, efficiency is cost management. In other words, it brings a positive impact in the entire life and functioning of the company.

1.2. Statement of the problem

Carroll (1991) argues that, CSR encompasses four categories of social responsibilities: economic, legal, ethical, and discretionary or philanthropic. Economic responsibilities: be profitable for shareholders, provide good jobs for employees, and produce quality products for customers. Legal responsibilities: comply with laws and play by rules of the game. Ethical responsibilities: conduct business morally, doing what is right, just and fair, and avoiding harm. Philanthropic responsibilities: make voluntary contributions to society, giving time and money to good works. Considering legal responsibility, the researcher finds that there is lack of full compliance.

Further article 87 of organic law n° 04/2005 of 08/04/2005 determining the modalities of protection, conservation and promotion of environment in Rwanda stipulates that “It is prohibited to construct houses in wetlands (rivers, lakes, big or small swamps), in urban or rural areas, to build markets there, a sewage plant, a cemetery and any other buildings that may damage such a place in various ways. All buildings shall be constructed in a distance of at least twenty (20) metres away from the bank of the swamp. If it is considered necessary, construction of buildings intended for the promotion of tourism may be authorised by the Minister having environment in his or her attributions”.

Considering such provision of the law and one critically observes the location of Inyange industries Ltd premises, it becomes clear that the distance stipulated by law is not met in consideration of the firm location and the closest swamp. This is an example of non-full compliance of social responsibility.

Further, quoting MD of Inyange Industries Ltd of the time when he was asked about profitability of the firm in an interview with one of the local magazine called Servicemag, (issue 12, December 2012-February 2013), to repeat in his own words “As I said we are only using 40 percent and we can break even if we surpass the 50 percent in terms of capacity utilization. We see this coming sooner than we anticipated”.

Basing on the above, it can be said that Inyange Industries Ltd is not making profits and there is under utilization of plant capacity whereby the plant is operating at only 40%. However, profitability is possible if plant utilization capacity goes above 50% and this is very possible in the near future.

It is against this background the researcher picked up interest of carrying out the research on CSR with specific reference to Inyange Industries Ltd so as to find out exactly the real situation on ground.

1.3. Objectives of the study

a. General Objective

Generally, the objective of the study is to examine and assess CSR practices in Rwandan manufacturing firms with specific reference to Inyange Industry Ltd.

b. Specific Objectives

Specific objectives guide the researcher in formulating the questionnaire, and using other instruments of data collection. They include;

1. To review policies and regulations of CSR practices in Rwanda with respect to manufacturing especially Inyange Industry during 2011- 2014.
2. To examine current practices and implementations of CSR with specific reference to Inyange Industry.
3. To identify gaps in CSR practices in Inyange Industry.
4. To analyze strengths and weaknesses in CSR practices (SWOT analysis) with respect to Inyange Industry during 2011-2014
5. To offer suggestions for better practice of CSR at Inyange Industry.

1.4. Research questions

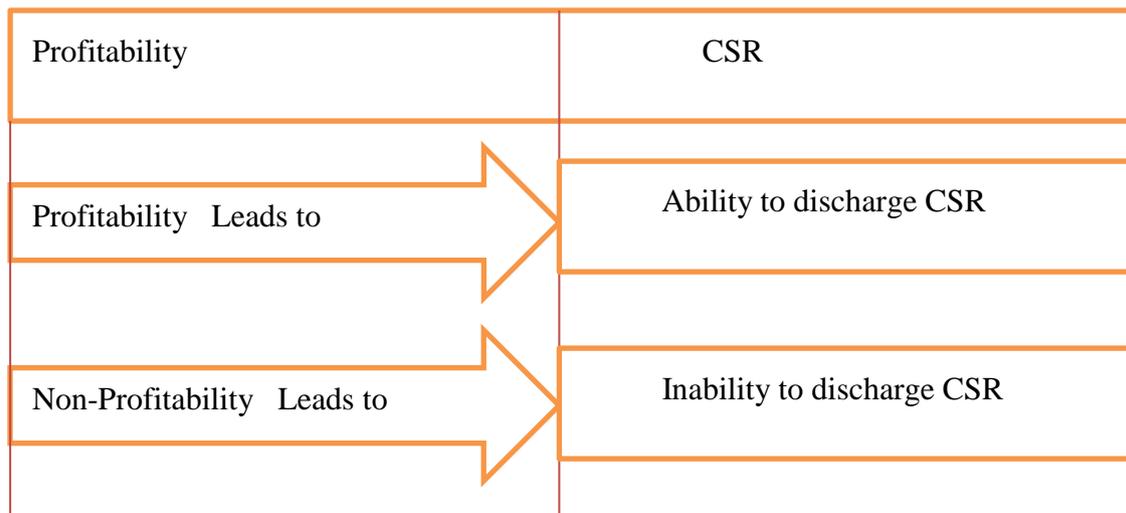
Manheim and Rich (1995), a research question is a question identifying the basic information we are seeking in a research project. This study has the following research questions:

- i) What are CSR policies, strategies and regulations that exist in Inyange Industries Ltd during 2011-2014?

- ii) What are CSR practices that Inyange Industry has implemented?
- iii) What are the gaps in CSR practices in Inyange Industry?
- iv) What are the strengths and weaknesses in CSR practices in Inyange Industry during 2011-2014?

1.5. Conceptual Frame work

Figure 1.1. Conceptual Frame work of the Study



Source: Configured by the researcher 2018

Discharging CSR involves costs and expenses which at times may be huge. So for a firm discharge CSR it requires some level of profitability to be able to meet the associated costs.

On the other hand, if a firm is not profitable, it won't be able to meet costs and expenses associated with discharging CSR. It is even hard to get approval to conduct some CSR activities if the firm is not profitable.

1.6. Significance of the study

This refers to the expected outputs and applications of the study. This study benefits range of people including but not limited to (Policy makers, Inyange industries, decision makers, Researchers and other scholars). The study benefits policy makers in making proper policies related to CSR as it addresses a number of issues in the field. The study helps Inyange Industries management to improve on CSR gaps, Study findings and recommendations further assist Inyange Management to consolidate strength and correct weaknesses in CSR practices. The study further helps decision makers to make informed and accurate decisions as the study

provides information necessary in taking those decisions. The study guides future researchers and scholars in the same field. The study further helps the researcher to find out and have a clear understanding of CSR issues in Inyange Industry Ltd.

1.7. Scope of the study

The study was conducted from Inyange Industry Ltd head office Masaka, Kigali-Rwanda. The study focus on the following factors; Occupational health and hygiene, economic, ethical practices, and philanthropic, environmental and green during the period 2011-2014.

1.8. Structure of the study

This study is structured into five chapters:

Chapter one is general introduction and includes the following; background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study and structure of the study. Chapter two includes reviewing literatures that are delivered from related topics that were conducted by other authors, scholars, and writers.

Chapter three covers methodological approaches employed in the research. Methods used in data collection, sources of data, and sampling techniques used during the study. Chapter four covers data presentation, interpretation, and analysis of the research findings. Last chapter is chapter five which includes conclusions, recommendations, summary, and areas for further research.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

According to Carroll (1999), CSR is a product of 20th century and can be traced back to 1920's. Corporate social responsibility has different naming such as corporate conscience, corporate citizenship, social performance, sustainable responsible business and Responsible Business.

D. Wood (1991) suggested that, CSR is a mechanism whereby corporations do self-regulation and an all-inclusive business model that links different organizational aspects together.

CSR policy works as a self-regulating and an in-built, well established process whereby a business controls and ensures its full compliance with the law requirements, and international norms and ethical standards.

McWilliams, Siegel, Abigail, Donald (2001) suggest that, some models, a company's implementation of CSR is not limited to compliance and gets involved or participate in activities that enhance, beyond the interests of the firm and that which is required by law. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

2.1. Key concepts

2.1.1. CSR

Different authors defined CSR differently by considering different responsibilities a business is thought of having in society and to the different stakeholders at large.

Sethi (1975) urged that, the phrase corporate social responsibility has been used in so many different contexts that it has lost all meaning.

According to Holme and Watts (2000), "CSR is the continuity commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large".

Mallen Baker (2008) says that, "CSR is about how companies manage the business processes to produce an overall positive impact on society".

Thomas and Nowak (2006) assert that, CSR is defined “as the responsibility of corporations to carry out business ethically, lawfully and efficiently in the interests of the business, employees and shareholders while at the same time being mindful and contribution to the alleviation or solution of local and global, social and environmental problems; and hence the betterment of the communities and world in which we live”.

According to the Journal of corporate citizenship (issue 9, 2003), Corporate citizenship really means developing mutually beneficial, interactive and trusting relationships between the company and its many stakeholders—employees, customers, communities, suppliers, governments, investors and even nongovernmental organizations (NGOs) and activists through the implementation of the company’s strategies and operating practices. In this sense, being a good corporate citizen means treating all of a company’s stakeholders (and the natural environment) with dignity and respect, being aware of the company’s impacts on stakeholders and working collaboratively with them when appropriate to achieve mutually desired results.

2.2. Theories of CSR

2.2.1. Agency theory of CSR

Friedman (1970) argues that, the responsibility of managers is to maximize the return to shareholders and that any actions that further some social good, beyond the interest of the stockholders, can be viewed as deriving from an agency problem. That is, managers who use corporate resources to further some social good are doing so only to advance a personal agenda such as promoting their self-image.

The Friedman’s agency theory of corporate social responsibility was later challenged by Carroll who outlined a corporate social performance (CSP) framework. According to Carroll (1979), this framework includes the philosophy of social responsiveness, the social issues involved and the social responsibility categories.

Freeman (1984) developed an alternative but similar theory to Carroll’s and he argued that, corporate social responsibility is a valid role of management. His argument was based on the idea that firms have numerous relevant constituents whose interests should be considered, because the firm cannot continue to thrive and survive without the support of these stakeholders which include employees, customers, suppliers and community groups. This view was expanded by Donaldson who introduced stewardship theory.

2.2.2 Stewardship theory of CSR

Donaldson (1990), developed Stewardship theory of CSR and according to this theory, there is a moral imperative for managers to “do the right thing,” without regard to how such decisions affect the firm’s financial performance. However, this dictum becomes difficult to adhere to internationally, because there may be no consensus on what “the right thing”.

2.2.3 Institutional theory of CSR

Jones (1995) concluded that companies involved in repeated transactions with stakeholders on the basis of trust and cooperation are motivated to be honest, trustworthy and ethical because the returns to such behavior are high. Fombrun and Shanley (1990), demonstrate that the returns to socially responsible behavior are captured through the reputation of the firm. An implication of this is that firms should consider CSR as an element of corporate strategy.

Wernerfelt (1984), introduced resource-based-view (RBV) of the firm. This was later redefined by Barney as below. Barney (1991) presumes that, firms are bundles of heterogeneous resources and capabilities that are imperfectly mobile across firms. Accordingly, the imperfect mobility of heterogeneous resources can result in competitive advantages for firms that have superior resources or capabilities.

McWilliams and Siegel (2001), CSR activities and attributes may be used in a differentiation strategy and managers can determine the appropriate level of investment in CSR by conducting cost benefit analysis in the same way that they analyze other investments.

In consideration of all the above theories, the Institutional theory makes a lot of sense and companies need to consider CSR activities at a corporate level in formulation of some corporate strategies. The underlying logic is that the beneficiaries of CSR activities in most cases form part of the market where the companies intend to sell their products and services. With this, the market/people get familiarized with the companies and their service and products through CSR activities. Consequently, forming part of the corporate strategy and competitive advance.

On the other hand, Stewardship theory should not be under looked because of the ambiguity that may be caused by the word “right thing”. The responsibility of companies to behave ethically and comply with laws and standards is essential and fundamental. Therefore, companies should abide by laws and ethical standards.

2.3 CSR Models

2.3.1 Carroll's "Three-dimensional Conceptual Model"

Carroll (1991), "corporate social performance is consisted of an integration of three aspects: first, a definition of social responsibility; second, an identification of the social issues to which these responsibilities are tied, such as consumerism, environment, employment discrimination, product safety, occupational safety and health; and third, the philosophy of responsiveness, that is the philosophy, mode, or strategy behind companies' response to social responsibility and social issues (reaction, defense, accommodation, and proaction)".

Carroll (1991) argues that, "CSR encompasses four categories of social responsibilities: economic, legal, ethical, and discretionary (or philanthropic). Economic responsibilities reflect the belief that companies have an obligation to produce goods and services that consumers need and want and to be profitable in the process".

"Legal responsibilities indicate that companies are expected to pursue economic responsibilities within the confines of written law. Ethical and discretionary responsibilities encompass the more general responsibilities to do what is right and avoid harm".

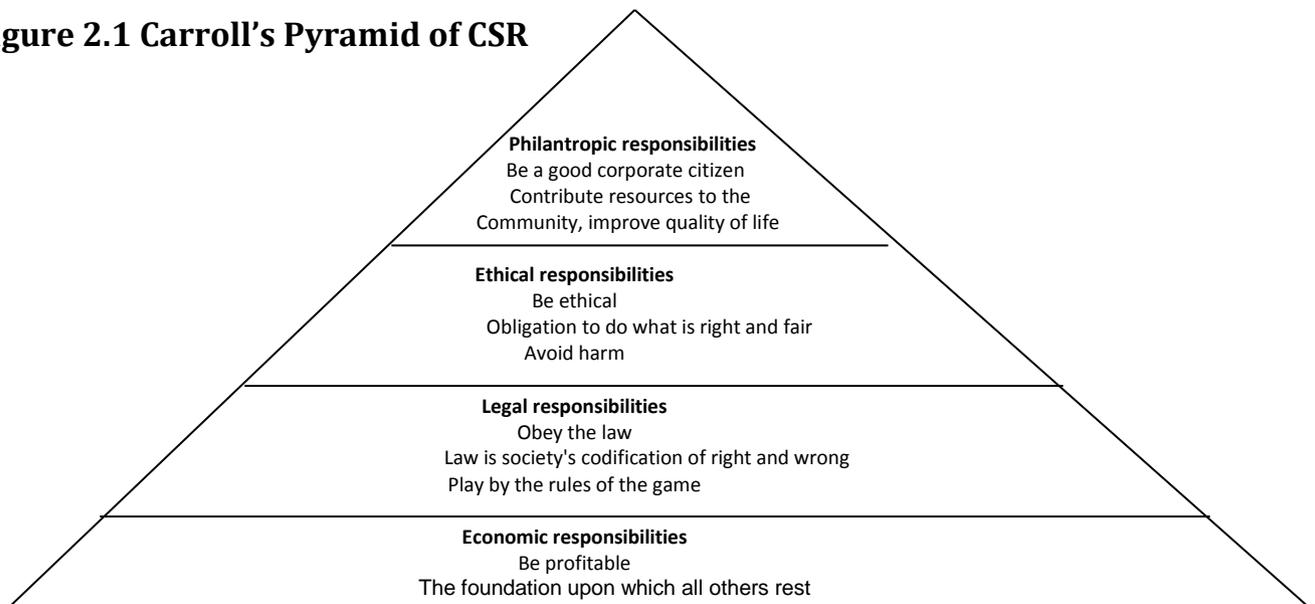
"Ethical responsibilities indicate a concern that companies meet society's expectations of business conduct that are not codified into law, but rather are reflected in unwritten standards, norms, and values implicitly derived from society".

"Companies' discretionary responsibilities are volitional or philanthropic in nature, in the sense that they represent voluntary roles assumed by companies for which society's expectations are not as clear-cut as in the ethical responsibilities".

Carroll (1991) argues that, "these four categories of corporate social responsibilities can be depicted as a pyramid, in which economic responsibilities is the foundation upon which all other responsibilities are predicated and without which they cannot be achieved, and discretionary responsibilities are the apex".

"Notwithstanding, companies are expected to fulfill these four social responsibilities simultaneously. An important consideration regarding this perspective is that, contrary to the common belief that economic responsibility is related to what the companies do for them, and the other responsibilities are related to what they do for others, "economic viability is something business does for society as well".

Figure 2.1 Carroll's Pyramid of CSR



Source: Carroll (1991)

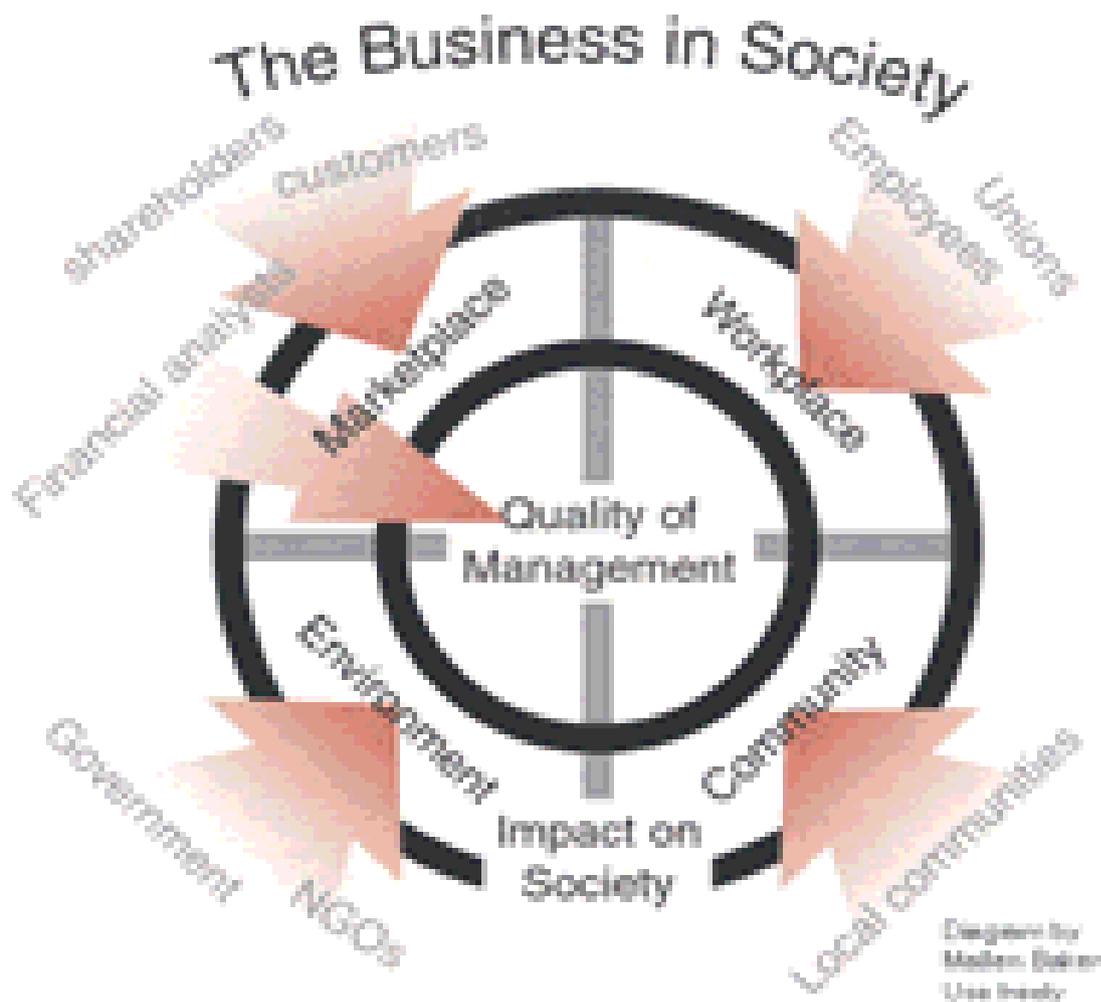
The three aspects of corporate social performance referred to above is understood as, Legal: complying to the law in the process of conducting daily business operations or economic activities or in the process of achieving economic motives.

Ethical, companies should be bound by business ethics and other societal moral guidelines that are not embodied within the laws.

Philanthropic responsibilities, it is understood as making positive impact to the lives of the citizens, and contributes towards wellbeing of the society. The society should benefit in return from the activities of the cooperation.

Economical, companies should be profitable and the shareholders should get returns to their investments. Also company should produce what exactly the society needs.

Figure 2.2 the Business in Society Model



Source: Baker (2008),

This model shows two aspects of operations that companies need to address. One see inner circle is about the quality of management of people and processes while two outer circles are about the nature of, and quantity of impact on the society on various areas.

2.3.2 Corporate Social Performance Model

Wartick and Cochran (1985) urge that, corporate Social Performance Model also integrates three areas: the principles of CSR (using Carroll's four categories of social responsibilities as "principles"); the processes of corporate social responsiveness (reactive, defensive, accommodative, and proactive); and the policies developed to address social issues (social issues management).

A summary of the model is presented in the table below.

Figure 2.3 the corporate social performance model of Wartick and Cochran

Principles	Processes	Policies
Corporate Social Responsibilities	Corporate Social Responsiveness	Social Issues Management
(1) Economic (2) Legal (3) Ethical (4) Discretionary	(1) Reactive (2) Defensive (3) Accommodative (4) Proactive	(1) Issues Identification (2) Issues Analysis (3) Response Development
Directed at: (1) The social contract of business (2) Business as a moral agent	Directed at: (1) the capacity to respond to Changing societal conditions (2) Managerial approaches to Developing responses	Directed at: (1) Minimizing 'surprises' (2) Determining effective Corporate Social Policies
Philosophical Orientation	Institutional Orientation	Organizational Orientation

Source: Wartick and Cochran (1985)

This model suggests three levels of corporate social performance as principles, processes and policies.

It starts as corporate social responsibilities identified as economic, legal and ethical and then to the second or next level of Corporate Social Responsiveness of how the principles are perceived and responses given as reactive, defensive, accommodative, and proactive.

2.4 Principles of CSR

Wood (1991), considers that the basic idea of CSR “is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes.” She retained Carroll’s four categories and identified how they relate to the CSR principles.

2.4.1 The principle of legitimacy

Wood (1991) says that, the principle of legitimacy operates on an institutional level and is based on a company’s overall responsibilities to the society in which it operates, specifying what is expected of all companies.

2.4.2. The principle of public responsibility

According to Wartick and Cochran (1985), the principle of public responsibility functions on an organizational level, stating that companies are “responsible for solving problems they have caused, and they are responsible for helping to solve problems and social issues related to their business operations and interests.

2 4.3 The principle of managerial discretion

Wartick and Cochran (1985), the principle of managerial discretion functions on an individual level and emphasizes managers' responsibilities to behave as moral actors and make choices about activities designed to achieve socially responsible outcomes.

2.5 CSR Drivers

“Jerry Prout (2006), conducted a study on corporate responsibility in the global economy aiming at developing the self-interested, business rational for export of socially responsible business behavior by multinational firms to developing countries”.

“Corporations typically have a self-interested approach of adopting CSR values either for marketing purposes, or to sustain acceptance among socially conscious investors, consumers, competitors, e.t.c”.

“They suggested that this same approach should be adopted in the developing world: because consumers and investors transfer these same expectations globally; because businesses in developing countries want acceptance; and because multinationals can test performance-based rather than regulatory-based approaches to CSR behavior”.

Itziar Castello' et al, (2009) conducted a study from risk management to citizenship corporate social responsibility: analysis of drivers of change.

“The rational of the study was to understand whether firm evolves towards more comprehensive posters of CSR and what strategic factors drive the change.

The results from the analysis demonstrated that firms evolve over time towards more complex CSR posters. This evolution is driven by some key strategic factors and this article sets out a three-stage framework connecting CSR evolution and the strategic change factors.

Which of the CSR postures described are companies in right now? The answer varies depending on which regions of the world and industries are being analyzed”.

Googins et al. (2007) argue that “a look at the ratings of a hundred of the biggest US companies, seems to indicate that average company is somewhere between what Mirvis and Googins (2006) refer to stage 2 (engaged) and stage 3 (innovative); which we call risk management and the integrated posture”.

To conclude, the study was intended to put in place foundations to guide academicians and companies in their approaches towards a more strategic sense and CSR focused factors that might stimulate positive change.

Jorge A. Arevalo et al (2011), investigated how corporations in India interpret CSR focusing on the four commonly known approaches: the ethical, the statist, the liberal, and the stakeholder approach.

The investigation was to report drivers and barriers to implementing CSR practices and they found out that “the CSR approach that is most privileged by the Indian firms is the stakeholder approach and that the caring or the moral motive, followed by the strategic or profit motive.

The study also indicated that the most significant obstacles to CSR implementation are those related to lack of resources, followed by those related to the complexity and difficulty of implementing CSR”.

2.6 CSR and Corporate strategy

Jeremy Galbreath, (2006), examined a study on corporate social responsibility strategy: “strategic options, global considerations. The results suggested that CSR cannot be separated from cooperate strategy. Thus, firms have several factors to consider with respect to choosing appropriate CSR strategies”.

“It was suggested that businesses have four CSR strategic options to consider: the shareholder which holds that its only responsibility to society, the altruistic strategy based on “giving back” to the community in the form of monetary donations to various groups and causes and the citizenship strategy in which the firm identifies and dialogues with its stakeholders as part of input to cooperate strategy formulation. It was concluded that CSR strategy is specially delivered at individual stakeholder needs, be the employees, customers or even the environment”.

Dan F. Ofori et al (2007) investigated on cooperate social responsibility (CSR) perspective of leading firms in Ghana. The study sougthed to ascertain and document the extent of recognition, nature and content of socially responsible actions by firms located in Ghana. “It was found that although local companies are familiar with the concept and do, indeed, practice some amount of CSR, they subscribe less to the contemporary nation of CSR; they are less strategic, less moral and ethical in their approach to CSR”.

2.7 CSR and firms' benefits

J. Galbreath, (2010) performed a research on how does corporate social responsibility benefit firms. The rational of this study was to empirically examine three potential benefits of

demonstrating CSR: reduced employee turnover; increased customer satisfaction, and improved reputation. “The results from the study suggested that firms engaging in CSR can benefit in ways beyond a pure bottom line outcome”. “It was revealed that socially responsive activities appear to be a means to reduce employee turnover, that by meeting justice needs of customers, CSR is likely to increase customer satisfaction and that firms, thus creating an avenue to increase overall firm reputation”.

2.8 Stages of Corporate Social Responsibility

According to Zedek, p (2004), there are four stages to corporate responsibility and these are strategic advantage, compliance defensive, and, managerial,

Under defensive stage, the firm faces a high degree of criticism from stakeholders such as employees and customers. The company can rectify this negative perception by rejecting or denying the link between the company and the negative consequences of their business or its products and services. At the defensive stage, there is only one bottom line financial profit.

- i) Compliance stage, the company makes significant efforts to build reputation and avoid doing contrary to the law; CSR is seen as a matter of adding cost to the business.
- ii) Strategic advantage: the company notices that its good practices lead to profits through customer and employee loyalty and CSR activities.
- iii) In the managerial stage, the firm begins to realize that the long-term problems require more than building a strategy focused on the relationship public relations. All managers get concerned with finding the solutions for questionable business practices.

2.8.1 CSR implementation stages

Nada K. Kakab adse et al (2009) studied the CSR leaders’ road-map. The object of the study was to outline how CSR activities can be effectively implemented through the organization. The study emphasized on capabilities and skills required by individuals and organizations to fully implement CSR activities. “The outcome of the study funded three stages of CSR implementation and, within those stages, ten leadership skills and capabilities are identified. The nature of their inter-relationship and how that impacts on application is discussed and explored. The ten skills capabilities form a portfolio for individual leaders to consider and indeed develop in their management of CSR. These capabilities are called forth in three logical stages from those required for early decision making to those required for full

enactment of CSR, forming a clear model. This model provides a road-map for leaders to increase their consciousness and their effectiveness in the implementation of true rather than taken CSR. The model presented here represents the journey to effective CSR implementation taken by the organizations we studied. It is based on two equally important components, which are the CSR leader progresses both as an individual and with his or her organization (if the leadership skills are developed and the leadership actions are effective), from initial uncertainty and ambiguity in understanding CSR, to moving forward to a new and concrete reality framed by deliberate leadership action; and the skills and capabilities needed, or required to develop at each of these stages, for successful movement forward organizational CSR”.

2.9 CSR and environment

Tore Hillestad et al (2010) studied the innovative corporate social responsibility: the founder’s role in creating a trustworthy corporate brand through green innovation. The purpose of the study was to put in place guidelines and new knowledge on the concept of corporate branding from the concept of corporate social responsibility (CSR) view point.

They were particularly concerned with how environmental awareness can impact corporate brand. It was revealed that the founder’s role as cultural architect has a positive impact on how external constituents assess the image of the company, especially regard to the company’s innovations and its awareness of environmental issues, in two ways. First, it shapes, coordinates, energizes and leverages employees’ attitudes and behaviors in relation to environmental issues. Second, it thereby enforces a positive external reputation for the company, especially as a green innovator. The judgments illustrates that the studied company seems to gain reputational advantage in integrating corporate social responsibility and environmental awareness as important parts of their business strategy.

2.10 CSR and sustainable competitive advantage

According to Reinhardt (1998), a firm engaging in a CSR-based strategy could only sustain an abnormal return if it could prevent competitors from imitating its strategy. This is consistent with Barney’s (1990) VRIS formulation of the RBV, which posits that sustainable competitive advantage requires that resources be valuable (V), rare (R), inimitable (I) and non-substitutable (S). In competitive markets it is unlikely that a firm can prevent competitors from imitating a CSR-based strategy, so competitive advantage based on CSR activities/attributes will be short lived.

2.11 Types of CSR

2.11.1 Carroll's classification

- i) Economic responsibilities: be profitable for shareholders, provide good jobs for employees, and produce quality products for customers.
- ii) Legal responsibilities: comply with laws and play by rules of the game.
- iii) Ethical responsibilities: conduct business morally, doing what is right, just and fair, and avoiding harm.
- iv) Philanthropic responsibilities: make voluntary contributions to society, giving time and money to good works.

2.11.2 Lantos' corresponding classification

Lantos (2002) asserts, the following classifications;

- i) Ethical CSR: morally mandatory fulfillment of a company's economic responsibilities, legal responsibilities, and ethical responsibilities.
- ii) Altruistic CSR: Fulfillment of an organization's philanthropic responsibilities, going beyond preventing possible harm (ethical CSR) to helping alleviate public welfare deficiencies regardless of whether or not this will benefit the business itself.
- iii) Strategic CSR: fulfilling those philanthropic responsibilities which will benefit the company through positive publicity and goodwill.

From the above, it understood that CSR is classified into to three aspects,

- i) Aspect of legal,
- ii) Economic and ethical, aspect of going beyond what is ethical despite of the company benefiting or not,
- iii) Aspect of concentrating on CSR that will in return bring positive publicity and good will to the company.

It is better to adopt a combination of all three categories all together so as to benefit both society and the company. It shouldn't happen that a company is exploiting the society nor the society is exploiting the company but rather both parties benefiting. It is not necessarily that the level of benefit be the same.

2.12 Measuring corporate social responsibility

“Determining how social and financial performances are connected is further complicated by the lack of consensus of measurement methodology as it relates to corporate social performance. Significantly, it is unclear exactly what these indicators measure. In other cases,

researchers employ official corporate disclosure-annual reports to shareholders, CSR reports, or the like. Despite the popularity of these sources, there is no way to determine empirically whether the social performance data revealed by corporations are under-reported or over-reported. Few companies have their CSR reports externally verified. Thus, information about corporate social performance is open to questions about impression management and objective bias (Morsing, M, Schultz, M, &Nielsen, K.U 2008)”.

There are a number of performance measurement tools, which could be put into two broad groups like,

- i) “Traditional measures which indicate the financial strengths, weaknesses, opportunities and threats, return on investment, Residual income, Earning per share, Dividend yield, price earnings ratio, growth in sales, market capitalization e.t.c.
- ii) There are the non-traditional measurement tools like economic value added and the balanced scorecard that are used by some users of financial statements that are interested on non-financial measurement tools”.

Competitive role of CSR reporting

- i) “Internal Rivalry within the industry: CSR reporting serves to differentiate a company, complementing other aspects of differentiation with competitors. Its communication can help built employee royalty and support, and will frequently stand out as a differentiator amongst the competition when recruiting new staff.
- ii) Threat of new entrant: Strong CSR reporting within an industry sector, with high levels of disclosure and transparency and broader performance can deter new entrants from entering markets using irrational or uneconomic strategies. It can also help competition authorities and other commentators judge true competitiveness when assessing the validity of proposed in market mergers.
- iii) Customer CSR reporting can be to build trust within customers and enhance brand royalty. Buyers may be less willing to switch to other suppliers once they have approved the company through its ability to meet their own performance criteria which has been demonstrated through its CSR reporting. It may also allow a supplier to provide additional information regarding product performance and how it is addressing emerging issues that may impact on its future ability to deliver a quality product or service (Arthur D Little 2011)”.

2.13.1 Guidelines on Reporting CSR Activities

CSR reporting can also be used to test the validity of a strategy.

i) “Bringing into the business the views of the stakeholders with real potential to influence the success of the business.

Traditional measures and (ii) None-traditional measures which indicate the financial strengths, weaknesses, opportunities and threats, return on investment, Residual income, Earning per share, Dividend yield, price earnings ratio, growth in sales, market capitalization e.t.c. There are the non-traditional measurement tools like economic value added and the balanced scorecard that are used by some users of financial statements that are interested on non-financial measurement tools”.

- i) Equipping the management with a clear understanding of the principles and values of the business which can inform their decision making and interactions with important stakeholders.
- ii) Providing management with means to respond to requests for information on policies and practices
- iii) Helping to trigger innovative thinking among employees and business partners on resources and opportunities.
- iv) Providing a platform for internal discussions on CSR.
- v) In particular, motivating departments or business units that have not yet considered the company’s corporate responsibilities.
- vi) Helping to identify areas of strength and weaknesses, improvement, and of best practices which can set the standard for other areas of the business to follow Bitc (2011).”

2.14 Conclusion

From the above reviewed literature, we have seen definitions of CSR by different authors and this widens the understanding of the researcher about CRS. From the same literature, there are different concepts that the researcher adopted to guide him in the process of the research and these include but not limited to the following; theories of the CSR, Models of CSR, principles of CSR, Types of CSR, CSR Drivers, and CSR implementation stages. It was clear that different authors have some different views on CSR ranging from the definition to the last literature reviewed of CSR classification by Lantos (2002). Despite of the differences, they

also have a lot in common. Thus, the researcher adopted all the differences and commonalities which served as a basis for him to better understand CSR concept and practice.

CHAPTER THREE

METHODOLOGY

3.0. Methodology

According to Kenneth D. Bailey (1978), the controversy over the differences between the physical sciences and social sciences centers on the methodology not around method. Bailey asserts that by “method” simply means the research technique or tool used to gather data. Kenneth D. Bailey (1978), further defines the methodology as “the philosophy of the research process. This includes the assumptions and values that serve as a rationale for research and standards or criteria the researcher uses for interpreting data and conclusions.

Therefore, this chapter describes and discusses the methods and techniques used in data collection and processing which include, questionnaire formulation, questionnaire pre-testing and correction, questionnaire administration, interviewing, documentary study, direct observation, editing and tabulation.

3.1. Research Design

Grinnell Jr and Williams (1990:138), says that research design “is the total plan we use to aid us in answering our research questions”. They also put forward that as a part of our plan, we decide what research questions should be, what data is required to answer them, from where the data is to be obtained, and what is the best way to gather data.

The study is analytical because the researcher wanted to analyze issues pertaining CSR in Inyange Industry. In doing so, an inductive approach was adopted.

A case study method was adopted because the researcher wanted to have sufficient time to concentrate and deeply analyze CSR issues in Inyange Industry at length.

Inyange Industry was chosen because it the biggest local company whose inputs and outs are largely sourced and consumed on the local market. Take an example milk which constitutes big part of the production is locally sourced from Rwanda farmers, Pineapple and passion Juices, these are produced from the fresh fruits sourced from local farmers. So considering this, the

researcher Inyange Industry in better position to impact the society in one way or the other mostly through CSR activities. In this research, inductive approach was used.

In this research, the researcher has a predetermined research questions clearly stated in chapter one. The data required, sources of data, and techniques of data collection adopted in this research are also described in this chapter.

Also the study employed quantitative method whereby some of the quantitative tools such as tables and frequency analysis were used.

3.2. The study population

Manheim and C. Rich (1995), define population as “a set of cases about which one wishes to draw some conclusions”. Bailey (1978), population refers “to the sum total of all units of analysis”. Grinnell Jr and Williams (1990), on the other hand define population as “the total of persons or objects with which a study is concerned”. The population that the researcher dealt with is the employees of Inyange Industry Ltd.

Table 3.1 Study population category wise

Category	Population size
Inyange employees	300
Community around Inyange Industry (Village leaders)	5
Customers of Inyange Industry (Distributors)	4
Total	309

Source: Secondary Data extracted from Inyange data base and Runyonza village

Determining Sample size

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. Thus, the researcher used Slovin’s Formula in determine the sample size.

Considering, the **Slovin’s formula** of determining sample size, $n=N/(1+Ne^2)$

Where,

n = Number of samples

N = Total Population,

e = Error tolerance.

Considering 95% confidence level, Margin of error is 0.05, Kenneth D. Bailey (1978).

The sample size was determined by category wise as per the table below.

Table 3.2 Study population, sample size category-wise and the method

Category	Population size	Method used	Sample Size
Inyange employees	300	Slovin's formula	171
Community around Inyange (Village leaders)	5	Purposive sampling	5
Customers of Inyange (Distributors)	4	Purposive sampling	4
Total	309		180

Source: Primary Data 2018

- a) Inyange employees: $n=N/(1+Ne^2)$, $n=300/(1+300*0.05^2) = 171$ Samples.
- b) Customers of Inyange (Distributors) =4 Samples.
- c) Community around Inyange (Village leaders) =5 Samples.

3.3.1. Selection of respondents

There are two types of sampling methods commonly known and these are probability and none probability sampling methods. According to Richard and Williams (1990), a probability sample is “one in which all the people or units in the sample frame have the same known probability of being selected for the sample”. Richard and Williams (1990), also define non probability sampling as “the sampling technique where not all the people or elements in the population have the same probability of being included in the sample and for each one of them the probability of inclusion is unknown”.

However, in this study the researcher used probability and none probability sampling techniques in the selection of the respondents as purposive and simple random sampling.

Table 3.3: Study population size, sample selected category wise, sampling method and the basis of selection

Category	Population size	Sample selected	Technique used	Basis of selection
Inyange employees	300	$n=N/(1+Ne^2)=171$	Simple random sampling	Equally knowledgeable and all have equal chances of being included in the sample
Customers of Inyange	4	4 (all were considered)	Purposive sampling	More knowledgeable and best meet the purpose of the study
Community around Inyange	5	5 (all were considered)	Purposive Sampling	More knowledgeable and best meet the purpose of the study
Total	309	180		

Source: Secondary data Inyange Industries Ltd data base and Runyonza village report.

- a) Inyange employees: Being large in number Slovin's formula was used to determine how many employees will be taken as a sample and hence 171 out of 300.
- b) Customers of Inyange: All distributors of Inyange in Kigali were taken into consideration and these are 4 in number.
- c) Community around Inyange: proximity was the basis of determining which village to consider under the study and Runyonza village was found to be the closest and hence considered for the study. Leaders of the village were target as more knowledgeable people and these are 5 in number.

Runyonza Village was considered because of its closeness to Inyange Industry and they would be in better position experience negative impact of the industry such as smell, sound pollution and e.t.c.

3.3.3 Sample

The ideal practice in research is to get data from the whole population. Because this would ensure maximum coverage of all the elements in the population under study, but due to constraints of time and resources a sample has been chosen to present the whole population. Bailey (1978), a sample is "a subset or a portion of the total population, a one percent

sample would consist of only one out of every 100 entities in the population. Therefore, the sample must always be viewed as an approximation of the whole rather than a whole in itself’.

3.4. Sampling Methods

By sampling method, the researcher used both probability and non-probability sampling methods as below;

3.4.1. Simple random sampling

Simple random sampling is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group.

In this research, the researcher used Simple random sampling method in selection of respondents from all the category of Inyange employees as indicated in the table 3.3 above.

The researcher got a list of all Inyange employees under study from Inyange Human resource office and their names were listed on different and separate small pieces of paper one by one and clearly folded. The folded papers were put into a small container and thoroughly mixed up and the researcher picked one by one until the total number of respondents was reached.

3.4.2. Purposive sampling

Purposive sampling is whereby all the elements or items that constitute the study population do not have equal chances of being taken as a sample. In other words, it is judgment sampling. This was specifically used in the selection of respondents from the community around Inyange and the customers of Inyange.

3.5 Sources of data

Data was collected from both primary and secondary sources.

In this study, primary data was collected specifically using un-structured questionnaire, interview and observations methods.

Secondary Data was collected by documentary study such as laws, policies, reports and related documents from Inyange industry Ltd.

3.5.1 Primary data

According to Gibert A. Churchill, Jr (1992), primary data “is the information collected specifically for the purpose of the investigation at hand”

The information collected in the study is that related to the general and specific objectives of the study as stipulated in the chapter one. It was obtained from the employees of Inyange Industry Ltd, Community around the factory and the customers-distributors of Inyange Industry as the study population.

3.5.2 Secondary data

Again according to Gibert A. Churchill, Jr (1992), Secondary data “is the information not gathered for the immediate study at hand but for other purposes”. The secondary data gathered is that related to CSR in particular and sources used were, library of the University of Rwanda, online libraries, websites, and Inyange Industry Ltd internal documents.

3.6 Data collection methods

The methods that were used to collect data are un structured questionnaire, un-structured interviews, documentary study and observations.

Un structured Interviews, un structured questionnaires and observation were used to collect primary data while documentary study was used to collect data from the existing records such as laws, regulations, standards, Inyange Internal reports, policies and e.t.c (Secondary data).

Observation was used to collect data from visionary seen precautions such as, safety precautions, facilities installed and e.t.c .

The number of questionnaires administered and the number of respondents interviewed are clearly indicated in the table 3.4 below.

Table 3.4: Category wise, primary data collection methods used and the basis of selection

Method used/ Category	Inyange employees	Customers of Inyange	Community around Inyange	Basis of selection
Number of questionnaires administered	30	0	0	Those who claimed to have no time for interview.
Number of respondents Interviewed	141	4	5	Those who claimed to have no time to fill the questionnaires.
Total	171	4	5	180 (100%)

Source: Primary data 2018

3.6.1. Questionnaire Method

According to Grinnell Jr and Williams (1990), a questionnaire is “a set of written questions which call for responses on the part of the client and may be either self-administered or group administered”. Specifically, this study used self-administered and un-structured questionnaire.

This method of data collection was used to respondents who claimed to have no time for the interview.

3.6.1.1.Un-structured questionnaire

It has an advantage of saving time on side of the researcher and convenient to the respondents as they could fill the questionnaire during their free time. It involves both open and close ended questions. Closed ended questions - Respondents' answers are limited to a fixed set of responses. Such as Yes/no questions. The respondent answers with a “yes” or a “no”. Open ended questions. No options or predefined categories are suggested. The respondent supplies their own answer without being constrained by a fixed set of possible responses. This was used to the respondents who claim to have time for an interview and the reverse is true for the case of an interview.

In order to ensure reliability of the information collected this questionnaire, a pilot study was conducted to test the reliability and validity of the questionnaire. Basing on the test results adjustments were done to the questionnaire.

3.6.2. Interviews Method

Interview is a method of collecting data in which selected participants are asked questions in order to find out what they do think or feel.

According to Kenneth D. Bailey (1978), an interview schedule is “a special of social interaction between two persons and is subjected to some of the rules and restrictions as other instances of social interactions”.

During the study, the researcher (interviewer) had conversation with the respondents (interviewee) and the researcher noted down the answer on the questions posed. This was

used in collecting data from Inyange employees who had no time to fill the questionnaires, community around Inyange and the customers of Inyange. This was done by the help of an interview guide.

This method was specifically used to collect data from the respondents who don't know how to read and write, did not know English and to those who claimed to have no time to fill the questionnaires. An interview guide was used for the purpose of collecting information from the intended informers.

3.6.3. Documentary Study Method

According to Grinnell Jr and Williams (1990), secondary data analysis is “the analysis of data that already exist”. The secondary data that were analyzed during the study are policies, reports, laws and regulations.

3.7. Area of the study

This is the geographical location of the case study. The case study was Inyange Industry Ltd and its head offices are located at Masaka, Gasabo District in Kigali city approximately 19 kilometer from the heart of Kigali city, along Kigali-Kayonza Road KN 3Rd

3.8. Data processing

Data processing is the act of breaking down data, re-arranging data into formats that enables the researcher to extract information out of it. Therefore, collecting data is not the end of the process but rather data should be fully processed to get meaningful results.

During data processing, relevant data to the objectives of the study was considered and transformed into meaningful information for easy interpretation and understanding. This was done by use of the following techniques.

3.8.1. Editing

Gilbert A. Churchill, Jr (1992) defines editing as “the inspection and correction, if necessary of each questionnaire or observation form”. In this study, after collecting the required data

the exercise of inspection and editing was done to detect some gaps that may have occurred either in filling the questionnaire, or and interpreting them.

3.8.2. Tabulation

According to Gilbert A. Churchill, Jr (1992) suggests that “tabulation is an orderly arrangement of data in tables or other summarized format obtained by counting frequency of responses to each question”. “It deals with putting data into statistical formats such as tables, frequency counting and analysis, and percentages and shows the number of respondents to a particular question.

Different tables were drawn containing different information as pertains the research questions and objectives. For details refer to chapter four”.

3.9. Data analysis and presentation

All data can't presented in their raw form and with all its contents but rather it is analyzed and sorted to get meaningful information more relevant to the variables of the study. The data are generally analyzed in some formats or styles and the results presented in some scientific and statistical fashions such as tables.

The contents of these tables are normally frequencies, percentages, statistical measures that enable the researcher to interpret the information collected for the purpose of analysis, drawing recommendations and conclusions.

3.10. Summary of the chapter

In summary, this is a chapter that deals with the methodology part of the research and it has the following contents, sub-chapters; methodology, research design, study population, Sample, determining sample size, Selection of respondents, sampling methods, Sources of data, Data collection methods, Area of the study, Data processing, Data analysis and presentation, and limitation of the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0. Introduction

This chapter is consisted of the profile of the case study; that is Inyange Industry Ltd focusing on its historical background, location, mission, objectives, as well as shareholding. On the other hand, these chapter analyses data collected for under the study and interprets it to enable the researcher draw conclusions in light of the study objectives. This is done through interpretation of both primary and secondary data.

4.1. Profile of Inyange industry

4.1.1. Historical Background of Inyange Industry Ltd

“Inyange Industries Ltd was established in 1997 with the main objective of producing pasteurized milk, milk products such as Yoghurts and some Juices on a small scale. Since then, it has gradually expanded and grown into a leading food and beverage manufacturing company in Rwanda. It manufactures a quite number of products under its brand name – “Inyange”.

Given the gradual expansion, in 2001 the plant introduced Mineral Water production and packaging 500ml size, (www.inyangeindustries.com)”.

Inyange Industry is legally a private company incorporated under the laws of the republic of Rwanda with all shares 100% belonging to Rwandans

The industry’s objective is to maintain its high reputation, progress in its strong hold in the local market and continue to create new markets within the EAC region. To achieve this objective, it has embarked on diversification and continuous improvements in its response to market demands both on quality and customer service in line with its mission to “make high quality products which are consistently available to satisfy and exceed its customers and consumers’ expectations.”

Demand for Inyange products kept on increasing and it was far way greater than the supply. This served as an opportunity shares holders can’t miss and it eventually sparked initiation of

an expansion project worth USD 27 million in Masaka which saw its plant capacity increased tremendously.

His Excellency President Paul Kagame officially inaugurated the new processing plant in Masaka on 1st March 2010. The plant has installed different production lines with different production capacities such as TBA8: 6,000Ltrs per hour (1L Milk packs and 1L Juice packs), Kronos: 6,500Ltrs per hour (500ml water packs, 1L water packs and 500ml Juice packs), TFA: 3,500 Ltrs per hour (500ml Milk packs and 250ml Milk Packs), Marefa/Yoghurt line: 2000 cups per hour (400ml, 250ml, and 130ml Yoghurt cups).

“This increased capacity more than fulfills the local demand, but also gives Inyange the opportunity to expand its market to the neighboring countries, taking advantage of Rwanda being part of the East African Community (EAC) and its customs union.

Under modern and hygienic production facilities; the company manufactures a wide range of products and thus has quickly become a household name in the Fast Moving Consumer Goods Industry in Rwanda for high quality mineral drinking water, fruit juices, milk and milk products”.

“Inyange Industries prides itself on consistently delivering high-quality, wholesome products and responding to consumer needs with nutritious and innovative new products”.

The industry buys from Rwandan farmers raw milk, passion fruits and pineapples and employees over 170 staff and provides informal jobs to many retailers in the trade sector. It produces a variety of products ranging from Water, Milk and other milk products, and Juices all of different sizes such as Pasteurized and homogenized whole Milk 3L, 5L and 2L, UHT Milk 500 & 1000ml, Milk in dispensers, Yogurts 130, 250 & 400ml in different flavors, and Fresh Cream 500 ml.

Inyange produces Mineral Water packed in bottles of 500ml, 1L, and 18L Gallons. It comes from the natural springs of Rwanda in Gasabo District, Ndera Sector whereby it is collected and transported in well installed trucks to the factory for processing.

Inyange also produces Nectars and Juice Drinks whereby they are properly and hygienically packed using modern technology of aseptic packing leading to high quality and good taste.

Inyange currently produces the following fruit drinks and nectars: apple, mango, orange, pineapple and passion fruit.

Fruit juices are packaged in 500ml bottles and Nectars are packed in 1L packs using an aseptic filling process. These juices are available in the following flavors: orange, pineapple, passion fruit, Mango and apple.

Inyange industries is selling its products to local market and other markets in the region such as Eastern Democratic Republic of Congo (DRC), Burundi, and Uganda. It intends to establish distribution agents, and plans to enter Tanzania and Southern Sudan markets as well.

4.1.2. Shareholders of Inyange Industry Ltd

Since its establishment in 1997 to date, Inyange Industry Ltd is a private company owned by two Rwandan companies 100%. That is to say all shares belong to two Rwandan companies (CVL and RSSB). Shares are distributed as 60% and 40% respectively.

Its corporate governance is headed by board of directors composed of seven people including two none executive members. It is being run on a daily basis with a managing director, managers, and the entire staff team.

The entire management team starting from the managing director decides on CSR activities when felt necessary. The cost involved in the CSR activities is directly expensed and reported in the financials under one budget line determined by the finance officers. CSR activities do not have a separate report presented to the board and a specific budget allocated to it.

4.1.3. Location of Inyange Industry Ltd

Inyange Industry is located in one of the districts of Kigali City called Gasabo. It is on the Road KN 3, Masaka. It is about 12.1Km from the heart of Kigali and driving time is approximately 20 minutes.

4.1.4. Vision of Inyange Industry Ltd

To be the leading Eastern and central african dairy and beverage brand, producing high quality products while enhancing shareholder value.

4.1.5. Mission of Inyange Industry Ltd

To secure the highest value for all stakeholders in the food value chain while enriching the lives and health of all consumers with the most nutritious and tasty choices through a wide range of dairy and beverage products

4.1.6. Core Values of Inyange Industry Ltd

- a) Results driven: Our focus is driven by our desire to achieve and exceed intended goals
- b) Integrity: We are honest, transparent, ethical and objective in everything we do.
- c) Innovation: We always challenge ourselves and seek new ways of doing things (creativity)
- d) Excellence: We strive to exceed highest standards in everything we do.
- e) Leadership: We should all take initiative, be proactive, be committed, demonstrate ownership and accountability, be visionary, led by example and be team players.

The scenario of CSR in Inyange Industry

By the time of conducting the study, it was found that Inyange Industry performs a list of CSR activities. However, they are neither planned nor considered for in the budget during budget preparation exercise, not reported for in the time presenting financials, no CSR policy in place to guide the management, there is no specific staff dedicated to CSR activities (CSR officer).

It is simply decided on in the managing meeting and a decision gets approved for implementation. From there, marketing department in collaboration with administration coordinates and implements the decision.

4.2 Analysis of Primary data

This analyzes data collected from the field during the study. This analysis combines the data collected from all the three groups falling under the study population.

4.2.1 Analysis of information from all respondents (Personal profile)

Table 4.1 Distribution of respondents by Educational level

Education level	Number	Percentage
Masters	20	11
Bachelor's degree	154	86
Secondary	6	3
Total	180	100

Source: primary data 2018

Table 4.1 shows that out of the respondents dealt with 11% have master's degree, 86% have bachelor's degree, and 3% have secondary level education. It is also noted that there are no employees neither with doctorate nor with primary level education. This is clear that those who had bachelor's degree dominate with 86% followed by those with master's degree level 11%. Lastly, those with secondary level 3%.

4.2.2. Analysis of information from Inyange Industry Employees

Objective one: To review policies, strategies, and regulations of CSR practices in Rwanda with respect to manufacturing firms especially Inyange Industry Ltd during 2011-2014

The Researcher considered and reviewed different policies exhibited in table 4.2 .

Table: 4.2 Responses on the statement that that the following “policies on CSR practices in Inyange Industry were in place during 2011-2014”

Policies	Yes (%age)	No (%age)
There is in place code of conduct which stipulates requirements and sets guidelines for ethical behavior of the staff	100	0
There is in place policy and procedure for quality checks	100	0
There is in place policy and procedure for product storage and handling	100	0
There is in place procedure for product recall	100	0
There is in place financial manual	100	0
There is in place Procurement Manual	100	0

There is in place CSR policy/Strategy	0	100
There is in place policy and procedure for disposal of wastes,	100	0
There is in place Human Resource Policy	100	0

Source: Primary Data 2018

As the table 4.2 above indicates, 100% of respondents said that eight policies listed are in place and one policy (CSR policy) is not in place. It was further revealed by the respondents that given the absence of CSR policy/strategy, CSR activities are done on the basis of management decisions. There is no specific budget for CSR activities and no CSR reports.

Table 4.3 Respondents' views on the statement that "the following Strategies were in place during the period 2011-2014"

Strategy in Place	Yes (% age)	No (% age)
Corporate strategy	100	0
Marketing strategy	100	0
Export strategy	100	0
Sales and Distribution strategy	100	0

Source: Primary Data 2018

According to table 4.3 above, corporate strategy, Marketing strategy, Export strategy, Sales and Distribution strategy were in place during the period 2011-2014. Given that the above strategies are in place but on the other hand, it was revealed by the respondents that the strategies are not linked with CSR activities during strategy formulation.

Table 4.4 Reviewing Laws and regulations of CSR practices in Rwanda with respect to manufacturing firms especially Inyange Industry Ltd during 2011-2014

Law/Regulation	Yes (% age)	No (% age)
Tax law	100	0
Labor law	100	0
Environmental law	100	0
Manufacturing standards	100	0

Source: Primary Data 2018

From the above table, it is clear that the laws listed in the table and manufacturing standards are being practiced in Inyange Industry. The level to which they are being practiced will be discussed in the next pages.

Objective 2: To examine current practices and implementations of CSR with specific reference to Inyange Industry Ltd

Table 4.5 Responses on about CSR Practices applicable to Inyange Industries Ltd

CSR Factors	Yes (%age)	No (%age)
Occupation, health and hygiene	100	0
Product safety and certification	100	0
Environmental conservation	100	0
Meeting shareholders' needs and expectations	100	0
Giving support to the community	100	0
Company profitability and financial reporting	100	0
Cleanness and green	100	0
Compliance with laws	100	0
Waste Management	100	0

Source: Primary Data 2018

Table 4.5 above shows that 100% of the respondents selected Product safety and certification, Meeting shareholders' needs and expectations, Giving support to the community, Company profitability and financial reporting, Cleanness and green, Occupation, health and hygiene, waste management, and Environmental conservation were identified as the CSR practices being implemented

From the above responses, it is clear that all the CRS factors listed above are being considered for implementation in Inyange Industry Ltd.

In addition to the above, the respondents revealed to the researcher the following CSR activities being implemented by Inyange Industry.

- a) Gives financial support to Isonga football team,

- b) Gives Inyange products to some of the vulnerable groups such as street children, Twa Group of people in Ndera sector,
- c) Serves as the potential consumer of raw milk and fruits from local farmers,
- d) Employment of the local people,
- e) Constructing houses, giving cows and financial support to Genocide survivors and orphans,
- f) Visiting and giving support to Rwandans that returned from Tanzania. Below are some of the photos.

Figure 4.1: Inyange staff on the morning of Saturday 27/04/2013 constructing houses for Genocide survivors in Kiramuruzi sector, Gatsibo District



Source: Primary Data 2018

Figure 4.2: Inyange staff on the morning of Saturday 27/04/2013 constructing houses for Genocide survivors in Kiramuruzi sector, Gatsibo District



Source: Primary Data 2018

On the factor of product safety and certification, it was also found out by the researcher that Inyange products and processes are ISO certified. These are ISO 22000 and RBS mark of excellence.

However, further certification is required such as GAP (Good Agricultural practices), and EMS (environment management systems). These are fully discussed under the objective three of identifying gaps.

On the factor of environmental conservation, it was observed that Inyange Industry Ltd planted trees along the road close its premises. It also has waste water treatment plant that cleans dirty water before being released to the surrounding.

Table: 4.6: Respondents' views about on what level has each of the selected CSR practice been implemented

CSR Factors	Less than 30% very Low	30%-49% Low	50%-69% Average	70%-75% High	76% & above Very High	Total
Occupation, health and hygiene	0	0	17	67	16	100
Product safety, Quality, and certification	0	0	0	53	47	100
Environmental conservation	0	11.3	42.2	46.5	0	100
Meeting shareholders' needs and expectations	0	18.5	67.2	14.3	0	100
Company profitability	0	29	59	12	0	100
Cleanness and green	0	0	10	63	27	100
Waste management	0	0	2	60	38	100

Source: Primary Data 2018

From the above table N^o 4.3, 17%, 67% and 16% said that occupation, health and hygiene has been implemented on average, high and very high level respectively. 53% said that Product safety, Quality, and certification were considered at a high level while 47% said that it was considered at a very high level. On the other hand, Occupation, health and hygiene, Environmental conservation, Meeting shareholders' needs and expectations, Cleanness and green have been paid attention at a high level, waste management has been paid attention to at a high level of 60%. However, Company profitability has been paid attention to at an average level with 59%.

From the above table, it is clear that there are varying percentages of responses on each of the CSR factors examined and this should attract attention of the decision makers mostly in the cases where it's rated as low or average.

Table 4.7 Respondents' view on compliance level with some selected Laws, and Requirements

Requirement	Less than 30% Very Low	30%-49% Low	50%-69% Average	70%-75% High	76% and above Very High	Total
Tax Law	0	0	13	71	16	100
Labor Law	0	17	38	45	0	100
Environmental Law	0	25	34	41	0	100
Manufacturing standards	0	0	0	80	20	100

Source: Primary Data 2018

From the above table 4.7, it is clear that the compliance level with tax 13% said it's on average, 71% said it's high and 16% said it's very high. Considering labor law, 17% said that the consideration is low, 38% said it's on average, and 45% said it's high. On the other hand, considering Environmental Law, 25%, 34% and 41% said that the consideration is low, Average and high respectively,

Considering manufacturing standards, 80% said its high and 20% said it's very high. Basing on the above figures, it is noted that the rating has varying percentages as show in the table ranging from low to very high. However, despite of the fact that the rating had varying percentages, a greater percentage said that consideration of each of the above factors examined has been considered on a high level.

Objective three: To identify gaps in CSR practices in Inyange Industry Ltd

During the study, the researcher identified the following gaps which call for continuous improvement;

- a) There is no mechanism in place for recycling wastes such as bottles, cartons, pineapple and passion fruits peels. Consequently, this poses a threat to the environment.
- b) Despite of the respondents saying that the manufacturing standards is at high level, the Product certification is still on a low level where whereby Inyange has only two quality

marks. There is a need for GAP-Good agricultural practices, EMS 2005-Environmental management system, QMS ISO-900, ISO 1725, ISO 45000, ISO 17001.

- c) 25% of the respondents said that Environmental Law is complied with at low while 34% said that it is on average. This is clear an indication that there is still room for improvement in complying with the Environmental law.
- d) 17% of the respondents said that labor Law is complied with at low while 38% said that it is on average. This is clear an indication that there is still room for improvement in complying with the labor law.
- e) 13% of the respondents said that tax law is complied with on average. This is clear an indication that there is s room for improvement in complying with the tax law.
- f) There is no approved CSR policy in place. This may cause loss of management phocus on CSR activities.
- g) 17% of the respondents said that occupational, health and hygiene is attained at an average level. This is clear an indication that there is still room for improvement in the area of occupational, health and hygiene.
- h) 11.3% of the respondents said that Environmental conservation is attained at low level while 42.2% said that it is on an average level. This is clear an indication that there is still room for improvement in the area of Environmental conservation.
- i) 29% of the respondents said that company profitability is attained at low level while 59% said that it is on an average level. This is clear an indication that there is still a room for improvement in the area of company profitability.

Objective four: To analyze the strengths and weaknesses in CSR practices with respect to Inyange Industry during 2011-2014

This sounds as SWOT analysis but during the research, the researcher focused on the strengths, and weaknesses. So opportunities and threats were not considered under the study.

These include the following;

- a) **STRENGTHS**
 1. Inyange Industries Ltd has got strong brand name over its competitors,
 2. Superior Quality of its products,

3. Inyange has advanced machines that uses modern technology,
4. High installed machine capacity which reduces the need for future investment in the same machines,
5. Its products are certified with quality marks which opens the chances to sell in the regional and the international markets hence creating big market for the products,
6. Inyange has a diversified product portfolio,
7. Has set up processes and systems which makes it possible to control product quality and meeting of standard requirements,
8. It has a water treatment plant which treats waste water before being released to the surroundings,
9. It has a big plot of land which leaves a room for future expansion if required.

By the above, it is a clear indication that Inyange Industry has set in place a number of processes, has sufficient machine capacity to satisfy the market, good quality products and well known to the market. This serves as a marketing advantage over its rivals. The sufficient machine capacity and adequate land is an indication that no more investment would be required in terms of land and machines if they need to expand.

b) WEAKNESSES

1. Under utilization of machines whereby one finds that the machine installed capacity is not fully utilized 100%.
2. There is no CSR policy in place,
3. There is no formal way of reporting CSR activities,
4. There is no budget allocated to CSR activities.
5. There is no clear management commitment to CSR activities.

Despite of the above weaknesses and lack of clear management committee, there is a hope for Inyange Industry to streamline the process of CSR activities in what is called “continuous improvement”.

It has already started the journey by initiating some activities as listed above and it’s a matter of fine tuning processes and how things are done.

4.2.3. Analysis of information from Inyange Customers (Distributors)

Among the population dealt with include Inyange Customers (Distributors) because they are among key stakeholders of Inyange Industry and play a vital role in making the products reach the final consumers (society). I would say that it is of no use if products are produced and get expired in stores without reaching the final consumer. So in recognition of the role they play in the daily life of the business, the researcher considered them for the study.

Table 4.8 Respondents' views on the product information, characteristics and service delivery

Factors	Yes (%age)	No (%age)	Total
Product characteristics are clearly displayed and visible on the packaging	100	0	100
Product information is clearly indicated on the product packaging	100	0	100
The products of Inyange are good and liked	100	0	100
The way products are packed is appropriate	100	0	100
Service delivery is good and meets your expectations	75	25	100
Products are diversified enough to meet your needs	75	25	100

Source: Primary Data 2018

From the table N^o: 4.8, it is clear that as 100% confirmed that Product characteristics are clearly displayed and visible on the packaging, Product information is clearly indicated on the product packaging, the products of Inyange are good and liked and that the way products are packed is appropriate. 75% of the respondent agreed that service delivery is good and meets customer expectations while 25%) disagreed with the statement. 75% of the respondents agreed that products are diversified enough to meet customer needs while 25% disagreed with the statement.

By analyzing the figures above, it is clear that some factors have been 100% taken care of and others need some further considerations mostly on Products diversification, service delivery and product packaging so as to reach 100%.

On the other hand, there is no customer satisfaction survey that was done which could address most of the areas discussed above.

4.2.4 Analysis of information from the community around Inyange (Village Leaders)

It known that an industry where it is located affects the people that surround it in one way or the other. It is to benefit in terms casual jobs, the surrounding people benefits first. If it is environmental impacts such as noise, waste, bad smell, air contamination, these people experience it than any other.

So considering the impact of an industry to the surrounding people, the researcher considered the people the industry for the study.

Table 4.9 Respondents' views on the negative effect of Inyange Industry to the surrounding community (Ruyenzi Village)

Factor	Yes (% age)	No (% age)
Factory machines generate a lot of noise to the surround community during production	0	100
The factory releases contaminated fumes to the surrounding (air pollution)	0	100
The factory releases solid wastes to the surrounding area	0	100
The factory releases dirty water to the surrounding area	0	100
The factory produces bad smell to the surrounding area	0	100
The factory location is appropriate and poses no future threats	40	60

Source: Primary Data 2018

From the table N^o. 4.9, it can be known that 100% confirmed that the Factory machines does not generate a lot of noise to the surround community during production, The factory does not releases contaminated fumes to the surrounding (air pollution), the factory does not releases solid wastes to the surrounding area, the factory does not releases dirty water to the surrounding area, and the factory does not produce bad smell to the surrounding area. On the other hand, 40% said that the factory location is appropriate and poses no future threats whereas 60% said that the factory location is in appropriate and poses no future threats.

They further argued that in some cases of heavy rains, flooding may invade the factory in future. So the possibility to re-allocate the factory should be thought of by the management.

Related to the above, respondents said that there is no recycling plant for solid wastes such as bottles, caps, and others. They are simply gathered together at some points and collected by a contracted vendor to be transported and discarded in Nduba waste pit.

Objective five: To offer suggestion for better practice of CSR at Inyange Industry. This is fully covered under chapter five below.

CHAPTER-FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary of the findings, conclusion and recommendations about the study. It also suggests areas for further research.

5.1 Summary

This study is organized in five chapters with their corresponding sub chapters and some with sections as seen from the beginning up to the end.

The main findings of the study are dealt with in chapter four. These were got as a result of analyzing both primary and secondary data got from the selected respondents and the company's documents respectively.

The results from both primary and secondary sources reveal that the company has made significant efforts in paying attention to CSR. However, there are still some areas that require further improvement.

Education level of the respondents was also considered under the study as a key characteristic of the population dealt with. Most respondents had Secondary level education, Bachelor's degree and Masters.

Considering all the factors that were under examination during the study, 100% respondents agreed that all these factors are implemented and are under consideration.

Some of these are, Occupation, health and hygiene, product safety and certification, environmental conservation, giving support to the community, compliance with laws, cleanliness and green, waste management and etc.

On the other, the study further revealed that these factors were implemented at a varying level of implementation. It also focused on the compliance level of some laws and the results revealed that the level of compliance varies.

The study further reviewed policies, strategies, and regulations of CSR Inyange Industry Ltd.

The study also went further to identify some activities of extending support to the community and some of these include the following;

Financing Sports, giving products to some of the vulnerable groups, constructing houses for the poor, giving cows and financial support to Genocide survivors and orphans, visiting and giving support to Rwandans that were returned from Tanzania by force and e.t.c.

The study also addressed some gaps in the CSR practices that require as well as strength and weaknesses analysis.

1.2. General conclusion

Generally, the study was after examining and assessing CSR practices in Rwandan Manufacturing firms with specific reference to Inyange Industries Ltd. The findings show that Inyange industry has made a significant effort in CSR considerations. However, there still exist some gaps for improvement such as a formal way of reporting CSR activities; lack of budget for CSR activities, lack of CSR approved policy and etc. Also, there are some areas that need further improvement like company profitability/meeting shareholders' expectations, product diversification, compliance with labor law, Tax law and Environmental law.

1.3. Recommendations

Basing on the research, the researcher recommends the following,

1. Inyange Industry should put in place a formal way of reporting CSR activities.
2. Inyange Industry should have an approved policy of CSR that guides management in the process of making CSR decisions.
3. There should be a clear CSR budget that the company uses in the execution of CSR plan of activities.
4. Inyange Industry should invest in the recycling plant as a proper way of waste management.
5. There should be a clear management commitment to CSR activities.
6. The management should look forward for QMS, EMS, ISO, GAP certifications for systems improvement.

7. The management should adopt continuous improvement strategy for activities rated as very low, low and average by the respondents.
8. The management should conduct customer satisfaction survey.

5.4 Areas for further research

Because of limited time and resources, the researcher couldn't exhaust all aspects of CSR and hence recommends areas for further study. These include;

1. CSR and financial performance of companies
2. CSR and strategy formulation in Rwandan companies
3. CSR and risk management in profit making companies
4. CSR and company image in profit making companies.
5. The impact of CSR activities on customer satisfaction.

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APPENDICES

University of Rwanda
College of Business and Economics
DATE...../...../2018

Dear Respondents,

I am Julian Ngarambe by name, a final year MBA student in the faculty of Economics and Management from the National University of Rwanda. I am conducting a research titled “**A Study on Corporate Social Responsibility in Rwandan Manufacturing Firms with Reference to Inyange Industries Ltd**”.

It's in this regard that these questionnaires are being issued to you purposely for collecting data related to the above topic.

The research is purely academic and the information provided will be treated with a lot of confidentiality and only used for the intended purpose of the research.

Therefore, I kindly request for your cooperation and assistance by answering the questions below with honesty.

It is not an examination where responses will be marked as wrong or right and marks awarded.

With kindest regards,

Julian Ngarambe

The Researcher

Part A: Question (s) to all respondents

Question 1: circle the answer that you feel is relevant and correct

1. Educational Level
 - a) Doctorate
 - b) Masters
 - c) License
 - d) Bachelor's degree
 - e) Secondary
 - f) Primary

Part B: Questions specifically for Inyange Employees

Question 2: What are CSR policies, strategies and regulations that exist in Inyange Industry during 2011-2014?

.....

Question 3: Tick as appropriate in the space provided.

Policies	Yes	No
There is in place code of conduct which stipulates requirement and sets guideline for ethical behavior of the staff		
There is in place policy and procedure for quality checks		
There is in place policy and procedure for product storage and handling		
There is in place procedure for product recall		
There is in place financial manual		
There is in place Procurement Manual		
There is in place CSR policy/Strategy		
There is in place policy and procedure for disposal of wastes,		
There is in place Human Resource Policy		

- i) Apart from the above, list any other policies or and producers you feel we should consider for the study.....

.....

Question 4: Which of the following strategies were in place during the period 2011-21014? tick as appropriate in the space provided.

Strategy	Yes	No
Corporate strategy		
Marketing strategy		
Export strategy		
Sales and Distribution strategy		

- i) Are these strategies linked with CSR activities? Circle as appropriate
- a) Yes
- b) No

Question 5: The following Laws and regulations were implemented and complied to in Inyange Industry Ltd during 2011-2014. Tick as appropriate in the space provide.

Law/Regulation	Yes	No
Tax law		
Labor law		
Environmental law		
Manufacturing standards		

- i) List other laws and regulations that were implemented by Inyange Industry during the period 2011-2014.....

Question 5: What are CSR practices that Inyange Industry has implemented?

.....

Question 6: The following CSR Practices are applicable to Inyange Industries Ltd. Tick as appropriate in the space provided.

CSR Factors	Yes	No
Occupation, health and hygiene		
Product safety and certification		
Environmental conservation		
Meeting shareholders' needs and expectations		
Giving support to the community		
Company profitability and financial reporting		
Cleanness and green		
Compliance with laws		
Waste Management		

- i) Apart from the above CSR practices, list other CSR activities that Inyange Industry is involved in

.....

Question 7: How would you rate the implementation level of each of the below selected CSR practice? Tick as appropriate in the space provided.

CSR Factors	Less than 30% very Low	30%- 49% Low	50%- 69% Average	70%-75% High	76% & above Very High
Occupation, health and hygiene					
Product safety, Quality, and certification					
Environmental conservation					
Meeting shareholders'					

Factors	Yes	No
Product characteristics are clearly displayed and visible on the packaging		
Product information is clearly indicated on the product packaging		
The products of Inyange are good and liked		
The way products are packed is appropriate		
Service delivery is good and meets your expectations		
Products are diversified enough to meet your needs		
The customer satisfaction survey was conducted between 2011-2014		

Part C: Questions to the Customers of Inyange Industry Ltd

Question 10: Tick as appropriate in the space provided

D) Questions to the community around Inyange Industry Ltd

Question 11: Tick as appropriate in space provided

Factor	Yes	No
Factory machines generate a lot of noise to the surround community during production		
The factory releases contaminated fumes to the surrounding (air pollution)		
The factory releases solid wastes to the surrounding area		
The factory releases dirty water to the surrounding area		
The factory produces bad smell to the surrounding area		
The factory location is appropriate and poses no future threats		

i) What are the means used by Inyange Industry to discharge solid wastes?

.....

Question 12: What would you recommend if the factory location is not appropriate and poses future threats? Give your opinion.....

INTERVIEW GUIDE

I. Opening

- A. Hello, my name is Julian Ngarambe an MBA student from the University of Rwanda, Collage of Business and Economics (CBE). You were selected as one of the respondents to be interviewed regarding the research I am conducting on Corporate social responsibility in Rwanda manufacturing firms.

- B. I would like to ask you some questions about your educational background, CSR practices, challenges, Weaknesses, Strengths, Compliance level in Inyange Industry Ltd.

- C. I hope to use this information for better understanding of the CSR practices that exists and, drawing recommendations for better improvement.

- D. The interview will take short time of around 10-15 minutes; you will be available for this time to respond for some questions?

II. Body

A. Educational Background

Question 1: Please tell me about your level of education and the qualification you have.

B. QUESTIONS REGARDING CSR Practices

Question 2: What are CSR policies, strategies and regulations that exist in Inyange Industry during 2011-2014?

Question 3: Which of these statements is correct or wrong?

Policies	Yes	No
There is in place code of conduct which stipulates requirement and sets guideline for ethical behavior of the staff		
There is in place policy and procedure for quality checks		
There is in place policy and procedure for product storage and handling		
There is in place procedure for product recall		
There is in place financial manual		
There is in place Procurement Manual		
There is in place CSR policy/Strategy		
There is in place policy and procedure for disposal of wastes,		
There is in place Human Resource Policy		

Question 4: Apart from these listed policies and procedures, is there any other policies and producers you feel we should consider for the study?

Question 5: Which of these strategies were in place during the period 2011-2014?

Strategy	Yes	No
Corporate strategy		
Marketing strategy		
Export strategy		
Sales and Distribution strategy		

i) Are these strategies linked with CSR activities?

Question 6: Which of these Laws and regulations were implemented and complied to in Inyange Industry Ltd during 2011-2014.?

Law/Regulation	Yes	No
Tax law		
Labor law		
Environmental law		
Manufacturing standards		

- i) What are other laws and regulations that were implemented by Inyange Industry during the period 2011-2014?

Question 7: What are CSR practices that Inyange Industry has implemented?

Question 8: Which of these CSR Practices are applicable to Inyange Industries Ltd.

CSR Factors	Yes	No
Occupation, health and hygiene		
Product safety and certification		
Environmental conservation		
Meeting shareholders' needs and expectations		
Giving support to the community		
Company profitability and financial reporting		
Cleanness and green		
Compliance with laws		
Waste Management		

- i) Apart from these CSR practices, are there any other CSR activities that Inyange Industry is involved in?

Question 9: How would you rate the implementation level of each of these selected CSR practice?

CSR Factors	Less than 30% very Low	30%- 49% Low	50%-69% Average	70%-75% High	76% & above Very High
Occupation, health and hygiene					
Product safety, Quality, and certification					
Environmental conservation					
Meeting shareholders' needs and expectations					
Company profitability					
Cleanness and green					

Waste management					
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Question 10: How would you rate the compliance level with these selected Laws, and regulations?

Requirement	Less than 30% Very Low	30%- 49% Low	50%-69% Average	70%-75% High	76% and above Very High
Tax Law					
Labor Law					
Environmental Law					
Manufacturing standards					

- i. Are the processes and products certified with ISO marks?
- ii. You said the products and process are certified with ISO marks, Please tell me what are those ISO marks?

Question 11: Are there some gaps in CSR practices in Inyange Industry?

- i) You said there gaps, please tell me what they?

Question 12: What are the strengths, weaknesses, Opportunities and Threats of Inyange Industry?

Question 13: which of these statements are applicable to Inyange Industry?

Factor	Yes	No
Factory machines generate a lot of noise to the surround community during production		
The factory releases contaminated fumes to the surrounding (air pollution)		
The factory releases solid wastes to the surrounding area		
The factory releases dirty water to the surrounding area		
The factory produces bad smell to the surrounding area		
The factory location is appropriate and poses no future threats		

- ii) Would you please tell me about the means used by Inyange Industry to discharge solid wastes?

- iii) You said the factory location is not appropriate and poses future threats, what would you recommend?

III. Closing

- A. I appreciate the time you spared for this interview. There anything you would wish to add on which you would be helpful to me in conducting this research?
- B. The research requires me to have all information I need, would it be right to call you any time for me information that I may require?
- C. Thank once again, have a good day.