

The Practice of Corporate Community Engagement in Enhancing Corporate Social Responsibility Activities in Ethiopia - The Case of Local Brewery Companies

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Abstract

Corporate community engagement strategy is useful means of evaluating community needs. This study examines the practice of corporate community engagement strategy of local brewery companies in Ethiopia based on Bowel et al., 2010 model. Mixed method was employed and 718 data was collected from both the company and local community. Descriptive and thematic analyses were utilized to analyze study results. The result of the study indicated that local brewery companies have organizational arrangement for CSR activities but their strategy deviate from Bowel et al., 2010 strategy model. The result specified the unique behavior of engagement practice of Ethiopian local brewery companies. The brewery companies interact with local community through local government office namely, city agriculture office. The city agriculture office plays an intermediary role in enabling the CSR issues between the companies and local community. The city agriculture office communicates and discuss with the brewery companies about CSR needs of the community. The local community expresses their immense dissatisfaction on the absence of direct interaction. The government office needs to revise their role and help to build direct interaction between the two parties in order to enhance CSR activities.

Keywords: Corporate Social Responsibility, Corporate Community Engagement Strategy, Local Brewery Company

Introduction

Today, businesses worldwide face increasing pressure to adopt or improve corporate social responsibility since there are expectations that business will bring solutions to many of the twenty-first century's main social and environmental challenges, such as water accessibility, global warming, climate change, and affordable health care (Nguyen, Benseman & Kelly, 2018). Business organizations have become integral actors in social development, in which consumers are seen not only as a market but also as a community, in which business organizations should follow the rules that help maintain the socioeconomic order, follow shared values, and make no harm to society while pursuing a profit (Piasecki & Gudowski, 2017).

Corporate social responsibility (CSR) proved to have many roles that brought impacts to the community: Closer ties and interdependencies between corporations and community, sharing the costs the society has to pay due to environmental degradation, transfer of technology from international companies to developing countries, environmental protection measures that done together by corporation and the communities, poverty alleviation in the communities, human right advocacy, and helps in data gathering by ICT firms to facilitate public organization functions (ISMAIL, 2009). Corporate social responsibility prompts business organizations to engage in solving social problems of the stakeholders (Loor et

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al., 2020) and has socio-economic benefits specifically in developing countries (Ataniyazova, Friedman & Kiran, 2022). Thus, corporate social responsibility has been an important theme in management since the 1960s (Paul & Parra, 2021).

Considering this role of corporate social responsibility (CSR), most African corporations started incorporating policies on CSR, which include corporate objectives for their CSR activities, structure for managing CSR, criteria for selecting initiatives and criteria for evaluating success (Awuah et al., 2021). Ansu-mensah et al., 2021: Ehie (2016) also argued as Africa is characterized by various features that include low standards for working conditions and environmental protection, high corruption, oppressive regimes with low regard for human rights, poor provision of healthcare and education that can offer considerable scope for the exercise of CSR.

Thus, vast developmental needs in Africa require responsible action of companies. However, responsible action might not be achieved without consideration of community engagement and participation (Sullivan, 2009). Community engagement helps to create strong relationship between business organization and community (Potluri & Temesgen, 2008). Strong relationship creates good ground for community engagement in CSR since it is a useful means of evaluating community needs, finding solutions and creating opportunities to address community development (Muthuri, Chapple & Moon, 2009). Corporate community engagement is the extent of 'community participation' in corporate social decision making (Muthuri et al., 2009). Community engagement strategy is the pattern of activities implemented by firms to work collaboratively with and through groups of people to address issues affecting the social well-being of those people.

The relationship between companies and their stakeholders represents the strategy of the firm (Shropshire & Hillman, 2007). Even though, business organizations have many stakeholders such as employee, customer, local community and natural environment to mention some, some stakeholders matter more, in contemporary CSR local community are considered as key stakeholders (Crane, 2020). Thus, understanding companies' interaction with the local community has become a familiar strategic concern for business companies (Liu, Eng & Ko, 2013).

The community engagement strategy has been seen as a strategy for enhancing partnership between a company and the community (Bhinekawati, Tinggi & Ipmi, 2018). Companies that strategically implement CSR actions may thereby obtain competitive advantage, generating innovation to them and meet the interest of the society as well (Nave, 2019). Therefore, business companies need to have corporate community engagement strategy to implement corporate social responsibility. Business companies' CSR success is dependent on the relations and interactions between the company and its stakeholders (Fang, Huang & Huang, 2010).

Yet, African business companies are criticized for donor-recipient and low level of corporate community engagement (Muthuri et al., 2009). Weak relationship between corporations and community in CSR issues leads to a difference of understanding about the contribution business made to community development. To contribute to sustainable community development, community engagement practice needs to shift from "short-term transactional – based commitment to longer – term values based on building relationships with stakeholders" (Goddard, 2005).

Similarly, studies in Ethiopia (Potluri & Temesgen, 2008; Bimir, 2015) revealed that there is a discrepancy of opinion between business organization and community on CSR in the country. The discrepancy is on the understanding of the level of contribution business organizations made to community development. On one side, majority of the companies were saying confidently about their socially responsible actions towards community. On the other side, community expressed their immense dissatisfaction towards companies' CSR practices (Potluri & Temesgen, 2008). In this study, it is argued that the discrepancy is because of limited engagement of the community in CSR decision-making process. Business companies engaged in CSR activities in Ethiopia in one way or the other but their engagement is mostly based on their own judgment of priorities than addressing the real challenge of the local community on the grass root level. Therefore, this study intends to examine the corporate community engagement practices and its effect on CSR goal achievement of Ethiopian local brewery companies.

Various studies emerging in the area of corporate community interaction show the importance of corporate

community engagement for community development (Carey et al., 2007; Muthuri et al., 2012; Evans, 2004; Lane et al., 2007; Stern, 2001). Specifically, it is important to identify and address the interest of key stakeholders like community (Hohnen, 2007; Freeman, 2010). Participating the community in organizations CSR decision has benefited both the society and the business organization. The society benefits from the involvement of CSR decision because it provides opportunity to present their economic and social need to business companies. Creating strong relationship with the community in which the organizations operate will be potentially beneficial to the organization as it will enhance the long-term sustainability of the organization (Darus, Amran & Nejati, 2014). Community engagement in the planning and execution of strategy interventions leads to more effective and equitable development (Barr, Dekker, & Fafchamps, 2015) and social improvement (Bowen, Newenham-Kahindi & Herremans, 2010). However, engagement strategies need to be studied in specific contexts since applying universalistic approach has been outdated (Festing, 2020).

Therefore, a good contribution on the area of CSR and corporate community engagement might be emphasizing on the importance of community engagement, identifying the best strategy that enhance CSR goal achievement and identifying engagement strategy practices in a given context.

The general objective of this study is to examine the effect of corporate community engagement strategy on corporate social responsibility goal achievement of local brewery companies.

This study tries to find answers for the following research questions:

- What corporate community engagement strategy do Ethiopian local brewery companies implement?
- Do local brewery companies have organizational structure for implementing corporate community engagement strategy?
- What effect does corporate community engagement strategy have on CSR goals achievement of local brewery companies?
- What barriers do local brewery companies encounter in implementing corporate community engagement strategy?

Review of Literature

Overview of Corporate Social Responsibility

Corporate social responsibility is an essential aspect for the development of any country (Muchlinski, 2008). The concept of CSR extends the role of business from organizational goal achievement to societal need fulfillment. Thus, CSR has become a more comprehensive term, transformed from being a term mainly related to internal business affairs to part of a broader societal discussion about sustainability (Aslaksen et al., 2021). Corporations have become the most powerful institutions on the planet, the engines of human welfare and progress, so it only makes sense that we talk about the responsibility that they have to other stakeholders. But, as important as it is, this has become a one-way conversation, one that makes business ethics focus primarily on corporate responsibility. It is time we make business ethics a two-way conversation and start putting greater emphasis on stakeholder responsibility and the role stakeholders such as employees play within the firm, and the role customers, investors, suppliers, and public and nongovernmental organizations play, along with corporations, in fostering ethical business practices and business excellence. Moral relations are reciprocal, and hence to the extent that firms are responsible for fulfilling duties to stakeholders, stakeholders in turn are responsible for fulfilling duties to firms (Goodstein & Wicks, 2007).

Corporate Social Responsibility in Ethiopia

Responsible operation of firms is basic for social and economic development in Ethiopia since the society is under the challenge of poverty, governance gaps, and access to social services (Bimir, 2015). Companies in the country need to adopt a socially responsible business practice in order to reduce the social, economic and environmental challenges of the society (Deyassa, 2016) and to find out what the learning experiences are. The data for the study has been collected through a field study, including personal interviews and dialogues with a number of companies and organizations. The analysis of the effectiveness of international companies', national Companies' and organizations', CSR strategies in the Ethiopia context and its potential contribution to development is based upon a qualitative study

through interviews with employers of companies and organizations in Ethiopia. The interviews were conducted through a field study. The geographical concentrations of the interviews were set to Addis Ababa, Adama (Nazareth and attain growth and development of the society (Bimir, 2015). Even though, there are no clearly defined policies and strategies towards encouraging CSR in Ethiopia (Demamu, 2020; Chali et al., 2022; Eyasu & Endale, 2020) business organizations started developing CSR strategy for their business.

Corporate Community Engagement Strategy

The concept of corporate community engagement (CCE) has been thriving since the 1950s. Besides, similar to CSR, corporate community engagement concept remains a topic of debate (Muthuri et al., 2009) in defining and explaining its role. Lange and Kolstad (2012) viewed corporate community engagement as one aspect of corporate social responsibility, addressing the interest and concerns of the members of the local community in which a corporation operates. Engagement strategies can be ordered along a continuum ranging from least to most involved; from one-way information sharing (transactional), two-way dialogue and collaboration (transitional) to community leadership or empowerment (transformational) engagements. As Bowen et al. (2010) revealed among the three engagement strategies transactional engagement strategy is characterized mainly by One-way communication and Philanthropy. While transformational engagement strategy, the most proactive corporate engagement strategy, is characterized by joint learning and joint management of projects with communities. Transactional engagement is based on 'giving back' through community investment and information association public information program (Bowen et al., 2010). Transactional engagement utilizes strategy such as charitable donations, employee volunteering, and information sessions, and using one-way communication from the company to the community would generate the limited nature of trust (Bhinekawati et al., 2018). The intermediate, transitional engagement strategy is characterized by two-way communication, consultation and collaboration. This strategy is 'transitional' in the sense that firms move beyond the one-way communication of transactional approaches to engage in dialogue with communities, but do not yet reach the shared sense making and problem framing of transformational approach.

Thus, it is believed that corporations better address community needs when their corporate social strategy

considers the regulatory, structural and value concerns and have framework for engaging community in their corporate social responsibility decisions. The success of CSR of corporations further depend on the extent they engaged community in their CSR decisions. Muthuri et al. (2012) also argued studying means of forming successful partnership between community and corporation is important to flourish building true relationship between the corporations and community as well in addressing the grass root challenges of the society.

Research Methodology

The research method used in this study was mixed design. Mixed design was used since it helps to look at the research problem by using all approaches available to understand the problem and to obtain different forms of data collection method and analysis (Creswell, 2014; Kaushik & Walsh, 2019). According to Morse (1991), the primary objective of mixed methods research, is to obtain a holistic understanding of the behavior and experiences of individuals, groups, communities and institutions by using more than one method within the research study. Thus mixed method is used in order to obtain integrative view of the problem from various respondents (Creswell, 2007). Kaushik and Walsh (2019) also argued inquiry can't access the reality solely by using a single scientific method.

While collecting both quantitative and qualitative data convergent mixed method will be employed. Convergent mixed method will be employed to collect both qualitative and quantitative data at the same time and interpret the result in a way that triangulates the information from both methods. Therefore this study employed convergent mixed method approach. Descriptive design also used in this study. Descriptive design helps to answer the 'what' question. In this study descriptive design was used to answer what strategies are utilized by local brewery companies.

Primary data was collected from local brewery companies' managers, including middle level managers, CSR unit managers, employees, local community living around brewery companies, and government offices responsible for CSR activities, city agriculture offices. To address the research questions, primary data sources are predominantly used. Both quantitative and qualitative data were collected through survey questionnaire, semi-structured interview and focused group discussion with diverse groups of respondents. The questioners used in this study were adapted from prior research while some

modifications were held. Open ended interview with top and middle level managers and CSR unit managers of the brewery companies were held in order to get their insight on the issue and triangulate the findings with the findings of quantitative data. Triangulation of the interview data helps to check desirable answers provided by one actor by cross checking results with other actors (Elifneh, 2014). Focused group discussions were held with twenty four community representatives of four Kebeles located around the two local brewery companies including government officials. Focused group discussion aims to obtain an in depth understanding of social issues from a purposely selected group of individuals rather than from a statistically representative sample of a broader population (Nyumba, 2018).

Empirical Context

The target population of this study was managers and employees of local brewery companies in Ethiopia and local community members who lived around the selected brewery companies and government regulatory bodies. Brewery company as a manufacturing sector, is selected as research site for this study, since manufacturing sector is expected to play dominant role in economic growth of Ethiopia (Zhang et al., 2018). The manufacturing sector becomes the main driver of growth to accelerate the structural transformation in the Ethiopian economy in general and be a source of productivity, export earnings, a medium of technological transfer for overall technological capability, and a source of employment in the changing rural – urban demographic balance in particular (Human Development Report, 2015). Moreover, brewery is selected because it belong to the alcohol industry, which represents a controversial business whose activities targeting consumers dominate the CSR agenda; as such, CSR practices could be particularly decisive for such businesses (Workeferahu, 2017).

Simple random sampling was used in collecting data from brewery companies and local community. Purposive sampling was used in order to collect data from selected community representatives and government officials. The researcher uses a priori knowledge to determine who or which study units are the most appropriate for inclusion in the study based on the potential study units, knowledge bases or closeness of fit criteria associated with the study's focus (Jennings, 2001). Thus, this research employed simple random sampling in collecting quantitative data from brewery companies and local community, while purposive sampling was used to collect qualitative data

from selected community representative and government bodies. In order to answer the research questions and attained research objectives there needed to get data from the three bodies, the brewery companies, the local community where the firms operate and the regulatory body. Accordingly three sample sizes is determined in the study one is from local brewery companies, the other is from local community and the third is from government regulatory bodies. Because of the different nature of the target population two sample size determination ways were employed.

To determine the sample size of local brewery company Cochran (1977) formula is employed. Applying the formula and by considering 95% of confidence level, the sample size for local and multinational manufacturing companies is 334. Since the exact number of local community is not accessible, the infinite population selection formula developed by Cochran (1977) is employed to determine the sample size of local community using the formula and by considering 95% of confidence level, the sample size of local community is 384. Therefore, the total sample size of the study is the sample taken from local brewery companies and local community is:

$$334 + 384 = 718$$

Data Analysis

The quantitative data is analyzed through descriptive statistics. Descriptive statistic which comprise of frequency, percentage and tables was utilized to analyze quantitative data. Qualitative data would be analyzed using thematic analysis techniques. Thematic analysis is the process of identifying patterns or themes within qualitative data (Maguire & Delahunt, 2017). Thematic analysis is an independent qualitative descriptive approach meant for identification, categorization of the main themes that emerge in the responses provided by the research participants (Botshea, 2016).

Number of Questionnaires Distributed and Returned

A total of 334 questioners were distributed to local brewery companies. All questionnaires were properly filled and returned. In addition, 384 questioners were distributed to the community to identify the corporate community engagement strategy of local brewery companies. 350

(91%) questionnaires were properly filled and returned. The response rate of 91% was considered adequate for the analysis since a response rate of over 30 percent in a survey is acceptable (Fincham, 2008). Moreover, interview was held with top level managers and CSR managers of the local brewery companies. And focused group discussion was also held with 24 community representatives and 2 government officials. Finally, all the discussions were made based on the respondents' information.

Organizational Arrangement

Table 1: Organizational Arrangement

<i>Variable</i>	<i>Frequency</i>	<i>Valid Percentage (%)</i>
The nature of the company's financial resources for corporate social responsibility activities is		
No dedicated resources for corporate social responsibility	4	1.2
Weak resource for corporate social responsibility	51	15.3
Dedicated and significant resource for corporate social responsibility	279	83.5
The nature of the company's human resource for corporate social responsibility activities is		
Non-dedicated human resource for corporate social responsibility	35	10.5
Non dedicated and significantly supported by external resources	62	18.6
Dedicated and significant human resource for corporate social responsibility	237	71.7
The company's competencies towards corporate social responsibility activities is		
Non-specific	81	24.3

<i>Variable</i>	<i>Frequency</i>	<i>Valid Percentage (%)</i>
Scattered	81	24.3
Specific generating synergies	172	51.5
The company's status towards corporate social responsibility activities is		
Insignificant	23	6.9
Discretionary/optional	74	22.2
Strategic/planned	236	70.7
The company's measurement tool towards corporate social responsibility activities		
Nonexistent	5	1.5
Approximate/estimated	124	37.1
accurate and reliable	205	61.4
Total	334	100

As indicated in Table 1 above majority (83.5%) of the respondents replied that the brewery companies allocated dedicated and significant resource for corporate social responsibility activities. Moreover, majority (71.7%) of the respondents replied that the brewery companies allocated dedicated and significant human resource for corporate social responsibility. Besides, majority (51.5%) of the respondents replied that the brewery companies competencies towards corporate social responsibility activities is specific generating synergy. Majority (70.7%) of the respondents replied that the brewery company's status towards corporate social responsibility activities is strategic/planned. Moreover, (61.4%) of the respondents replied that the brewery company's measurement tool towards corporate social responsibility activities is accurate and reliable. Overall, the study result indicated that the local brewery companies have organizational arrangement that helps to implement CSR activities. Organizational structures and policies are essential for the practice of CSR activities (Soares, Maria, & Pedro, 2020).

Table 2: Brewery Company and Community Response on Engagement Strategy

<i>Variable</i>	<i>Company</i>		<i>Community</i>	
	<i>Frequency</i>	<i>Valid Percentage (%)</i>	<i>Frequency</i>	<i>Valid Percentage (%)</i>
The nature of company's contribution to community is based on				
Direct Charity/ donation	283	73.7	376	97.9
Consultation and collaboration	68	28.4	8	2.1
Community integration/ joint problem framing	33	7.8	-	-
The communication of the company with community is				

Variable	Company		Community	
	Frequency	Valid Percentage (%)	Frequency	Valid Percentage (%)
One-way: firm-to community	57	17	368	95.8
Two-way: more firm to- community	246	73.7	16	4.2
Two-way: Community to- firm as much as firm to- Community	31	9.3	-	-
Frequency of interaction between company and community				
Occasional	130	38.9	365	95
Repeated	145	43.4	13	3.4
Frequent	59	17.7	6	1.6
The nature of trust between company and community				
Limited	89	26.6	289	75.3
Progressive	218	65.3	85	22.1
Unlimited or relational	27	8.1	10	2.6
The learning behavior between the company and the community is				
Transferred from firm	42	12.6	362	94.3
Most transferred from firm, some transferred to firm	115	34.4	19	4.9
Jointly generated	177	53.0	3	.8
Corporate social responsibility activities are controlled by the				
The firm	126	37.8	352	91.7
The community	89	35.6	6	1.5
Shared	119	35.6	26	6.8
The benefit and outcome of the interaction between company and community be				
Distinct to community	2	.6	8	2.1
Distinct to company	82	24.6	-	-
Joint	250	74.8	376	97.9
Total	334	100		

Table 2 above shows the responses of both the local brewery companies and local community leaving around the company. Majority (63.8%) of companies' respondents replied that the nature of company's contribution to community is based on direct charity/donation. (73.7.8%) of the companies respondents replied that the communication of the company with community is two ways more firm to community. As understood from interview questions CSR managers have communication with government office about CSR activities and considered the government office as community representative. (43.4%) of the respondents replied that frequency of interaction between company and community is repeated. (65.3%) of the respondents replied that the nature of trust between company and community is progressive. (53.0%) of the respondents replied that the learning behavior between the company and the community is jointly generated. (37.8%) of the

respondents replied that corporate social responsibility activities are controlled by the firm. (74.8%) of the respondents replied that the benefit and outcome of the interaction between company and community be joint.

As the interview response of local brewery companies' CSR managers indicated the brewery companies considered their interaction with the government office as the interaction with community. The CSR managers of the two companies in interview session specifies that since the local government office namely city agriculture office play an intermediary role in identifying community needs, they consider the interaction as a direct engagement. They explain that they involve city agriculture office in their CSR need identification, priority settings and many of CSR decision making activities. They also revealed that they do this since the government office do not allow them to directly interact with the local community. The government office also confirms its intermediary role.

As the community response on engagement strategy in Table 1 above indicates the response of local community on the engagement strategy varies from the companies' response. The majority (97.9%) of the respondents replied that the nature of company's contribution to community is based on direct charity/donation. The majority (95.8%) of the respondents replied that the communication of the company with community is one way firm to community which is contrary to the response of the company. The community representatives explained in focused group discussion that they did not have direct interaction with the brewery companies. (95%) of the respondents replied that frequency of interaction between company and community is occasional. (75.3%) of the community respondents replied that the nature of trust between company and community is progressive. (94.3%) of the respondents replied that the learning behavior between the company and the community is transferred from firm. (91.7%) of the respondents replied that corporate social responsibility activities are controlled by the firm. (97.9%) of the respondents replied that the benefit and outcome of the interaction between company and community be joint. As the result, the response of the company and the community show a discrepancy on issues such as way of communication, frequency of interaction, learning behavior, and who control CSR activities. The discrepancy occurs because of the company's understanding of government body as a community representative. The CSR managers explained that since the government body directly discuss with community about their needs and report to company they consider as if there is direct communication between them.

As understood from focused group discussion community members showed enormous dissatisfaction on brewery companies CSR activities. They explain that since the companies have no direct interaction with them, it became difficult for community to present their socioeconomic needs and their observation on companies CSR activities. They also indicated that they select community elders to represent and present their issue directly to companies but the companies do not allow them to do so. As CSR managers of the companies explained direct interaction is not allowed by government offices. The government office also confirmed that they act as intermediary between the brewery company and the local community and no direct interaction allowed. The community members believes that the local brewery companies fail to meet their needs

because of lack of direct interaction that help them to understand the real needs of community and to agreeably decide on community priorities.

Discussion

Corporate community engagement brought impacts to the community by creating closer ties and interdependencies between corporations and community (Maimunah Ismail, 2009). To contribute to sustainable community development corporate community engagement need to be built on neighborhood relationships (Liu et al., 2013). Implementing community engagement strategy requires organizational arrangement that helps to apply the strategy. As this study result shows the local brewery companies have organizational arrangement for CSR activities and tried to contribute to reduce community challenges. Organizational arrangement can be explained with five variables (1) the nature of the company's financial resources for corporate social responsibility activities, (2) the nature of the company's human resource for corporate social responsibility activities, (3) the company's competencies towards corporate social responsibility activities, (4) the company's status towards corporate social responsibility activities, and (5) the company's measurement tool towards corporate social responsibility activities. The CSR The result shows that brewery companies allocated dedicated and significant financial and human resource for corporate social responsibility activities. The result also shows that company's status towards corporate social responsibility activities is planned and they accurately measure corporate social responsibility activities.

Yet, local brewery companies show limitations in strategically engaging local community in CSR decision making process. Community engagement strategy was explained by variables such as contribution, action, frequency, trust, learning behavior, control and benefit and outcomes.

As the study result indicates the brewery company & the local community have no direct interaction. The community and the brewery companies interact through government office. The city agriculture office plays an intermediary role in the interaction between brewery companies and local community. The government office directly access the local community, make a discussion

with the local community on their CSR needs and communicate their need to the brewery companies. There is no direct interaction between the brewery companies and local community in CSR issues.

Corporate community interaction practice of the local brewery company and local community is held through an intermediary, government office. As understood from the interview question responses the brewery companies believe that they are implement engagement strategy, since they get community request through government office. They also explain they prefer the direct interaction with the local community but the government office is not allowing them. The local community also expresses their immense dissatisfaction on the indirect interaction since the absence of direct interaction hinders the company to closely understand their needs. The focused group discussion result indicated that the community members show interest of selecting their own representatives to represent their need to local community rather than represented by government body. They show huge dissatisfaction for not assigning their own representatives to communicate their issue to the company. Absence of direct interaction also brought different understanding on CSR activities between the company and the local community.

Even though, the local brewery companies has limitation in implementing engagement strategy and have no direct interaction with the local community they used to engaged in CSR activities such as provision of clean water, road, building school and electricity. As understood from the interview and focused group discussions the brewery companies show interest in contributing to reduce community challenges. As explained by one of the CSR manager, the company plans to engage on national challenges that require huge amount of human and financial resource. They tried to address various challenges as a nation and do not focus on local community challenges that might reduce their efficiency since nationwide societal challenges are broader and demand huge effort. However, still companies are trying to contribute to local community challenges. But, CSR activities are used to be effective when it is framed as per the demand of the community and when it is planned and implemented as per the need of the community through engaging them in companies' decision making process. The finding of the study by Muthuri et al. (2009) also illustrated CSR activities address community challenges when companies engaged community on their CSR

decisions. Since community participation is useful means of evaluating community needs, finding solutions and creating opportunities. Community engagement enhances partnership. Partnership enhances the proper engagement of private sector in poverty reduction and community life enhancement (Hanley, Jansen & Grotehans, 2016). Corporate social responsibility achieve its aim whenever people come together to identify what is relevant to them and act on issues of common concern.

Conclusion

The findings of this study deviates from Bowen et al. (2010) theoretically-derived model of corporate community engagement strategies. The variation happens since the interaction between the brewery company and local community is not direct. As the result of the study shows the brewery companies and the local community interact through an intermediary, local government office namely city agriculture office. Contrary to the initial model the finding implies that the brewery companies have no direct relationship that helps to understand the need of local community. Since there is no direct relationship between the two parties it is difficult to identify which engagement strategy the local companies are utilizing. But this does not mean that the companies are not contributing to reduce community challenges but their contribution might not depend on the priority need of the company and their allocation of resources might deviate from what is prefer by the local community.

The finding of the study also reveals that the local brewery companies have allocated dedicated and significant financial and human resource for corporate social responsibility activities. However, they have gap in closely identifying community need and act upon it. They are not directly accessing the local community rather they get their need through government body. This indirect interaction between the brewery companies and the local community create gap to understand real challenges of local community. In one side the company argued of addressing community challenges and on the other side the local community expresses their enormous dissatisfaction on the companies' contribution as per their needs. It is believed that the gap is created because of indirect interaction between the two parties.

Moreover, as it is understood from the focused group discussion the local communities have raised a lot of social

and economic challenges such as water accessibility, road construction, electricity, and employment opportunities. They expect the brewery companies to address many of their challenges since the government provides limited infrastructure and basic needs for the community. Even though, solving many of local community challenges alone can be difficult for the brewery companies, they need to struggle more to reduce local community challenges. It is believed that they need to find out various methods such as giving priorities for local community challenges, discussing with government bodies to create direct interaction with the local community to go further in tackling local community challenges.

The study result also implied the weakness of the local brewery companies on preserving natural environment. The local community ensures limited work of companies in protecting natural environment. As it is understood in focused group discussion, the community expresses their robust dissatisfaction on the companies work regarding natural environment preservation. Brewery companies utilized huge amount of underground water and their work on preservation such as planting tree, implementing various technologies that help to preserve the wellbeing of the natural environment is very limited. Since the local communities are farmers and their life is depend on the wellbeing of their land and cattle, the brewery companies are expected to do an enormous works on keeping the wellbeing of the natural environment to endure the life of local farmers.

Theoretical Implication

Examining corporate community engagement strategy in a specific context is worthy since it is often challenging to apply universal CSR frameworks among the globe. Differences in CSR among different countries are due to a variety of longstanding, historically entrenched institutions (Matten & Moon, 2008). The study extends the research in the area by pointing out the corporate community engagement strategy in a specific context that lay ground for the uptake of engagement strategy in a given context.

Practical Implication

The result of this study provides empirical evidence that indicate the challenge of applying universal CSR

framework among the world. The result of this study indicates government body to put strategies to create legal frame work that support direct interaction between brewery companies and local community. Local brewery companies also need to revise their focus areas in their CSR activities. They need to give priority in addressing local community challenges.

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