

# The Social Responsibility Model of Poultry Farms Management Deduced from Phenomenological Farm Status in the Philippines

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**Abstract:** The purpose of this study entitled, “Social Responsibility of Poultry Farms” was to develop a model that will explain how SR is managed and implemented in different poultry farms through their economic and environmental contributions as well as their strategies on profit maximization.

The Grounded Theory approach was used to accumulate data. One hundred and seventeen (117) participants in this study were the Farm owners, the farm managers, Farm employees, the residents living at approximately 1000 meters (1 kilometer) away from the farm, the City Environment and Natural Resources Office, and the local government where the farms are located.

It is found out that Farms’ overall Social Responsibility constituted the following: as to economic contribution were taxation, industry contribution, community projects and employment, under environmental contribution were Oxygen generation, clean and green perspectives, Environmental (ECC) compliance, and waste disposal management system, under profit maximization were waste utilization, resource maximization, waste minimization and energy saving.

**Keywords:** Social Responsibility, Economic Contribution, Environmental Contribution, Profit Maximization, Grounded Theory

## Introduction

Corporate Social Responsibility or CSR as the researchers refer to it in this study and as explained by Crowther and Aras (2008) is a concept which has become dominant in business reporting it. Every corporation has a policy concerning CSR and produces a report annually detailing its activity. And of course, each of them claims to be able to recognize corporate activity which is socially responsible and activity which is not socially responsible. There are two interesting points about this: firstly, they do not necessarily agree with each other about what is socially responsible; and although they claim to recognize what it is or is not when they are asked to define, it then they find this difficult. Thus, the number of different definitions is huge and later on in this chapter, the researchers will look at some of these.

In recent years, CSR has been vital especially on the operations of several businesses worldwide. Riley (2012) supported this idea and declared that CSR has also become a major business topic until today, and many well-known business people have expressed their support for it. One of them is Niall Fitzgerald, former CEO of Unilever, who once stated, “*Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it... because it is good for our business.*” Also, Dame Anita Roddick of the Body Shop added, “*The business of business should not be about money, it should be about responsibility... it should be about public good, not private greed.*” Through these words of the two leaders of well-known companies, CSR seems to be so powerful.

Defining Corporate Social Responsibility is not complex yet several definitions can be observed. The broadest definition of CSR according to Crowther and Aras (2008) is that corporate social responsibility is concerned with what is – or should be – the relationship among global corporations, governments of countries and individual citizens. More locally, the definition is concerned with the relationship between a corporations and the local society in which it resides or operates. Another definition is concerned with the relationship between a corporation and its stakeholders.

According to the *Business for Social Responsibility* (BSR 2011), Corporate Social Responsibility is defined as achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment. On the other hand, consistent with McWilliams and Siegel (2001), CSR are situations where the firm goes beyond compliance and engages in “actions that appear to further some social good, beyond the interests of the firm and that which is required by law.”

CSR beyond that required by the law is also an obligation. The book entitled “Social Contract” written by Jean-Jaques Rousseau and then included by Crowther and Aras (2008) in their book about Corporate Social Responsibility supported it and explained the relationship between individual and society and its government. They also argued that individuals voluntarily gave up certain rights in order for the government of the state to be able to manage for the greater good of all citizens.

CSR has been also viewed as the voluntary activities undertaken by a company to operate in an economically, socially and environmentally sustainable manner. It is said by the Government of Canada through [www.international.gc.ca](http://www.international.gc.ca), that when companies operate in an economically, socially and environmentally responsible manner, and they do so transparently, it helps them succeed particularly on sharing their values to the society.

However, these are just few interpretations about CSR. Crowther and Aras (2008) said that CSR is a broad subject which leads to a variety of opinions and can be considered in a number of different ways. Nevertheless, the researchers narrowed down and specified the scope of this study for them to accomplish it.

An article from Environmental Animal Health Management (EAHM 2008) stated that livestock and poultry production is a very important and rapidly expanding component of the Philippine agricultural economy. Animal husbandry is a major activity in rural areas and a primary source of income for many small holders, who own and manage the great majority of the country’s livestock and poultry resources. However, problems including food safety, animal welfare, product quality, and environmental issues cannot be ignored. In this point, Corporate Social Responsibility (CSR) of poultry farms arises in the situation.

### **Review of Related Literature**

Grounded theory begins with a research situation. Within that situation, the researcher’s task is to understand what is happening there, and how the players manage their roles. The researchers will mostly do this through observation, conversation and interview. After each bout of data collection, the researcher notes down the key issues, and that is “note-taking”.

Constant comparison is the heart of the process. At first the researcher compares interview (or other data) to interview (or other data). Theory emerges quickly. When it has begun to emerge the researcher compares data to theory.

The results of this comparison are written in the margin of the note-taking as coding. The researcher’s task is to identify categories (roughly equivalent to themes or variables) and their properties (in effect their sub-categories).

As the researcher codes, certain theoretical propositions will occur. These may be about links between categories, or about a core category: a category which appears central to the study. As the categories and properties emerge, they and their links to the core category provide the theory. The researcher himself writes notes about it – “memoing”.

As the data collection and coding proceeds the codes and the memos accumulate.

The researcher then adds to his sample through theoretical sampling. This is purposive sampling which increases the diversity of his sample, searching for different properties. If his core category and its linked categories saturate; he no longer add to them or their properties. This is a sign that it is time to move to sorting. The researcher groups his memos, like with like, and sequence them in whatever order that will make his theory clearest.

The order of the sorted memos provides the researcher with the skeleton, and many of the words, of the study; that’s when writing begins.

To summarize everything, a grounded theory study works through the following mostly-overlapping phases. Data collection, note-taking, coding and memoing occur simultaneously from the beginning. Sorting occurs when all categories are saturated -- this is explained in more detail later, as are the elements of this diagram. Writing occurs after sorting. (Dick 2005)

### Overview of the Grounded Theory

"If someone wanted to know whether one drug is more effective than another, then a double blind clinical trial would be more appropriate than grounded theory study. However, if someone wanted to know what it was like to be a participant in a drug study, then he or she might sensibly engage in a grounded theory project or some other type of qualitative study." (Strauss and Corbin, 1998).

Strauss and Corbin's quote above encapsulates the essence of when it is best to use grounded theory methodology for a research project. GTM provides useful tools to learn about individuals' perceptions and feelings regarding a particular subject area. Quantitative data may be useful in measuring attitudes across a large sample; however, GTM offers a powerful methodological framework if the aim of the study is to learn individuals' perceptions.

GTM shares the following characteristics with other qualitative methods, which correspond to those of this study:

- Focus on everyday life experiences;
- Valuing participants' perspectives;
- Enquiry as interactive process between researcher and respondents;
- Primarily descriptive and relying on people's words (Marshall and Rossman, 1999).

### Data Collection and Analysis in Grounded Theory

GTM uses a form of purposive sampling, known as *theoretical sampling*, where participants are selected according to criteria specified by the researchers and based on initial findings. Early analysis of data indicates issues that need exploration; hence, the sampling process is guided by the on-going theory development. Data collection and analysis take place in alternating sequences.

This can also be described as an iterative cycle of induction and deduction, consisting of collection of data and constant comparison between results and new findings in order to guide further data collections. (Strauss and Corbin, 1990; Miles and Huberman, 1994).

For these reasons, the development and identification of variables do not take place prior to data collection but instead as part of the data collection process. Consequently, the variables or concepts are initiated by the interviewee and further developed and conceptualized by the researcher. Data is collected until *theoretical saturation* is reached, or in other words, until no new or relevant data emerges regarding a category and relationships between categories are established (Strauss and Corbin, 1998).

Interview questions should give as little guidance as possible to allow the interviewees to talk about what is of importance to them regarding a given context. The researchers then need to extract those phenomena or experiences significant to the interviewee by assigning a conceptual label, known as a *code*. Several codes can be grouped into more abstract *categories* which will eventually form the basis for the developing theory.

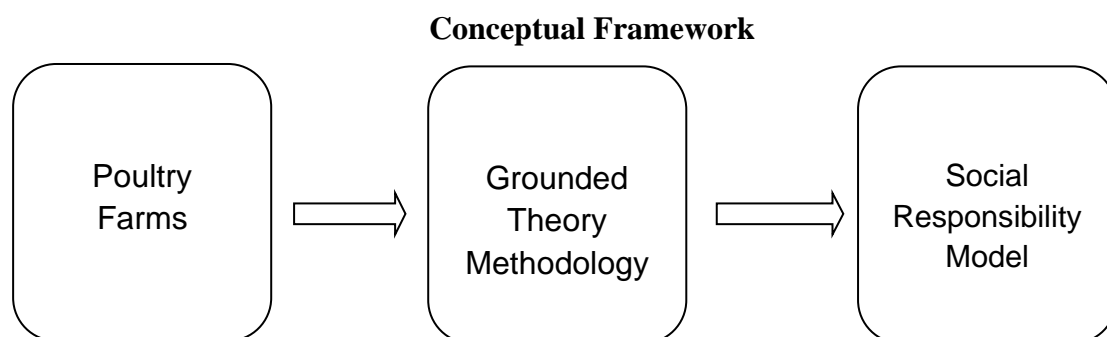


Figure 1. Conceptual Framework

The conceptual framework above shows the relationships of social responsibility of Farms in terms of its contributions to the economy, contributions to the environment, and profit maximization. The framework serves as the guide of the researchers in conducting the study.

### Theoretical Framework

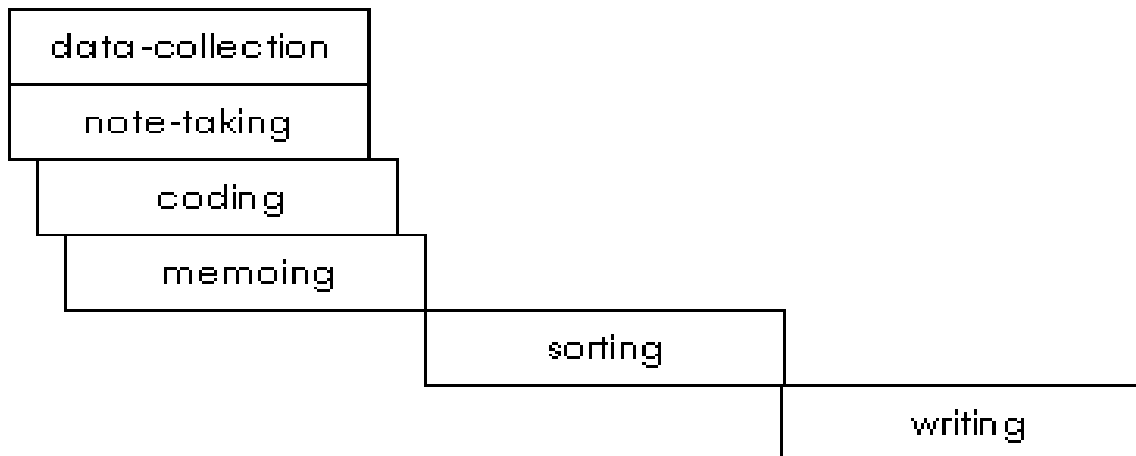


Figure 2. Theoretical Framework

### Statement of Objectives

The study aims to explore the management of Social Responsibility of Poultry Farms in the Philippines, specifically on the following: determine the phenomenological farm situation and the current practices performed by the different poultry farms in the Philippines, the SR model can be deduced from the collected data, and formulation of strategy in helping the operations of the poultry farms.

### Methodology

#### Research Design

This study uses the grounded theory as part of the exploratory qualitative research design which focuses on the Social Responsibility of the different Farms, the City Environment and Natural Resources Office (CENRO) of the different local government units, and the residents living within the approximately 1000 meters away from the farms.

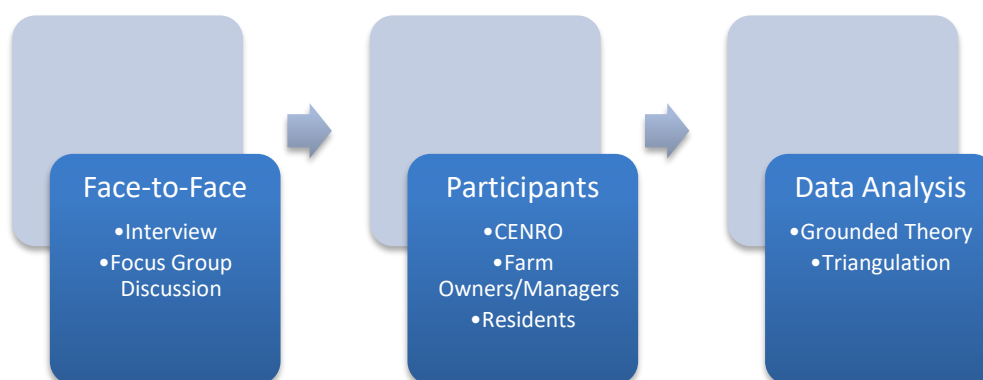


Figure 3. Flow of Data Gathering

### Data Collection

This study utilizes exploratory research design in order to investigate the common threads of Social Responsibility of poultry Farms from the perspective of different farms, CENRO of the different LGUs and the residents living at approximately 1000 meters away from the farms. Exploratory research is important in order to clearly define what Social Responsibility and how it is being managed according to the participants. This research study seeks to understand better the farms' Social Responsibility by exploring how it is being

managed and implemented in their daily operations and looking into their contributions to the economy, to the environment and also their strategies on profit maximization through poultry Farms, CENRO of the different identified LGUs, and the residents living at approximately 1000 meters away from the farms.

**Participants of the Study**

A purposive sampling technique is used to identify participants for this project. Purposive sampling is described as choosing “particular subjects to include because they are believed to facilitate the expansion of the developing theory” (Bogdan & Biklen, 1998,).

Since the purpose of the current study is to develop a theory on how SR works on poultry Farms, participants included are individuals living at approximately 1000 meters away from the farms, the City Environment and Natural Resources Office of the identifies LGUs and the owners of the different farms since they are the main source of information for this study.

A total of one hundred seventeen (117) individuals serve as the primary participants in this study. Thirty-six (36) of the participants are female, eighty-one (81) are male. Participants represent nine (9) major organizations: three (9) from the City Environment and Natural Resources Office of nine (9) different cities, forty-five (45) from the residents living near the farms, and sixty-three (63) from poultry Farms. For the purposes of presentation publications, participants’ profile was intentionally excluded for confidentiality.

**Data Gathering Instrument**

The researchers used observations, focus group and interviews as their main source of data. Specifically a semi-structured interview was used by the researchers in conducting the study.

A set of questions were prepared in terms of economic contributions, environmental contribution and profit maximization. Branch questions were asked to the respondents during the interview process. Specifically, questions asked were about the current situations and the other related concerns in relation to the three aspects of corporate social responsibility and recommendations concerning the study.

**Data Gathering Procedure**

First, the researchers asked permission from the authorities of the City Environment and Natural Resources Office (CENRO) to validate the questionnaires for the respondents. After that, the researchers also seek permission from the Sangguniang Barangays of the identifies LGUs to conduct an interview among them and the residents living near the location of the farm. As the time the interview questions has been validated, the researchers started to conduct four (4) sets of interviews; to CENRO, to the Sangguniang Barangay, to the residents living near farm itself. The researchers utilize semi structured interview to determine the information and responses given by the identified group of respondents.

**Data Collection**

Data are collected through interviews made by the researchers to the City Environment and Natural Resources Office, to the Sangguniang Barangays of the participating local government units and to the residents living near the farms, and to the owners and to the managers of Poultry Farms. Sources of data of this project also include the records of poultry farms from the Local Government Units as to their taxes, permits and clearances. The researchers were guided by the set of questions followed by open-ended questions. Data collected were analyzed using the Table below:

	1	2	3	4	5
Participants	Direct quotes, extracts from written-up field notes	Summaries, paraphrases, or abstracts	Researcher explanations	Ratings or summarize judgments	Combinations of columns 3 & 4
Chicken Farms					
CENRO					
Local Government units					
Residents living at approximately 1000 meters away from the farms					



## Results and Discussions

### a. Economic Contribution

Poultry farms contribution to the economy includes employment, taxation and donation and support to the projects of the local community. The researchers observed that the farm employees are increasing immediately after the time of harvest. This is mainly because there is an arising need to employ individuals or workers but only on a part-time basis. The farms only needs extra force on labor after harvest time because it is the only time when there is a demand in maintenance and cleanliness of the area. Selected people from the local community are assigned to clean the building after harvest. Farms also contribute through paying their taxes regularly. They also support civic projects like brigada eskwela, summer leagues, and annual fiesta through donations or solicitations.

### b. Environmental Contribution

Poultry farms already made positive and negative impacts on the environment. Having mortality pit and lagoon is a practice of proper waste disposal done by the farms. Inorganic chemicals are also banned in their areas. Farms use organic materials and sprays in order to conserve the environment, most especially the air and water. The farms are also practicing tree planting activities in cooperation with the local government units and the City Environment and Natural Resources Offices. However, there are complaints from the residents living near the farms regarding the awful odor coming from the animal manures especially during harvesting time. The researchers also observed a large population of flies present inside the building where the chickens are stored during harvesting season.

### b. Wealth Maximization

Strategies on minimizing cost are done by Poultry Farms in order to maximize its profit. One is by using all the energy saving devices and equipment available in the market like LED Lights and Fan Motors that consumes low energy. The farms are also reducing cost on medicines and supplements by implementing good management. They also lessen LPG consumption by using curtains inside the building to conserve heat during brooding. It avoids wastage-feed and energy wastage. Farms hire only enough manpower to save on labor cost. To save budget on food, some food crops like vegetables are planted inside the farms. This can also be a way to eliminate too much carbon dioxide in the air since plant absorb excessive carbon dioxide and produce oxygen into the air making the environment fresh and conducive to operations. All excess vegetables are being sold to the market. All empty feed bags are also sold making them an additional income on the part of the farms operations

The researchers found out that the problems faced by the farm are the following:

1. The relationship among the residents living near the farm;
2. The unregistered employee of poultry farms;
3. The uncontrolled extreme odor and the increasing number of flies during harvest season;
4. The non-compliance of the Environmental Compliance Certificate or ECC of some of the farm owners.

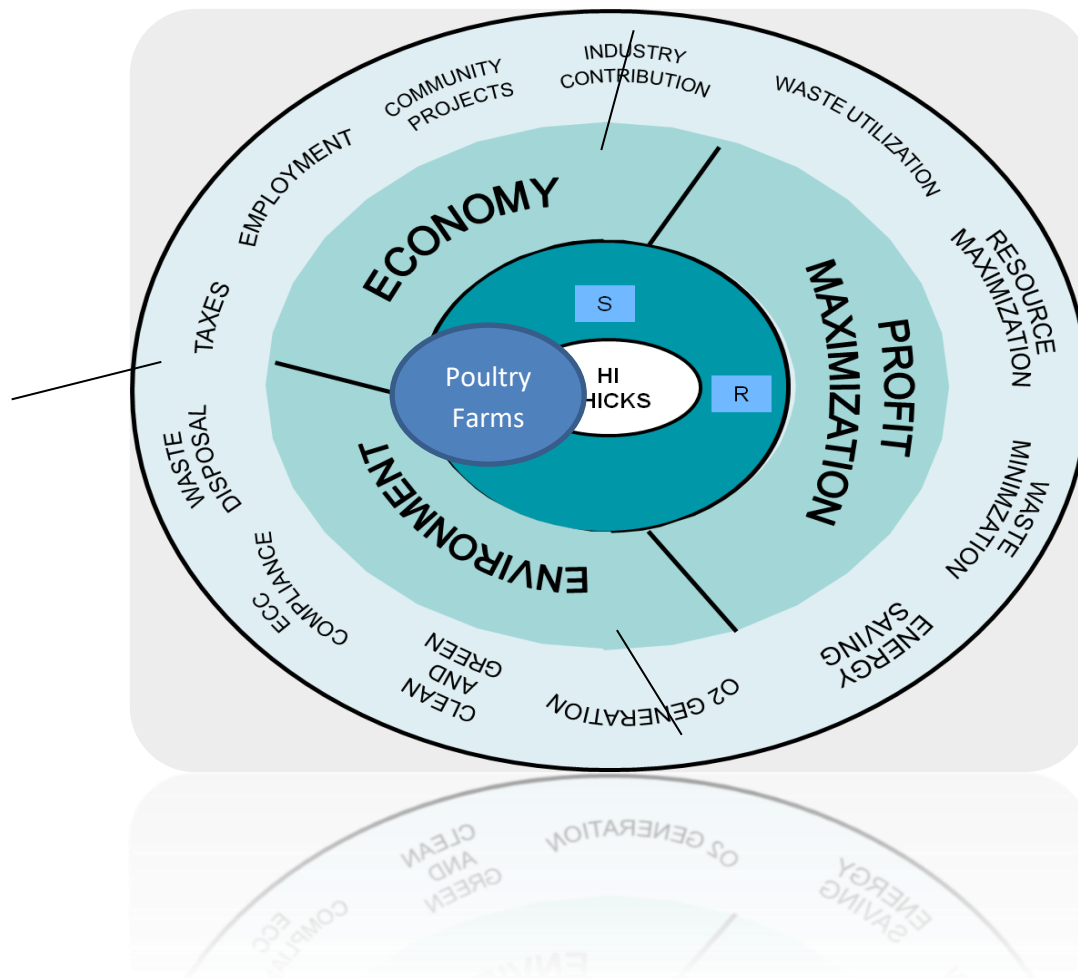
The obscene odor and the increasing number of flies during the harvesting seasons create disputes between the farm owners and the residents nearby of which farm owners should look into a bigger picture on how to solve the problem. Since according to some of the interviewees, they are already planning to petition the immediate closure of the farms of which affecting the business operations that will lead to contribution to unemployment and tax generations of the government.

## Conclusion

Enclosed to each contribution of Social Responsibility of Poultry Farms are as follows: for economic contribution, it includes taxes of the farm, employment for their employees, community projects that they are doing for the benefit of the community and industry contribution which contributes to the business sector in the country. For profit maximization in part are waste utilization, resource maximization, waste minimization and energy saving which are all important factors in maximizing profitability of poultry farms. For environment contribution, poultry farm practices the O<sup>2</sup> generation, clean and green environment, the ECC compliance and waste disposal management of the farm.

### Deduced SR Model of Poultry Farms

Social Responsibility of Poultry Farms pointed out its economic and environmental contributions. The way it generates jobs and pays taxes to the government is a factor to the progress of the economy. The way it cares for the environment by not using chemical sprays, the way of participating in the government activities like tree planting and the proper disposal of the wastes are commendable. However, the farms should also be responsible in addressing problems regarding the emission of awful odors that attracts cloud of flies and even horse flies which affects the health of the people particularly those who are living near the farms. In accordance with this, Farms should focus particularly on their relationships with the household near them and the maintenance of their operations regarding the profit maximization, contribution to the economy and effect to the environment.



*SR Model of Poultry Farms in Philippines*

#### Recommendation:

The researchers formulated the following recommendations after the data have been analyzed and understood:

1. Poultry Farms should have an Environmental Compliance Certificate. It should comply with the rules and regulations of the Department of Environment and Natural Resources.
2. Poultry Farms should start implementing civic programs concerning the welfare particularly the health of the people in the community and programs for the environment since one of the problems faced by the farm is mostly on the environmental and the social aspects. They should also start executing programs that promote environmental protection and conservation without the aid of any institution.
3. The farms should continue providing jobs for the people mainly to their area of residents in their respective cities.

4. It should require the workers to be register as residents of the community since the local government is requiring them to do so for safety reasons.
5. Poultry Farms should look for efficient solutions to the problem such as the undesirable odor and the flies around the area particularly during the harvest season.
6. Farms should continue their existing sanitary and environmental compliance including the proper disposal of waste and should maintain the good records in the local government and in the City Environment and Natural Resources Office.
7. Since environmental protection is the top priority, poultry industries should also comply with the requirements regarding the operations of the farms like the Environmental Compliance Certificate and should maintain the environmental conditions for the preservation and protection of the natural resources.
8. Poultry industry should learn how to create programs that can affect the lives of the society like job opportunity, medical programs, livelihood and the like.
9. Corporate Social Responsibility is a major issue in every business nowadays. Voluntary performing SR can help the poultry industries maintain all the key areas in the operations.

#### **Future Research:**

Findings from this study suggest pathways for future research.

For the researchers, this study may result to different outputs as Poultry Farms continues their operations. Social Responsibility is a systematic approach wherein it needs annual representation of the company as a whole on how it deals with the economy at large, the environment, and the farm itself.

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