



Impact of Leadership on the practice of Corporate Social Responsibility

A study in the private sector: United Arab Emirates

تأثير القيادة على ممارسة المسؤولية الاجتماعية: دراسة في القطاع الخاص بدولة الامارات العربية المتحدة

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Abstract

An increasing number of firms are acknowledging the need for sustainable business practices. Organisations are now trying to rectify the impulsive, irresponsible, short-term beneficial decisions which have resulted in the global recession. As a result, the concept of corporate social responsibility is a very popular topic of discussion in board room meetings. Organisation leaders are now realising the importance of being good corporate citizens. Similar, to firms in any other developing country, firms in the UAE acknowledge the concept of corporate social responsibility although many of them are yet to implement it. This research study attempts to establish the effect of leadership and leadership style on responsible business practices.

The study is targeted on firms in the UAE private sector. The research focuses on the cause-effect relationship between leadership, leadership styles and leadership behaviours on the practice of corporate social responsibility. Attention is given to the new leadership styles in particular. This research also conducts a detailed analysis on the nature of sustainable business initiatives and stakeholder priorities of UAE based firms.

This study employs the quantitative methodology and primary data is collected via questionnaires. The research model and hypotheses were drawn by the researcher to comprehend the influence leadership has on sustainable business practices of firms operating in the UAE private sector. Statistical tool used to analyse the data reveal that leadership, styles of leadership and leadership behaviours have a positive effect on corporate social responsibility. Moreover an analysis of the secondary data available on the responsible business practices of UAE firms highlights their stakeholder priorities and trends. This study concludes with recommendations made to firm managers to aid them to implement sustainable business practices.

Key words: Leadership, Leadership Styles, Leadership Behaviours, Transformational Leadership, Transactional Leadership and Corporate Social Responsibility

الملخص

المزيد من الشركات تقر بحاجتها إلى ممارسات الأعمال التجارية المستدامة. وتحاول المؤسسات حالياً تصحيح القرارات المتهورة وغير المسؤولة وذات الفائدة قليلة الأمد التي أدت إلى حدوث الركود العالمي بالأسواق. ونتيجة لذلك فقد أصبح مفهوم المسؤولية الاجتماعية للشركات من الموضوعات التي يحبذ تناولها في غرف الاجتماعات وبحثها من قبل مجالس الإدارة. وقد أدرك قادة المؤسسات حالياً أهمية وجود الممارسات الجيدة بالشركات. وبنفس القدر فإن الشركات في الدول النامية الأخرى وبدولة الإمارات العربية المتحدة قد أدركت أهمية مفهوم المسؤولية الاجتماعية للشركات مع أن العديد منها لم يرق بتطبيقها حتى الآن.

هذا البحث عبارة عن دراسة لمحاولة إنشاء تأثير القيادة وأساليب القيادة على ممارسات مسؤولية الأعمال التجارية.

تستهدف هذه الدراسة شركات القطاع الخاص بدولة الإمارات العربية المتحدة ، ويركز البحث على العلاقة السببية بين القيادة وأساليب القيادة والسلوكيات القيادية وآثارها على المسؤولية الاجتماعية للشركات.

كما أن هذا البحث أيضاً يتضمن التحليل اليومي لطبيعة مبادرات الأعمال المستدامة وممارسات المساهمين في الشركات القائمة بدولة الإمارات العربية المتحدة.

تقوم الدراسة بتطبيق منهجية البحث الكمية والبيانات الأولية التي تم جمعها بواسطة الاستبيانات. إن نموذج البحث والافتراضات التي تناولتها الباحثة لتوضيح مفهوم نفوذ القيادة على الأعمال المستدامة للشركات العاملة في دولة الإمارات العربية المتحدة والتي تمارس أعمالها ضمن القطاع الخاص.

كشفت الأدوات الإحصائية التي تم استخدامها في تحليل البيانات أن القيادة واسلوب القيادة والسلوك القيادي لديها تأثير إيجابي على المسؤولية الاجتماعية للشركات. علاوة على ذلك ، فإن تحليل البيانات الثانوية المتوفرة عن ممارسات مسؤولية الأعمال للشركات بدولة الإمارات العربية المتحدة تبرز وتسلط الضوء على استراتيجيات المساهمين بالشركات واتجاهاتهم.

وفي نهاية الدراسة فإنها قد توصلت إلى توصيات تم تقديمها لمدرء الشركات لمساعدتهم في تطبيق ممارسات الإستدامة للأعمال التجارية.

الكلمات الرئيسية:

القيادة ، اسلوب القيادة ، سلوكيات القيادة ، القيادة التحويلية والمسؤولية الاجتماعية للشركات.

Dedication

This piece of work is dedicated to my wonderful family and loving friends; my mother for inspiring me with her thirst for knowledge and hard work, my father for his unending support, my bother for his faith in me and my friends for motivating and lifting my spirits when I was tired and low.

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Abbreviations

Corporate Social Responsibility	CSR
Research Questions	RQ
Research Objectives	RO
United Arab Emirates	UAE
Middle East and North Africa	MENA
Centre for Responsible Business	CRB
Strengths Weaknesses Opportunities and Threats	SWOT
National Culture	NC
Gross Domestic Product	GDP
United Kingdom	UK
World Business Council for Sustainable Development	WBCSD
Non-Government Organisations	NGO
United States of America	USA
Egyptian Corporate Responsibility Centre	ECRC
Multi National Corporation	MNC
Dubai Airport Free Zone Authority	DAFZA
Emirates National Oil Company	ENOC
Jebel Ali Hazardous Waste Treatment Facility	JAHWTF
Hewlett Packard	HP
Dulsco Waster Management Service	DWMS
eHosting Datafort	EHDF
Information Technology	IT
Dubai Centre for Corporate Values	DCCV
Dubai Technology and Media Free Zone Authority	DTMFZA
Dubai International Financial Centre	DIFC
Multi Leadership Questionnaire	MLQ

Chapter 1

Introduction

Industrialisation, modernisation and the inevitable phenomenon of globalisation has transformed the role of business organisations in the community. ‘Corporate Social Responsibility’ (CSR) refers to a firm’s responsibility toward the society it functions in. This concept has gained significance over the last three decades. With organisational leaders becoming extremely conscious about the consequences of their firms actions on society, CSR is one of the most extensively discussed topics at management meetings. This in turn implies that corporate leadership has remarkable influence on the CSR approach that firms adopt and in turn its social performance. This research study concentrates on the impact of corporate leadership on the CSR orientation of firms.

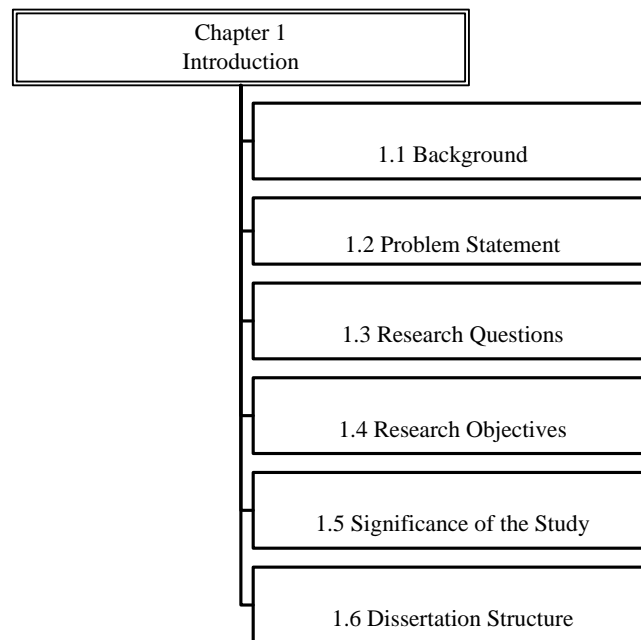


Figure 1: Outline of chapter 1

Figure 1 provides an outline of the topics covered in this chapter. At first, a background to the concepts of CSR and leadership is established. This is followed by the problem statement which discusses the strategic implications of corporate social irresponsibility. Subsequently the research questions (RQ) and the research objectives (RO) are listed. Next, the importance of this study is highlighted. Lastly a flowchart depicting the structure of the dissertation is provided.

1.1 Background

McManus (2008) states that truth undergoes three stages; first, it is mocked, then insistently opposed and lastly acknowledged as plain obvious. Debate, on the role of business in society has experienced a similar disposition. There are two prominent viewpoints on the role of business in society. According to the classical school of thought, supported by Friedman (cited in Schwartz and Carroll 2003) the primary role of business organisations is to legally maximize profits and increase shareholder value. The society is the responsibility of the government. However, the alternative school of thought advocates that firms have equal responsibility towards all stakeholders and the society in general.

Organisations, their stakeholders and the society exist in a dynamic symbiotic relationship. The evolving nature of the business environment no longer permits firms to be independent and unaccountable (Qasim, Muralidharan and Ramaswamy 2011). Social responsibility includes all the economic, legal and ethical actions undertaken by firms to meet the expectations of all stakeholders (Schwartz and Carroll 2003). CSR is a product of industrialisation, modernisation and globalisation. It is highly in demand. On the one hand, stakeholders prefer to be associated with socially responsible firms while on the other, corporates are eager to engage in CSR initiatives due to the numerous strategic benefits associated with it.

Just like any other business activity, CSR initiatives require resources. Firms must allocate their limited resources to meet the conflicting demands of several stakeholders. Managers, especially those at higher levels of the hierarchy are assigned this complex task of allocating firm resources. These managers play a significant role in identifying and promoting the CSR strategy of firms. Therefore, it can be inferred that organisational leadership has considerable influence on the CSR orientation that firms embrace.

1.2 Problem statement

The United Arab Emirates (UAE) is one of the most rapidly developing countries of the Middle East and North Africa (MENA) and Gulf regions. It has responded extremely well to globalisation and opened its doors to international trade and commerce. Moreover the UAE is strategically located in terms of geography. It serves as a market and provides facilities (such as tax free trade) for international and local corporates to tap markets across the region. The versatility of the UAE and its unique culture has attracted international organisations to set up operations in the country. Although this has resulted in positive exponential economic growth, it has put an equal amount of pressure on the country's resources and environment (Qasim, Muralidharan and Ramaswamy 2011). In order to be sustainable, it is essential that the government, the public sector and the private sector conduct business activities in a socially responsible manner.

In spite of the tremendous economic growth, one grey area that remains underdeveloped in the UAE is CSR. In 2009, a research aimed at understanding the level of CSR awareness among managers in the UAE was conducted by the Centre for Responsible Business (CRB), a wing of the Dubai Chamber of Commerce and Industry. The study revealed a high level of CSR awareness and a low level of CSR implementation. While two thirds of the three hundred firms that participated in the study acknowledged CSR, as much as ninety per cent of them failed to implement it (Rettab, Brik and Mellahi 2009). There is a considerable gap between the awareness and implementation of CSR. Due to the lack of implementation of responsible business practices, firms in the UAE fail to enjoy the strategic benefits associated with CSR. This is a cause for concern for all associated stakeholders and the firms themselves.

In order to identify the Strengths, Weaknesses, Opportunities and Threats (SWOT) associated with socially irresponsible firms a SWOT analysis (see Table 1) is performed by the researcher. This analysis reveals that the weaknesses and threats outnumber the strengths and opportunities. As a matter of fact, these threats (see Table 1) are detrimental to the very existence of firms. This raises the question as to why organisation leaders in the UAE choose not to implement CSR despite being aware of it.

Table 1: SWOT analysis on firms that engage in irresponsible business practices

STRENGTHS	WEAKNESS
<ul style="list-style-type: none">• Conserve resources in the short-term	<ul style="list-style-type: none">• Lack competitive advantage• Unable to generate strategic resources, for example reputation• Focused only on short-term profits• Unable to tap new markets and products• Ineffective stakeholder management• Unable to expand customer base• Requires increased regulatory supervision• Negative impact on the environment• Weak community relations
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• n/a	<ul style="list-style-type: none">• Bad corporate reputation• Unable to effectively deal with risks and crisis• Risk of losing talent to those competitors that engage in CSR• Risk of losing ethical customers• Risk of consumer boycotts, opposition from activist groups and legal action• Difficulty in attracting ethical investors and in turn raising capital

1.3 Research questions

Research studies (Kaur 1993; Bernard 1938 and Yukl 1994) cited by Yousef (1998) have established the positive impact of organisational leadership on organisational performance. Hence, it can be justified that corporate leadership also influences the social performance of firms. As a matter of fact several studies indicate that a firm's orientation towards CSR is significantly determined by its leaders (Abdul Rashid and Ibrahim 2002; Waldman, Siegel and Javidan 2006; Cacioppe, Forster and Fox 2008; Angus-Leppan, Metcalf and Benn 2010).

This research study aims to understand the impact of leadership styles on the CSR practices of firms operating in the UAE private sector by answering the following RQ.

RQ1. Does organisation leadership play an important role in determining the CSR actions of firms in the UAE?

RQ2. In spite of being aware of CSR, why do UAE based firms have a low level of CSR implementation?

1.4 Research objectives

The following RO have been drawn in an attempt to address the above mentioned RQ and guide this study.

RO1. Determine which leadership style supports CSR the best.

RO2. Identify leadership behaviours that have significant impact on the CSR orientation of firms.

RO3. Examine the CSR initiatives undertaken by firms operating in the UAE

- a. To comprehend the nature of CSR actions that are currently undertaken
- b. To ascertain the causes for low level of CSR implementation among UAE private sector firms

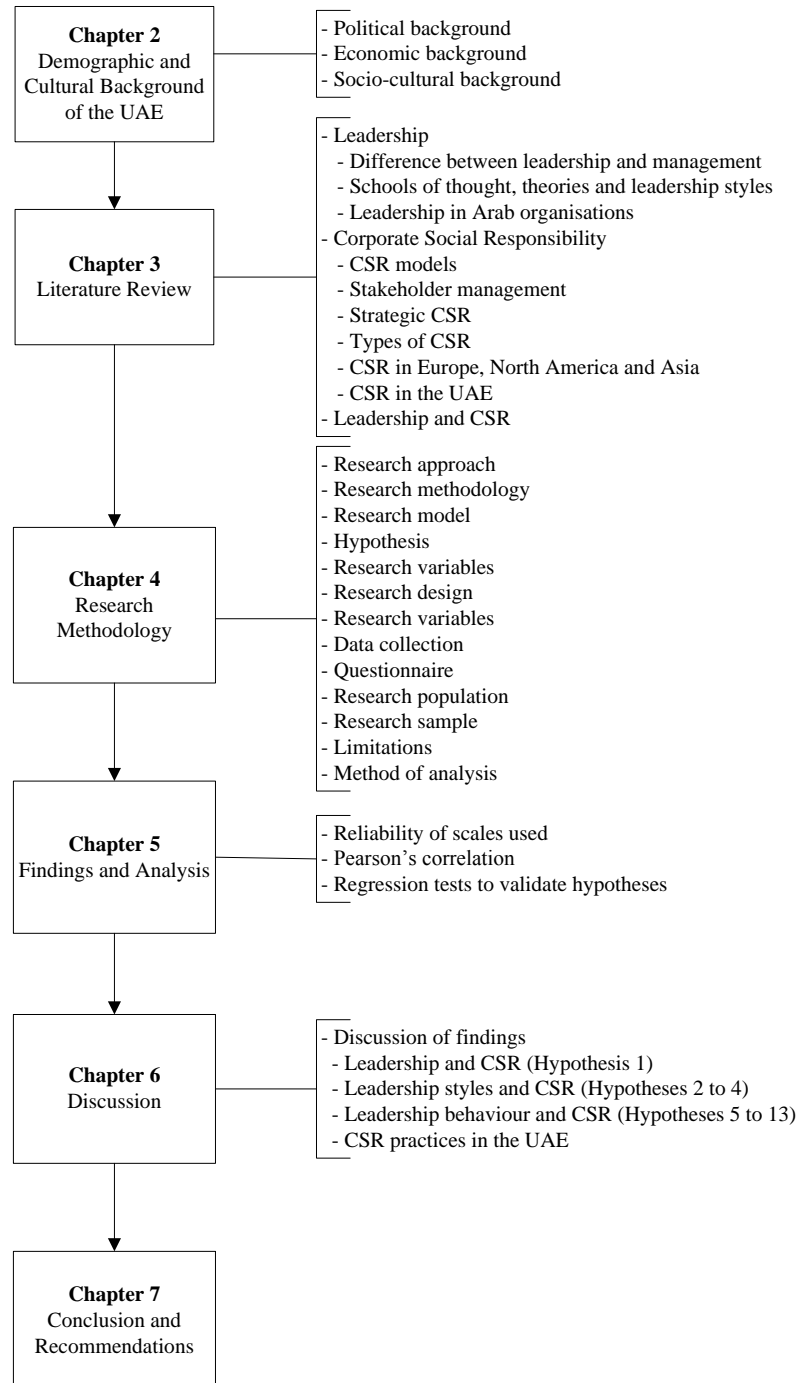
1.5 Significance of the study

Management practitioners are struggling to understand the concept of CSR and its relevance. This study contributes significantly to the managements' understanding of CSR by analysing the concepts, theories, models and existing literature on CSR thoroughly. Moreover, it provides a rationale as to why organisations must engage in CSR and are accountable for their actions. Evaluating leadership styles and highlighting the impact of leadership on CSR help managers comprehend their contribution towards good corporate citizenship. Secondly, vast research has been conducted on leadership and CSR independently. However, studies exploring the relationship between corporate leadership and CSR are extremely limited. In view of this, Siegal (2009 in Angus-Leppan, Metcalf and Benn 2010) appeals to researchers to address this gap. This study takes a small step towards reducing this large gap in research by examining the impact of leadership styles and behaviours on the CSR practices of private sector firms in the UAE. Lastly, research conducted on business and managerial practices in the Arab world is inadequate. According to Robertson et al. (2001 in Mostafa 2005) less than one per cent of 236 articles published during a ten year period starting 1990, focused on the MENA and Gulf regions. Although the volume of research conducted on the region has increased over the years there is still scope for improvement. This research also lends to the existing literature on the Arab region.

1.6 Dissertation Structure

Flowchart 1 provides an overview of the structure of this dissertation from chapter 2 onwards.

Flowchart 1: Dissertation Structure



Chapter 2

Demographic and cultural background of the UAE

There exist two viewpoints pertaining to the impact of national culture (NC) on organisational culture. The ‘cultural free’ viewpoint argues that organisational culture is independent of NC and is not affected by the same. On the other hand, the ‘culture bound’ perspective justifies that organisational culture is a product of NC and varies across different countries (Dedoussis 2004). This study adopts a culture bound approach and supports Tayeb’s (1997 in Dedoussis 2004) view that organisations are social systems, unable to operate independent of the social, economic and cultural systems they belong to. Previous research indicates that NC (Dedoussis 2004) and organisation culture (Yousef 1998) shape the decision making process. This also implies that managerial decisions pertaining to CSR are influenced by NC and organisational culture. A study conducted by Abdul Rashid and Ibrahim (2002) demonstrates that NC variables such as tradition, family upbringing, education, religious values and so forth influenced the attitudes of Malaysian managers toward CSR. Since this dissertation adopts a culture bound approach and the variables of this study namely leadership and CSR are sensitive to culture, it is vital to examine in detail the political, economic and socio-cultural background of the UAE.

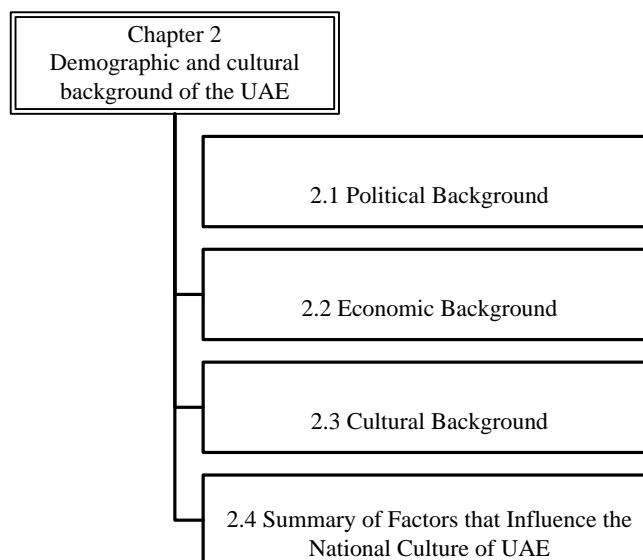


Figure 2: Outline of chapter 2

This chapter concentrates on the political, economic and socio-cultural factors that influence the NC of the UAE (and in turn the decision making process). The structure of this chapter is provided in Figure 2.

2.1 Political background

Akin to other Arab countries, tribes are a dominant feature of the UAE's socio-political scenario. The UAE, previously known as the Trucial States consists of seven sheikhdoms (emirates) - Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Umm al-Qaiwain and Ras al-Khaimah. Traditionally each emirate is ruled by a sheikh, who is usually the leader of the most powerful tribe (UAE Interact 2011). He ascends to power based on the support and loyalty secured from the tribal members. Political progression is characterised by hereditary succession conventionally chosen, exclusively by the members of the ruling family (Bertelsmann Transformation Index 2006).

The UAE was established in 1971, when six of the emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah and Umm al-Qaiwain) merged to form a federation. Ras al-Khaimah joined the federation a year later in 1972. Abu Dhabi is the federal capital and the largest emirate. The federation consists of the following political bodies: the Supreme Council, the Cabinet – also known as the Council of Ministers, the Federal National Council, and the Federal Judiciary (Suliman 2006). The Federal Government is responsible for foreign affairs, national security and defence, nationalisation and immigration, public health, education, communication, banking and currency, labour relations, air traffic control and so forth.

The Supreme Council, comprising of the rulers from the seven emirates is the highest executive decision making body. The president and prime minister are elected from the Supreme Council by the members themselves for a renewable term of five years. The cabinet, headed by the prime minister consists of ministers representing various ministerial portfolios. The ministers are selected across the seven emirates by the prime minister in consultation with the Supreme Council members. The establishment of the Federal National Council in 1972 is considered to be a milestone in the legislative process of the UAE. The primary objective of the Federal National Council is to advise the members of the Supreme Council and the Cabinet, although it does not have the authority to overrule the decisions made by both. Similar to a parliament constitution, the Federal National Council consists of forty members selected proportionately from each

emirate. Prior to 2006, all the forty Federal National Council members were appointed by the respective sheikhs of each emirate. However, effective 2009 half of the Federal National Council members are elected via an electoral college and the remaining twenty are appointed by the respective rulers of each emirate (Gulf News 2009). The Federal Judiciary is constitutionally pledged as an autonomous body. It includes the Federal Supreme Court and the Courts of First Instance. The Federal Supreme Court constitutes of five judges appointed by the Supreme Council. It is assigned the task of settling disputes between the emirates, the Federal and local governments.

Apart from the Federal Government, each emirate has its own local government. The governing bodies consist of directorates, municipalities and departments. The local governments are responsible for areas such as administration, internal security, infrastructure development, economic policy, wealth management and so on. As a result, each emirate enjoys substantial political and economic autonomy. Although UAE's political development is rather conservative (Bertelsmann Transformation Index 2006) the establishment of the Federal Government is the only successful example of political unification across the Arab world. This success is owed to the political configuration which permits political and economic independence at the individual emirate level and coordinate consensus at the federal level.

2.2 Economic background

More than thirty years ago, the UAE was a typical agricultural economy dependent on crop cultivation, animal husbandry, fishing and pearling (Suliman 2006). Today the country boasts of a booming free market economy. This accelerated economic growth can be attributed to the discovery of oil and gas and globalisation. The UAE is a very rich country in terms of natural resources. It owns the eighth largest oil reserve and the nineteenth largest gas reserve in the world (CIA (2011a); CIA (2011b)). Owing to the abundant supply of natural resources and a small indigenous population, the UAE citizens enjoy a high per capita income and standard of living. In order to develop the economy further, much of the revenue earned from the production of oil and gas is invested in infrastructure projects. This in turn has generated both business and employment opportunities. An overview of the UAE's economic indicators is provided in Table 2.

Table 2: Economic indicators of the UAE

Source: National Bureau of Statistics 2007

(In Million Dirhams)

Economic Variables	2005	2006*	2007**
- Population (000)	3988	4229	4488
- Workers (000)	2651	2871	3097
- Gross Domestic Product	513089	624623	729732
- G.D.P. (Excluding Oil Sector)	328039	400504	467891
- G.D.P. (At Constant 2000 Prices)	424801	473911	498699
- Gross National Income (Million Dirhams)	523689	642023	751232
- Net National Income	452211	560971	660022
- Disposable Income	427510	530870	625911
- National Saving	133790	201116	229854
- Final Consumption Expenditure:	276152	304607	366540
- Government Final Consumption	51544	57961	76190
- Private Final Consumption	224608	246646	290350
- Gross Fixed Capital Formation	93798	120999	148479
- Exports of goods(Fob)	430737	534666	664345
- Exports of services	17568	25147	29517
- Imports of goods & services(Cif)	448305	559813	693862
- Imports of goods(Cif)	310890	367459	486584
- Imports of services	33820	47278	58741
- Imports of goods & services(Cif)	344710	414737	545325
- Wages And Salaries	108554	130265	160226
C.P.I	121.7	133.0	147.8
Inflation	6.2	9.3	11.1

*Preliminary**Estimated

In an attempt to reduce its economic dependence on natural resources, the UAE has capitalized on globalisation and opened its economy to international trade and commerce. The emirate of Dubai for example, is focusing on developing other sources of income such as tourism and commerce as it has been estimated that the oil reserves of Dubai will be depleted by 2016. A comparison of the growing contributions made by the different economic sectors to the gross domestic product (GDP) over a three year period from 2005 to 2007 (see Table 3) further emphasises this fact.

Table 3: GDP by economic activity sector

Source: National Bureau of Statistics 2007

(In Million Dirhams)

Sectors	2005	2006*	2007**
The Non Financial Corporations Sector:	438773	537533	627340
Agriculture , Live stock and Fishing	8839	9601	9592
Mining and Quarrying	185954	225241	263084
Manufacturing Industries	61843	79010	94480
Electricity , Gas and water	9068	10059	11283
Construction	36000	46435	58311
Wholesale Retail Trade and Repairing Services	51764	58847	65966
Restaurants and Hotels	9035	11483	13419
Transports , Storage and Communication	31267	39491	43877
Real Estate and business Services	36178	47174	55796
Social and Personal Services	8825	10192	11532
The Financial Corporations Sector	42575	48763	55766
Government Services Sector	38839	46383	55438
Domestic Services of Households	2629	3077	3594
Less : Imputed Bank Services	9727	11133	12406
Total	513089	624623	729732
Total of Non Oil Sectors	328039	400504	467891

*Preliminary **Estimated

The UAE is also endeavouring to position itself as a service oriented economy. Comprising of construction, real estate, wholesale trade, retail trade, hotels, restaurants, transportation and communication the service sector accounted for nearly fifty-one per cent of the GDP in 2007 (see Table 3). Moreover as much as sixty per cent of the work force is employed in the service sector as indicated in Table 4.

Globalisation, infrastructure development and the consequent creation of business opportunities have resulted in the emergence of innumerable business enterprises. There are mainly three types of firm ownership: public, private (local and foreign) and joint ventures (Suliman 2006). Public organisations are owned exclusively by the government. Private ownership comprises of firms owned by private individuals of local as well as foreign origin. The private sector contributes significantly to the country's GDP as indicated in Table 5.

Table 4: Workers by economic sectors

Source: National Bureau of Statistics 2007

Sectors	2005	2006*	2007**
The Non Financial Corporations Sector :	2111332	2286572	2466294
- Agriculture , Live stock and Fishing	193044	209066	225499
- Mining and Quarrying :	38694	41906	45199
* Crude oil and Natural Gas	33200	35956	38782
* Quarrying	5494	5950	6417
- Manufacturing Industries	336585	364521	393173
- Electricity , Gas and water	34207	37046	39958
- Construction	534398	578753	624242
- Wholesale Retail Trade and Repairing Services	502427	544129	586897
- Restaurants and Hotels	116615	126294	136220
- Transports , Storage and Communication	162768	176278	190133
- Real Estate and business Services	77858	84320	90947
- Social and Personal Services	114736	124259	134026
The Financial Corporations Sector	34694	39041	40945
Government Services Sector	282426	304399	329491
- Domestic Services of Households	222506	240975	259916
Total	2650958	2870987	3096646

*Preliminary **Estimated

Table 5: Sectoral distribution of UAE

Source: National Bureau of Statistics 2004

(In Million Dirhams)

Sectoral Distribution	2002	2003	2004	2005*
Oil Sector	88133	109871	144959	199814
* Crude Oil & Natural Gas	72552	92136	123261	173195
* Oil Refining & Gas Liquification	15581	17735	21698	26619
Government and Public Sector	75910	81958	90171	107365
Private Sector	108813	129923	151413	178332
G.D.P.	272856	321752	386543	485512

*Preliminary

Several provisions have been made to enhance the business environment in order to attract foreign firms. For example free zones such as the Jebel Ali Free Zone which facilitate foreign private ownership and business infrastructure free of tax have been established across the emirates. Joint ventures consist of partnership between firms in the public sector, private sector and public and private sector. The UAE's economic development is advanced in comparison to its political development (Bertelsmann Transformation Index 2006). This advanced economic growth is built on forward thinking, systematic planning and channelling resources towards the enhancement of key infrastructure facilities.

2.3 Socio – cultural background

The socio-cultural environment of the UAE is fabricated by six layers of culture namely regional, national, generation, social class, gender and organisational. In spite of the differences in their political and economic constitutions, Arab societies share similar cultural values which are predominantly shaped by religion, language and history (Atiyyah 1996; Suliman 2006). Just like other Arab nations, the UAE is a Muslim country and Arabic is the local language. Islamic culture and values are considered to be a way of life and regulate almost all aspects of day to day living. For instance, the concept of 'Tawheed' which defines the relationship between an individual and God, governs the daily lives of UAE citizens.

Much of UAE's NC is moulded by the regional culture. It has a collective society which is founded on familial affiliation (Damyanova and Singer 2004). Strong ties with immediate and extended relatives are a common social norm. Joint families are a typical feature of the Emirati society. However, the domestic composition of Emirati households is gradually evolving due to modernisation. The concept of nuclear family is gaining popularity due to an independent younger generation and the limited size of villas and apartments in the urban areas.

Modernisation is characterised by an increase in urban population, prioritisation of individual choices and evolution of diverse socio-cultural values (Berger 1986 in El-Ghannam 2001). The UAE is a classic example of a society that is undergoing socio-cultural transformation due to modernisation. Elements such as technological development, the communication revolution, increased awareness due to education, ease in mobility (physical and social) and globalisation have influenced the UAE's generation culture. The younger generations have adopted modern

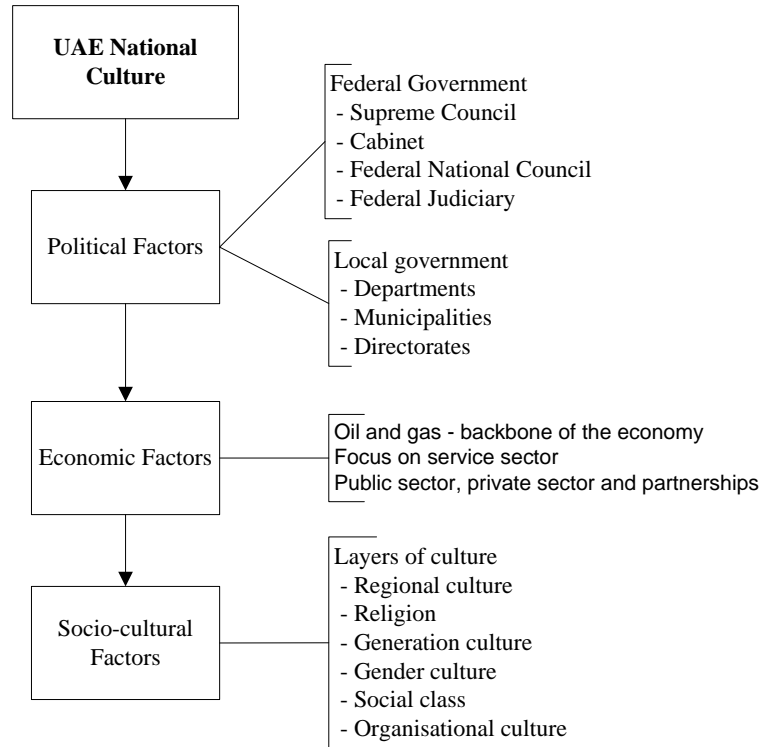
attitudes and values which promote individualism and often clash with the traditional group-oriented values of the older generation. In terms of gender culture, the UAE is traditionally a patriarchal society (Mostafa 2005). Nonetheless, the elements of modernisation have influenced the gender culture as well. Although men are still the dominant members of the society, the social interactions between males and females are more open in comparison to other Arab societies.

Organisational cultural has the least degree of influence on UAE's NC. Family and tribal associations play a more important role in identity orientation in comparison to organisational affiliation. On the contrary, NC plays a significant role in shaping the country's labour laws and policies which consequently shapes the organisational culture. For instance, in line with the religious and regional practice, the UAE labour law states that Friday is the official weekly off. Almost all companies are closed on Fridays and those which are not must compensate their staff accordingly.

Very limited human capital owing to a small indigenous population (Simadi 2006) and their rigid mindset (Wilkins 2001; Atiyyah 1996) have made the UAE dependent on expatriate population to realise its financial and infrastructure goals. Majority of UAE nationals prefer to be employed in government organisations due to the associated prestige, rewarding remuneration and convenient working conditions. They believe that manual labour is below their dignity and renounce the same. Wilkins (2001, p.260) reinforces this fact by stating that "...they will certainly not consider manual or unskilled jobs or jobs that lack status". UAE citizens have a high degree of concern for social class and prestige which contributes to the socio-cultural synergy in addition to the cultural layers explained above.

2.4 Summary of factors that influence the NC of UAE

Flowchart 2: Summary of demographic and cultural background of the UAE



Chapter 3

Literature review

The pervious chapter dwelled on the political, economic and socio-cultural factors of the UAE's NC which in turn impact the organisational culture of firms operating in the country. This chapter entails an in depth discussion of leadership and CSR by reviewing existing literature. It includes the difference between leadership and management, the theories of leadership, the corresponding leadership styles and popular leadership styles in the Arab corporate world. The definition of CSR, CSR models, stakeholder management, the concept and benefits of strategic CSR, classification of CSR, CSR communication and drivers of CSR are discussed in detail. This section also covers an analysis of the CSR and stakeholder priorities of European, North American and Asian firms. A detailed examination of the CSR projects undertaken by corporates in the UAE is conducted. Figure 3 provides an overview of the layout of this chapter.

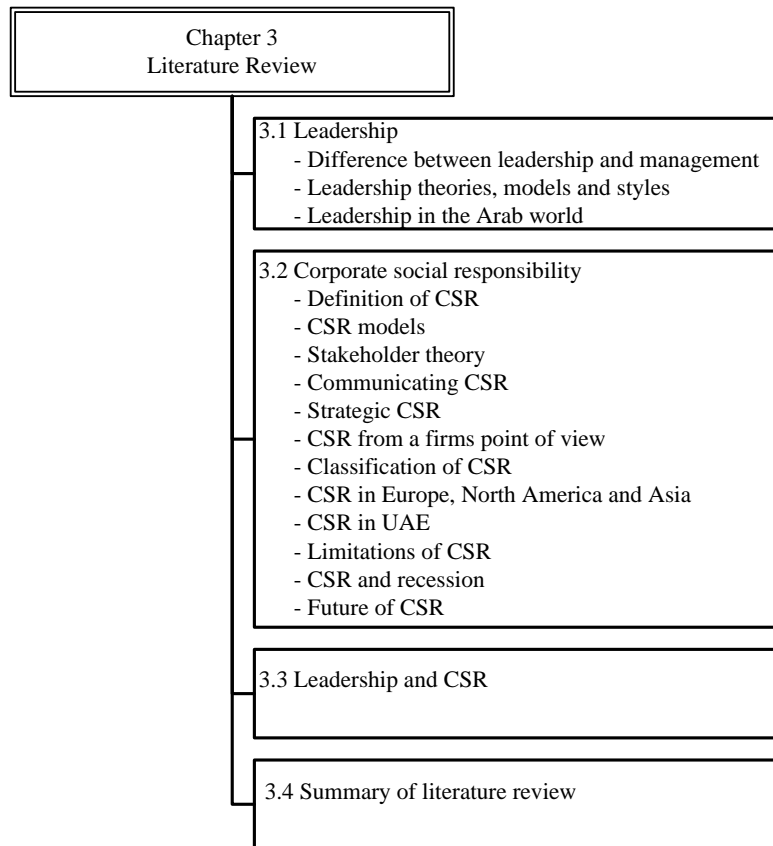


Figure 3: Outline of chapter 3

3.1 Leadership

Leadership is concerned with an individual's ability to inspire others to commit themselves to a greater shared vision and thereby accomplish tasks. There are numerous definitions for leadership. According to Crainer (1995 in Mullins 2005) there are over four hundred definitions for leadership. Winston Churchill (in Boleman 2008, p.36) defines leadership as "the ability to influence people to set aside their personal concerns and support a larger agenda." This is one of the simplest and most straight forward definitions of leadership.

3.1.1 Difference between leadership and management

The concept of leadership is often confused with that of management. At this point, it is important to highlight the difference between both. Managers do things the right way by administering a predetermined action plan. They control and monitor their subordinates' performance which they compare with the set standards. Managers are inclined towards structure, strategy and system. They are very profit-oriented. Leaders, on the other hand, do the right things. They innovate and encourage their associates to be creative. They develop, motivate and inspire their followers. Leaders are oriented towards personnel, skills, shared goals and opportunities. Table 6 provides a clear distinction between leadership and management.

Table 6: Difference between leadership and management

Source: Adapted from Kotter 1990 in Buchanan and Huczynski 2010, p.598

Leadership	Management
<ul style="list-style-type: none">• Leaders establish direction by creating shared goals• Leaders facilitate team formation by communicating the shared goals with their associates• Leader motivate team members to achieve goals and overcome obstacles• Leaders facilitate dramatic changes	<ul style="list-style-type: none">• Managers establish action plans, budgets and allocate resources• Managers are concerned with creating processes, procedures and developing strategies for staffing and monitoring• Managers monitor performance and results against set standards and take corrective action• Managers facilitate consistency

Although there are distinct differences between leadership and management, the role of leaders and managers overlap. Buchanan and Huczynski (2010, p.599) highlight that “Leadership is one dimension of a multifaceted management role.” In an organisational setting, managers are often equated to leaders who are entrusted with the task of achieving organisational goals. A manager must therefore possess some leadership qualities and behaviours in order to be successful.

3.1.2 Leadership theories and styles

One of the earliest leadership theories is ‘The Great Man’ theory. This theory puts forward the view that leaders are born with innate qualities and are destined to lead. It was believed that leadership roles were intended for men only which explains why the term ‘Man’ was used.

A. Traits theory of leadership

The traits leadership theory evolved from the great man theory. It emerged during the first half of the twentieth century. This theory spells out the key characteristics that an individual must possess in order to be a successful leader, for example self confidence, general intelligence, technical or professional knowledge, integrity, dependability and so on. These key characteristics distinguish leaders from others. Personnel identified with the key traits are recruited as leaders. This technique of recruitment is extremely popular in the military. However, the traits theory has been criticized on several grounds. Firstly, the traits identified with successful leadership are plentiful and inconsistent. Secondly traits are difficult to measure. Lastly although traits are “excellent predictors of leadership...” they do not define leadership (Boseman 2008, p. 36).

B. Behavioural school of thought

Due to the limitations of the trait theory of leadership, research on the behaviour of leaders increased. The behavioural school of thought propagates the view that leadership behaviour can be classified into two: task-oriented leadership behaviour and relationship-oriented leadership behaviour. Task-oriented leadership behaviour concentrates on structure, process and task completion. On the other hand, relationship-oriented leadership behaviour capitalizes on leader-subordinate relationship and interpersonal skills to accomplish goals. Table 7 provides a summary of the alternative terms employed by different behavioural leadership models to refer

to task-oriented and relationship-oriented behaviour respectively. The following section reviews some of the popular behavioural models of leadership and associated leadership styles.

Table 7: Dimensions of leadership behaviour

Source: Mullins 2005, p. 290

Group Interaction Analysis	Task-Oriented Leadership Behaviour	Relationship-Oriented Leadership Behaviour
Ohio State leadership study	Initialising structure	Consideration
University of Michigan study	Production-centred leadership behaviour	Employee-centred leadership behaviour
McGregor's model	Theory X	Theory Y
Blake and Mouton leadership grid	Concern for production	Concern for people

B1. The Ohio quadrant

The Ohio State Leadership studies conducted by the Ohio State University identified two dimensions of leadership behaviour which are initiating structure and consideration. Initiating structure refers to leadership behaviour which lays emphasis on defining tasks, structure, systems and processes to accomplish goals. Consideration corresponds to leadership behaviour which demonstrates concern for relationships, personnel and their needs. Figure 4 depicts the Ohio Quadrant which diagrammatically illustrates the bifurcation of leadership behaviour. It provides four leadership approaches which include high structure-low consideration, high structure - high consideration, low structure - high consideration and low structure - low consideration. Of these, high structure-high consideration is the most effective leadership approach. The leader pays thorough attention in organising tasks and to the relationship needs of subordinates. The least desirable leadership style is obviously the low structure - low consideration.

Structure	High	Low consideration/ high structure	High consideration/ high structure
	Low	Low consideration/ low structure	High consideration/ low structure
		Low	High
		Consideration	

Figure 4: The Ohio quadrant

Source: Cole 1995, p. 199

B2. The University of Michigan leadership study

The University of Michigan also conducted a leadership study which categorized leadership behaviour into two: production-centred and employee-centred (Cole 1995). Production-centred leadership behaviour is similar to initiating structure. It is practiced by task-oriented leaders. These leaders focus only on achieving goals. They define tasks and engage in one-way communication with their subordinates. Consideration alternatively known as employee-centred leadership behaviour is adopted by relationship-oriented leaders. These leaders capitalise on relationship management to accomplish goals. They provide support, engage in two-way communication and inspire their subordinates to realize goals.

B3. McGregor's' theory X and theory Y

Two of the earliest leadership models, grounded on the dichotomy of leadership behaviour are McGregor's Theory X and Theory Y and Likert's system of leadership (Cole 1995). The behavioural school of thought gained popularity in the 1960's subsequent to the publication of Douglas McGregor's book 'The Human Side of Enterprise' (Bolden et al. 2003). McGregor categorized managers into two based on the two dimensions of leadership behaviour. Theory X managers adopt a task-oriented approach. They believe that an average individual dislikes work

and responsibility. Subordinates must be instructed, driven and even compelled to achieve organisational goals. On the other hand, theory Y managers are of the opinion that an average human being seeks work, responsibility, is motivated, innovative at solving problems and demonstrates self-direction to achieve organisational goals. These managers employ relationship-oriented leadership behaviour.

B4. Likert's systems of leadership

Likert (1961 in Buchanan and Huczynski 2010), a significant contributor to the leadership study conducted by the University of Michigan, identified four systems of leadership which are analysed in Table 8.

Exploitative autocratic leaders do not trust subordinates. They enforce their opinions and decisions on subordinates. These managers force subordinate compliance by employing negative motivation techniques such as threats. Exploitative autocratic leaders do not delegate authority and responsibility. They engage in one-way communication. Benevolent autocratic leaders have superficial trust in subordinates. Similar to exploitative autocratic leaders, they impose decisions on subordinates. However, they motivate subordinates by rewarding them. Benevolent autocratic managers practice minimal delegation and two-way communication in order to keep up with the cursory trust they display towards subordinates. Participative leaders have some level of trust in their followers. These leaders delegate authority and responsibility (at medium level), engage in two-way communication and motivate followers by rewarding and involving them in the decision making process. Although participative leaders take their subordinates' viewpoints into consideration, they control the decision making process. Democratic leaders have a high level of trust in their subordinates. They delegate, permit subordinates to make decisions, engage in two-way communication and motivate subordinates by involving them in the decision making process.

Table 8: Systems of leadership

Source: Adapted from Cole 1995, p. 197 and Buchanan and Huczynski 2010, p. 607. Table contents created by the researcher.

System No.-System name	System 1 - Exploitative Autocratic	System 2 - Benevolent Authoritative	System 3 - Participative	System 4 - Democratic
Aspects of leadership				
Confidence in Subordinates	No confidence	Superficial confidence	Some level of confidence and trust	Complete confidence and trust
Decision Making	Imposes decisions	Imposes decisions	Involves subordinates in decision making but controls the decision making	Allows subordinates to make decisions
Delegation	Never delegate	Low level of delegation	Medium level of delegation	High level of delegation
Motivation	Motivates by threatening	Motivates by rewarding	Motivates by rewarding and a low level of involvement	Motivates by high level of involvement and participation
Communication	One-way communication	Mostly one way communication, however engages in two-way communication at times	Two-way communication, constructively uses subordinate opinions	Two-way communication, Shares ideas and opinions with team members

B5. Blake and Mouton's leadership-management grid

Blake and Mouton's (1964 in Bolden et al. 2003) leadership-management grid is yet another leadership model that was developed on the two dimensions of leadership behaviour. Figure 5 depicts the leadership-management grid. The x axis measures concern for production (task-orientation) on a scale from one to nine. The y axis measures concern for people (relationship-orientation) on a scale from one to nine. Depending on the varying degrees of task and relationship-orientation this model identifies five leadership styles.

1. Impoverished leadership: At 1,1 leaders do not have concern for production or people. This leadership style can be compared to the low structure-low consideration leadership approach of the Ohio quadrant. This leadership style is ineffective and minimal.
2. Authority-compliance leadership: Leaders featuring at 9,1 are extremely concerned about production. They are not concerned about the relationship they share with their subordinates. This leadership style is similar to Likert's exploitative autocratic system of leadership and the high structure-low consideration approach of the Ohio leadership studies.
3. Country club management: These leaders display a high concern for people and a low concern for production. This leadership style corresponds to the high consideration -low structure approach of the Ohio leadership studies. Country club leaders feature at the left upper corner of the grid at 1,9.
4. Team management: Team leaders plotted at 9,9 have a high concern for production and people. It is considered to be the optimal leadership style. Team management can be associated with the high structure-high consideration leadership approach of the Ohio leadership studies.
5. Middle-of-the road management: These leaders have equal concern for production and people. They feature at the centre of the leadership-management grid at 5,5.

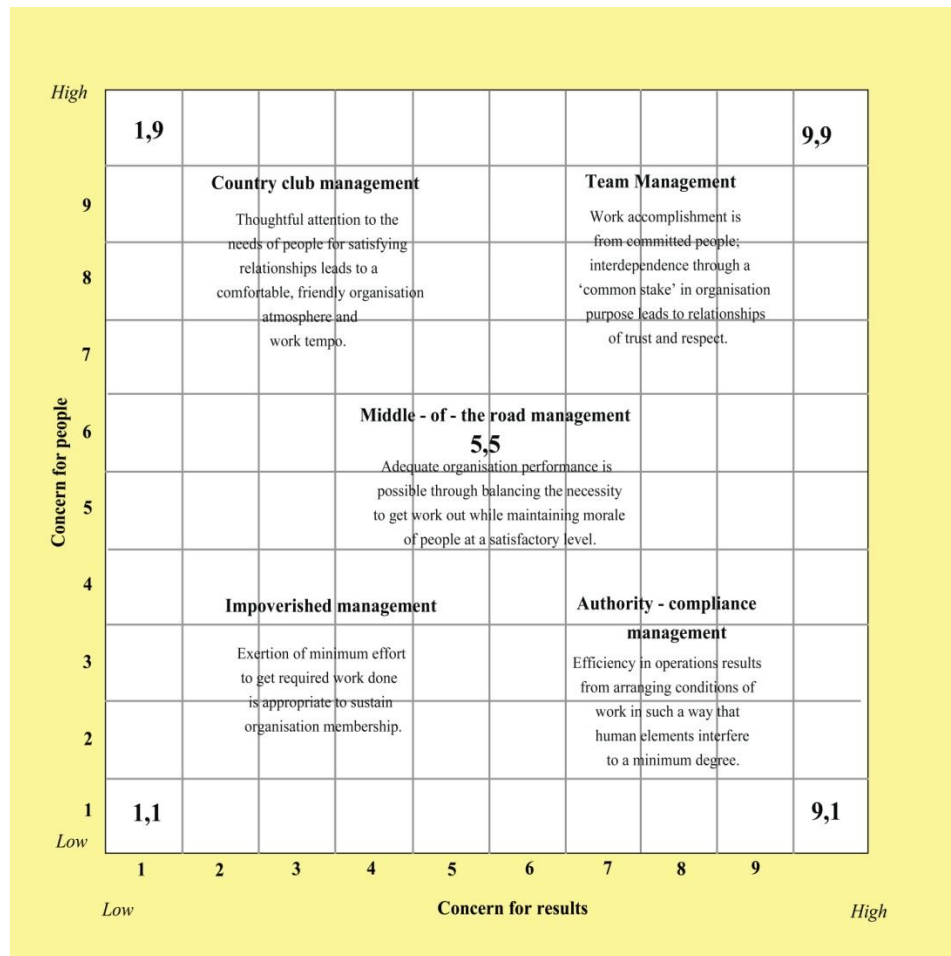


Figure 5: The leadership-management grid

Source: Blake and McCanse 1991 in Mullins 2005, p. 242

The behavioural school of thought has been criticized for excessive attention on managerial orientation (task-orientation and relationship-orientation). It fails to provide a concise leadership style which is effective across diverse situations. Moreover it fails to take account subordinate needs.

C. Contingent school of thought

Advocates of the contingent school of thought argue that there is no one best leadership style. They claim that leaders must adjust their leadership style in a manner that is consistent with the context. The optimal leadership style depends on several factors such as organisational culture, environment, task, power, interpersonal skills and so on within a particular situational context.

The following section discusses some of the prominent contingent models of leadership and the corresponding leadership styles.

C1. Tannenbaum and Schmidt's leadership continuum

Contingency theorists Tannenbaum and Schmidt (1958 in Mullins 2005) suggested that several viable leadership styles fall in between autocratic and democratic leadership approaches.

According to them, leadership styles can be plotted on a continuum with autocratic leadership at one end and democratic leadership on the other (see Figure 6). As we move from the autocratic end of the continuum towards the democratic end of the continuum subordinate participation increases and new leadership styles emerge. They identified four distinct leadership styles on the continuum.

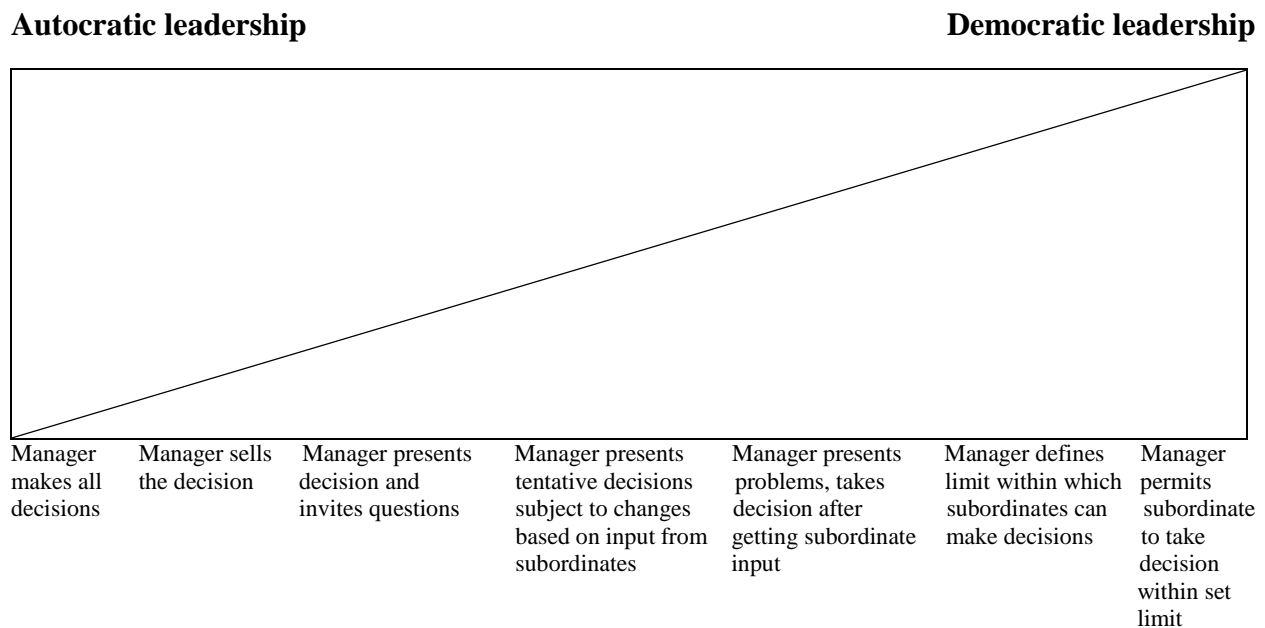


Figure 6: The leadership continuum

Source: Adapted from Tannenbaum and Schmidt 1958 in Cole 1995, p. 205

‘Telling style’ leadership otherwise known as autocratic leadership features on the left end of the continuum. Telling style leaders take all the decisions. Subordinates are in no way involved in the decision making process. This leadership style can be compared to McGregor’s Theory X managers and Likert’s exploitative autocratic leadership system. Alternatively, the ‘selling style’ leadership requires managers to sell their decisions to subordinates. Although leaders are solely responsible for making decisions, they must persuade, convince, motivate and buy the

commitment of their subordinates. As the level of subordinate involvement in the decision making process grows ‘consultative style’ leadership emerges. Consultative leaders take the opinion of their subordinates into consideration, even though they may not use them. Moreover, decision making and the resultant outcome are the sole responsibility of the leader. The consultative leadership style can be associated to Likert’s participative leadership system. The fourth leadership style, placed at the right end of the continuum is the ‘joining style’ leadership, alternatively known as democratic leadership. Managers practicing democratic leadership essentially do not take decisions. Decisions emerge from group discussions and brainstorming sessions which are chaired by managers. The joining style leadership can be equated to Likert’s democratic leadership system and related to McGregor’s Theory Y managers. Tannenbaum and Schmidt also ascertained three factors which determine the optimal leadership style. Table 9 lists the three factors and their corresponding elements.

Table 9: Factors that influence optimal leadership style

Source: Adapted from Tannenbaum and Schmidt 1973 in Mullins 2005, p. 293

Manager Factors	Subordinate Factors	Situational Factors
<ul style="list-style-type: none"> • Leader’s values and ethics • Trust and confidence in subordinates • Orientation towards leadership • Past experience • Level of security in uncertain situations 	<ul style="list-style-type: none"> • Degree of need for independence • Willingness to accept responsibility • Level of ambiguity tolerance • Ability to identify problems and its importance • Ability to relate to organisational goals • Technical and professional knowhow 	<ul style="list-style-type: none"> • Type of organisation • Team effectiveness • Nature of the problem • Urgency to solve problems

C2. Fiedler’s contingency model of leadership

Based on leadership behaviour towards subordinates, Fiedler grouped leaders into two. These are the low least preferred co-worker leader and the high least preferred co-worker leader. The low

least preferred co-worker leader displays the features of a task-oriented leader, while the high least preferred co-worker leader displays the attributes of a relationship-oriented leader.

According to Fiedler (1967 in Cole 2005) an ideal leadership situation is constructed on the interplay between the above mentioned leadership behaviours and three aspects which include task structure, power structure and leader-member relationship. Task structure refers to the extent to which tasks are defined. Power structure defines the level of authority a leader exercises over subordinates. Leader-member relationship is concerned with the existing interpersonal relations that a leader maintains with the subordinates. Fiedler (1967 in Mullins 2005) justifies that the optimal leadership styles differ with the favourability of the situation. In a favourable situation, wherein tasks are defined, the leader has a strong power position and a good relationship with subordinates, task-oriented leadership behaviour is best suited. Task-oriented leadership behaviour is also suitable in an unfavourable situation which is characterised with ambiguous task structure, weak power position and weak leader-member relations. While a relationship-oriented leader will focus on improving weak leader-member relations, a task-oriented leader will define tasks, exert power on subordinates and disregard the resistance from subordinates to turn the situation around. Hence task-oriented leadership is ideal for an unfavourable situation also. In a moderately favourable situation featuring ill-defined tasks, medium power position and reasonably good leader-member relations, relationship-oriented leadership behaviour is ideal. Relationship-oriented leaders capitalize on their interpersonal skills to influence subordinates and rectify the situation.

Fiedler's contingency model of leadership has been heavily criticised. It is seen as a glorified version of the behavioural leadership models. It determines the ideal leadership style (which is either task or relationship inclined) in diverse leadership situations. Moreover leadership situations are established on task, power and leader-member relations, which are difficult to assess. Lastly this model of leadership completely ignores the external factors that influence a leadership situation.

C3. Hersey and Blanchard's situational leadership theory

As per the situational leadership theory, a leader's leadership style is determined by the maturity level of the subordinates. 'Maturity' refers to the subordinates ability and willingness to complete tasks. Hersey and Blanchard (1988 in Buchanan and Huczynski 2010) ascertained four

leadership styles based on the subordinate's level of maturity. These are directing, coaching, supporting and delegating respectively. Figure 7 provides a diagrammatic representation of the Hersey-Blanchard situational model of leadership.

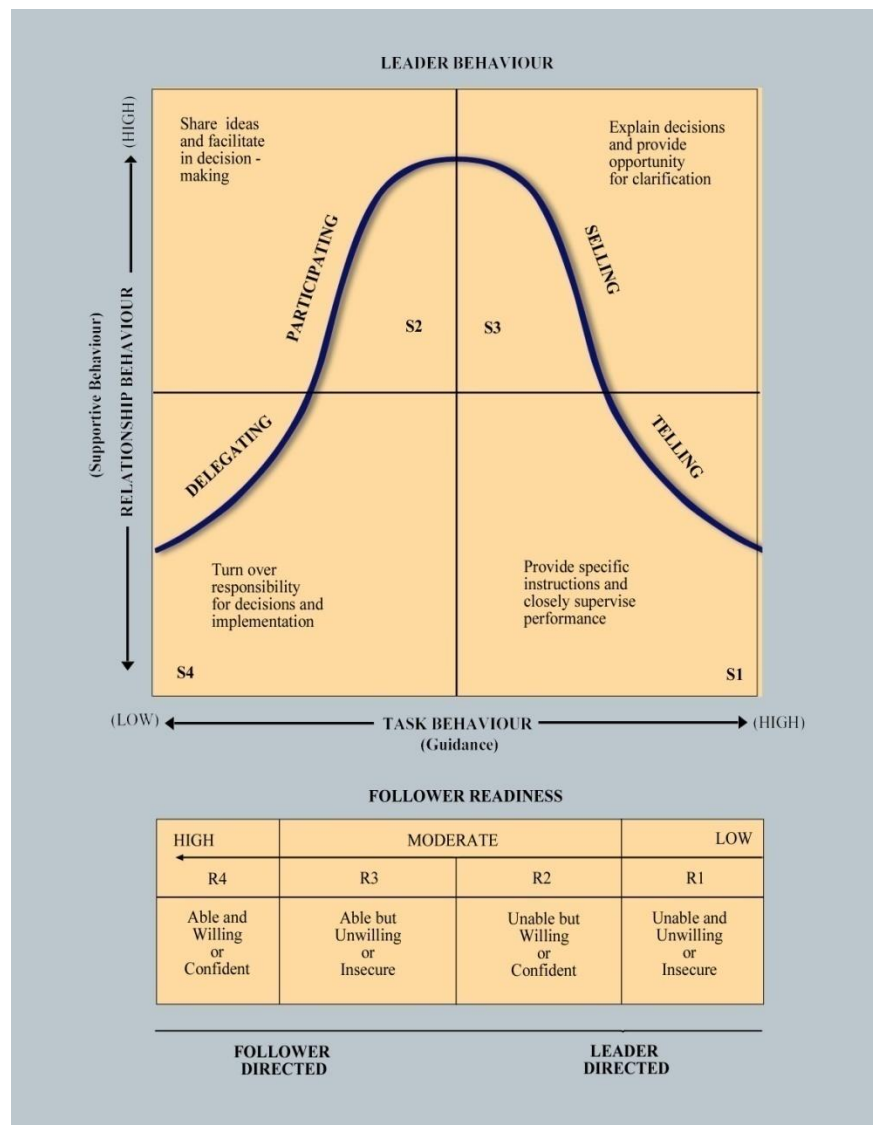


Figure 7: The Hersey-Blanchard's situational model of leadership

Source: Centre for Leadership Studies 2006 in Buchanan and Huczynski 2010, p. 613

When maturity levels are low, subordinates lack the willingness and ability to perform tasks. Leaders must adopt the directing leadership style which is task-oriented as subordinates must be told what to do and closely supervised. Moderate maturity level can be explained from two viewpoints; when subordinates are willing, but unable to perform and when they are unwilling but able to perform. In the first scenario, leaders must engage in coaching leadership style to

develop their subordinates' ability to perform. This leadership style involves high levels of both task and relationship-oriented leadership behaviour. Unwilling subordinates who have the ability to perform tasks must be handled using participative leadership which involves high levels of relationship-oriented behaviour and low levels of task-oriented behaviour. At high maturity levels, managers delegate tasks. Managers must assess their subordinates' maturity levels and tailor their approach to leadership accordingly.

C4. John Adair's functional leadership model

John Adair's functional leadership model is yet another model of contingent leadership. At times it is categorised under the functional leadership approach (Mullins 2005). According to Adair (1979 in Bolden et al. 2003) the leadership function consists of three elements, which include defining task structure, supporting individual performance and fostering team work. This model is illustrated via a venn-diagram (see Figure 8) consisting of three circles, each representing a leadership function.

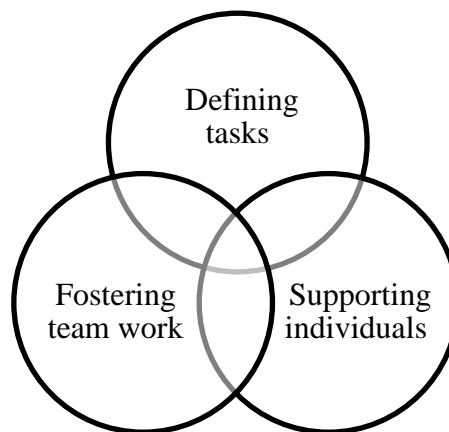


Figure 8: John Adair's functional leadership model

Source: Adair 1973 in Bolden et al. 2003, p.11

A leader who ignores task definition is relationship inclined and focuses on supporting team members and promoting team work. Both individuals and team members will not be able to perform if tasks are unstructured. Individual group members get demoralised if leaders fail to provide individual support and concentrate on the other two functions. This in turn will negatively impact the team dynamics, as a team is a sum of individual members. Therefore, effective leaders must identify the optimal leadership style which ensures the harmonious

collaboration of these three leadership functions (represented by the centre of the venn-diagram where all three circles intersect).

D. The new leadership movement

The traits theory of leadership and the leadership models built on the behavioural and contingent schools of thought explained until now stereotype leaders as individuals who stand apart from the rest. These models and the associated leadership styles are categorised as the traditional leadership approaches. New forms of leadership are evolving with organisations operating in a dynamic environment. This is supported by Bennis (2002, p. 13) who states that “the cold, hard evidence is that the traditional management approach will not survive much longer in an era of breathtaking change and constant seismic activity within organisations.” For example servant leadership is extremely popular in religious institutions wherein the leader desires to first serve and then guide subordinates (Bolden et al. 2003). In doing so, the subordinates’ priority takes precedence over the leaders own priority. Katzenbach and Smith (1994 in Bolden et al. 2003) take this argument to the next level by justifying that the changing disposition of leadership requires managers to set aside their hierarchical positions and follow subordinates, which they term as ‘the following part of leading.’ The following part of leading necessitates leaders to encourage followers to voice their opinions by asking relevant questions, interact with subordinates at the operational level and identify growth opportunities for their subordinates. Manager must also facilitate team member collaboration and seek to achieve a common understanding of goals among team members rather than arriving at a consensus.

Team leadership is yet another evolved form of leadership which is popular in today’s project managed business environment. Team leaders create a vision and allow members to act on it as they seem most appropriate. Limiting their role of leadership to their respective teams, these leaders acknowledge and appreciate the diversity and talent of their team members. They believe that subordinate diversity and skill contribute to the wholeness of the team and utilise the same for the benefit of the team (Belbin 1973 in Bolden et al. 2003).

D1. Transformational leadership

The new leadership movement was initiated almost three decades ago by James McGregor Burns who conducted an analysis on political leaders. He classified them as transactional and

transformational leaders (Behery 2008). According to Burns (1978 in Bolden et al. 2003, p. 14) “[Transformational leadership] occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality...” Transformational leaders metamorphise followers by expanding their needs, altering their self interests, boosting their self confidence and raising their expectations. However, it was Bernard Bass who applied the concept of transformational leadership to business organisations. Burns firmly believed that transformational leaders were individuals who possessed special abilities. Nevertheless, researchers such as Boseman (2008) and Tichy and Devanna (1986 in Bolden et al. 2003) challenge his point of view and argue that transformational leadership can be learned.

Transformational leadership is a compatible combination of the traits, behavioural and contingent theories of leadership. Transformational leadership style involves leadership behaviour which gives appropriate importance to task and relationship-orientation, based on the circumstance. Transformational leaders are often compared to role models who possess the traits of an ideal leader. This opinion is also shared by Yukl (1989 in Behery 2008, p. 227) who states that “...transformational leadership simultaneously involves leader traits, power, behaviour and situational variables.” As per Avolio and Bass (1999) transformational leadership behaviour consist of five components which are discussed below.

1. Idealised behaviour: Transformational leadership behaviour is aligned to the ethics and principles of the leader. A leaders values, ethos, and beliefs are closely associated with the vision, mission and shared organisational goals, which they clearly articulate to their subordinates (Muenjohn and Armstrong 2008). Transformational leaders clearly express the importance of having shared goals and a strong sense of purpose (Boseman 2008). These leaders are extremely conscious of the ethical and moral consequences of their decisions.
2. Idealised attributes: Transformational leaders go beyond themselves for the good of the team. They exhibit skill, competence and a sense of power (Bolden et al. 2003) as a result of which they command respect, trust and faith (Behery 2008). Transformational leaders display an aura of authority. However, they do not misuse the power for their own benefit. They conduct themselves in a manner which instils pride in those associated with them. As a result, they assume the role of an idol or role model that subordinates want to

be associated with and imitate (Behery 2008; Muenjohn and Armstrong 2008; Boseman 2008).

3. **Inspirational motivation:** This component refers to the inspiring and motivating conduct of transformational leaders. Transformational leaders talk passionately about the future and the achievement of shared goals. In doing so they inspire associates to look forward to the future. Transformational leaders motivate followers by communicating a high level of expectation and the related challenges (Muenjohn and Armstrong 2008). This in turn provides followers meaning to their contribution towards the achievement of shared goals (Behery 2008). By inspiring and motivating followers, transformational leaders facilitate subordinates to envision a brighter and promising future with their organisation.
4. **Intellectual stimulation:** This transformational leadership behaviour aids subordinates to solve problems by analysing it from different perspectives (Bolden et al. 2003). Transformational leaders encourage followers to challenge their own opinions and consider others perspectives. They support innovation and creativity in problem solving. In the process, they develop their subordinates' analytical and problem solving competencies (Behery 2008).
5. **Individualized consideration:** Contrary to the belief that performance drives employee development, transformational leaders believe that development enhances performance. Transformational leaders consider each team member as an individual with unique needs and aspirations. They spend substantial time and resources coaching and developing followers individually (Muenjohn and Armstrong 2008). According to Behery (2008), transformational leaders give each follower personalised attention, discuss their competencies and identify areas of development, provide continuous feedback and link personal and professional needs with the shared organisational goals. As a result, subordinate behaviour is altered due to enhanced self confidence, elevated expectations and amplified needs and self interest.

In recent years, due to the changes brought about by the dynamic business environment transformational leadership is gaining importance. This is further supported by Cascio (1995 in Behery 2008, p.227) who states that “today’s networked; interdependent, culturally diverse organizations require transformational leadership.” According to Tichy and Devanna (1986 in Buchanan and Huczynski 2010) transformational leaders have three primary functions, these

include identifying a need for change, generating a novel shared vision and instituting change. Transformational leaders define direction by establishing shared goals and emphasising on the importance of the same (Hooper and Potter 1997 in Bolden et al. 2003). They stimulate followers to assess their personal objectives and endeavour to achieve superior goals aligned to the shared organisation goals. Research conducted by House and Shamir (1993 in Jabnoun and Al Rasasi 2005) proved that transformational leaders enhance follower motives. This in turn, increased the subordinates' innate value of goal achievement. Followers expressed intrinsic contentment in being a part of the leader's mission which in turn enhanced their commitment. Transformational leaders create a strong sense of corporate citizenship by elucidating the contributions made by each follower to the shared vision. The personalised support extended by transformational leaders brings out the best in followers. This in turn enhances employee productivity and reduces staff turnover. A study conducted by Geyer and Steyer (1998 in Jabnoun and Al Rasasi 2005) ascertained that transformational leadership and performance were positively correlated. Another study, conduct by Masi and Cooke (2000 in Jabnoun and Al Rasasi 2005) on military personnel established the same relationship between transformational leadership and performance. Transformational leaders also give subordinates the leverage to think out of the box, be innovative and creative. In addition to improving the followers' analytical skills, this component of transformational leadership behaviour proves to be an advantage in times of crisis and risk (Hooper and Potter 1997 in Bolden et al. 2003). These behavioural components of transformational leadership facilitate transformation of the organisation which makes them champions of change.

D2. Transactional leadership

Transactional leadership is another form of new leadership. According to Buchanan and Huczynski (2010, p.618) a transactional leader is "a leader who treats relationships with followers in terms of an exchange, giving followers what they want in return for the leader desires, following prescribed tasks to pursue established goals." As the name suggests, this leadership style is established on a transactional relationship between leaders and subordinates (Behery 2008; Boseman 2008). The leader-subordinate relationship is based on contingent reinforcement (Muenjohn and Armstrong 2008) whereby managers reward subordinates economically for their competence, effort and time. Transactional leadership behaviour consists of two distinct components: contingent reward and management by exception-active.

1. Contingent reward: Transactional leaders discuss with subordinates what is expected of them and the terms and conditions of work. They also explicitly clarify the rewards for accomplishing tasks. They reward associates for good performance and punish them for bad performance.
2. Management by exception-active: This transactional leadership behaviour is focused on taking corrective action. Transactional leaders actively monitor subordinates and compare their performance with predefined standards. If subordinate performance fails to meet the set standards, they take immediate corrective measures to ensure good performance (Behery 2008).

Transactional leadership style helps to establish a solid positive relationship between leaders and subordinates. Subordinates equate contingent reward and punishment with good and bad performance respectively. This provides subordinates with continuous feedback. They are always aware of their leaders' expectations. However, the main demerit of this leadership style is that subordinates will perform only if they are rewarded and that too only if the compensation meets their expectations (Boseman 2008).

D3. Passive/avoidant leadership

Passive/avoidant leadership style consists of two leadership behaviours which are management by exception-passive and laissez-faire.

1. Management by exception-passive: Leaders adopting management by exception- passive leadership behaviour get involved only when problems arise and performance standards are not met. They use contingent punishment to correct performance.
2. Laissez-faire: Leaders engaging in laissez-faire leadership behaviour shy away from leadership responsibilities. They avoid making decisions and addressing conflicts. They are absent during the decision making process and relinquish their leadership duties. Laissez-faire leadership behaviour is also known as non-leadership behaviour (Muenjohn and Armstrong 2008)

D4. Comparison of transformational and transactional leadership styles

There exist several differences between the two new leadership styles. Transformational leadership is founded on the leader's values. On the other hand, transactional leadership is based on needs (the leader's need to get tasks accomplished and the subordinate's need to be appreciated for task completion). While transformational leaders are involved in strategic business activities, transactional leaders are involved in the day to day operational aspects. Transactional leaders are oriented towards well-defined task structures, processes and short-term profits. Transformational leaders are inclined towards achieving long-term shared organisational goals and profits. They create meaningful work for their associates by designing and re-designing jobs aligned to the organisational goals. These leaders invest time and resources in developing human potential. Alternatively transactional leaders monitor subordinate performance. They ensure task completion as per the defined task structure and system. They reward good performance and punish bad performance. Unlike transformational leaders, they do not encourage innovation and creativity. The differences between transactional and transformational leadership styles are listed in Table 10.

Even though there are distinct differences between transformational and transactional leadership styles, managers may be required to use a combination of both to deal with situations successfully. The same opinion is expressed by Bass (1985 in Behery 2008, p. 228) who states that "transformational and transactional leadership are distinct but not mutually exclusive processes."

Table 10: Differences between transformational and transactional leadership styles

Source: Adapted from Covey 1992 in Bolden et al. 2003, p. 15

Transformational Leadership	Transactional Leadership
<ul style="list-style-type: none">• Leadership behaviour is shaped by the values, ethics and principles of the leader• Transformational leadership is long-term oriented• Transformational leaders are involved in strategic business activities• Transformational leaders coach subordinates to improve performance• Transformational leaders engineer and re-engineer jobs to make them more meaningful by aligning them to the shared organisation goals• Transformational leaders encourage creativity and innovation	<ul style="list-style-type: none">• Leadership behaviour is founded on needs; the leaders need to get tasks accomplished and the subordinates need to be rewarded• Transactional leadership is short-term oriented• Transactional leaders are more concerned with the daily operational aspects of business• Transactional leaders reward subordinates for good performance• Transactional leaders strictly adhere to the job description, structure, tasks and processes. They are very profit oriented• Transactional leaders do not promote innovation

D5. Dispersed leadership

The absence of an ideal leader who is effective in all circumstances has resulted in the emergence of a new form of leadership known as distributed or emergent leadership (Bolden et al. 2003; Buchanan and Huczynski 2010). This leadership style takes an informal approach. Proponents of the distributed leadership style rationalize that leaders, do not have to be confined to the organisational hierarchy and hold managerial positions. Instead, they can be dispersed throughout the organisation. Their leadership skills and competencies will emerge as situations and relationships evolve. Therefore, in different circumstances, different personnel emerge as leaders and exert leadership influence over their colleagues. Although this leadership approach is popular in political science and sociology, it is yet to be accepted by management practitioners. Figure 9 provides a summary of the managerial leadership theories discussed until now.

The Great Man Theory

- Based on the view that leaders are born and destined to lead.

The Traits Theory of Leadership

- Evolved from The Great Man Theory
- Based on the view that leaders must possess a list of traits in order to be successful

The Behavioural School of Thought

- Based on the behaviour of leaders
- Categorizes leadership behaviour into two; task-oriented and relationship-oriented
 - Task-oriented leadership behaviour focuses on defining tasks, structure and processes
 - Relationship-oriented leadership behaviour focuses on the leader's interpersonal relationship with subordinates
- Behavioural models include;
 - The Ohio quadrant
 - The University of Michigan leadership studies
 - McGregor's theory X and theory Y
 - Likert's systems of leadership
 - Blake and Mouton's leadership-management grid

The Contingent School of Thought

- Based on the view that there is no one best leadership style
- Optimal leadership style is dependent on the situation
- Takes into consideration the internal and external factors that influence leadership
- Contingent leadership models include;
 - Tannenbaum and Schmidt's leadership continuum
 - Fiedler's contingency model of leadership
 - Hersey and Blanchard's situational leadership theory
 - John Adair's functional leadership model

The New Leadership Movement

- Based on the view that leadership styles are evolving

New leadership forms include:

- Servant leadership
 - Prominent in religious and non-profit service organisations
- Team leadership
 - Popular in project managed environments
- Dispersed leadership
 - Based on the view that no individual has all the competences to deal with all situations
 - Takes an informal approach which is not defined by organisational hierarchy
 - Leaders emerge based on the circumstance
- Transformational leadership
 - Leaders have the ability to transform subordinates and the organisation
 - Comprises of five leadership behaviours
 - Ideal for change management.
- Transactional leadership
 - Based on a transactional relationship between managers and subordinates
 - Comprises of two leadership behaviours
- Passive/avoidant leadership
 - Leaders get involved when things go wrong or forfeit leadership responsibilities

Figure 9: Summary of managerial leadership theories

3.1.3 Leadership in the Arab World

Most research conducted on the leadership behaviour of Arab managers prior to 2000 indicate that participative and consultative leadership styles were the most practiced forms of leadership in Arab organisations (Dedoussis 2004). A study conducted by Ali et al. (1995 in Yousef 1998) on the leadership styles of local and expatriate managers in the UAE disclosed that indigenous managers preferred to engage in participative and pseudo-consultative leadership styles.

Expatriate managers on the other hand showed an inclination towards consultative leadership.

Research studies (Muna 1980; Al-Jafary and Hollingsworth 1983; Ali 1993; Ali et al. 1997) cited by Yousef (1998) identified that Arab managers are inclined towards participative and consultative leadership styles. These findings are not surprising, considering the collectivist nature of the Arab culture wherein group consensus is preferred to individual initiative.

Alternatively, a study conducted on Jordanian managers revealed the presence of autocratic and authoritative leadership (Dahhan 1988 in Yousef 1998). Despite being collectivist, Arab managers give considerable importance to hierarchy, seniority, authority, obedience and compliance. Although managers may involve subordinates in the decision making process and take their opinion, decision making is never delegated (Muna 1980 in Desdoussis 1994).

The concept of leadership in the Arab world has developed significantly due to modernisation and globalisation. There is substantial evidence that Arab managers now engage in new leadership styles. An investigation conducted by Behery (2008) disclosed the positive relationship between transformational leadership, transactional leadership, knowledge sharing and organisational benefits. Jabnoun and Al Rasasi (2005) established a positive association between transformational leadership, the contingent reward behaviour of transactional leadership and the quality of service in hospitals across the UAE. An extensive study which focused on the comparison of leadership styles between Arab male and female managers highlighted that Arab women managers were more democratic than their male counterparts (Yaseen 2010). While female managers obtained higher ratings on four behavioural components of transformational leadership (idealised behaviour, inspirational motivation, intellectual stimulation and individualised consideration) and the contingent reward behavioural component of transactional leadership, male managers scored better on the management by exception (active and passive) and laissez-faire behavioural components (Yaseen 2010).

3.2 Corporate social responsibility

3.2.1 Definition of CSR

The concept of CSR remains ambiguous despite several decades of research. According to Lantos (2001 in Vaaland and Heide 2008, p. 213) the concepts of CSR are “blurred and fuzzy.” This “...does not allow for a universally applicable definition” (The UK’s Confederation of British Industry 2001 in Jones, Comfort and Hillier 2007, p.583). CSR has been defined by academics, professionals and international bodies based on how they perceive it. As a result there are numerous definitions for CSR. To support this further Sethi (1975 in Meehan, Meehan and Richards 2006, p. 387) states that:

The phrase corporate social responsibility has been used in so many different contexts that it has lost all meaning. Devoid of internal structure and content, it has come to mean all things to all people.

CSR is also termed as corporate social responsiveness, corporate responsibility, corporate citizenship and corporate social performance. In general, CSR refers to an organisations responsibility towards the society. One of the most frequently cited definitions of CSR is that of The World Business Council for Sustainable Development (WBCSD). The WBCSD (in Moir 2001, p.18) defines CSR as “the ethical behaviour of a company toward society ...management acting responsibly in its relationships with other stakeholders who have a legitimate interest in the business,”

and

... the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.

Another commonly used definition of CSR is that of Archie B Carroll. According to Carroll (1979 in Schwartz and Carroll 2003, p. 503) “The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point of time.” A closer analysis of these definitions reveals that CSR encompasses the underlying ethical relationships between an organisation and its stakeholders and the society at large, beyond its direct economic interest.

3.2.2 Models of CSR

Researchers have developed several CSR models in an effort to understand the concept of responsible business practices. Although these models are designed with the intention of being universally applicable, CSR priorities and initiatives vary from firm to firm and country to country (Welford 2005). The following section discusses some of the popular CSR models.

A. The Committee for Economic Development Model

Corporate Social Responsibility was first diagrammatically represented in 1971 by the United States of America's (USA) Committee for Economic Development (Carroll 1991) as three concentric circles (see Figure 10). Consisting of economic functions, the inner circle represents the production of goods and services by firms. The middle circle represents the social, ethical and legal boundaries within which economic operations are to be conducted and the outer circle depicts those activities that an organisation ought to undertake to improve the social environment.

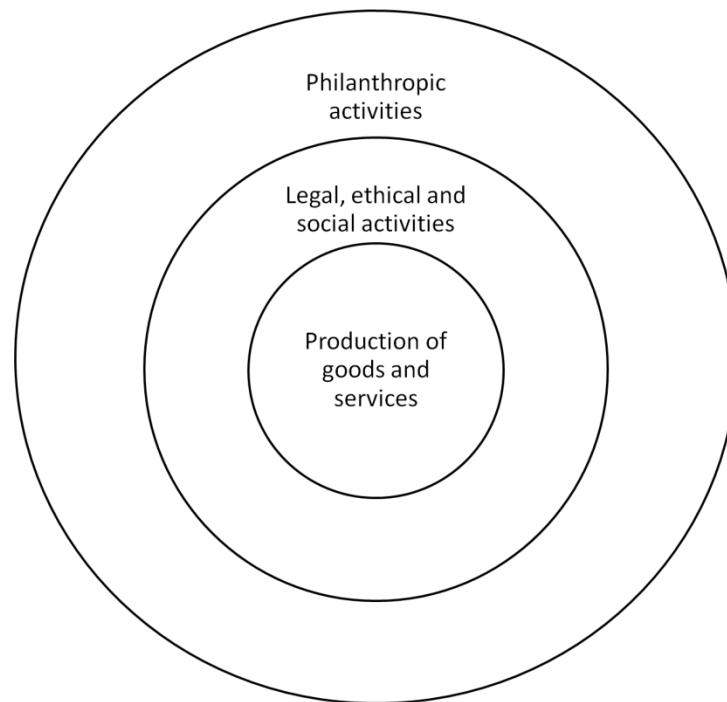


Figure 10: The Committee for Economic Development model

Source: Adapted from Carroll 1991

B. The CSR pyramid

Carroll (1991) categorises CSR into four dimensions: 'economic', 'ethical', 'legal' and 'philanthropic' which he illustrates in the form of a pyramid as in Figure 11. Economic responsibilities feature at the base of the pyramid. The primary responsibility of an organisation is to be profitable and economically stable, without which the organisation would cease to exist. An organisation must make profits consistently to function sustainably. Just as significant as the economic responsibilities, the legal responsibilities require firms to comply with legislations that are instituted by the government, state and federal bodies. In order to be a good corporate citizen, firms must comply with the law. Legal responsibilities signify the fundamental ideas of unbiased and just operations and feature above the economic responsibilities in the CSR pyramid. Ethical responsibilities comprise of all those actions of a firm that are either anticipated or deemed illicit by society. It refers to the expectations of the society over and above the defined legal responsibilities. Unlike legal responsibilities, ethical standards are not coded. However, both these dimensions of CSR are interconnected (Carroll 1991). Ethical values evolve as society matures. Hence they are a topic of constant debate. Moreover as ethical values evolve, legal codes which are drawn upon a society's ethical values are likely to be revised. Philanthropic responsibilities feature at the top of the CSR pyramid. They are discretionary in nature and comprise of initiatives undertaken by an organisation to better the society they operate in and promote human welfare. While it is mandatory for organisations to comply with economic, legal and ethical responsibilities, firms do not necessarily have to engage in philanthropic activities to be considered socially responsible

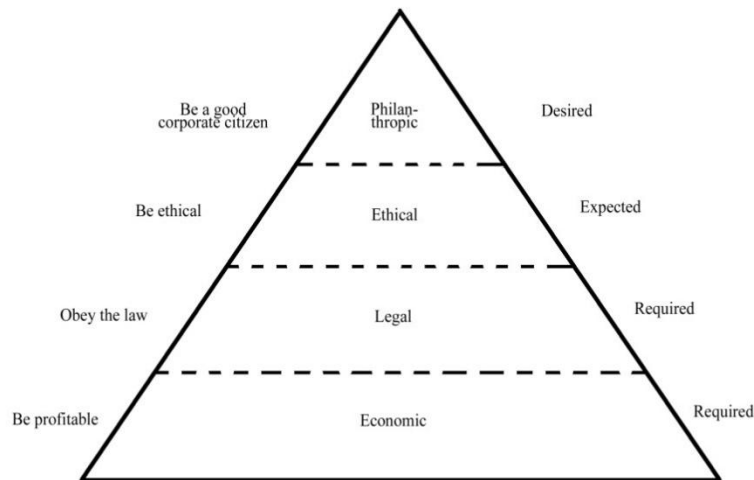


Figure 11: The CSR pyramid

Source: Carroll 1991 in Schwartz and Carroll 2003, p. 504

Despite its popularity, the CSR pyramid has been criticized on three grounds (Schwartz and Carroll 2003). Firstly, depicting the CSR dimensions via a pyramid structure leads to the misconception that one dimension is more important than the other. This would therefore mean that philanthropic responsibilities are the most important while economic responsibilities are insignificant, which is not the case. Moreover the pyramid framework is unable to capture the overlapping relationship between responsibilities, as for example, the dynamic interplay between legal and ethical responsibilities. Secondly, Schwartz and Carroll (2003) argue that due to its discretionary nature, philanthropic responsibilities should not be considered as a dimension of CSR. It is debated that philanthropic activities are typically ethical initiatives and at times strategic in nature as organisations undertake them to earn profits and build a good reputation in the long run. Lastly, Carroll's CSR pyramid does not explicitly explain the economic, legal and ethical dimensions of CSR.

C. The three-domain approach

Schwartz and Carroll (2003) developed the three-domain model to overcome the shortcomings of the CSR pyramid. It focuses on the economic, legal and ethical dimensions of CSR.

Philanthropic responsibilities are merged with the ethical/economic dimension respectively (corresponding to the purpose of undertaking such initiatives). In order to reinforce the fact that

all dimensions are equally significant and to capture their overlapping nature, the three-domain model is depicted in the form of a venn-diagram as in Figure 12.

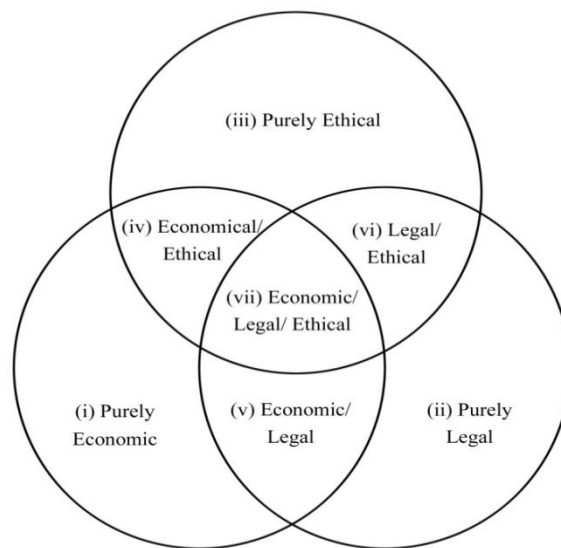


Figure 12: The three-domain model

Source: Schwartz and Carroll 2003, p. 509

The three-domain model creates seven distinct categories into which CSR activities can be conceptualized. These are as explained below.

1. Purely economic: This domain consists of all initiatives that are undertaken by an organisation with the sole motive of maximising profits, irrespective of them being illegal or unethical.
2. Purely legal: CSR initiatives which fall within this domain are undertaken with legal intentions exclusively. They do not have economic and ethical implications. However as most legal activities are ethical, very few initiatives feature in this domain. Schwartz and Carroll (2003), proponents of the three-domain model explain that legal compliance can be classified into three: compliance, avoidance and anticipatory. Compliance can be further sub-classified into passive, restrictive and opportunistic. Passive compliance occurs when organisations unintentionally follow the law. Restrictive compliance arises when organisations are forced to abide the law. When firms fervently hunt for loopholes or take advantage of weak legislative standards they engage in opportunistic compliance. When organisations confirm to legal standards, in order to avoid litigation they employ

an avoidance compliant approach. Corporates engage in anticipatory compliance when they undertake activities to amend, hasten or prolong the enactment of a legislation for their own benefit.

3. Purely ethical: This domain consists of CSR actions which are based purely on ethical interests. They do not have economic or legal implications. However, ethical actions are difficult to assess. They tend to have a positive economic impact in the long run. Moreover as stated previously, most ethical activities are legal. According to De George (1999 in Schwartz and Carroll 2003) ethical standards can be classified into three: conventional, consequentialist and deontological. Conventional standards relate to the ethical standards that have been accepted by the organisation, industry and profession. These standards are essential for normal business operations. Consequentialist standards consist of all ethical actions that promote the good of the society. Deontological standards entail all ethical standards which embody an individual's duty.
4. Economic and ethical: All organisational actions which have economic and ethical implications fall within this category. Although most ethical actions are legal, the legality of the action is disregarded.
5. Economic and legal: This category represents CSR activities driven by economic and legal motives. Firms undertake economic activities within the legal parameters as this provides them the license to operate. Also, organisations that give importance to legal obligations are usually ethically sensitive.
6. Ethical and legal: As emphasised above, almost all ethical actions are legal and vice versa. Schwartz and Carroll (2003) justify that since ethical and legal actions have long term indirect economic benefits, very CSR initiatives fall within this domain.
7. Economic, legal and ethical: This domain consists of all organisational activities conducted within the legal and ethical framework. These activities consequently have a direct or indirect positive economic impact on the business. In theory, responsible business practices fall within this segment of the three-domain model.

The three-domain model provides a comprehensive explanation of the three components of CSR. Moreover, it attempts to capture their overlapping nature. Nevertheless, this model has been criticised by Schwartz and Carroll (2003) themselves as it considers each CSR dimension in

isolation as for example purely economic, purely legal and purely ethical. In reality, all the dimensions are interwoven and interrelated.

D. The 3C-SR model

The CSR pyramid and the three-domain model dwell on the dimensions of CSR. In the 3C-SR model Meehan, Meehan and Richards (2006) recommend that CSR must be regarded as a strategic social resource which provides competitive advantage. Hence it contributes positively to the bottom line. As a social resource CSR comprises of three interrelated elements: ‘commitment’, ‘connection’ and ‘consistency’ in behaviour.

Commitment embodies the ethical and social principles that an organisation pledges to establish. Meehan, Meehan and Richards (2006) equate commitment to the economic, legal and ethical dimensions of the CSR pyramid and the three-domain model. When a firm concentrates on short-term profit, its commitment to ethical and social principles weaken. Connection, the second element of the 3C-SR model, is concerned with establishing a strategic network of economic actors, who contribute to the smooth running of the business. In order to be effective, the strategic network must be configured to ensure a balanced relationship between the economic actors. For CSR initiatives to be successful, all the economic actors must be aligned to the same social principles as that of the organisation. Consistency in behaviour refers to the uniformity in commitment, both within a firm and across the value network to the social principles that a firm pledges to establish. For example, in order to achieve consistency in behaviour across the strategic network Coop Italia, a co-operative group of Italian retailers, issue contracts to their suppliers and retailers only after carefully assessing and ensuring that they adhere to the SA8000 standards.

The 3C-SR model is illustrated via a venn-diagram as in Figure 13. It indicates that organisations suffer a stakeholder deficit in the absence of strategic connections. Similarly, inconsistent behaviour results in negative social performance and a lack of commitment towards social values results in corporate social irresponsibility. In order to enjoy strategic competitive advantage, organisations must be committed to strong social values, well connected and configured with relevant stakeholders and behave consistently both internally and across the value network.

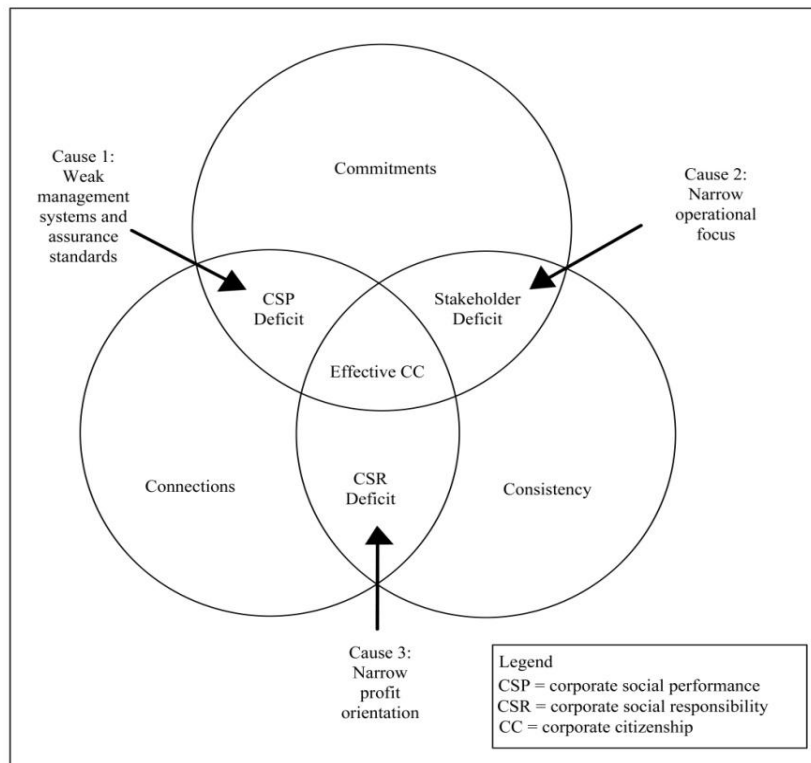


Figure 13: The 3C-SR model

Source: Meehan, Meehan and Richards 2006, p. 392

3.2.3 Stakeholder theory

The stakeholder theory emerged in the 1960s (Hoffman 2007). It elaborates on the connection element of the 3C-SR model. Stakeholders refer to all the actors who affect or are affected by the operations of an organisation (Robins 2008). This dynamic relationship imposes responsibilities on firms and governs their operations (Matten and Moon 2008).

3.2.3.1 Stakeholder classification

Stakeholders can be classified into internal and external, based on their location within or outside the organisational boundary. Internal stakeholders exist within the organisation, for example employees. External stakeholders, on the other hand, embody economic and social actors located outside the organisational boundary such as consumers and suppliers. Stakeholders can also be classified into primary and secondary. Primary stakeholders include strategic connections that an organisation must be associated with for its very survival. They include employees, customers, suppliers, shareholders, the community and so on. Although, secondary stakeholders do not play

a significant role in the existence of a firm, they are indirectly affected or affect firm activities (Moir 2001).

3.2.3.2 Organisational stakeholders

Some of the most common organisational stakeholders are as listed below.

1. **Employees:** Employees are primary and internal stakeholders. They directly impact organisational performance.
2. **Customers:** The relationship between organisations and their customers is symbiotic. While firms produce goods and services to meet customer demands, the latter influence production, sales and in turn profits. Customers are primary and external stakeholders.
3. **Suppliers:** Suppliers are external and primary stakeholders. They are an integral part of an organisations supply chain.
4. **Shareholders:** In the classical school of thought, shareholders were acknowledged as the only stakeholders. As CSR and social investment is gaining momentum, shareholders want to be associated with ethically reputed firms. Hence organisations must maximise shareholder value in an ethically responsible manner, in order to attract financial investment.
5. **Government:** The government and associated legislative bodies define the legal framework within which organisations are expected to function. When corporates engage in acts of social irresponsibility, the effectiveness of the existing legal framework is questioned. This in turn compels governments to enforce stricter regulations which affect organisations further. Moreover, when governments change, the new government is likely to alter the existing legal framework. Organisations are influenced positively or negatively as the case may be, in such a scenario.
6. **Environment:** An increasing number of firms are recognizing the environment as a stakeholder. For example King Sturge, one of the largest commercial property investment companies in the UK is committed to reducing its impact on the environment by educating its workforce, encouraging non-motor car journeys, recycling of waste and efficient use of resources (Jones et al. 2009).
7. **Community:** The community is an external and primary stakeholder. The organisation - community stakeholder relationship can be explained with the help of an example. The

Banyan tree, a group of luxury resort operators benefit from hiring cheap human capital from the local communities within which they operate. In return, the company provides employment to the local populace and invests in developing disadvantaged children within the particular communities (Jegarajah 2009).

Other stakeholders that have a mutual relationship with firms include trade unions, political bodies and non-government organisations (NGOs). Organisational stakeholders are visually depicted in Figure 14.

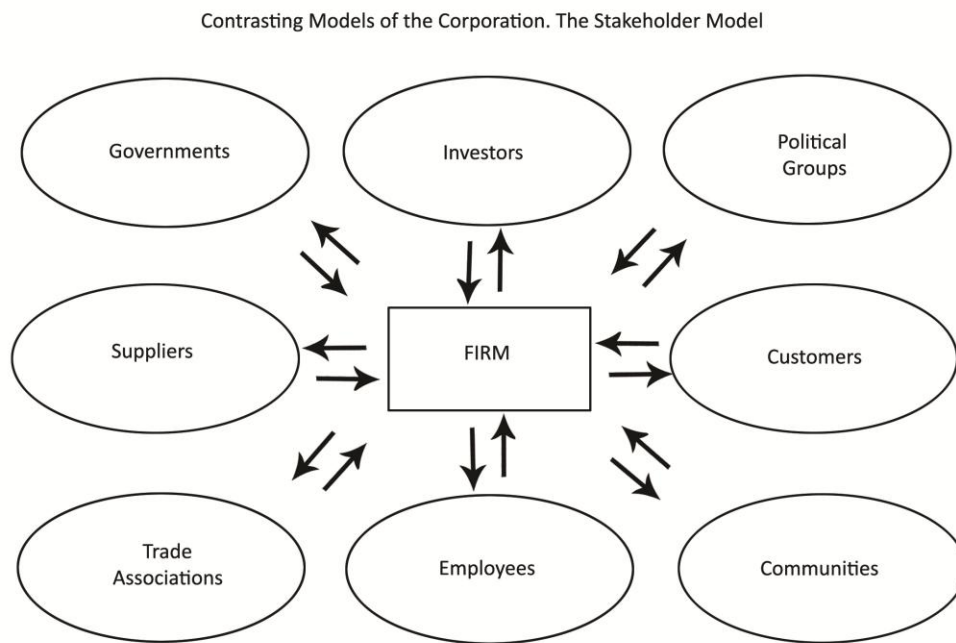


Figure 14: Organisational stakeholders

Source: Donaldson and Preston 1995, p.68

3.2.3.3 Stakeholder management

Stakeholder management involves the management of a network of contracts between an organisation and its economic and social actors. Organisations have multiple stakeholders. Each stakeholder has a unique set of values and interests (Fombrun and Shanley 1990 in Vaaland and Heide 2008). In order to meet stakeholder expectations, both firm and stakeholder values must be aligned. Managers need to strike a balance between conflicting stakeholder values and demands. According to McWilliams and Siegel (2001) and Cacioppe, Forster and Fox (2008) one of the

most challenging managerial tasks is to satisfy conflicting stakeholder demands with limited firm resources.

The primary and secondary classification of stakeholders as discussed earlier, lays emphasis on the fact that some stakeholders are more important than others. Managers must prioritise stakeholders demands based on the power they command and the legitimacy of their demands. Powerful stakeholders have a higher probability of their demands being met, in comparison to others who do not hold such power. Similarly, stakeholder demands with greater legitimacy have higher chances of being satisfied. Although Brammer and Pavelin (2004 in Vaaland and Heide 2008) point out that some stakeholders have the power to replace the management and hinder company operations if organisations fail to meet their claims, Papasolomou-Doukakis, Krambia-Kapardis and Katsioloudes (2005) argue that it is not realistically possible for organisations to meet the demands of all the stakeholders. Therefore, while some stakeholders perceive the firm to be socially responsible, others may not.

According to Carroll (1991) managerial approach to stakeholder demands can be grouped into three: 'immoral', 'moral' or 'amoral'. Immoral managers are unethical. They disrespect the social values of their organisation and misuse company resources for their own benefit. This form of stakeholder management is similar to the agency theory (Robins 2008) which supports the view that managers pursue their own objectives rather than meet stakeholder expectations. Amoral managers can be further classified into two, based on their orientation towards ethics. Unintentional amoral managers are ignorant of the implications of their firms' actions on stakeholders. Alternatively, intentional amoral managers acknowledge ethics. However, they believe that ethical values are not meant for business organisations and therefore place them outside the organisation boundary. Moral managers are ethical and extremely conscious of stakeholder ramifications. They adhere to the professional code of conduct and ensure that business processes are conducted within the legislative framework. Even though profitability is a concern, ethical principles take precedence for these managers. Robins (2008) compares moral managers to the stewardship theory which considers managers to be collectivist. Similar to collectivist managers, moral managers achieve their personal goals by realising those of the organisation and its stakeholders.

3.2.4 Communicating CSR

Effective communication is the key to good stakeholder management. According to Birth et al. (2008) stakeholder communication must be handled sensitively, since communication influences their opinions. Often, stakeholders are cautious when firms exaggerate their social values and commitments. Moreover, difficulty in verifying CSR data makes the communication process all the more complex (Schoenenberger 2002 in Birth et al. 2008). Hence CSR communication must be delivered consciously to achieve the right level of transparency.

Firms have total control over the content and medium of communication. Managers must establish the objective of CSR communication based on the targeted stakeholder values. The content of communication, drawn upon the objective must include all the relevant information. The appropriate channel of communication which reaches the targeted stakeholders must then be chosen. Table 11 provides an overview of the several objectives of stakeholder communication and the feasible channels of communication.

There are numerous channels for communicating CSR. Social reporting has gained prominence in recent times, due to the increased demand for transparency and public discomfort in acts of corporate irresponsibility (Ferns, Emelianova and Sethi 2008). A number of firms use social reports to communicate their economic and environmental performance. In fact Roberts et al. (2007 in Jones et al. 2009) claim that social reports are now synonymous with investment evaluation reports, based upon which investors make decisions. With the onset of the technological revolution firms are increasingly utilising the internet as a medium of CSR communication. According to Esrock and Leichty (1998 in Holcomb, Upchurch and Okumus 2007) approximately ninety percent of firms, report their CSR actions on the company website due to the ease in accessibility, updatability and interactive features. Another frequently used channel of CSR communication is advertisements. Advertisements facilitate organisations to meet their economic objectives by educating customers on the CSR traits of a product and thereby influencing their choice. However, CSR communication via advertisement is unpopular as they are time consuming, have short-term economic implications both in terms of cost and profit and manipulate social issues for business benefits. In addition to social reports and advertisements other channels of CSR communication include press conference, internal

communication, cause-related marketing, stakeholder consultation, communication at point of sale, communication on product packaging and so on.

Table 11: Stakeholder communication

Source: Adapted from Birth et al. 2008. Table and contents created by researcher.

S.No	Stakeholder	Objectives	Channel of communication
1	Employees	- Create good reputation	Memos, internet, intranet, emails, code of conduct
		- Attract talent/Employer branding	
		- Retain talent	
		- Increase employee commitment	
2	Customers	- Create good reputation	Advertisements, social reports, point of sale communication, cause-related marketing, promotion and events, web sites
		- Increase customer satisfaction	
		- Improve customer loyalty	
		- Product differentiation	
3	Suppliers	- Create a good reputation	Code of conduct, social report, stakeholder consultation, web sites
		- Increase credibility with suppliers	
		- Liaise with suppliers that are committed to similar values	
4	Investors	- Create a good reputation	Stakeholder consultation, social reports, press conferences, web sites
		- Increase socially responsible investing	
		- Increase and maintain share prices	
		- Increase the volume of trading shares	
5	Government/Community	- Good reputation	Websites, social reports, press conference, promotions and events
		- Legitimacy to function	

3.2.5 Strategic CSR

With profit maximization a priority and CSR gaining momentum, firms must make a difficult choice between economic and social performance. According to Porter and Kramer (2006 in Bhattacharyya 2010) the resources used for CSR have associated opportunity costs, i.e., should a firm not engage in CSR, then these resources would contribute to profit maximisation. However Bhattacharyya (2010) and Meehan, Meehan and Richards (2006) insist that CSR actions contribute to an organisation's competitive advantage. Strategic CSR refers to all CSR initiatives that contribute to a firm's competitive advantage and thereby enhances its economic and social performance.

3.2.5.1 Bhattacharya's strategic CSR model

Bhattacharya (2010) has developed a model that assists managers to indentify strategic CSR initiatives. His model consists of four screens through which a CSR initiative must pass, to be qualified as strategic (see Figure 15). The first screen, known as the 'intent screen' makes a distinction between proactive and planned CSR activities versus reactive and unplanned CSR activities. According to Sacconi (2004 in Vaaland and Heide 2008) CSR activities can be categorised into two, depending on the motive behind undertaking it. Proactive CSR is planned and aligned to the firm's strategy. Conversely, firms engage in reactive CSR when dealing with a negative critical incident to salvage their reputation. Reactive CSR is unplanned. CSR activities must be strategically planned, if they are to pass though the intent screen. The second screen, known as the 'focus screen', differentiates between CSR actions which aid an organisation to achieve its mission and vision against those which do not. CSR activities which contribute to achieving organisational goals pass through the focus screen. Strategic CSR initiatives must have a long term perspective and require considerable amount of resources. Known as the 'commitment screen', the third screen allows only those CSR activities which have a long term perspective and considerable resource commitments to pass through. The 'activity screen', which is the last screen, permits only those CSR activities that contribute to the internal and external activities of an organisation to pass.

Hence, according to Bhattacharyya's model, a CSR initiative is strategic when it is planned and proactive, aligned to the organisation's overall mission and goals, has a long term perspective, requires considerable resources and makes business sense for the firm.

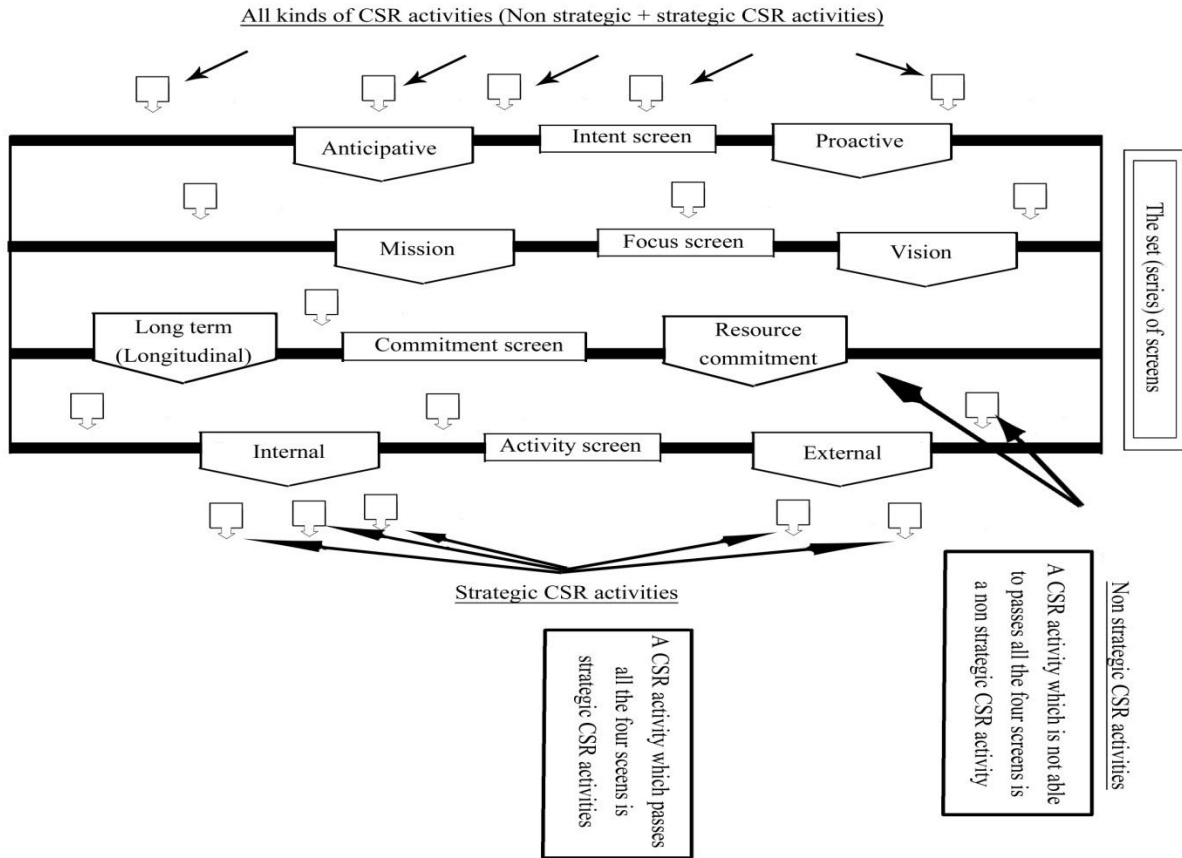


Figure 15: Bhattacharya's strategic CSR model

Source: Bhattacharya 2010, p. 94

3.2.5.2 Benefits of strategic CSR

The following section elucidates how strategic CSR benefits firms and aids to achieve competitive advantage.

1. **Generation of strategy:** Ethical customers are willing to pay a premium for responsibly manufactured goods and services (McWilliams and Siegel 2001). Firms engaging in CSR can take advantage of the increasing demand for ethically produced goods and employ strategies such as cost leadership to attain competitive advantage.

2. Generation of strategic resources: Strategic CSR generates intangible resources such as reputation and goodwill which contributes to competitive advantage from a resource base point of view.
3. Creation of new products and new markets: Firms undertaking strategic CSR have the opportunity to convert social issues into business solutions which in turn aid them to gain competitive advantage. For example, environment degradation and pollution has opened the market for green products and for-profit environmental organisations such a waste management (Egri and Herman 2000).
4. Corporate reputation and brand insurance: As per Fombrun et al. (2000 in Bertels and Pelozo 2008, p. 56) “CSR is increasingly seen as a means to bolster the reputation of a business.” This is because strategic CSR actions help organisations to build a strong brand reputation and image. The Body Shop is a classic example of a company that has built a strong reputation by being socially responsible. Socially irresponsible firms engage in unethical acts which harm their stakeholders. Consequently, stakeholders are compelled to react in manners that damage corporate reputation. Hence corporate social irresponsibility harms corporate reputation. For example, Exxon Mobil earned a bad reputation due to its failure to acknowledge its damaging impact on the environment despite being confronted with criticisms, NGO attacks and consumer boycotts. Vaaland and Heide (2008) point out that corporates also use CSR measures to mitigate the consequences of social irresponsibility. While proactive CSR facilitates good reputation, reactive CSR aids organisations when things go wrong. Nike, one of the leading sports brands suffered consumer boycotts and a negative reputation in the 1990s, for establishing manufacturing units in labour exploited countries. The corporate giant adopted strategic CSR practices to reinsure its brand image and has repositioned itself as a good corporate citizen.
5. Risk and Crisis Management: Strategic CSR helps firms to manage crisis and mitigate related risks efficiently. Johnson and Johnson, a pharmaceutical leader recalled thirty one million bottles of Tylenol following a suspicion of drug tampering by spending an additional hundred million US dollars. This responsible act not only saved the lives of millions, but also reinforced its reputation, to the extent that Johnson and Johnson was listed as the most admired and respected company of the twentieth century in the United States of America (Papazolomou-Doukakis, Krambia-Kapardis and Katsioloudes 2005).

6. Expand customer based: Consumers are progressively becoming aware of CSR and endorse firms which are socially responsible. According to a survey conducted by Gills and Spring (2001 in Papasolomou-Doukakis, Krambia-Kapardis and Katsioloudes 2005) seventy percent of consumers in the United Kingdom (UK), made purchasing decisions based on the social responsibility characteristics of the manufacturing firm. Their survey also disclosed that twenty-five per cent of the customers were willing to pay a higher price for responsibly produced goods and services. The results of several similar surveys also indicate that consumers prefer to be associated with CSR oriented firms (Cacioppe, Forster and Fox 2008). By undertaking CSR, firms can broaden their customer base to include ethical customers. This in turn provides them the opportunity to earn competitive advantage.
7. Attracting investors: Nussbaum (2009) suggests that CSR oriented firms attract investment. This is further supported by Jones et al. (2009) who reason that investors favour socially responsible firms as they promote social harmony and have a good reputation. This is emphasised in a study conducted by Wright (1998 in Cacioppe, Forster and Fox 2008) which analysed the fluctuations in the stock market. The research revealed that stock prices climbed when firms won awards of appreciation. On the other hand, they plunge when firms were involved in scams and law suits. Thus, with the growing trend in ethical investment, firms can strategically raise capital by engaging in CSR.
8. Attract and retain talent: Like consumers and investors, employees want to be associated with socially responsible firms. CSR oriented firms, take advantage of this to attract talent. Firms such as General Mills, Whirlpool and Liz Claiborne employ CSR initiatives to identify, attract and retain leadership talent (Guarnieri and Kao 2008). CSR programs bring out the best in employees. It provides employees the opportunity to display traits and leadership behaviours which do not emerge while performing routine tasks. Moreover, engaging employees in CSR programs enhances their morality, loyalty and productivity. This reduces staff turnover and related recruitment costs (Cacioppe, Forster and Fox 2008). Therefore firms practicing CSR, have the ability to recruit and retain key talent, which in turn contributes to competitive advantage.

In addition to the above mentioned benefits, strategic CSR enables firms to establish strong community relationships, minimise regulatory supervision (Nussbaum 2009) and reduce their

impact on the environment (Jones, Comfort and Hillier 2007) all of which provide firms the potential to earn and maintain competitive advantage. These benefits associated with strategic CSR provide enough reason for any rational manager to invest in CSR.

3.2.5.3 Key measures to implement strategic CSR

The Egyptian Corporate Responsibility Centre (ECRC 2005) provides a list of measures which aid firms to implement strategic CSR. These measures include:

- Identifying social values and commitments that they (firms) want to be associated with.
- Winning the commitment of the board/executive level management to the social values of the organisation.
- Communicating the top management's commitment to all the relevant stakeholders.
- Creating a CSR position at the strategic decision making level which facilitates ease in implementing and administering CSR.
- Establishing a sound relationship with all relevant stakeholders.
- Designing a reward system wherein all stakeholders who facilitate the achievement of CSR objectives are rewarded.
- Implementing CSR audit. This ensures that the CSR initiatives meet the required standards and consequently generate the desired outcome.
- Setting up an anonymous feedback cum suggestion system for stakeholders to voice their opinion and criticisms (Vaaland and Heide 2008).

3.2.6 Drivers of CSR

The above mentioned strategic benefits of CSR provide enough reason for firms to engage in responsible business practices. In addition to these, there are several factors which drive firms to undertake CSR. These are discussed below:

1. Leadership: The CSR orientation of a firm is profoundly influenced by the personal values of the top management. The moral values of the top management define the ethical forces which drive firms to employ CSR. Ethic oriented managers' drive organisations to engage in CSR as it is the right thing to do. For example, Mr. Andrew Connelly, the Vice President of UPS- Asia Pacific Region stipulates that UPS engages in CSR as it "is the right thing to do" (HRM Asia 2009, p.1). Research conducted by Abdul

Rashid and Ibrahim (2002) confirm that managerial values (influenced by family upbringing, traditional beliefs, customs, education, interpersonal relationship and religion) shape a firm's approach towards CSR.

2. Globalisation: Globalisation is another key driver of CSR. According to Sibao and Huaer (2009) globalisation facilitates the integration of developed, developing and underdeveloped markets across the globe. Using globalisation as a medium of transport, CSR has found its way into developing and underdeveloped countries. This increased interaction between markets has led to firms operating in the developing and underdeveloped nations to recognize and accept CSR.
3. Corporate scandals: The number of corporate scandals, post globalisation has risen drastically. Owing to globalisation several Multi National Companies (MNC) have set up operations in the developing and underdeveloped countries. These global giants take advantage of the weak governance in these countries resulting in the exploitation of labour and resources. The communication revolution and the ensuing media attention have brought to light several incidents of stakeholder exploitation resulting in corporate scams. These firms are forced to engage in reactive CSR, in an effort to revive their reputation (Papazolomou-Doukakis, Krambia-Kapardis and Katsioloudes 2005).
4. Educated and affluent stakeholders: Due to the internet and ease in communication stakeholders such as employees, customers, suppliers and investors are more educated and affluent. They prefer to be associated with ethical organisations and avoid firms that cause social disharmony. Besides the demand for standardisation of CSR practices with the intention of curbing stakeholder exploitation is gaining impetus within the international community. International bodies such as the European Union, the International Labour Organisation, The World Bank and the United Nations have set up regulatory benchmarks (Hopkins 2006) which compel corporates to engage in practices that promote stakeholder wellbeing.
5. Industry pressure: The industry within which a firm operates also significantly influences its approach towards CSR. For instance the phenomenon of collective reputation wherein the reputation of a firm is synonymous with the industry it functions in compels firms to engage in CSR (Bertels and Peloza 2008). The unethical actions of one firm can have a harmful ripple effect on the reputation of the entire industry. In an effort to save their reputation, each firm within the industry is forced to accept CSR. Furthermore, Bertels

and Peloza (2008) justify that large firms are more likely to come under public scrutiny. Hence they are inclined to over-invest in CSR (so as to insure their reputation). Peer pressure resulting from the comparison of social performance across firms within an industry also impels firms to undertake CSR.

6. Financial benefits: Although there is some evidence on the financial benefits enjoyed by socially responsible firms there is a lack of substantiation on the link between CSR and financial performance. Robins (2008) argues that if CSR had a positive economic impact, then all firms would be willingly embracing it, which is not the case. However there is substantial empirical evidence on the positive economic returns of CSR in the long-term via attaining competitive advantage (as discussed above) which encourage firms to undertake CSR.

3.2.7 CSR from a firm's point of view

Firms venture into CSR only if it is justified from a demand and supply perspective. The demand for CSR originates from numerous stakeholders who want to be associated with ethical organisations. These include employees, customers, investors, suppliers, the community, NGOs, governments and so forth. Factors such the stakeholder's disposable income, taste, preferences, the price of substitute goods, demographics and technology play a key role in determining the demand for CSR.

From the supply viewpoint, firms must allocate resources to meet the demand for CSR. According to Vaaland and Heide (2008) the resources available to a firm can be classified into two: internal resources and external resources. The internal resources are available within the organisational boundary, for example employees, competence, know-how, management systems, training and development, financial capital and code of conduct. External resources, on the other hand, are made available to a firm by external bodies such as legislations instituted by the government. In addition to allocating resources, firms may be compelled to alter their current manufacturing processes to accommodate CSR. The supply of CSR also relies on research and development to create novel products and services in order to meet evolving stakeholder demands and move ahead of competitors. Therefore, it is essential that firms invest in research and development. From the supply perspective, firms also need to account for marketing and advertising initiatives to educate customers on the CSR attributes of their products.

The average cost for providing CSR is lesser in large organisations when compared to their smaller counterparts. Therefore large firms enjoy greater economies of scales. Alternatively, small and medium enterprises have to bear higher costs due to low economies of scale. This explains why majority of firms which engage in CSR are large corporates. However, McWilliams and Siegel (2001) justify that despite the size of an organisation, firms which engage in CSR have higher costs. Nevertheless they reap greater revenues and strategic benefits when compared to firms that are not CSR oriented. Moreover, they recommend that costs related to CSR must be treated as an investment. Managers must identify the appropriate level of CSR investment using cost-benefit analysis. At this level of investment, firms will earn a profit, while satisfying the demand for CSR.

3.2.8 Who Pays for CSR?

The question which then arises is ‘where does the financial capital for CSR come from?’ Instead of considering CSR costs as an investment as suggested by McWilliams and Siegel (2001), Robins (2008) recommends that costs pertaining to CSR must be treated as a legitimate business expense which earns an income and is subject to tax deductions (although, in practice CSR activities are not taxed). It must therefore be funded from a firm’s gross profit which would otherwise be paid to shareholders or as tax to the government. As such, this would mean that CSR is financed by the shareholders and the government. In support of this, Lee and McKenzie (2004 in Robins 2008, p.334) rightly claim that “...it is philanthropy at other peoples’ expense.”

3.2.9 Classification of CSR

There are two contrasting forms of CSR: implicit CSR and explicit CSR (Matten and Moon 2008). Implicit CSR refers to responsible business practices that an organisation must adhere to by following the directives of the institutional framework within which they function. This form of social responsibility is prominent in European countries. CSR is embedded in the values and norms of the very institutions that create laws, regulations and policies. Consequentially, stakeholder issues are managed collectively. Explicit CSR is concerned with how individual firms manage and tackle stakeholder issues by engaging in a variety of voluntary initiatives that have economic, social and business motives. Based entirely on the discretion of an organisation, explicit CSR is more strategic in nature and popular in the USA.

The difference between implicit and explicit CSR can be explained with a simple example of the administration of health care services in the UK and USA. In the UK, medical benefits are administered by the state for the local population. In contrast, individual firms in the USA provide medical insurance as a benefit of employment to employees, based on their own discretion. Table 12 lists the differences between implicit and explicit CSR.

Table 12: Differences between implicit and explicit CSR

Source: Adapted from Matten and Moon 2008, p. 410

Explicit CSR	Implicit CSR
<ul style="list-style-type: none"> • CSR initiatives are not codified in terms of laws and regulations. They are based entirely upon the discretion of the organisation • Firms use CSR language and channels of communication to communicate with their stakeholders • CSR initiatives are voluntary and usually have a profit, economic, strategic and social motive • Explicit CSR thrives in a free market economy, as for example the United States • Provides firms the leverage to deal with stakeholder issues, in a manner they deem most appropriate 	<ul style="list-style-type: none"> • CSR initiatives are codified in terms of laws and legislations. The CSR initiatives undertaken by an organisation are in line with the national institutional framework • Firms engaging in implicit CSR usually do not engage in CSR communication • Firms engaging in implicit CSR are more concerned with fulfilling the legal aspects of the legislation • Implicit CSR is popular in the European countries where corporate governance is intuitively defined by laws and regulations • Stakeholder issues are collectively sorted by following the directives of the institutional framework

As per Matten and Moon (2008) explicit CSR is gaining popularity due to coercive isomorphism, mimetic processes and normative pressures. Coercive isomorphism is the process by which legislations and regulations defined by international bodies become official and legitimate. The international labour standards defined by the International Labour Organisation are an example of coercive isomorphism. Mimetic processes refer to the widespread acceptance of best practices. CSR is a well developed concept in the west. Best practices in CSR are popular among socially responsible firms operating in the western countries. Firms in the developing and underdeveloped nations are now accepting best practices in CSR as a result of globalisation and

international trade. For instance, growing number of firms in the developing countries are now publishing CSR reports based on their own discretion. Known as normative pressures, the inclusion of CSR in business and management education curriculum and the establishment of professional associations focused on CSR also contribute to growing popularity of explicit CSR.

3.2.10 CSR practices and priorities of firms in Europe, Asia and North America

CSR practices are shaped by a number of factors at the organisation and national level. At the organisation level the nature of firms, managerial sensemaking, organisational sensemaking, organisational culture and subcultures influence CSR (Linnenluecke et al. 2007 in Angus-Leppan, Metcalf and Benn 2010). At the national level a country's political system, financial system, education and labour system, national cultural, market orientation and control system influence CSR. These factors contribute to the diversity in CSR practices across the world (Matten and Moon 2008).

The following section analyses the findings of a survey conducted by Welford (2005) to understand the CSR priorities of large corporates in Asia, Europe and USA. Welford (2005) selected corporates from Thailand, Malaysia, Korea, Japan, Hong Kong and Singapore to represent Asian firms. Similarly European corporates consisted of organisations from Norway, Spain, Italy, France, Germany and the UK. Firms from North America, Canada and Mexico were identified to represent American firms. He identified twenty elements of CSR (see Appendix A) to assess the responsible business practices and stakeholder priorities of firms operating in the above mentioned regions. Of the twenty elements, six focused on internal aspects, nine concentrated on external aspects, two on accountability and three on citizenship respectively. A simple questionnaire of twenty questions, asking respondents if they had written policies on these twenty elements was circulated. A positive response meant that the firm had a policy on that particular aspect of CSR and a negative response meant otherwise. Graph 1 gives a summary of Wellford's findings.

The internal aspects of CSR consist of non-discrimination, equal opportunity, fair wages, vocational education, association and human rights 1. The graph indicates that internal aspects of CSR are more popular in European and American firms than their Asian counterparts. While forty-six per cent of European companies have policies on human rights 1, only twenty-nine per cent of Asian companies have policies on the same. Non-discrimination seems to be priority

among Asian firms with eighty-one per cent of the corporates having policies on this internal aspect of CSR. Even so, more European and American firms have policies on non-discrimination at the work place. Vocational education, fair wages, equal opportunities and association are a priority for European firms. While ninety per cent of European firms have policies on vocational education, ninety-five per cent of them have policies on fair wages and equal opportunities and eighty-two per cent have policies on association. Less than fifty per cent of Asian firms have vocational education and fair wages as part of their CSR agenda. Fifty-seven and sixty-five percent of Asian corporates have policies on association and equal opportunity respectively. With more firms having policies on association and equal opportunity, these elements seem to have a higher priority in comparison to vocational education and fair wages. Welford (2005) points out that the percentage differences between European and American firms are statistically insignificant. He suggests that the indices for American firms are slightly lower than European firms due to the inclusion of Mexico (a third world country at the time of this survey). These findings, as depicted in Graph 1 indicate that European and American firms give considerable priority to internal stakeholders. It can be justified that more European firms have policies on the internal aspects due implicit CSR.

The external elements of CSR encompass labour standards, child labour, human rights 2, suppliers, local protection, stakeholder 1, fair trade, indigenous people and ethics. Surprisingly, a comparison of the external aspects points out that the percentage difference between Asian organisations and their western counterparts are statistically insignificant. As a matter of fact, more Asian firms have policies on labour standards, suppliers and ethics than European and American firms. However child labour, human rights 2, local protection, stakeholder 1 and fair trade are a priority for European firms. Human rights 2 followed by fair trade seem to be the least priority for corporates across Europe, Asia and America respectively. Firms subjectively focus on specific elements of CSR based on the social problems they experience collectively as a country. Exploitation of labour is one of the most common social issues that developing and underdeveloped nations need to deal with. Most Asian markets are on the road to development or still underdeveloped. This explains why more Asian firms have policies on labour standards and suppliers. Similarly, the high incidence of positive responses for policies on indigenous people in American and Canadian firms is due to the issues related to the indigenous population. As a result, forty per cent of American and Canadian firms have policies on this CSR element while

only nineteen percent of Asian firms and thirty per cent of European companies have policies on the same.

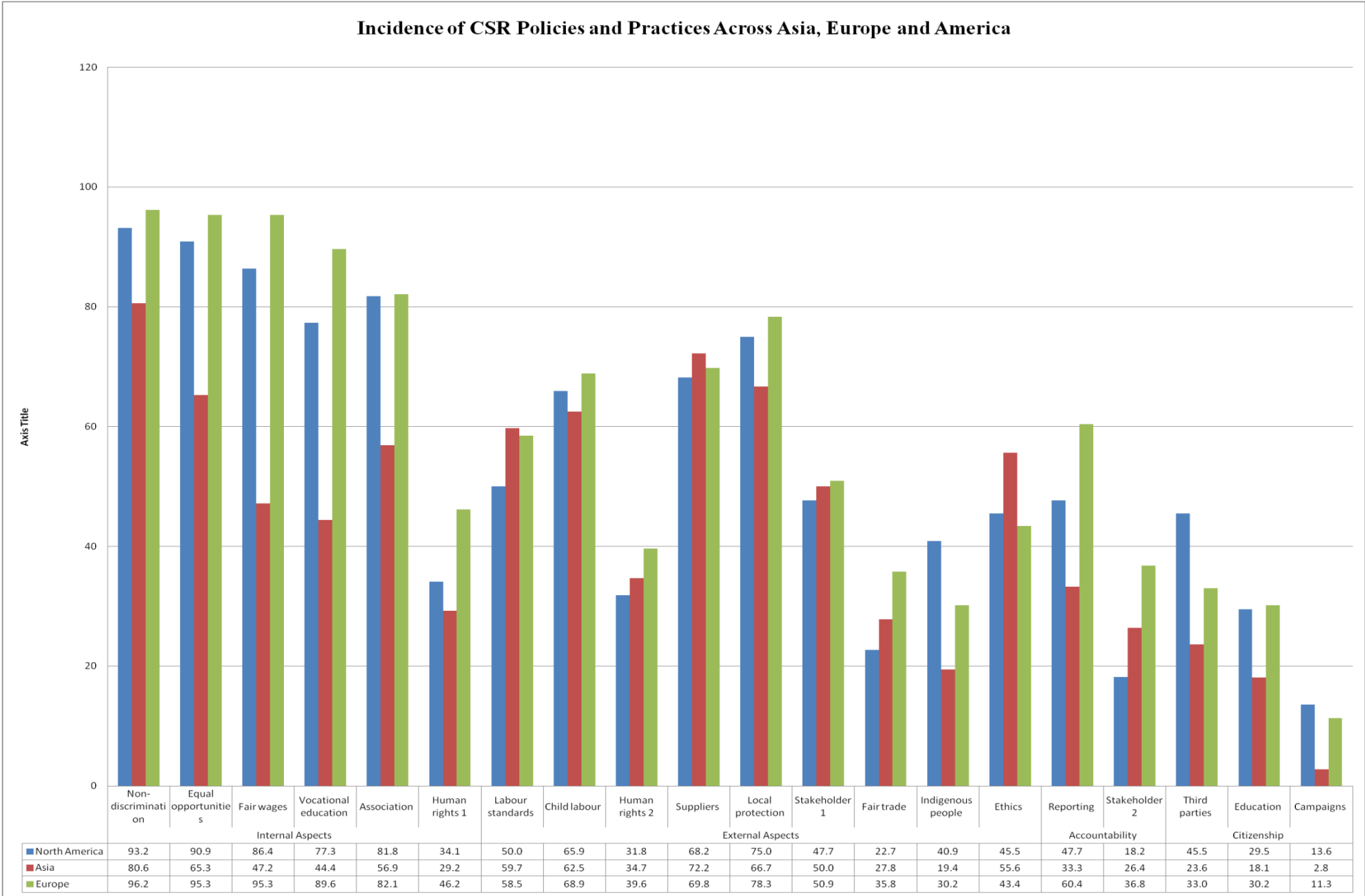
CSR accountability comprises of two elements: CSR reporting and two-way stakeholder communication. European firms take the lead with sixty per cent of firms reporting their CSR initiatives and thirty-seven per cent engaging in two-way stakeholder communication.

Interestingly, more Asian firms (twenty-six per cent) have policies on two-way stakeholder engagement as compared to their American counter parts (eighteen per cent). However, more corporates in the USA have policies on CSR reporting. The citizenship aspect of CSR involves donations to third parties, campaigns and social initiatives such as education and health. Very few companies have written policies on philanthropic initiatives across the three regions.

However, more American firms have policies on the citizenship elements of CSR as compared to European and Asian organisations.

Graph 1: Incidence of CSR Policies and practices across Asia, Europe and America

Source: Adapted from Welford 2005, p.40-42



3.2.11 CSR practices and stakeholder priorities of firms in the UAE

Like any other developing nation, the concept of CSR is relatively new in the MENA and Gulf regions. This is supported by the Program Director of CSR at Cisco-MENA region, Mr. Hussam Kayyalm (cited in Florian 2007, p.1) who states that “CSR is a relatively new thing that is evolving in the region.” Since Islamic values and traditions guide almost all aspects of daily living, social responsibility is often equated to ‘Zakat’. As per the Islamic Holy Scripture, any Muslim who is financially stable must monetarily support a special segment of the society such as the physically disabled, widows and so on. Although Zakat is usually of a private nature and undertaken at an individual level, local firms across the region engage in it and associate the same with philanthropy (Katsioloudes and Brodtkorb 2007). Even though Zakat helps organisations to contribute towards the betterment of society, it does not necessarily ensure that stakeholder expectations and demands are met. MNCs have made their presence felt and accelerated the acceptance of CSR in the region. Most CSR initiatives are undertaken by MNCs in collaboration with local authorities and firms. For example, Cisco a US based corporate giant has implemented an e-learning project, the Jordan Education Initiative, which aims to influence the technique and delivery of education in Jordan. This program has been executed in association with the government of The Hashemite Kingdom of Jordan (Florian 2007).

Akin to other Arab states, CSR is a novel concept in the UAE. Zakat forms the foundation of CSR, resulting in many local firms engaging in acts of charity. The harmonious integration of Islamic values and modernity contribute to UAE’s unique culture which creates the ideal environment for MNCs and local firms to operate alongside. The progressive interactions between MNCs and local firms have increased the awareness and acceptance of CSR. However, similar to other Arab nations, most CSR programs are implemented by MNCs or the government or jointly by both. The following section provides a detailed review of the CSR initiatives undertaken by the UAE government and/or a few MNCs (operating in the UAE).

A. Dubai Municipality

CSR is one of the primary elements of the Dubai Municipality’s scope of work. It is committed to ethical business practices and considered to be a leader in CSR. The Dubai Municipality focuses on developing the community (Dubai Municipality 2011). It promotes initiatives that develop the society as whole, raise the standard of living, consolidate national identity and create

a congenial work environment. The CSR programs undertaken by the Dubai Municipality concentrate on a broad range of topics ranging from the environment to public health and safety to recreation and heritage (Dubai Municipality 2011). In 2009, the civic body undertook as many as 131 community based projects (Qasim, Muralidharan and Ramaswamy 2011). While some of the projects were undertaken entirely by the Municipality, others were carried out in association with NGOs, government establishments and MNCs.

B. Du Telecommunication

Du is a prominent telecommunication operator in the UAE. The firm has invested heavily in several CSR programs which are aligned with the community needs and the UAE's national growth strategy. Corporate governance is integrated into the firm's business strategy. It is initiated by the top management who define the code of ethics, business objectives, standards and processes (Du 2011 a). Du has established a corporate citizenship program which aims to involve employees in community development activities. Moreover, Du in association with the Ministry of Social Affairs sponsored the first ISO conference for the standardization of CSR practices across the Gulf Cooperation Council region (Qasim, Muralidharan and Ramaswamy 2011). In line with its belief that the youth of today play a crucial role in the country's future, the organisation in cooperation with Microsoft has launched the 'Imagine Cup'. The project invites students from Gulf universities to design innovative mobile applications that will solve real world problems. A panel judges the entries for creativity, presentation, prototype and development (Du 2011 b). 'Life of the Emirates' is yet another CSR program undertaken by the company (Du 2011 c). It is a spot television program featured on local channels. The programme focuses on the history, traditions and values of the UAE. Although the initiative is aimed at reviving the culture of the UAE among its youth the program is meant to educate locals, expatriates and visitors alike.

C. Dubai Airport Free Zone Authority

Established in 1996, the Dubai Airport Free Zone Authority (DAFZA) is home to more than 1500 private firms. DAFZA provides its clients end to end business solutions with several benefits such as tax exemption and rapid cargo clearance (Dubai Airport Free Zone 2010). CSR is a well developed function which is integrated into DAFZA's business agenda. The organisation has a sound CSR policy which serves as a reference for all stakeholders. In

accordance with its commitment to CSR, DAFZA has undertaken numerous CSR programs. For instance, DAFZA has organized painting and craft exhibitions to raise funds for children with special needs from the Rashid Paediatrics Therapy Centre (Golden 2007). In 2007, DAFZA organized and participated in the 'Clean the World' campaign, organised blood donations camps and raised financial support for the victims of the 2007 Pakistan earthquake (Al-Abbadi 2008). Every year, DAFZA coordinates with local universities to provide internship programs to train students professionally and empower them. It creates numerous job opportunities for UAE nationals. In order to provide clients with better customer service, the organisation has invested in an online service portal 'Tas'heel' (Dubai Airport Free Zone 2010). The Tas'heel system is a one stop solution for current client needs and is considered to be best practice. DAFZA is also very conscious about its impact on the environment. In 2009, DAFZA was awarded the 'Best Environmental Initiative Award' by the Arab Institute for Urban Development in the Kingdom of Saudi Arabia (Mesbah 2009). In an effort to promote sustainability among its clients, DAFZA has introduced two business awards focused on environmental sustainability and safety respectively. Recycle bins have been placed across the premises to encourage customers to recycle and thereby protect the environment.

D. Emirates National Oil Company

The Emirates National Oil Company (ENOC) is owned entirely by the government of Dubai. ENOC engages in a diverse portfolio of activities which is concerned with the production and management of petroleum and gas products (Qasim, Muralidharan and Ramaswamy 2011). CSR is a core business concept at ENOC. The firm engages in several CSR programs which are aimed at community development and environmental protection (ENOC n.d.). For instance, ENOC in partnership with the Ministry of Social Affairs provides training to UAE nationals. The three month training program aims to ready the local population for a professional work environment by developing their skills and motivating them. The 'ENOC Challenge' is another training initiative that the organisation has invested in (Al Mashni 2011). It comprises of an eight week training course for youth with special needs. In 2010 ENOC launched yet another training program, the 'ENOC Family'. This initiative provided fifteen students between fourteen and eighteen years of age the opportunity to work with their parents and learn real life work skills (Ammari 2010 a).

ENOC is also very mindful of its impact on the environment (ENOC n.d.). It encourages all stakeholders to engage in eco-friendly practices. ENOC provides a wide range of environment friendly products such as green engine oil and fuel saving devices. In 2008 ENOC launched 'Go Green', a car wash facility where cars are washed without water (Ammari 2008). In 2010, ENOC inaugurated its first eco-friendly petrol station with the state of the art green technology (Nair 2011). ENOC has been awarded the Dubai Award for sustainable transport services by the Road and Transport Authority (Ammari 2010 b). ENOC aims to provide customers with quality service. It has detailed policies on health, safety, training and development (ENOC n.d). Recently ENOC bagged the Superbrands Award from the UAE Superbrands Council for the sixth consecutive year (Albawaba 2011). By implementing best business practices and the latest technology the firm has earned a reputable brand name and enjoys an employer of choice status.

E. Al Ghandi Electronics

'Together for better health and safety – dare to share' was a one month CSR initiative undertaken by the personal care division of Al Ghandi Electronics in association with Philips (domestic appliances) and the Municipality of Dubai (Al Ghandi Electronics 2010). The program was targeted at the general public across all ages and ethnic origins. It aimed to educate them about the dangers of unhygienic salon equipment and the importance of personal cleanliness (when visiting beauty clinics). The campaign also provided tips to identify hygienic beauty centres.

F. Jotun

Jotun is a renowned market leader in the production and supply of paints. The firm has undertaken several CSR initiatives to protect the environment. For example, the firm has planted tree saplings at the Jebel Ali Hazardous Waste Treatment Facility (JAHWTF) in collaboration with the Dubai Municipality (Mesbah 2008). It has also invested in an irrigation system to water these saplings. The organisation, believes that in addition to beautifying the landscape, trees will alleviate the impact of green house gases. Jotun has also invested in a comprehensive waste water recycling program. In 2007 approximately 920,000 liters of waste water and 47,000 liters of water solvents were recycled (Hassan 2008). The organisation also invests heavily in the research and development of environment friendly paint products. In an effort to encourage employees to engage in proactive environmental activities, Jotun has initiated its own 'World Environment Day' where staff and their families engage in a whole day of environment based

events. Jotun also organizes several community oriented CSR initiatives such as blood donations camps. The firm is committed to the UAE government's 'Emiratization' program. In line with this, the organisation makes regular educational visits to local universities. Jotun has a dedicated CSR committee which manages the administration of CSR projects. Jotun invests in best practices and is ISO certified (ISO 9001, ISO 14001 and OHSAS 18001).

G. Hewlett Packard

Hewlett Packard (HP) has a CSR project titled HP Planet Partners Return and Recycling Program. It is a free service, which has been implemented in over forty-five countries (HP 2007). The program involves the collection and recycling of used printer cartridges and hardware. HP has recycled more than 1.71 billion pounds of hardware and printer cartridges globally. The recycled plastic is used make new cartridges, automobile parts, shoes, trays, and buttons. Approximately 300,000 tonnes of carbon dioxide emission was avoided in 2008 due to the firm's recycling initiatives (Qasim, Muralidharan and Ramaswamy 2011). In Dubai, the Dubai Municipality was the first to partner with HP for this initiative. Collection boxes to gather used printer cartridges are placed at the Dubai Municipality headquarters and branches. The Dubai Municipality was also the first to set up PC refurbishment centres with the primary objective of reducing e-waste (Mesbah 2010). Old PCs are collected and refurbished by installing the necessary software and hardware. These units are then donated to underprivileged people.

H. Emaar Properties

Emaar is committed to CSR and undertakes several programs pertaining to the environment and community. In 2008, Emaar properties in collaboration with the Dubai Municipality embarked on a CSR project which focused on the efficient utilisation of water. This initiative was targeted at fifty-eight properties on Sheikh Zayed Road (Stensgaard 2008). It involved the installation of devices which ensured the efficient use of water. In addition to conserving water, it was forecasted that residents would benefit from reduced water bills.

I. Dulsco

Dulsco Waster Management Service (DWMS) is into the collection of both hazardous and nonhazardous waste material. Hazardous waste such as oil sludge and petrochemical residue are harmful to health. Nonhazardous waste consists of spoils collected from residential and commercial areas (Dulsco 2008). Garbage skips are placed in specific locations across the city and waste collection trucks collect the refuse at scheduled intervals. DWMS provide their field staff with adequate training. Drivers and helpers are trained to use and maintain specialized waste collection trucks and equipment. They are also educated about the risks of dealing with hazardous and nonhazardous waste material. Some of the corporate giants' that avail of the waste management services provided by Dulsco include Gulf Agency, Inchcape Shipping Services, Dubai Municipality and Dubai Properties (Dulsco 2008). Dulsco also engages in initiatives to educate the public about waste management and recycling. 'Recycle to regain' is one such program, which is aimed at informing those members of the general public, who do not have access to information on recycling. Brightly coloured custom made mobile vehicles, which instinctively arouse curiosity, are parked in several strategic locations across the city. These mobile vehicles also visit public sites at regular intervals and educate the public about the benefits of recycling. Recycle cages are also placed in several locations.

J. eHosting Datafort

eHosting Datafort (EHDF), a subsidiary of TECOM Investments is one of the leading information technology (IT) outsourcing firms in the UAE. The firm boasts of a high profile client list which includes DAFZA, Du, Dubai Holding, DULSCO, Jumeirah Group and Arcelor Mittal to name a few (eHosting Datafort n.d.). The organisation has undertaken two prominent CSR initiatives; 'Marifaty' and 'Muthabara' related to the IT field (Qasim, Muralidharan and Ramaswamy 2011). While the Marifaty initiative is directed at educating the general public about cyber crime, the Muthabara program aims to raise awareness on the issues of data security among IT graduates. EHDF also invests in a professional education program, provides opportunities for summer internships and jobs for individuals with special needs. Operations at EHDF are implemented as per best practices such as ITIL, ISO20000, ISO 27001 and BS25999.

K. Masdar City

The Masdar City is a unique project planned in Abu Dhabi by the Abu Dhabi Future Energy Company (Qasim, Muralidharan and Ramaswamy 2011). The city is planned according to the ‘One Planet Living’ principles. “One planet is a global initiative based on 10 principles of sustainability developed by Bioregional and WWF” (One Planet Living 2011, p.1). Both WWF and sustainability group Bioregional have recognized Masdar City as a One Planet Living community because of its staunch commitment to environment friendly objectives. Although the architecture will emulate traditional Arabic designs, advanced green technology with zero carbon foot print and waste will be used to construct the city. This project is currently under construction and expected to be completed by 2025.

L. The Dubai Chamber of Commerce

In an effort to encourage private sector firms to implement responsible business practices, the CRB, a division of the Dubai Chamber of Commerce and Industry has launched the Dubai Chamber CSR Label. The Dubai Chamber CSR Label assists organisations to identify social values, communicate their social commitments to stakeholders, implement and assess CSR practices, grow internally and provide third party verification (Dubai Chamber 2011). It helps firms to identify international best practices in CSR and apply them in the local context. Corporates that pass the third party verification are awarded the Dubai Chamber CSR Label. In addition to several other initiatives such as ‘Engage’, a volunteering programme, the CRB provides training to business executives in the Gulf region with the aim of increasing their CSR knowledge (CRB 2010). It has also launched CSR tool kits which facilitate efficient stakeholder management and communication (CRB 2011).

M. Dubai Centre for Corporate Values

The Dubai Centre for Corporate Values (DCCV) was setup in 2006 by the Dubai Technology and Media Free Zone Authority (DTMFZA), Dubai International Financial Centre (DIFC) and the DAFZA (Centre for Sustainability and Excellence 2009). The DCCV aims to create a socially responsible business model that is pertinent to the UAE’s social, economic and cultural background. It endeavours to cover a spectrum of social, environmental, economic, cultural and ethical issues. The DCCV model is based on the CSR framework of the European Foundation for

Quality Management and other best practices in CSR (Qasim, Muralidharan and Ramaswamy 2011). Although the program is initially targeted at companies based in DTMFZA, DIFC and DAFZA in due course, it will be extended to firms across the city.

Table 13: provides an overview of the primary stakeholders of the firms discussed above.

Table 13: Stakeholders of corporates in the UAE

Source: Table and contents created by the researcher

	Stakeholders			
Companies	Community	Employees	Customers	Environment
Dubai Municipality	√			√
Du Telecommunication	√	√	√	
DAFZA	√	√	√	√
ENOC	√	√	√	√
Al Ghandi Electronics	√			
Jotun	√	√		√
Hewlett Packard				√
Emaar Properties	√			√
Dulco	√	√		√
eHosting Datafort	√			
Masdar City	√			√
Total	10	5	3	8

Research conducted on CSR in the UAE is limited. Katsioloudes and Brodtkorb (2007) conducted a study to understand the status of CSR in Dubai firms. A questionnaire focusing on several aspects of CSR was distributed among 2100 private companies. Of the 2100 questionnaires circulated, 410 complete responses were received and used in the study. The first section of the questionnaire focused on the management of stakeholders. These included the environment, community and customers. Their findings highlighted that although ninety-three per cent of respondents claimed to comply with UAE's environmental regulations, only fifty-three per cent had a formal procedure to assess their impact on the environment. Furthermore, seventy-five per cent of firms were concerned about the impact of their supply chain on the environment. Sixty-five per cent of the respondents claimed to engage in community projects. Of these, only forty-six per cent had formal financial policies defining expenditure on community programs. The concept of Zakat contributes significantly to a large number of UAE firms

engaging in community based CSR projects. Eighty-two per cent of the organisations declared that they had provisions to log customer feedback and complaints. This indicates that these firms engage in two-way stakeholder communication. Seventy-five per cent of the respondents affirmed that their products were tested for safety prior to launching them in the market. Firms are bound by strict regulations instituted by the local government which compels them to test product safety. Moreover complying with the regulatory standards provides these firms the license to operate. These statistics indicate that majority of the firms that participated in the study acknowledge their stakeholders and have procedures designed to meet their demands. However, it must not be forgotten that eighty per cent of firms did not respond or complete the survey.

Table 14: Incidence of policies on different aspects of CSR in UAE firms

Source: Adapted from Katsioloudes and Brodtkorb 2007, p.16

Corporate Social Responsibility Areas	Percentage of Firms
Employee Behaviour	80
Health and Safety	75
Employee Development	69
Financial Transparency	62
Corporate Governance	57
Anit-discrimination	47
Environmental Impact	46
Consumer Policy	45
Community Relations	36
Work-life Balance	30

Table 14 presents an overview of the percentage of firms that had policies on different aspects of CSR. Majority of the firms had defined polices for managing employees as stakeholders. While eighty per cent of the participants had a defined code of conduct which regulates employee behaviour, seventy-five and sixty-nine per cent of the respondents had policies pertaining to employee health and safety and personnel development respectively. The high incidence of firms having regulations pertaining to employee management may be because of the parameters within the UAE labour law. Fewer firms had defined procedures for financial transparency and corporate governance. Between the two, financial transparency seems to be more of a priority with sixty-two per cent of firms having a policy on the same. Fifty-seven per cent of firms had regulations pertaining to corporate governance. Less than fifty per cent of firms had policies on

anti-discrimination, environmental impact, consumer relations, community relations and work-life balance. This implies that these aspects of CSR were not a priority for the participating firms.

Table 15: Percentage of firms that consult international guidelines when developing policies on different aspects of CSR

Source: Adapted from Katsioloudes and Brodtkorb 2007, p. 17

Corporate Social Responsibility Areas	Percentage of Firms
Accounting Principles	70
Corporate Governance	33
Environmental Management	32
Human Rights and Labour Standards	30
Environmental Risk Management	25
Bribery and Corruption	20
Social Risk Management	18
Equality and diversity Issues	18
Corporate giving	18
Non-financial/CSR reporting	17

Table 15 adapted from Katsioloudes and Brodtkorb (2007) discloses that very few companies operating in Dubai consult international guidelines when developing CSR policies. Seventy per cent of corporates that participated in their study consulted international guidelines on financial accounting practices. However, very few companies followed international standards when defining policies on corporate governance, environmental management, human rights, labour standards, environmental risk management, bribery and corruption, social risk management, equality and diversity, philanthropy and CSR reporting.

3.2.12 Benchmarking CSR

Attempts have been made to establish universal benchmarking standards for CSR. Benchmarking CSR is essential as it helps to review current practices, identify areas of improvement, enhance social performance and secure the confidence of stakeholders. Several tools such as the Social Accountability International's SA8000, the Generally Accepted Account Principles, the AccountAbility's AA1000, the International Organisation for Standardization's ISO9000 and ISO 14000, the UN's Global Compact, the European Union's European Modernisation Directive and many more have been established to standardise and regulate business processes and assess

social performance. However, the ambiguity associated with the concept of CSR has resulted in the absence of universally applicable benchmarking standards. This further complicates the measurement of CSR. In support of this Breitbarth and Harris (2008 in Jones et al. 2009, p. 524) state that benchmarking CSR practices is “dynamic, diverse and context specific.” For instance, the Global Reporting Initiative defines guidelines and develops frameworks to standardise sustainability reporting. But majority of firms report CSR in a manner they consider best. While some firms publish dedicated CSR reports, others include it as a section of their annual financial report. Many organisations also allocate a section of their website to report CSR.

3.2.13 Challenges and limitations of CSR

Despite its popularity CSR is not without limitations. Listed below are some of its limitations.

1. The absence of a universally applicable definition (Sethi 1975 in Meehan, Meehan and Richards 2006).
2. Estimating the financial benefits of being socially responsible is very complicated (Nussbaum 2009).
3. Identifying the motive behind undertaking CSR: Most managers believe that investing in CSR will increase economic returns in the long run (Nussbaum 2009). Undertaking CSR with this intention clashes with the very concept of CSR. In principle, firms must engage in CSR because it is the right thing to do.
4. Lack of standardised international benchmarking procedures to monitor and review CSR initiatives. As a result, evaluating CSR is cumbersome (Porter and Kramer 2006 in Jones et al. 2009).
5. CSR is a relatively new organisational function. Most firms do not have a CSR department or personnel employed in the CSR function. Hence managers specialised in other functional areas such as administration, marketing and management must undertake CSR. Freeman and Liedtka (1991 in Dennis, Neck and Goldsby 1998) argue that since CSR is not their area of expertise it makes them incompetent.
6. CSR instigates unhealthy competition between corporate giants and the government. Robins (2008) explains that when large firms invest in CSR, they pump a sizeable amount of financial capital into the community they operate in. As a result they exercise

considerable control over the community. This in turn reduces the government's influence on that particular community, which may result in conflict.

7. Lastly, CSR initiatives have the ability to distort the free interaction of market forces. For example the Fair Trade Foundation has been criticized for disrupting the market dynamics of price fixing (Playing Fair? Global perspectives on corporate social responsibility 2008).

3.2.14 CSR during recession

CSR has suffered a setback with firms cutting costs due to recession. However, efforts to be socially responsible have not been completely ignored. Hoffman (2007) revisits the period of the great depression in the 1930s. He points out that CSR was one of the few social movements that survived the great depression. Richard Welford, co-founder of CSR Asia provides a different perspective on CSR (HRM Asia 2010). He argues that the recession has been instigated by firms that engage in irresponsible practices, which are directed at making short term profits. The entire world is now increasingly acknowledging the importance of CSR. However as responsible business practices contribute to a firm's competitive advantage irrespective of recession or boom, Hopkins (2006) argues that CSR is recession proof. Firms must therefore engage in CSR regardless of the economic climate.

3.2.15 The future of CSR

As per Jones et al. (2009), although expenditure on CSR has been curtailed sustainable business models which embrace social responsibility will emerge in the long run. Structured corporate governance will become an integral part of the CSR agenda for most organisations. According to McManus (2008) CSR, will eventually evolve into a normal business process just as any other innovative management practice. It will be strategically embedded into the routine business operations. Hopkins (2006) predicts that CSR will make its way into developing and underdeveloped nations. It will be adopted by small and medium enterprises due to globalisation and media intervention. The nature of corporate firms will evolve. Eventually they will be expected to tackle social issues such as global warming, trade barriers, poverty and underdevelopment.

3.3 Leadership and CSR

Despite vast research conducted on leadership and CSR respectively, studies focusing on the relationship between leadership and CSR are very few. Comprehending the impact of leadership on CSR is vital. It facilitates to determine managerial attitude towards CSR and brings to light the motive behind corporate engagement in responsible business practices. Moreover it helps to evaluate the impact of evolving leadership styles on CSR (Abdul Rashid and Ibrahim 2002).

Firms make decisions pertaining to CSR. By firms, we refer to managers as they are the key decision makers. Robins (2008, p. 335) further supports this by stating that “[H]e who plays the piper will always call the tune”. Yukl (1999 in Waldman, Siegel and Javidan 2006) criticizes existing research conducted on leadership. He reasons that instead of focusing on managerial behaviour at the lower levels of the hierarchy, leadership models must give attention to managerial styles and behaviour at the executive level. These managers are instrumental in constructing and implementing corporate strategy, boosting firm reputation and realizing organisational goals and hence assume the role of organisational leaders. The ethical values of these managers are mirrored in their attitude towards CSR and subsequently in their firms approach towards responsible business practices. A study conducted by Abdul Rashid and Ibrahim (2002) revealed that managerial take on CSR is shaped by several factors such as family upbringing, tradition, culture, religion and peer pressure. This is further supported by a case study analysis conducted on Anita Roddick of The Body Shop (Pless 2007). She implemented several responsible business practices in line with her personal values. Some of these include fair trade, use of premium quality ingredients, fair employment practices and abuse against animals.

Brickson (2007 in Basu and Palazzo 2008) points out that existing research ignores the internal institutional factors that influence CSR. In an effort to address this criticism, Basu and Palazzo (2008) analyse an organisation’s motive behind undertaking CSR from a sensemaking perspective. According to Ring and Rands sensemaking is “a process by which individuals develop cognitive maps of their environment” (1989 in Basu and Palazzo 2008, p.123).

Sensemaking from a firm’s viewpoint involves the interaction of three dimensions; the cognitive dimension, the conative dimension and the linguistic dimension. While the cognitive dimension deals with what firms think, the linguistic and conative dimensions focus on what firms say and how they behave respectively. The dynamic interplay of these three dimensions determines firm

and managerial approach towards CSR. Since managers are the key decision makers, their mental framework also influences the sensemaking process. However, there are significant differences between the sensemaking process at the individual level and the organisational level although they are highly interdependent (Daft and Weick 1984 in Basu and Palazzo 2008).

O'Dwyer (2003) explains managerial approach towards CSR from a different perspective which he terms as 'managerial capture'. Managerial capture refers to a firm's orientation towards CSR, which is exhibited through the actions of its managers. Firms engage in CSR as long as economic performance and profits are not disturbed. Based on this, he identified three distinct approaches to managerial capture in a study conducted on twenty-nine top level managers in the Irish public sector. These are the proactive enlightened self interest approach, the reactive enlightened self interest approach and obligation. He also identified resistance to these approaches.

As per the proactive enlightened self interest approach, CSR initiatives have a positive impact on the economic performance of an organisation. This in turn increases shareholder value. Therefore, managers adopting the proactive enlightened self interest approach are motivated to engage in CSR due to the strategic benefits associated with it. Twenty-five of the twenty-nine managers participating in O'Dwyer's study acknowledged that they would engage in CSR as long as it did not upset profits. A few managers who resisted this approach believed that corporates must engage in CSR irrespective of its impact on financial performance. Although their personal point of view regarding CSR contradicted with their firm's approach (to CSR), they were forced to adopt the firm's CSR strategy due to fear of losing their jobs. This further implies that CSR must be advocated from the executive/board level. As a matter of fact, some managers participating in the study suggested that board level participation can positively alter a firm's orientation towards CSR.

Firms adopt a reactive enlightened self interest approach to CSR when pressurised by external stakeholders. Managers in these firms reluctantly engage in CSR when faced with threats that adversely impact economic performance and corporate reputation. Nearly thirty-one per cent of the managers who participated in the study adopted the reactive enlightened self interest approach. Managers who displayed resistance to the reactive enlightened self interest approach argue that firms will be socially responsible only when they are pressurised by external bodies

(O'Dwyer 2003). The third approach to managerial capture is obligation. Firms adopting this approach engage in CSR because it is the right thing to do.

Attempts are being by researchers made to identify which leadership style supports CSR best. Waldman, Siegel and Javidan (2006) associate transformational leadership style with CSR. The elements of transformational leadership are a prerequisite for managers who champion CSR. For instance, transformational leaders have the ability to alter the existing goals and establish shared goals which foster responsible business practices. They have the ability to articulate the shared goals to all the relevant stakeholders. These leaders acquire the commitment of their associates by motivating them, challenging them to raise their expectations and aligning their personal goals with that of the firm. Transformational leaders are looked upon as role models and hence inspire associates. These qualities of transformational leaders are vital to gain the dedication and allegiance of employees to responsible business practices. Interestingly, research conducted by Waldman, Siegel and Javidan (2006) on American and Canadian firms disclosed that no correlation existed between leader charisma and CSR. Contrary to these findings, research conducted by Pless (2007) indicates that the ethical orientation of managers significantly contribute to the CSR orientation of firms. Transformational leaders persuade organisation members to challenge existing beliefs and look at problems from different perspectives. The intellectual stimulation attribute of transformational leadership promotes creativity and innovation which is ideal for CSR considering its ambiguous nature. Waldman, Siegel and Javidan (2006) found a positive correlation between intellectual stimulation and CSR. Transformational leaders develop and retain talent by providing personalised support and coaching. They have the ability to mould associates to be socially responsible. Employees are key stakeholders and good employee relation is vital for good business practices. This attribute of transformational leadership has been criticized by Waldman, Siegel and Javidan (2006) on the grounds that it focuses on the individual rather than the firm as a whole. However, this criticism is not justified as employees; both as individuals and as a group (formal and informal) constitute an organisation. Both individuals and groups must be developed for a firm to progress further.

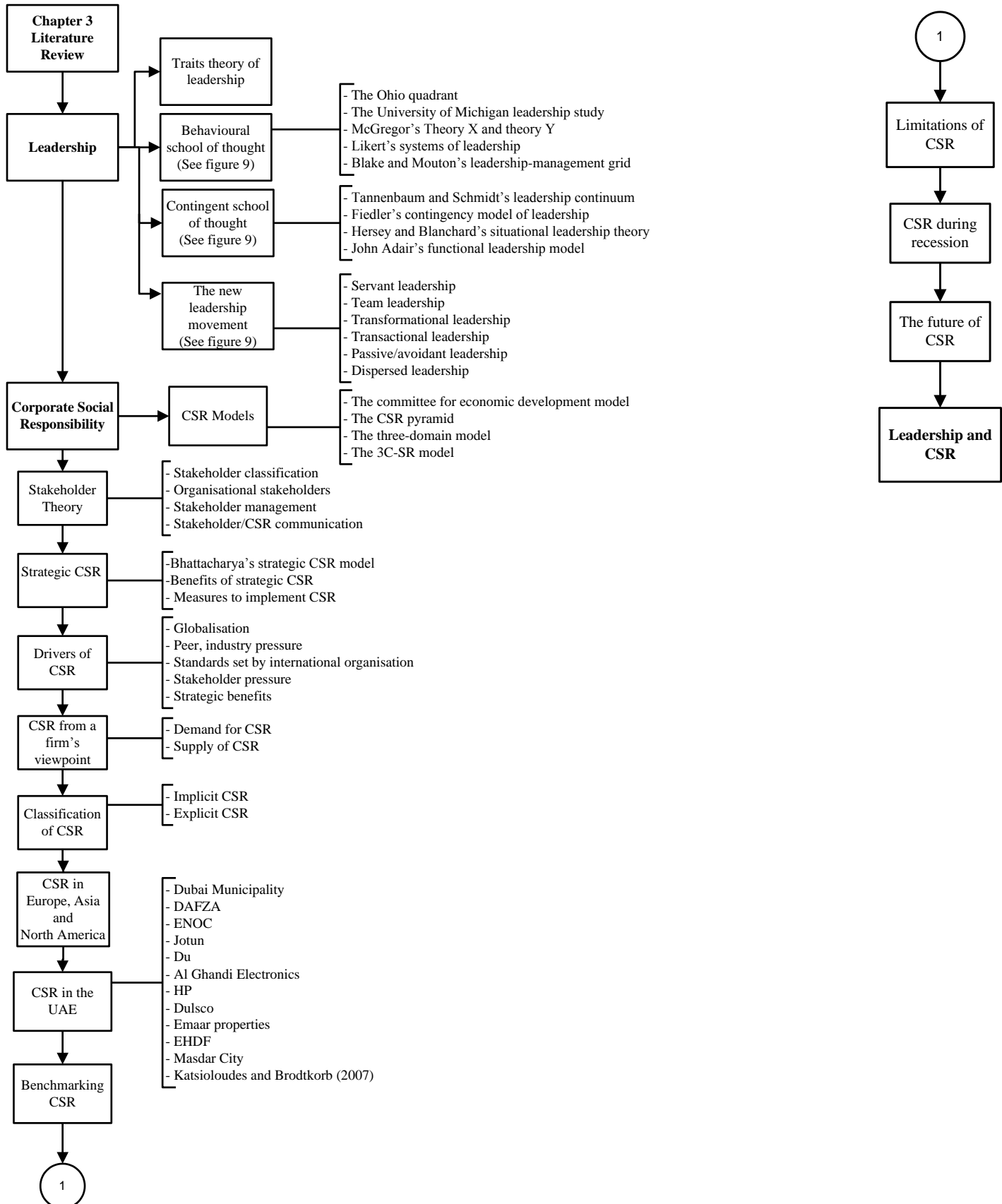
Angus-Leppan, Metcalf and Benn (2010) associate moral leadership with CSR as moral leaders demonstrate a commitment to duty based on principles, ethics and values. They do not compromise on their ethical standards and have a strong sense of right versus wrong. This form of leadership is most prominent in non-profit organisations. However, the main demerit of this

leadership style is that ethical leaders tend to judge others based on their personal ethical principles. Walumbwa et al. (2008 in Angus-Leppan, Metcalf and Benn 2010) related the concept of authentic leadership with the management of CSR. The manager's personal values and integrity influence job performance. Surprisingly, Hobbes (1985 in Angus-Leppan, Metcalf and Benn 2010) has linked one of the most unlikely leadership styles with CSR. He justifies that autocratic leadership behaviour controls commercial self-interest which in turn, reduces social evils and is CSR friendly. The demerits of autocratic leadership outnumber the merits. It is therefore an extremely unpopular leadership style. The concept of shared and dispersed leadership is also related to CSR. Since individual manager does not possess the entire range of skills to deal with complex situations, firm members irrespective of their position in the organisational hierarchy assume leadership roles, as long as they have the relevant knowledge and group support. However, there is no empirical evidence on the impact of dispersed leadership and CSR. Yet another form of leadership which probably complements CSR is complex leadership (Ulrich-Beyn 2007 in Angus-Leppan, Metcalf and Benn 2010). These managers facilitate the future by creating a shared meaning for complexity and an environment for innovation. Similar to dispersed leadership, the benefits of complex leadership is yet to be ascertained.

Managers in general face multiple challenges with regards to CSR, irrespective of the leadership style or combination of styles they adopt. They find it difficult to comprehend CSR, due to the lack of a universally applicable definition and the ambiguity associated with the concept. Secondly, managers are appointed by firms to optimize operations. Majority of them find it difficult to initiate and implement CSR as they lack the competence to do so. Lastly, managers represent the firms that they are employed with. As they are not nominated by the wider community or the society in general, they are not accountable for CSR actions beyond what is defined legally (Robins 2008).

3.4. Summary of literature review

Flowchart 3: Summary of literature review



Chapter 4

Research methodology

This chapter centres on the research methodology adopted to accomplish the objectives of this study and answer the research questions. It examines the research approach, the research variables, the research model and hypotheses, the research population and sample, ethical considerations and limitations of this dissertation. Lastly, the statistical tools used for data analysis are elucidated. Figure 16 provides the outline of this chapter

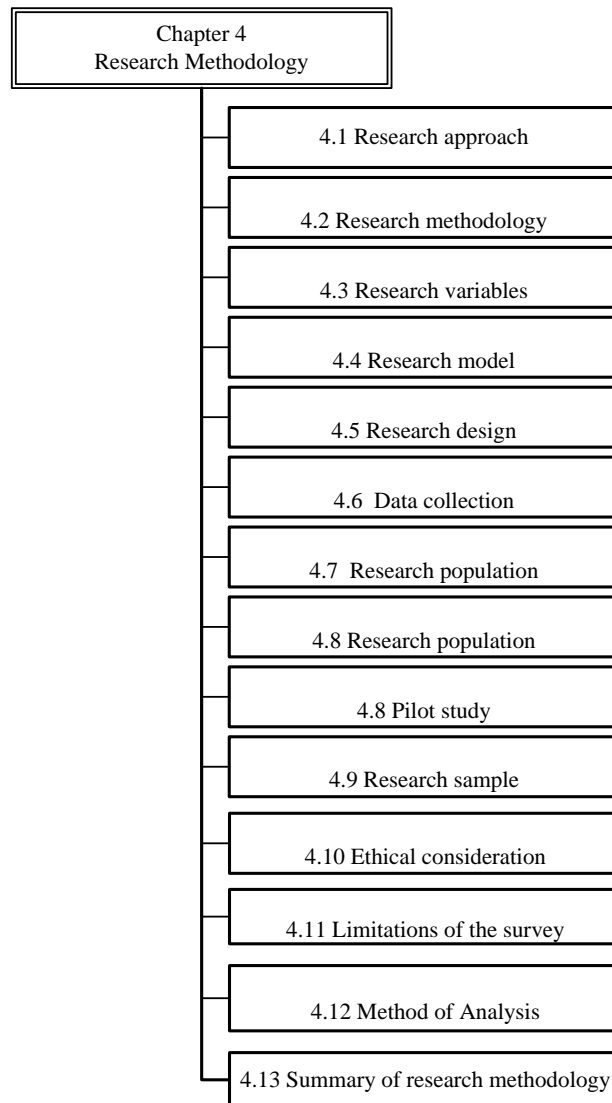


Figure 16: Outline of chapter 4

4.1 Research approach

Research is the methodical process of collecting and analysing data in order to ascertain things. According to Saunders, Lewis and Thornhill (2007) there are three different approaches to research; exploratory research, descriptive research and explanatory research. Exploratory research is used to comprehend the accurate nature of a problem. It is an effective research approach especially when data available on the research topic is limited. Descriptive research details the characteristic features of the population, event or situation that the research model and hypothesis are established on. It is usually an extension of an exploratory or explanatory research. Explanatory research identifies the cause-effect relationship between variables.

This study adopts a combination of the three approaches. It takes on an exploratory approach as it tries to identify why there is a lack of initiative among UAE managers (in the private sector) to implement CSR. It also ascertains the problems associated with social irresponsibility and the need for firms based in the UAE to engage in CSR. The main objective of this research study is to determine the impact of leadership styles on CSR. Since it aims to establish the cause-effect relationship between leadership styles and CSR it adopts an explanatory approach as well. Descriptive research is used to explain the demographic particulars of the sample population participating in the study.

4.2 Research methodology

Research methodology can be classified into two; quantitative and qualitative. Quantitative research is concerned with the collection of quantitative data to establish the relationship between two or more variables. Qualitative research focuses on the collection of non-numeric data such as meaning, feelings and attitudes via in-depth interviews, case studies and so forth. Several research studies have employed the quantitative research methodology to establish the impact of leadership on other factors. For example, research conducted by Jabnoun and Al Rasasi (2005) utilizes quantitative methodology to determine the impact of transformational leadership on service quality. Another study conducted on the effect of transformational leadership on knowledge sharing and organisational benefits by Behery (2008) uses the quantitative research methodology. Yet another research study conducted by Waldman, Siegel and Javidan (2006) on the influence of the attributes of transformational leadership (idealised attribute/behaviour, intellectual stimulation and individual consideration) on CSR employs the

quantitative research techniques. Similar to these studies, this dissertation also uses the quantitative research methodology to understand the cause-effect relationship between leadership and CSR.

4.3 Research variables

A variable can be defined as a factor which takes on different values. Quantitative research is built on variables. Variables can be classified into several categories such as quantitative variables, dependent variables, independent variables, mediating variables and so on. This research model is built specifically on independent and dependent variables. An independent variable causes positive or negative alterations in the dependent variable. Conversely, a dependent variable changes value due the impact of the independent variable (Saunders, Lewis and Thornhill 2007). Since this study aims to establish the impact of leadership on CSR; leadership (as a global variable), leadership styles (transformational, transactional and laissez-faire) and the factors of leadership (idealised attributes, idealised behaviour, intellectual stimulation, inspirational motivation, individualised consideration, contingent reward, management by exception-active, management by exception-passive and laissez faire) are considered as the independent variables. CSR is the dependent variable.

4.4 Research model

The research model refers to the manner in which the research is designed to achieve the RO and answer the RQ. Figure 17 is a diagrammatic representation of the research model designed to determine the impact of leadership on CSR. Table 16 provides a list of the hypotheses upon which the research model is developed.

4.5 Research design

Surveys, experiments, interviews, archival research, action research and case studies are examples of popular research designs. The survey research design is widely used for the collection of quantitative data (Saunders, Lewis and Thornhill 2007). This study makes use of the survey strategy to investigate the dependence of CSR on leadership styles. The survey has been designed to collect data from the sample population in order to test the validity of the proposed hypotheses (using the data collected).

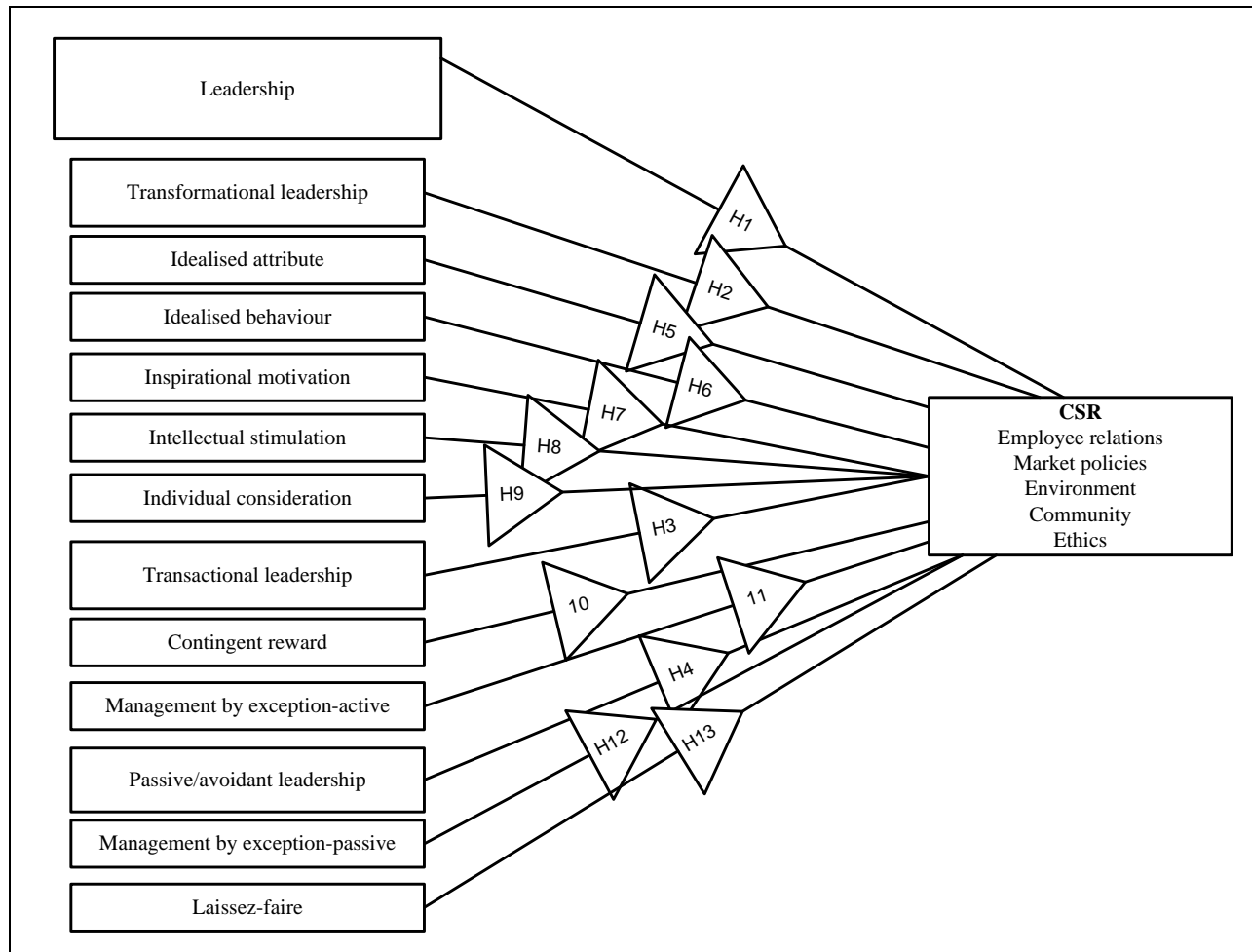


Figure 17: Research model

Table 16: List of Hypotheses

Hypothesis no.	List of hypothesis
H1	Managerial leadership has a significant impact on the CSR
H2	Transformational leadership has a positive impact on CSR
H3	Transactional leadership has a positive impact on CSR
H4	Passive/avoidant leadership does not facilitate CSR.
H5	Idealised attribute has a significant impact on CSR
H6	Idealised behaviour has a significant impact on CSR
H7	Inspirational motivation has a significant impact on CSR
H8	Intellectual stimulation has a significant impact on CSR
H9	Individual consideration has a significant impact on CSR
H10	Contingent reward has a significant impact on CSR
H11	Management by exception-active does not have an impact on CSR
H12	Management by exception- passive does not facilitate CSR
H13	Laissez-faire leadership behaviour has a negative impact on CSR

4.6 Data collection

Primary as well as secondary data was collected for this study. Primary data refers to new data which is specifically collected for the purpose of the study. The survey research design has numerous primary data collection tools such as structured observation, questionnaires and structured interviews. The questionnaire is a popular primary data collection tool due to its ability to cover a wide population and low economic maintenance. Drawing on these benefits of the questionnaire tool, the quantitative data for this study has been collected using anonymous self-administered questionnaires. Secondary data consist of data which has already been collected and analysed. Secondary data on leadership and CSR was collected from electronic databases, journals, newspapers, books and online magazine articles and discussed (in the literature review).

4.6.1 Questionnaire

A self-administered questionnaire was circulated among the sample population to collect primary data. The questionnaire, as attached in Appendix B runs seven pages long. A cover letter introduces the research topic, provides an overview of the structure of the survey and finally invites participants to take part in the survey. The survey is then organised into three sections; demographic information, leadership styles and CSR which are elaborated below.

A. Demographic information

The first section of the questionnaire is designed to collect the respondents' demographic information. This section consists of eight demographic items which include gender, marital status, age, education, tenure of experience, managerial level, organisational tenure and functional area respectively. These items are rated on a scale ranging from two points; Gender (Male/Female) and Marital Status (Married/Unmarried) to nine points; Functional Area (Management/Sales/Marketing/Finance/Logistics/Human Resource/ Administration/Healthy and Safety and Others).

B. Leadership styles

The second section of the questionnaire is dedicated to collecting primary data pertaining to existing leadership styles in the UAE private sector. This section of the questionnaire is adapted

from the Multi Leadership Questionnaire (MLQ) developed by Avolio and Bass (1999). The MLQ was first developed in 1985 by Bernard Bass, further to which it was revised multiple times (Muenjohn and Armstrong 2008). According to Ozaralli (2003 in Muenjohn and Armstrong 2008, p. 5) the MLQ is a popular leadership measurement tool “and is considered the best validated measure of transformational and transactional leadership.” The MLQ evaluates transformational, transactional and laissez-faire leadership styles using nine scales which consist of forty five items. Of the nine scales, five pertain to transformational leadership. These are idealised attributes (four items), idealised behaviour (four items), inspirational motivation (four items), intellectual stimulation (four items) and individual consideration (four items). Two scales relate to transactional leadership; contingent reward (four items) and management by exception-active (four items). Management by exception-passive (four items) and laissez-faire (four items) measure passive/avoidant leadership.

In addition to evaluating leadership styles, the MLQ also has a section which measures the outcome of leadership styles on job satisfaction using nine items. Since this dissertation focuses on the impact of leadership styles on CSR, this part of the MLQ has been omitted. The MLQ comprises of two versions; the rater form and self-rater form. Although the statements are phrased differently, both versions consist of the same scales and items. While the rater version is to be completed by the subordinate, the self-rater form must be completed by the manager. This study uses of the rater version only.

C. Corporate social responsibility

The final section of the questionnaire concentrates on the CSR initiatives undertaken by the respondents' firms. This section of the questionnaire was adapted from the CSR awareness raising questionnaire developed by the European Commission Directorate-General for Enterprise (2005). The original questionnaire consists of five scales spread over twenty-six items. These are employee relations (five items), environment (five items), community (six items), market policies (five items) and ethics (five items).

Unfortunately, the original questionnaire was very lengthy. It consisted of seventy-one items in total. This could result in respondent fatigue and thereby influence the response rates negatively. Therefore a decision was made to reduce the length of the questionnaire. Each scale and its respective items were carefully reviewed. Items phrased with similar meanings were excluded.

For example, the management by exception- active scale consists of four items. One of the items is phrased as “My manager focuses attention on irregularities, mistakes, exceptions and deviations.” Another item in the same scale is articulated as “My manager concentrates his/her attention on dealing with mistakes, complaints and failures.” Since both items have similar meanings, one of them was eliminated. In this case, the former was removed. The items for the nine leadership scales were reduced from forty-five to twenty-six. Similarly the items for the five CSR scales were reduced to twenty-four. The final questionnaire (see Appendix B) consisted of fifty-eight items inclusive of the eight demographic items. The final questionnaire did not provide any indication of the leadership and CSR scales. A list of the leadership and CSR scales and their respective items used in questionnaire and for data analysis is given in Table 17. To simplify the data analysis each scale was abbreviated (See table 17). For instance the idealised attribute factor of leadership is abbreviated to IA. The corresponding items were named and labelled as shown in Table 17.

A five point Likert scale was used to measure the variance in employee opinion regarding their managers’ leadership style and the level of social responsibility their firms practice. Saunders, Lewis and Thornhill (2007) emphasizes that the Likert style rating scale is popularly used to obtain the extent to which respondents agree or disagree with a statement. It aids respondents to provide data which facilitates scaling. Strongly agree, agree, do not know, disagree and strongly disagree rating options were used to measure employee opinion. Each rating was then assigned a corresponding weight; strongly agree-1, agree-2, do not know-3, disagree-4 and strongly disagree-5. This made the conversion of employee opinion into numerical data for analysis simple.

4.7 Research population

The research population comprises of a group of entities (individual or firm) that have similar characteristics that the study is concerned with. At times, it is impossible to collect and analyse data from the entire population due to the large size of the population, limited budgets and time constraints. In such circumstances, a sample must be drawn. A sample is a sub-group of the total population. The selection of the sample population must be done very meticulously as it contributes to the integrity of the data collected and in turn the success of the research. The population for this research study constitutes all employees working in the UAE private sector.

Explicit attention has been given to the private sector since it makes a significant contribution to the country's GDP. Nearly thirty-seven per cent of the UAE's GDP is generated by the private sector (see Table 5). Since it was not practical to collect data from all employees working the UAE private sector, random sampling technique was used to select the study sample.

4.8 Pilot survey

Prior to circulating the questionnaire, a pilot survey was conducted in order to obtain feedback and identify technical errors. 'Snap', a survey software was used to design and host the questionnaire online. The web link for the survey was then circulated among ten participants. The respondents of the pilot survey gave some constructive feedback. Six participants found it difficult to complete the questionnaire as the item statements were placed very close to one another. Moreover two participants pointed that the aesthetics of the questionnaire was dreary. Since Snap has limited options to design the layout of the questionnaire 'Lime Survey' an alternative survey software was used to recreate the online self-administered questionnaires. The completion time of the questionnaire was also noted (10 minutes). The final self-administered questionnaire was hosted on www.leadershipandcsr.info.

4.9 Research sample

The final questionnaire was circulated among eleven thousand employees working in the private sector. The web link for the self-administered questionnaire was circulated via e-mail. The e-mail provided an explanation for the purpose of conducting the survey, an introduction to the topic and the inconvenience time. Alternatively hard copies of the questionnaire were also circulated by the researcher in person. Exceptional care was taken to make sure that the questionnaire was circulated to employees working in the private sector only. The completed questionnaires were returned via email or in person. A total of 433 complete responses were received and used for this research study. This constituted the sample population. All incomplete responses have been omitted.

4.10 Ethical considerations

In compliance with ethical guidelines, participation in this survey was not compulsory. Participation was left at the discretion of the respondent. Although respondents were requested to return completed questionnaires, no pressure was imposed on them. Participants were

encouraged to express their perceptions freely. Assurance was given that all information and opinion disclosed would be used for the purpose of this study only and maintained with utmost confidence. Lastly the inconvenience time for the respondents (ten minutes as measured during the pilot survey) was specifically mentioned in the cover letter.

4.11 Limitations of study

In spite of the contribution this study makes towards the existing body of research on the influence of leadership on CSR, it is not without limitations. The primary constriction pertained to data collection via self-administered questionnaires. Of the ten thousand self-administered questionnaires circulated only ninety-nine were returned. Of these, seventy-two (0.90 per cent) were complete and used for the analysis. The remaining 361 responses (3.28 per cent) were collected by circulating one thousand hardcopies of the questionnaire and collecting the responses in person (by the researcher). The self-administered questionnaire tool was chosen due to the ease in reaching a wider population, low economic maintenance and time constraints. However Ferdinand (2006) points out that self-administered questionnaires best serve the purpose when participants have a strong relationship with the topic of study. Otherwise they suffer a very low response rate. This argument holds true for this research study as the response rate for the online self-administered questionnaire was less than one per cent (0.90).

A study conducted by Katsioloudes and Brodtkorb (2007) on the CSR initiatives of firms in Dubai also suffered a low response rate of twenty per cent. Employees in the corporate world do not pay much attention to research studies such as this one. As a result, their attitude toward supporting such research lacks a sense of urgency. The overall response rate for this study was very low (4.18 per cent). This is further supported by Mostafa (2005, p.527) who states that “[C]ollecting data by mail surveys in the Arab world has been very difficult.” Management support is an essential to overcome this attitude. The sample size is directly affected by low response rates. When compared to the total population (i.e. all employees working in the private sector) 433 responses is relatively small. Obtaining more responses was not possible due to time constraints and the laidback attitude of respondents.

Lastly, the likert scale has been used to rate employee opinions as it helps to convert their perceptions into numerical data, for the purpose of analysis. As this study adopts a quantitative

approach open ended questions were intentionally avoided in the questionnaire. As a result respondents were not given an opportunity to provide descriptive responses.

4.12 Method of analysis

A combination of descriptive and inferential statistics was used to analyse the data. The data was analysed using SPSS (version 19.0). Descriptive statistics was used to report and analyse the demographic information of the sample population. In order to test the reliability of the scales used in the questionnaire, the Cronbach's alpha reliability test was used. The relationship between leadership (as a global variable), leadership styles, factors of leadership and CSR were tested using Pearson's correlation and regression analysis. The findings of these tests are presented and analysed in the following chapter.

Table 17: List of leadership and CSR scales and their respective items (as in questionnaire)

Leadership Styles (LS)						
Sl. no. as in qstn.	Factor No.	Factor Name	Item No.	Items	Name	Label
Transformational leadership (TRFL_LS)						
9	1	Idealized Attributes (IA)	1	My manager instills pride & respect in others for being associated with him/her	LS1_IA1	IA1
10		Idealized Attributes (IA)	2	My manager goes beyond his/her self interest for the good of the team	LS1_IA2	IA2
11		Idealized Attributes (IA)	3	My manager displays a sense of power and confidence	LS1_IA3	IA3
12	2	Idealized Behaviour (IB)	1	My manager talks about his/her most important values and beliefs	LS2_IB1	IB1
13		Idealized Behaviour (IB)	2	My manager specifies the importance of having a strong sense of purpose	LS2_IB2	IB2
14		Idealized Behaviour (IB)	3	My manager considers the moral and ethical consequences of decisions	LS2_IB3	IB3
15		Idealized Behaviour (IB)	4	My manager emphasizes the importance of having a collective sense of mission	LS2_IB4	IB4
16	3	Inspirational Motivation (IM)	1	My manager talks enthusiastically about what needs to be accomplished	LS3_IM1	IM1
17		Inspirational Motivation (IM)	2	My manager articulates a compelling vision of the future	LS3_IM2	IM2
18		Inspirational Motivation (IM)	3	My manager expresses confidence that goals will be achieved	LS3_IM3	IM3
19	4	Intellectual Stimulation (IS)	1	My manager seeks different perspectives when solving problems	LS4_IS1	IS1
20		Intellectual Stimulation (IS)	2	My manager encourages others to look at problems from different angles	LS4_IS2	IS2
21	5	Individual Consideration (IC)	1	My manager spends time teaching and coaching	LS5_IC1	IC1
22		Individual Consideration (IC)	2	My manager considers each individual as having different needs, abilities and aspirations from others	LS5_IC2	IC2
Transactional leadership (TRCL_LS)						
23	6	Contingent Reward (CR)	1	My manager provides assistance to others in exchange for their efforts	LS6_CR1	CR1
24		Contingent Reward (CR)	2	My manager discusses specific terms of who is responsible for achieving performance targets	LS6_CR2	CR2
25		Contingent Reward (CR)	3	My manager makes it clear what one can expect to receive when performance goals are achieved	LS6_CR3	CR3
26		Contingent Reward (CR)	4	My manager expresses satisfaction when others meet his/her expectations	LS6_CR4	CR4
27	7	Management by Exception Active (MBEA)	1	My manager focuses all his/her attention on dealing with mistakes, complaints and failures	LS7_MBEA1	MBEA1
28		Management by Exception	2	My manager keeps track of all mistakes	LS7_MBEA2	MBEA2

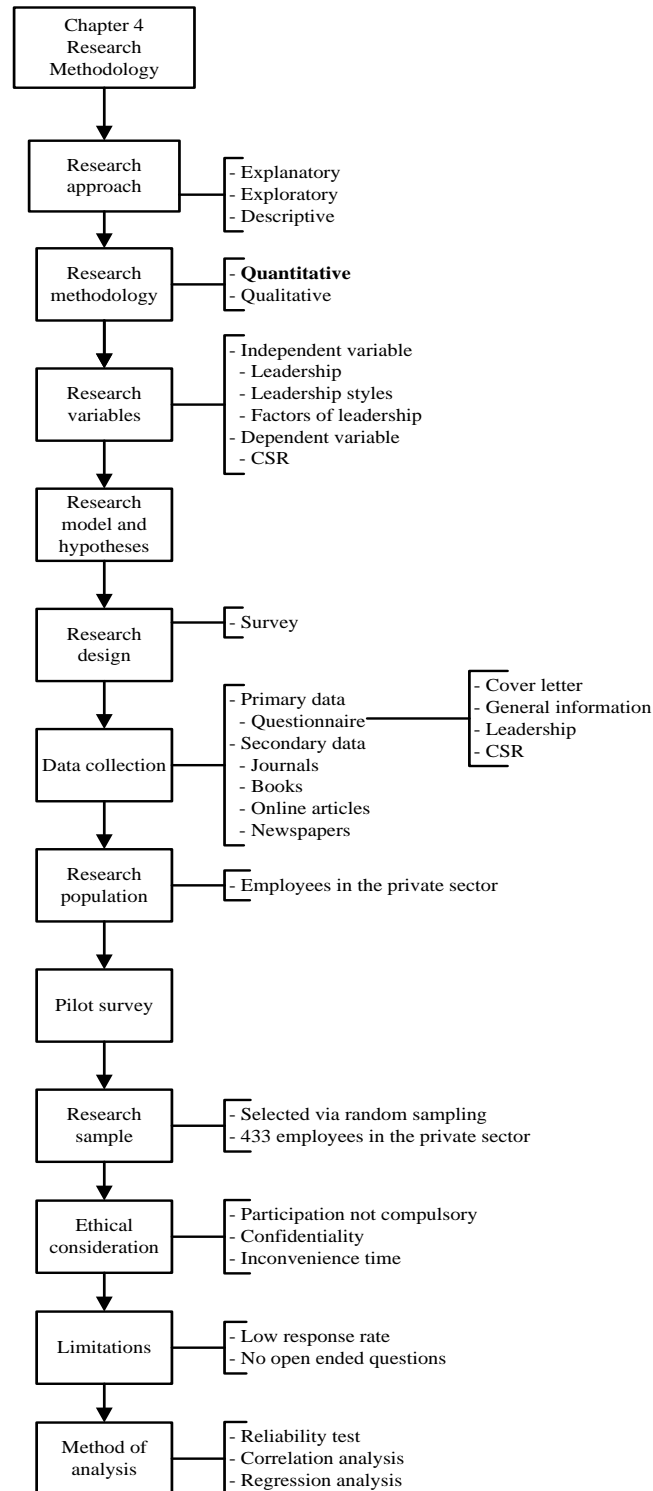
		Active (MBEA)				
Passive and avoidant leadership(PL)						
29	8	Management by Exception Passive (MBEP)	1	My manager fails to interfere until a problem become serious	LS8_MBEP1	MBEP1
30		Management by Exception Passive (MBEP)	2	My manager waits for things to go wrong before taking action	LS8_MBEP2	MBEP2
31		Management by Exception Passive (MBEP)	3	My manager shows a firm belief in "if it ain't broke, don't fix it"	LS8_MBEP3	MBEP3
32	9	Laissez Faire(LF)	1	My manager avoids getting involved when important issues arise	LS9_LF1	LF1
33		Laissez Faire(LF)	2	My manager is absent when needed	LS9_LF2	LF2
34		Laissez Faire(LF)	3	My manager avoids making decisions	LS9_LF3	LF3
Corporate social responsibility (CSR)						
35	1	Employee Relations(ER)	1	My organisation encourages employees to develop real skills and long-term careers	CSR1_ER1	ER1
36		Employee Relations(ER)	2	My organisation offers good work-life balance for its employees	CSR1_ER2	ER2
37		Employee Relations(ER)	3	My organisation takes the opinion of employees on important issues	CSR1_ER3	ER3
38		Employee Relations(ER)	4	My organisation has a formal internal communication channel to communicate with employees	CSR1_ER4	ER4
39		Employee Relations(ER)	5	My organisation adheres to the UAE labour law and regulations	CSR1_ER5	ER5
40	2	Environment (EV)	1	My organisation adheres to the environmental law of the UAE	CSR2_EV1	EV1
41		Environment (EV)	2	My orgainsation curtails its expenditure by reducing its environmental impact	CSR2_EV2	EV2
42		Environment (EV)	3	My organisation provides accurate environmental information regarding its products and services to customers, suppliers and local community	CSR2_EV3	EV3
43		Environment (EV)	4	My organisation undertakes environmental activities in association with environmental groups & agencies such as Green Peace and PETA	CSR2_EV4	EV4
44		Environment (EV)	5	My organisation enjoys competitive advantage against its competitors by providing environmentally sustainable products and services	CSR2_EV5	EV5
45	3	Community (CM)	1	My organisation engages in community development (for example provide training opportunities for disadvantaged group)	CSR3_CM1	CM1
46		Community (CM)	2	My organisation encourages employees to volunteer and participate in community development activities	CSR3_CM2	CM2
47		Community (CM)	3	My organisation provides financial support and donations for local community development projects	CSR3_CM3	CM3
48		Community (CM)	4	My organisation is associated with NGO's/agencies/non-profit organisations which focus on community development	CSR3_CM4	CM4

49	4	Market place policies (MP)	1	My organisation respects its suppliers	CSR4_MP1	MP1
50		Market place policies (MP)	2	My organisation ensures that its supply chain is socially responsible	CSR4_MP2	MP2
51		Market place policies (MP)	3	My organisation provides adequate after sales service to its customers	CSR4_MP3	MP3
52		Market place policies (MP)	4	My organisation has a formal procedure to register and resolve complaints from customers and suppliers	CSR4_MP4	MP4
53		Market place policies (MP)	5	My organisation provides adequate and relevant information to its customers regarding its products and services at the point of purchase	CSR4_MP5	MP5
54		Market place policies (MP)	6	My organisation provides goods and services at affordable prices	CSR4_MP6	MP6
55	5	Ethics (ET)	1	My organisation has a formal code of conduct	CSR5_ET1	ET1
56		Ethics (ET)	2	My organisation communicates its values to its customers and suppliers via marketing collateral, presentations and so on	CSR5_ET2	ET2
57		Ethics (ET)	3	My organisation provides training to employees on its values, code of conduct and ethics	CSR5_ET3	ET3
58		Ethics (ET)	4	My organisation undergoes external social auditing to certify its activities as ethical	CSR5_ET4	ET4

4.13 Summary of research methodology

The summary of the research methodology chapter is provided in flowchart 4.

Flowchart 4: Summary of research methodology



Chapter 5

Findings and analysis

The primary objective of this section is to present and analyse the findings of the data analysis. First, the demographic information of the sample population is presented. Then the results of the reliability tests, which measure the reliability of the scales used in the study are presented and analysed. This is followed by an analysis of the results of the Pearson's correlation test which highlights the relationship between leadership (as a global variable), leadership styles, the factors of leadership and CSR. Finally the hypotheses are test using regression tests. Figure 18 provides an overview of the structure of this chapter.

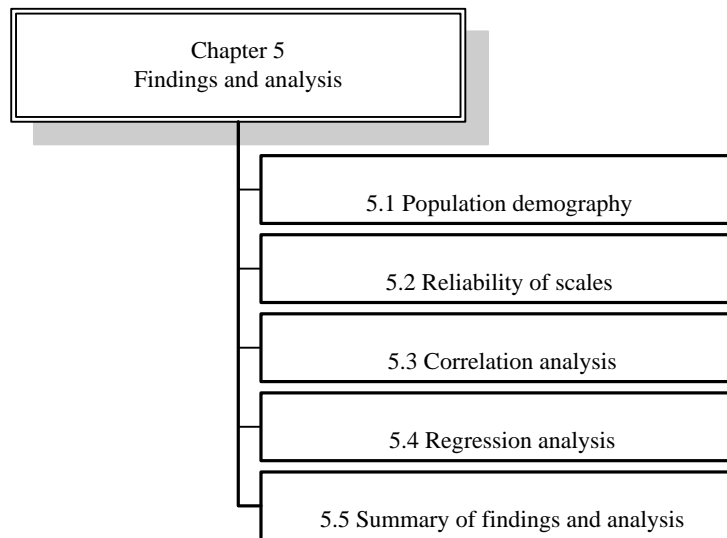


Figure 18: Outline of chapter 5

5.1 Population demography

The demographic details of the sample population are tabulated in Table 18. The sample population consists of 433 employees from the UAE private sector. Majority of the sample population are male (253). The rest of the respondents are female (180). Nearly sixty-eight per cent of the respondents are married (294). Only 139 respondents are unmarried. While most of the participants are between 25 to 35 years of age (180), least number of respondents are less than 25 years of age. As many as 162 respondents are in the age group of 36 to 45 years. Sixty-seven respondents (67) fall within the age group of 46 to 55 years. Educational qualification is classified into five; high school, bachelors, diploma, certification and masters and above. More

than half the respondents have a bachelor's degree (246). Almost twenty-eight per cent of the respondents (120) have a postgraduate degree. A negligible number of respondents have qualifications at the high school (12) and certification level (12). Approximately ten per cent (43) of the participants have a diploma. As indicated in Table 18 equal numbers of respondents have 2 to 7 years (120) and 8 to 13 years (120) of experience. While 102 participants have 14 to 19 years of experience, only 18 respondents have less than 1 year experience. Seventy-three respondents have experience over 20 years. Managerial level broadly classifies the respondents' position within the organisational hierarchy into four; non managerial, lower management, middle management and top management. Majority of the participants (186) are employed at the middle management level. While 91 respondents are employed at the top management level, 84 participants work in positions at the non-managerial level. The number of participants at the lower management level is the least (72). Tenure refers to the number of years in the current position. As indicated in Table 18, majority of the participants have been in their current position for 2 to 7 years. However, only 12 respondents have been in the current position for 20 years and above. The last demographic category is functional area. This is classified into management, sales, marketing, finance, logistics, human resource, administration, health and safety and others. Others comprise of functional areas which are not mentioned such as IT, visual merchandising and so on. Most of the participants worked in administration (102) followed by management (85), others (78), sales (60), human resource (42), finance (30), marketing (18), logistics (12) and health and safety (6) respectively.

Table 18: Demographic features of the sample population

	Gender	Marital Status	Age	Education	Experience	Managerial level	Tenure	Functional Area
Male	253							
Female	180							
Married		294						
Unmarried		139						
Less than 25			24					
25 to 35			180					
36 to 45			162					
46 to 55			67					
High school				12				
Bachelors				246				
Diploma				43				
Certification				12				
Masters or above				120				
1 year or less					18			
2 to 7 years					120			
8 to 13 years					120			
14 to 19 years					102			
20 years and above					73			
Non managerial						84		
Lower management						72		
Middle management						186		
Top management						91		
1 year or less							78	
2 to 7 years							288	
8 to 13 years							37	
14 to 19 years							18	
20 years and above							12	
Management								85
Sales								60
Marketing								18
Finance								30
Logistics								12

Human resource								42
Administration								102
Health and safety								6
Other								78
Total	433	433	433	433	433	433	433	433

5.2 Reliability of scales

The reliability of the scales used in the questionnaire is examined using the Cronbach's alpha reliability test. The reliability of the core concepts of this study i.e. leadership styles (transformational, transactional and laissez-faire) and CSR were tested. The reliability of the nine scales of leadership and five scales of CSR were also tested.

5.2.1 Reliability of leadership, leadership styles and CSR scales

Table 19 provides the alpha values for leadership (as a global variable), leadership styles (transformational, transactional and passive/avoidant) and CSR (as a global variable). The alpha values range from 0.783 to 0.919. Alpha values above 0.700 are acceptable. Therefore it can be said that the scales used to measure leadership, transformational, transactional, passive/avoidant leadership styles and CSR are reliable.

Table 19: Results of the reliability test for transformational, transactional, passive/avoidant leadership styles, leadership and CSR

Research Elements	Transformational leadership	Transactional leadership	Passive/avoidant leadership	Leadership	CSR
Cronbach's Alpha	.849	.783	.823	0.839	.919

5.2.2 Reliability of transformational leadership scales

The reliability for each of the nine leadership scales was tested. Table 20 presents the alpha values for the transformational leadership scales. The alpha values range from 0.788 to 0.891. Since alpha values above 0.700 are considered to be reliable, it can be said that the scales used to measure transformational leadership are reliable. Table 21 provides the mean, standard deviation and alpha values if the corresponding item is deleted. Since the scale is reliable deletion of an item (within the respective scale) to maximise the alpha value is not necessary. For example, the alpha value for idealised attributes is 0.810. Deleting item IA1 will reduce the alpha value for idealised attributes to 0.751. Table 21 indicates that deleting the items reduces the alpha value for each scale. Therefore it is advisable not to delete the items.

Table 20: Results of reliability tests for transformational leadership scales

Transformational leadership scales	Cronbach's Alpha
Idealized Attributes (IA)	0.810
Idealized Behaviour (IB)	0.856
Inspirational Motivation (IM)	0.891
Intellectual Stimulation (IS)	0.836
Individual Consideration (IC)	0.788

Table 21: Mean, standard deviation and Cronbach's alpha values if items are deleted for transformational leadership scales

Items	Mean	Std. Deviation	Cronbach's alpha if deleted
IA1	2.22	1.133	0.751
IA2	2.19	1.127	0.707
IA3	1.97	0.987	0.756
IB1	2.23	1.150	0.805
IB2	2.08	1.039	0.796
IB3	2.22	1.159	0.839
IB4	2.00	1.014	0.826
IM1	1.85	0.924	0.854
IM2	2.22	1.11	0.849
IM3	2.05	0.972	0.833
IS1	2.14	1.004	0.00
IS2	2.18	1.005	0.00
IC1	2.58	1.289	0.00
IC2	2.10	1.095	0.00

5.2.3 Reliability of transactional leadership scales

Table 22 presents the Cronbach's alpha values for the transactional leadership scales. The alpha values for contingent reward (0.863) and management by exception-active (0.749) are above 0.700. As alpha values above 0.700 are generally accepted as reliable, it can be said that both the scales are reliable. Table 23 presents the mean, standard deviation and alpha values if corresponding items of transactional leadership scales are deleted. Since the alpha values indicate that the scales are reliable, there is no requirement to adjust the alpha value by deleting

items. As a matter of fact deleting items reduced the alpha value (see Table 23). For instance, deleting item MBEA1 reduces the alpha value to 0.000. This is because the management by exception-active scale consists of only two items (number of items reduced to shorten the questionnaire length). It also indicates that there exists internal consistency between the items of the scale (alpha value cannot be calculated with an individual item).

Table 22: Results of reliability tests for transactional leadership scales

Transactional leadership scales	Cronbach's Alpha
Contingent Reward (CR)	0.863
Management By Exception - Active (MBEA)	0.749

Table 23: Mean, standard deviation and Cronbach's alpha values if items are deleted for transactional leadership scales

Items	Mean	Std. Deviation	Cronbach's alpha if deleted
CR1	2.24	1.034	0.802
CR2	2.15	0.981	0.820
CR3	2.57	1.291	0.853
CR4	2.10	1.030	0.831
MBEA1	3.00	1.131	0.000
MBEA2	3.03	1.248	0.000

5.2.4 Reliability of passive/avoidant leadership scales

The alpha values for management by exception-passive (0.738) and laissez-faire (0.787) as in Table 24 indicate that both the scales are reliable as their values are above 0.700. Table 25 presents the mean, standard deviation and alpha values if the respective items are deleted. The alpha value of management by exception-passive can be maximised to 0.783 by deleting item MBEP3 (see Table 25). However since the scale is good, i.e. the alpha value is greater than 0.700 it is suggested not to delete the item.

Table 24: Results of reliability tests for passive/avoidant leadership scales

Passive/avoidant leadership scales	Cronbach's Alpha
Management by Exception - Passive (MBEP)	.738
Laissez Faire (LF)	.787

Table 25: Mean, standard deviation and Cronbach's alpha values if items are deleted for passive/avoidant leadership scales

Items	Mean	Std. Deviation	Cronbach's alpha if deleted
MBEP1	3.35	1.120	0.600
MBEP2	3.74	1.132	0.570
MBEP3	3.35	1.252	0.783
LF1	3.96	0.951	0.787
LF2	3.95	1.093	0.686
LF3	3.73	1.229	0.634

5.2.5 Reliability of CSR scales

Cronbach's alpha values for the CSR scales are listed in Table 26. All the scales are reliable since their alpha values are above 0.700. Table 27 lists the mean, standard deviation and alpha values if the corresponding item (within the respective scale) is deleted. It highlights that the reliability of the employee relation scale can be maximised to 0.749 by deleting item ER4. Similarly, the alpha value of market policies and ethics can be maximised to 0.850 and 0.821 by deleting items MP6 and ET4 respectively. However since the scales are highly reliable, it is suggested not to delete the respective items.

Table 26: Results of reliability tests for CSR scales

Corporate social responsibility scales	Cronbach's Alpha
Employee Relations	0.746
Environment	0.833
Community	0.831
Market Policy	0.823
Ethics	0.759

Table 27: Mean, standard deviation and Cronbach's alpha values if items are deleted for CSR scales

Items	Mean	Std. Deviation	Cronbach's alpha if deleted
ER1	2.19	1.115	0.677
ER2	2.48	1.190	0.667
ER3	2.64	1.135	0.682
ER4	2.20	1.210	0.749
ER5	1.79	0.942	0.727
EV1	2.00	0.833	0.822
EV2	2.51	1.067	0.804
EV3	2.53	1.041	0.772
EV4	2.94	1.066	0.804
EV5	2.78	1.031	0.791
CM1	3.03	1.068	0.766
CM2	2.54	1.027	0.816
CM3	2.86	1.085	0.788
CM4	2.81	1.127	0.773
MP1	1.91	0.796	0.780
MP2	2.60	0.967	0.803
MP3	1.87	0.898	0.768
MP4	2.17	1.041	0.791
MP5	1.90	0.885	0.765
MP6	2.14	0.904	0.850
ET1	1.97	0.929	0.678
ET2	2.01	0.92	0.665
ET2	2.18	1.033	0.631
ET4	2.6	1.139	0.821

5.3 Correlation analysis

The Pearson's correlation test was conducted to establish the relationship between leadership, leadership styles, leadership behaviours (factors of leadership) and CSR. Appendix C provides the results of the correlation analysis. The data presented in the tables in this section are taken from the master table as in Appendix C. Table 28 presents the correlation between the factors of transformational leadership and the factors of CSR.

5.3.1 Relationship between factors of transformational leadership and factors of CSR

Table 28: Correlation between factors of transformational leadership and factors of CSR

		Transformational leadership factors				
CSR factors		IA	IB	IM	IS	IC
	ER	.641**	.668**	.677**	.668**	.603**
	EV	.341**	.437**	.500**	.483**	.379**
	CM	.087	.222**	.258**	.241**	.199**
	MP	.506**	.656**	.678**	.577**	.490**
	ET	.493**	.617**	.641**	.518**	.463**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

Idealised attribute is positively correlated with employee relations (0.641), market policies (0.506), ethics (0.493) and environment (0.341). This indicates that there exists a significant positive relationship between idealised attributes and these factors of CSR. Idealised behaviour is also positively correlated with the factors of CSR. The strongest correlation is between idealised behaviour and employee relations (0.668) followed by market policies (0.656), ethics (0.617), environment (0.437) and community (0.222) respectively. The correlation between inspirational motivation and the factors of CSR are positive as Table 28 indicates. The strongest correlation is between inspirational motivation and market policies (0.678). Employee relations (0.677), ethics (0.641) and environment (0.500) also have a fairly strong correlation with inspirational motivation. Similar to idealised attributes and idealised behaviour the correlation between inspirational motivation and community is weak (0.258). While intellectual stimulation has a strong influence on employee relations (0.668) it has the weakest association with community (0.241), similar to the other factors of transformational leadership. The other factors of CSR; market policies (0.577), ethics (0.518), and environment (0.483) also have a fairly significant correlation with intellectual stimulation. Individual consideration has the highest correlation with employee relations (0.603) followed by market policies (0.490) and ethics (0.463). The relationship between individual consideration and community (0.199) and environment (0.379) is rather weak. A comparison of the results of the correlation between the factors of transformational leadership and the factors of CSR indicate that individual consideration has the

least influence on employee relations, market policies and ethics. Inspirational motivation has the strongest correlation with all the factors of CSR.

5.3.2 Relationship between factors of transactional leadership and factors of CSR

The results of the correlation between transactional leadership factors and CSR factors are listed in Table 29. While contingent reward has strong correlation with employee relations (0.686) and market policies (.597), it has a fairly significant relationship with environment (0.480) and ethics (0.469) and a weak influence on community (0.269). Management by exception-active has a weak association with all the factors of CSR (employee relations (0.294), environment (0.260), community (0.165), market policies (0.150) and ethics (0.203)) as shown in Table 29. This signifies that this behaviour of transactional leadership does not have much of an influence on the factors of CSR.

Table 29: Correlation between factors of transactional leadership and factors of CSR

		Transactional leadership factors	
CSR factors		CR	MBEA
	ER	.686**	.294**
	EV	.480**	.260**
	CM	.269**	.165**
	MP	.597**	.150**
	ET	.469**	.203**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

5.3.3 Relationship between factors of passive/avoidant leadership and factors of CSR

Table 30 presents the values of the correlation analysis between the factors of passive/avoidant leadership and the factors of CSR. It is evident that both management by exception-passive and laissez-faire have a negative influence on all the factors of CSR.

Table 30: Correlation between factors of passive/avoidant leadership and factors of CSR

Passive/avoidant leadership factors			
CSR factors		MBEP	LF
	ER	-.013	-.261**
	EV	-.090	-.230**
	CM	-.135**	-.108*
	MP	-.246**	-.437**
	ET	-.142**	-.246**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

5.3.4 Relationship between factors of leadership and CSR (as a global variable)

The results of the correlation analysis between the factors of transformational, transactional and passive/avoidant leadership and CSR (as a global variable) are shown in Table 31. The factors of transformational leadership; idealised attributes (0.532), idealised behaviour (.665), inspirational motivation (0.704), intellectual stimulation (0.639) and individual consideration (0.547) have a strong positive correlation with CSR at a significance level of 0.000. This signifies that organisational leaders who possess these attributes of transformational leadership are more likely to drive their firms to engage in CSR actions. Of the five factors of transformational leadership, inspirational motivation (0.704) has the strongest influence on CSR. The factors of transactional leadership are also positively correlated with CSR. However, while contingent reward (0.645) has a strong positive correlation, management by exception-active (0.274) has a weak influence on CSR. Table 31 indicates that both the factors of passive/avoidant leadership (management by exception-passive (-.158) and laissez-faire (-.332)) are negatively correlated with CSR.

Table 31: Relationship between factors of leadership styles and CSR

Factors of leadership styles									
	IA	IB	IM	IS	IC	CR	MBEA	MBEP	LF
CSR	.532**	.665**	.704**	.639**	.547**	.645**	.274**	-.158**	-.332**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

5.3.5 Relationship between leadership styles and factors of CSR

The relationship (correlation values) between the three leadership styles and the factors of CSR are shown in Table 32. Employee relations (0.733), market policies (0.662) and ethics (0.624) have a higher correlation with transformational leadership in comparison to transactional leadership. However, environment and community have a slightly stronger relationship with transactional leadership. In general community has a weak association with transformational (0.224) and transactional (0.286) leadership styles. All the CSR factors (employee relations (-.152), environment (-.179), community (-.138), market policies (-.384) and ethics (-.219)) have a negative relationship with passive/avoidant leadership style. This implies that passive/avoidant leadership does not promote CSR.

Table 32: Relationship between leadership styles and factors of CSR

		Factors of CSR				
Leadership styles		ER	EV	CM	MP	ET
	TRFL_LS	.733**	.479**	.224**	.662**	.624**
	TRCL_LS	.672**	.496**	.286**	.538**	.461**
	PL	-.152**	-.179**	-.138**	-.384**	-.219**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

5.3.6 Relationship between leadership styles and CSR (as a global variable)

The values of the correlation test between the different leadership styles (transformational, transactional and passive/avoidant leadership) and CSR are presented in Table 33. While transformational and transactional leadership styles have a strong positive correlation with CSR, passive/avoidant leadership style has a negative impact on CSR. Transformational leadership (0.698) has a slightly stronger relationship with CSR than transactional leadership (0.632). However the difference in correlation values is statistically insignificant.

Table 33: Relationship between leadership styles and CSR

	TRFL_LS	TRCL_LS	PL
CSR	.698**	.632**	-.275**
** Correlation is significant at the 0.01 level (2-tailed)			
* Correlation is significant at the 0.05 level (2-tailed)			

5.4 Regression analysis

Regression analyses have been conducted to validate the hypotheses drawn in the previous chapter of this study. It also facilitates to further assess the extent to which leadership, leadership styles and its factors impact CSR.

5.4.1 Impact of leadership on CSR

H1. Managerial leadership has a significant influence on the CSR approach firms adopt

In order to test this hypothesis, a regression analysis for leadership and CSR was conducted. Leadership was the independent variable and CSR the dependent variable. The regression analysis (see Table 34) indicates that managerial leadership has considerable impact on the CSR initiatives of an organisation. As the Model Summary section of Table 34 indicates, the R value is 0.656. The R value represents the correlation value between leadership and CSR (see Appendix C). The R Square value is 0.431 and the Adjusted R Square value is 0.429. The Adjusted R square value is the proportion of the variance in the dependent variable that is predicted by the independent variable. Since, the Adjusted R Square value is 0.429, it can be inferred that the independent variable (in this case leadership) accounts for nearly forty-three per cent of the variation in the dependent variable (CSR). The ANOVA section of Table 34 illustrates that the F value is 325.996. Since the F statistic is significant at 0.000 it can be said that leadership plays an important role in determining the CSR orientation of an organisation. The Beta value is 0.656 at a significance level of 0.000. It indicates that leadership contributes significantly to CSR. The t value is 18.055 and the associated p value is 0.000. As the p value is smaller than 0.010 it can be concluded that the independent variable (leadership) reliability predicts the variation in the dependent variable (CSR) and the relationship between them is highly significant. This clearly indicates that leadership has a positive impact on the CSR initiatives undertaken by firms and thereby supports first hypothesis (H1).

Table 34: Regression test for the relationship between leadership and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656 ^a	.431	.429	10.973

a. Predictors: (Constant), LS_GLOBAL

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	39249.497	1	39249.497	325.996	.000 ^a
Residual	51891.917	431	120.399		
Total	91141.413	432			

a. Predictors: (Constant), LS_GLOBAL

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13.761	2.434		5.654	.000
LS_GLOBAL	.638	.035	.656	18.055	.000

a. Dependent Variable: CSR_GLOBAL

5.4.2 Impact of leadership styles on CSR

Hypotheses 2, 3 and 4 have been drawn to identify a leadership style that facilitates CSR the best.

5.4.2.1 Impact of transformational leadership and CSR

H2: Transformational leadership has a positive impact on CSR

In order to test the impact of transformational leadership on CSR, a regression analysis was conducted. Transformational leadership was entered as the independent variable and CSR was entered as the dependent variable. The results of the regression test are presented in Table 35. The Model Summary section of Table 35 indicates that the R value is 0.698. This is the correlation value between the independent variable (transformational leadership) and the dependent variable (CSR). The R Square value is 0.487 and the Adjusted R Square value is 0.486. The Adjusted R Squared value signifies the proportion of variance in the dependent variable that is predicted by the independent variable. Therefore it can be said that forty-nine per cent of the variation in CSR is due to transformational leadership. The ANOVA section of table 35 presents the F value. The F statistic is 409.49 at a significance level of 0.000. Since the significance level of the F value is 0.000, the null hypothesis (i.e. transformational leadership does not have a positive influence on CSR) can be eliminated. The t value as indicated in the Coefficients section of Table 35 is 20.236 and the associated p value is 0.000. Since the p value is lesser than 0.010 it can be said that transformational leadership reliability predicts the variation in CSR. In order to find which leadership style (transformational, transactional and passive/avoidant leadership) is the most important predictor of CSR, we look at the Beta values. The leadership style with the highest Beta value is the most important predictor of all. Later in this dissertation, after examining the influence of all the predictors (leadership styles) on CSR the most important predictor (leadership style which facilitates CSR) will be known. The Beta value of transformational leadership is 0.698 as shown in Table 35. These results indicate that transformational leadership has a significant impact on CSR. Hence it can be concluded that transformational leadership has a positive influence on CSR which supports the second hypothesis (H2).

Table 35: Regression test for the relationship between transformational leadership and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 ^a	.487	.486	10.413

a. Predictors: (Constant), TRFL_LS

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44404.313	1	44404.313	409.488	.000 ^a
	Residual	46737.100	431	108.439		
	Total	91141.413	432			

a. Predictors: (Constant), TRFL_LS

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	30.758	1.374		22.381	.000
	TRFL_LS	.862	.043	.698	20.236	.000

a. Dependent Variable: CSR_GLOBAL

5.4.2.2 Impact of transactional leadership on CSR

H3: Transactional leadership has a positive impact on CSR.

In order to test this hypothesis, a regression test was conducted with transactional leadership as the predictor and CSR as the dependent variable. The results of the regression test are presented in Table 36. The F statistic as mentioned in the ANOVA section of Table 36 is 286.419, at a significance level of 0.000. Since the significance is 0.000 it can be said that transactional leadership does have a positive impact on CSR. Hence, the null hypothesis (transactional leadership does not have positive impact on CSR) can be ignored. The t value is 16.92 and the corresponding p value is less than 0.010. This means that transactional leadership reliably predicts CSR. The Model Summary section of Table 36 specifies the R value. The R value, which signifies the correlation between transactional leadership and CSR, is 0.632. The R Square value is 0.399 and the Adjusted R Square value is 0.398. The Adjusted R Square value indicates the proportion of variance in CSR that is predicted by transactional leadership. In this case 39.8 per cent of the variation in CSR is predicted by transactional leadership. Transactional leadership has a high alpha value (Beta value = 0.632). From these results it can be summarised that transactional leadership has a significant positive impact on CSR. This supports the third hypothesis (H3).

Table 36: Regression test for the relationship between transactional leadership and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632 ^a	.399	.398	11.271

a. Predictors: (Constant), TRCL_LS

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36386.879	1	36386.879	286.419	.000 ^a
	Residual	54754.534	431	127.041		
	Total	91141.413	432			

a. Predictors: (Constant), TRCL_LS

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.066	1.831		14.786	.000
	TRCL_LS	1.962	.116	.632	16.924	.000

a. Dependent Variable: CSR_GLOBAL

5.4.2.3 Impact of passive/avoidant leadership on CSR

H4: Passive/avoidant leadership does not facilitate CSR.

In order to test this hypothesis, a regression analysis was conducted. Passive/avoidant leadership was entered as the independent variable and CSR as the dependent variable. The results of the regression analysis are presented in Table 37. As the ANOVA section of Table 37 indicates, the F statistic is 35.360 and the corresponding significance is 0.000. If the significance value, corresponding to the F statistic is less than 0.050 then it can be said that the independent variable does a play a substantial role in predicting the variance in the dependent variable. Alternatively, if the significance level corresponding to the F value is greater than 0.050, then the independent variable does not do a good job of explaining the variance in the dependent variable. In this case, since the F statistic is significant at 0.000 it can be said that passive/avoidant leadership predicts the variance in CSR. The t value is -5.946 and the associated p value is 0.000. However the t value is negative. This indicates that passive/avoidant leadership has an inverse relationship with CSR. The correlation between passive/avoidant leadership and CSR is -0.275 (R value). The R Square value is 0.076 and the Adjusted R Square value is 0.074. The Adjusted R Square value is the proportion of variance in the dependent variable that is influenced by the independent variable. Since the Adjusted R Square value is 0.074, it can be inferred that passive/avoidant leadership influences CSR and manages to explain 7.4 per cent of the variation in CSR (negative). The Beta value is -0.275 at a significance level of 0.000. This indicates an inverse relationship between passive/avoidant leadership and CSR. Hence greater the incidence of passive/avoidant leadership behaviour, lesser is the probability of firms to engage in CSR. This means that passive/avoidant leadership style does not facilitate CSR. This supports the fourth hypothesis (H4). A comparison of the Beta values of the three leadership styles highlight that transformational leadership has the most significant impact on CSR.

Table 37: Regression test for the relationship between passive/avoidant leadership and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.275 ^a	.076	.074	13.980

a. Predictors: (Constant), PL

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6910.451	1	6910.451	35.360	.000 ^a
	Residual	84230.962	431	195.431		
	Total	91141.413	432			

a. Predictors: (Constant), PL

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	74.474	3.070		24.255	.000
	PL	-.807	.136	-.275	-5.946	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3 Impact of leadership factors on CSR

Hypotheses 5 to 13 have been drawn to identify which factor of leadership has the most significant impact on CSR.

5.4.3.1 Impact of idealised attribute on CSR

H5: Idealised attribute leadership behaviour has a significant impact on CSR

A regression test was conducted to validate this hypothesis. Idealised attribute was entered as the independent variable and CSR as the dependent variable. The results of the test are presented in Table 38. As the table indicates the F statistic is 169.890 at a significant level of 0.000. Since the significance level is below 0.050 it can be said that idealised attribute does a good job in explaining the variation in CSR and the null hypothesis (idealised attribute does not have a significant impact on CSR) can be eliminated. The t value is 13.034. Idealised attribute reliably predicts CSR, as the associated p value is lesser than 0.010. The R value indicates the correlation between idealised attributes and CSR (0.532). The R value points out a significant positive relationship between the independent and dependent variables. The R Square value is 0.283 and the Adjusted R Square value is 0.281. The Adjusted R Square value denotes that idealised attribute predicts twenty-eight per cent of the variance in CSR. In order to identify which leadership factor, is the most important predictor of the dependent variable (CSR), we look at the Beta values. Higher the Beta value, greater is the impact of the respective independent variable (leadership factor) on CSR. The leadership factor with the highest Beta value will be the most important predictor of CSR. Later in this chapter, after examining the impact of all the factors of leadership on CSR, the most important predictor will be identified. Idealised attribute has a Beta value of 0.532. Based on this analysis, it can be inferred that idealised attribute has a significant impact on CSR. Therefore, the fifth hypothesis (H5) is validated.

Table 38: Regression test for the relationship between idealised attributes and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.532 ^a	.283	.281	12.316

a. Predictors: (Constant), IA

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25768.422	1	25768.422	169.890	.000 ^a
	Residual	65372.991	431	151.677		
	Total	91141.413	432			

a. Predictors: (Constant), IA

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	38.854	1.489		26.100	.000
	IA	2.789	.214	.532	13.034	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.2 Impact of idealised behaviour on CSR

H6: Idealised behaviour has significant impact on CSR

In order to test this hypothesis, a regression analysis was conducted with idealised behaviour as the independent variable and CSR as the dependent variable. The results of this regression test are presented in Table 39. The F statistic is 342.081 at a significance level of 0.000. Given that the associated significance is less than 0.050 it can be inferred that idealised behaviour does a good job in explaining the variance in CSR. Hence the null hypothesis that idealised behaviour does not have a significant (positive) impact on CSR can be ignored. The t value is 18.495 and the associated p value is 0.000. This signifies that idealised behaviour reliably predicts the variation in CSR. The R value (0.665) as mentioned in the Model Summary section of Table 39 is the correlation between idealised behaviour and CSR. The R Square value is 0.442 and the Adjusted R Square value is 0.441. The Adjusted R Square value signifies the proportion of variance in CSR that is predicted by idealised behaviour. Therefore, it means that idealised behaviour accounts for 44 percent of the variation in CSR. As Table 39 indicates idealised behaviour has a Beta value of 0.665. Based on these results it can be concluded that idealised behaviour has a significant impact on CSR which supports the sixth hypothesis (H6).

Table 39: Regression test for the relationship between idealised behaviour and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665 ^a	.442	.441	10.858

a. Predictors: (Constant), IB

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40329.209	1	40329.209	342.081	.000 ^a
	Residual	50812.204	431	117.894		
	Total	91141.413	432			

a. Predictors: (Constant), IB

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	34.078	1.328		25.667	.000
	IB	2.646	.143	.665	18.495	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.3 Impact of inspirational motivation on CSR

H7: Inspirational motivation has a significant impact on CSR

A regression analysis was conducted to test the impact of inspirational motivation on CSR. Inspirational motivation was entered as the predictor and CSR was entered as the dependent variable. Table 40 presents the results of the regression test. The F statistic is 424.591 at an associated significance level of 0.000. Since the associated significance is lesser than 0.050 it can be inferred that inspirational motivation does a good job in explaining the variance in CSR. The t value is 20.606 and the corresponding p value is 0.000. Since the p value is smaller than 0.010, it can be said that inspirational motivation reliably predicts CSR. The Model Summary section of Table 40 mentions the correlation value between the independent variable and the dependent variable (R value = 0.704). The R value (0.704) signifies a strong positive correlation between inspirational motivation and CSR. The R Square value is 0.496 and the Adjusted R Square value is 0.495. The Adjusted R Square value is the proportion of variance in the dependent variable that is predicted by the independent variable. Hence, it can be inferred that inspirational motivation predicts nearly fifty per cent of the variance in CSR. Inspirational motivation has a high beta value of 0.704. Based on these results it can be concluded that inspirational leadership has a significant relationship with CSR. This in turn supports the seventh hypothesis (H7).

Table 40: Regression test for the relationship between inspirational motivation and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704 ^a	.496	.495	10.321

a. Predictors: (Constant), IM

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45229.356	1	45229.356	424.591	.000 ^a
	Residual	45912.057	431	106.524		
	Total	91141.413	432			

a. Predictors: (Constant), IM

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.747	1.217		27.719	.000
	IM	3.745	.182	.704	20.606	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.4 Impact of intellectual stimulation on CSR

H8: Intellectual stimulation has a significant impact on CSR

A regression analysis was conducted in order to test this hypothesis. Intellectual stimulation was entered as the independent variable and CSR was entered as the dependent variable. Table 41 presents the results of the regression analysis. The F value is 297.795 and the associated significance is 0.000. Since the level of significance is below 0.050 it can be said that intellectual stimulation does a good job in explaining the variance in CSR. The null hypothesis (intellectual stimulation does not have a significant impact on CSR) can be eliminated. The t value is 17.257 and the corresponding p value is smaller than 0.010. Therefore, it can be deduced that intellectual stimulation reliability predicts the dependent variable (CSR). The R value is 0.639 and it represents the correlation between the independent variable (intellectual stimulation) and CSR (dependent variable). The R Square value is 0.409 and the Adjusted R Square is 0.407. The Adjusted R Square value signifies the proportion of variance in the dependent variable (CSR) that is predicted by the independent variable (intellectual stimulation). Hence it can be inferred that intellectual stimulation accounts for 40.7 per cent of the variance in CSR. Intellectual stimulation has a Beta value of 0.639. From these results it can be summarised that intellectual stimulation has a significant positive impact on CSR which supports the eighth hypothesis (H8).

Table 41: Regression test for the relationship between intellectual stimulation and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.639 ^a	.409	.407	11.183

a. Predictors: (Constant), IS

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37241.516	1	37241.516	297.795	.000 ^a
	Residual	53899.897	431	125.058		
	Total	91141.413	432			

a. Predictors: (Constant), IS

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.125	1.359		25.853	.000
	IS	4.986	.289	.639	17.257	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.5 Impact of individual consideration on CSR

H9: Individual consideration has a significant impact on CSR

A regression test was conducted to validate this hypothesis. Individual consideration was entered as the independent variable and CSR was considered as the dependent variable. Table 42 lists the results of this regression test. As the ANOVA section of Table 42 indicates the F value is 184.499 and the corresponding level of significance is 0.000. Since the level of significance of the F statistic is smaller than 0.050, it can be said that individual consideration does a good job in explaining the variance in CSR. The t value is 13.583 and the associated p value is 0.000. As the p value is lesser than 0.010 it can be inferred that the independent variable (individual consideration) reliably predicts the variation in the dependent variable (CSR). The correlation between the independent and dependent variable is 0.547 (R value). The R Square value is 0.300 and the Adjusted R Square value is 0.298. The Adjusted R Square value represents the proportion of variance in the dependent variable (CSR) that is predicted by the independent variable (individual consideration). Therefore, it can be inferred that individual consideration accounts for thirty per cent of the variance in CSR. Individual consideration has a Beta value of 0.547. These results highlight that individual consideration has a significant impact on CSR and therefore supports the ninth hypothesis (H9).

Table 42: Regression test for the relationship between individual consideration and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.547 ^a	.300	.298	12.169

a. Predictors: (Constant), IC

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27320.120	1	27320.120	184.499	.000 ^a
	Residual	63821.294	431	148.077		
	Total	91141.413	432			

a. Predictors: (Constant), IC

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	39.528	1.390		28.436	.000
	IC	3.661	.270	.547	13.583	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.6 Impact of contingent reward on CSR

H10: Contingent reward has a significant impact on CSR

In order to test this hypothesis, a regression analysis was conducted. Contingent reward was entered as the independent variable and CSR was entered as the dependent variable. The results of the analysis are presented in Table 43. The F value is 307.705 at a significance level of 0.000. Since the level of significance is below 0.050, it can be concluded that contingent reward does a good job of explaining the variation in CSR. Hence the null hypothesis can be eliminated. If the significance level of the F statistic is greater than 0.050, then the independent variable does not explain the variation in the dependent variable and the null hypothesis holds true. The t value is 17.542 and the corresponding p value is 0.000. As the p value is lesser than 0.010, it can be said that contingent reward reliably predicts the variation in CSR. The R value is 0.645. It represents the correlation between the independent variable (contingent reward) and the dependent variable (CSR). The R value indicates a high correlation between contingent reward and CSR. The R Square value is 0.417 and the Adjusted R Square value is 0.415. The Adjusted R Square value indicates the extent of variation in the dependent variable (CSR) that is predicted by independent variable (contingent reward). Hence, it can be deduced that contingent reward manages to explain 41.5 per cent of variance in CSR. Contingent reward has a Beta value of 0.645. These results indicate that contingent reward has a significant positive impact on CSR which supports the tenth hypothesis (H10).

Table 43: Regression test for the relationship between contingent reward and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 ^a	.417	.415	11.108

a. Predictors: (Constant), CR

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37964.632	1	37964.632	307.705	.000 ^a
	Residual	53176.781	431	123.380		
	Total	91141.413	432			

a. Predictors: (Constant), CR

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.572	1.420		23.638	.000
	CR	2.551	.145	.645	17.542	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.7 Impact of management by exception-active on CSR

H11: Management by exception-active does not have an impact on CSR

A regression test was conducted to test the relationship between management by exception-active and CSR. As Table 44 indicates, the F statistic is 35.006 at a significance level of 0.000. Since the level of significance is smaller than 0.050, it can be inferred that management by exception-active does a good job in explaining the variation in the dependent variable (CSR). The t value is 5.917 and the associated p value is lesser than 0.010. Therefore, it can be said that management by exception-active reliably predicts CSR. The R value is 0.274, which signifies a weak correlation between the independent variable (management by exception-active) and the dependent variable (CSR). The R Square value is 0.075 and the Adjusted R Square value is 0.073. The Adjusted R Square is the proportion of variance in CSR that is predicted by management by exception-active. Since the Adjusted R Square value is 0.073, it can be inferred that management by exception-active predicts 7.3 per cent of the variance in CSR. Lastly, management by exception-active has a Beta value of 0.274. These results imply that management by exception-active has a positive, but weak impact on CSR. These results do not support the eleventh hypothesis (H11).

Table 44: Regression test for the relationship between management by exception-active and CSR

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.274 ^a	.075	.073	13.985

a. Predictors: (Constant), MBEA

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6846.477	1	6846.477	35.006	.000 ^a
	Residual	84294.937	431	195.580		
	Total	91141.413	432			

a. Predictors: (Constant), MBEA

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	45.383	2.021		22.458	.000
	MBEA	1.869	.316	.274	5.917	.000

a. Dependent Variable: CSR_GLOBAL

5.4.3.8 Impact of management by exception-passive on CSR

H12: Management by exception- passive does not facilitate CSR

A regression analysis was conducted in order to validate this hypothesis. Management by exception-passive was entered as the predictor and CSR was considered as the dependent variable. The results of the regression test are presented in Table 45. The F value is 11.090 and the related significance value is 0.001. Since the level of significance of the F statistic is lower than 0.050, it can be said that the independent variable (management by exception-passive) contributes to explaining the variance in CSR. The t value is -3.330 and the corresponding p value is 0.001. This signifies that management by exception-passive reliably predicts the variance in CSR (in the reverse direction). The R value is -0.158 and the R Square value is 0.025. The Adjusted R Square is 0.023. The Adjusted R Square is the proportion of variance in the dependent variable (CSR) that is predicted by the independent variable (management by exception - passive). Therefore, management by exception-passive predicts 2.3 percent of variance in CSR. The Beta value for management by exception-passive is -0.158. The results of the Pearson's correlation test (see Table 31) also indicate a negative relationship between management by exception-passive and CSR (-0.158). A negative relationship between management by exception-passive and CSR signifies an inverse relationship between the two variables. Hence, higher the prevalence of this leadership behaviour, less likely are firms to engage in CSR. This means that management by exception-passive does not facilitate CSR. These results support the twelfth hypothesis (H12).

Table 45: Regression test for the relationship between management by exception-passive and CSR

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.158 ^a	.025	.023	14.358

a. Predictors: (Constant), MBEP

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2286.394	1	2286.394	11.090	.001 ^a
	Residual	88855.019	431	206.160		
	Total	91141.413	432			

a. Predictors: (Constant), MBEP

b. Dependent Variable: CSR_GLOBAL

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	65.107	2.629		24.764	.000
	MBEP	-.809	.243	-.158	-3.330	.001

a. Dependent Variable: CSR_GLOBAL

5.4.3.9 Impact of laissez-faire on CSR

H13: Laissez-faire leadership behaviour has a negative impact on CSR

In order to test this hypothesis, a regression analysis was conducted with laissez-faire as the independent variable and CSR as the dependent variable. The results of the regression test are presented in Table 46. The F value is 53.298 and the corresponding significance value is 0.000. Since the significance level of the F statistic is lower than 0.050, the independent variable (laissez-faire) does a good job in explaining the variation in CSR. The t value is -7.301 and the corresponding p value is 0.000. This signifies that laissez-faire reliably predicts a (negative) variance in CSR. The R value is 0.332 and the R Square value is 0.110. The Adjusted R Square is 0.108. The Adjusted R Square is the proportion of variance in the dependent variable (CSR) that is predicted by the independent variable. Therefore, laissez-faire predicts 10.8 percent of variance (negative) in CSR. The Beta value is -0.332. The results of the Pearson's correlation test (see Table 31) also indicate a negative relationship between laissez-faire and CSR (-0.332). Hence, higher the occurrences of this leadership behaviour, lesser are the prospects of firms engaging in CSR. This means that laissez-faire leadership behaviour does not facilitate CSR. These results support the thirteenth hypothesis (H13).

Table 46: Regression test for the relationship between laissez-faire and CSR**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.332 ^a	.110	.108	13.718

a. Predictors: (Constant), LF

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10030.338	1	10030.338	53.298	.000 ^a
	Residual	81111.075	431	188.193		
	Total	91141.413	432			

a. Predictors: (Constant), LF

b. Dependent Variable: CSR_GLOBAL

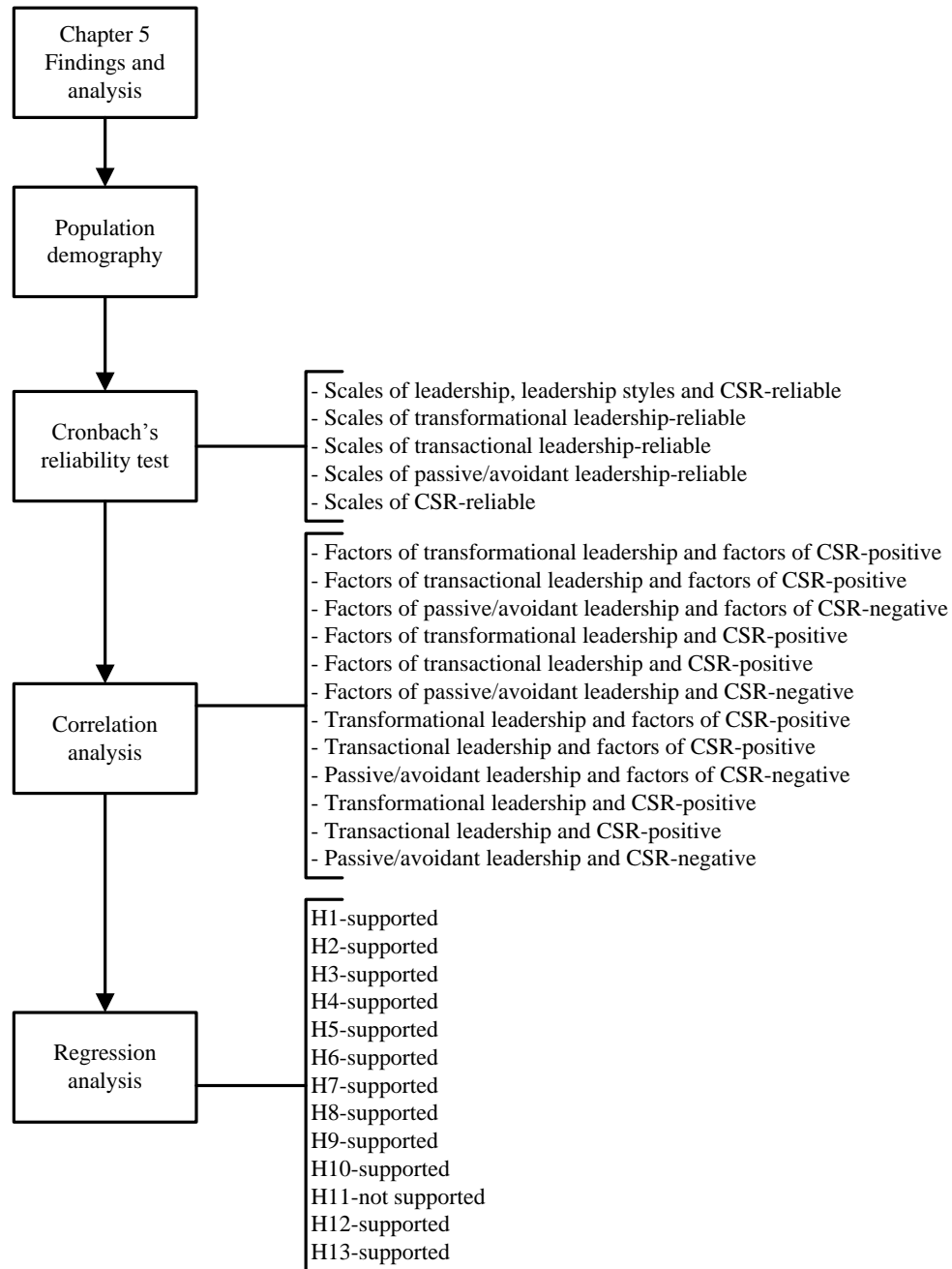
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	76.999	2.863		26.893	.000
	LF	-1.749	.240	-.332	-7.301	.000

a. Dependent Variable: CSR_GLOBAL

5.5 Summary of findings and analysis

Flowchart 5: Summary of findings and analysis



Chapter 6

Discussion

The previous section presented and analysed, the findings of the tests conducted on the data collected for this study. The reliability of the scales used to measure the variables was tested. The relationship between leadership (as a global variable), leadership styles, the factors of leadership, the factors of CSR and CSR was test using the Person's correlation. Lastly regression tests were used to determine the validity of the proposed hypothesis. These tests were aimed at understanding the impact of leadership on CSR, identifying a leadership style that facilitates CSR the best and identifying leadership behaviours that promote CSR. This study is conducted on private sector firms, in the UAE. This section of the study discusses the key findings in relation to the literature review. The outline of this chapter is provided in the Figure 19.

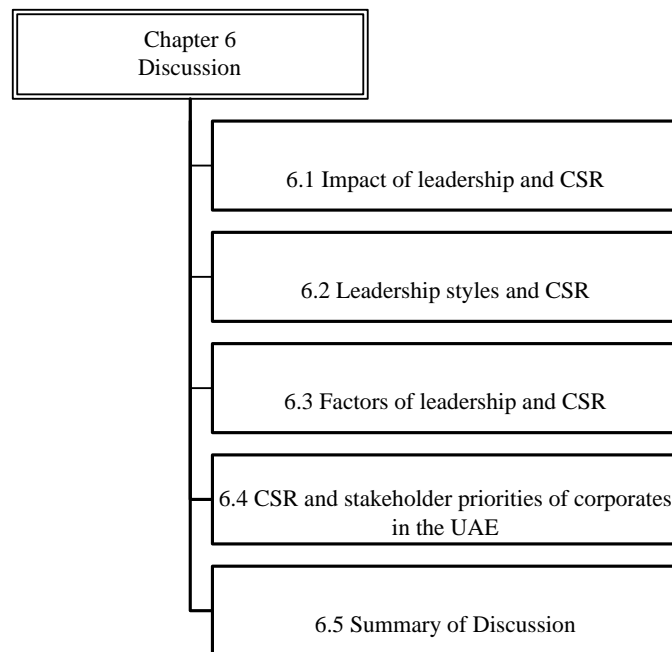


Figure 19: Outline of Chapter 6

6.1 Leadership and CSR

The regression analysis conducted on leadership and CSR (see Table 34) indicates that leadership does have a positive impact on CSR. The corresponding F statistic (325.996) at a significance level of 0.000 implies that leadership does a good job in explaining the variance in CSR. Similarly, the t value (18.055) at an associated p value of 0.000 signifies that leadership reliability predicts the positive variation in CSR. These findings are supported by Robins (2008, p.335) who states that “[H]e who plays the pipe, calls the tune.” In an organisational setting, top executive level managers assume the role of leaders. They play a vital role in decision making. The CSR orientation that a firm adopts is closely associated to its leader’s ethical values. A study conducted by Abdul Rashid and Ibrahim (2002) on Malaysian managers found that factors such as family background, ethical values, education, religious beliefs, tradition, culture and peer pressure shape managerial approach towards CSR. This is further supported by Pless (2007) who maintains that the leaders’ personal values are reflected in the business practices that firms adopt. The classification of managerial approach (immoral, amoral and moral) towards responsible business practices is further proof that leader values and ethics influence CSR (Carroll 1991). While immoral managers are unethical, amoral managers are either ignorant or believe that the concept of ethics is not meant for business organisation. Moral managers are very ethical and extremely conscious about the consequences of their decisions on stakeholders. Therefore, it can be inferred that corporates led by immoral and amoral leaders are most likely to engage in unethical business practices which harm stakeholders. As ethical obligations take precedence over profits, organisations headed by moral manager are most likely to engage in CSR.

Some researchers (O’ Dwyer 2003) argue that the CSR orientation of a firm influences the actions of its managers. This argument is applicable to the managers and team leaders at the middle and lower levels of the hierarchy. Their main objective is to achieve set organisational goals and maximise profits. These managers adopt either a proactive enlightened self interest approach (to benefit from the strategic economic advantages of CSR) or reactive enlightened self interest approach (to prevent loss and damage to reputation). Only when the executive/board level organisational leaders are committed to responsible business practices will a firm’s approach to CSR be positive (O’ Dwyer 2003). It will also have a positive impact on the CSR orientation of managers’ in the lower levels of the hierarchy. This implies that organisational leadership has a strong influence on the CSR orientation of firms.

6.2 Leadership styles and CSR

Hypotheses 2, 3 and 4 (see Table 16) were drawn to identify which leadership style supports CSR the best.

6.2.1 Transformational leadership and CSR

The results of the regression test conducted on transformational leadership and CSR (see Table 35), indicates that this leadership style has a significant impact on CSR. The Beta value corresponding transformational leadership is 0.698. Table 33 indicates that transformational leadership style and CSR have a strong positive correlation (0.698). This implies that transformational leadership style has considerable influence on CSR. Waldman, Siegel and Javidan (2006) associate transformational leadership with CSR. CSR is a relatively new concept in the UAE, which most firms (especially in the private sector) are trying to grasp and adapt to. Majority of the firms need to alter their existing goals and business practices to accommodate CSR. This implies organisational change. Transformational leaders are change champions. According to Tichy and Devanna (1986 in Buchanan and Huczynski 2010) transformational leaders are ideal for executing change. These leaders have the ability to win their subordinates' commitment to shared organisational goals by inspiring and motivating them to alleviate their (subordinate) expectations and morality levels. Hence, transformational leadership style facilitates the implementation of CSR.

6.2.2 Transactional leadership and CSR

The results of the regression test between transactional leadership and CSR (see Table 36) highlights that transactional leadership influences CSR. Transactional leadership has a Beta value of 0.632. Moreover, it has a strong correlation with CSR (0.632). As the name suggests, this leadership style is based on a transactional relationship between the leader and his/her subordinates (Boseman 2008). Transactional leaders and subordinates enter into a mutual contract, wherein leaders spell out the task, the expected standards of performance and compensation for completion of the task. These managers ensure that tasks are completed as per the predefined processes and meet the required standards (Behery 2008). Transactional leaders ensure that CSR practices are carried out as per defined policies and procedures. Any deviations will be corrected immediately. Managers adopting this leadership style will ensure that the desired outcome (of undertaking CSR) is accomplished. Based on these characteristics of

transactional leadership style, it can be said that this form of leadership is ideal for the management of CSR.

Yet another dimension to explain the relationship between transactional leadership and CSR is the proactive enlightened self interest approach and reactive enlightened self interest approach (O'Dwyer 2003). Organisational leaders adopting the proactive enlightened self interest approach engage in responsible business practices due the associated economic and strategic benefits. This indirectly means that managers would not engage in CSR if it proved to be an expense and failed to generate benefits. Leaders employing the reactive enlightened self interest approach are forced to be socially responsible by external parties who threaten profits and corporate reputation. Hence these firms would not engage in CSR, if not for the external pressure. In essence, leaders engaging in either one of these approaches enter into a transactional relationship with CSR and engage in responsible business practices due to the associated advantages. However, this point of view clashes with very concept of CSR which is to be socially responsible as it is the right thing to do.

The difference between the Beta values for transformational (0.698) and transactional leadership (0.632) styles is statistically insignificant. It can be justified that both the leadership styles have a significant positive impact on CSR. While transformational leadership style facilitates the implementation of CSR, transactional leadership aids the management of CSR. As a matter of fact, managers must employ a combination of transformational and transactional leadership behaviours to implement and manage CSR successfully. This argument is supported by Bass (1985 in Behery 2008, p. 228) who states that “transformational and transactional leadership are distinct but not mutually exclusive processes.”

6.2.3 Passive/avoidant leadership and CSR

The results of the regression analysis between passive/avoidant leadership and CSR (see Table 37) indicates that passive/avoidant leadership style has a negative influence on CSR (Beta value = -0.275). The corresponding correlation value is also negative (-0.275). Managers adopting this leadership style are not proactive. They get involved only when things go wrong or it is too late. Many a times, these managers are absent during the decision making process and shrink from leadership responsibilities. These results indicate that transformational leadership facilitates CSR

the most followed by transactional leadership. Passive/avoidant leadership style does not facilitate CSR.

6.3 Factors of leadership and CSR

Hypotheses 5 to 13 were drawn, to identify which leadership behaviour (factor of leadership) facilitates CSR the most.

6.3.1 Idealised attribute and CSR

The results of the regression analysis between idealised attribute and CSR (see Table 38) reveal that idealised attribute has a significant impact on CSR. The corresponding Beta value is 0.532. Table 31 highlights that idealised attribute and CSR have a strong positive correlation (0.532). Organisational leaders who display this leadership behaviour go beyond themselves for the good of the team. Unlike immoral managers (Carroll 1991), transformational leaders do not exploit firm resources for personal gains. Often, they assume the role of an idol that subordinates want to emulate and be associated with (Muenjohn and Amrstong 2008; Boseman 2008; Behery 2008). Hence, they command respect and earn the trust of their subordinates (Behery 2008). These managers have the ability to mould subordinate behaviour as subordinates are willing to listen to them. This facet of transformational leadership is very important, as it helps managers to obtain the consent and commitment of subordinates to CSR.

6.3.2 Idealised behaviour and CSR

The results of the regression analysis between idealised behaviour and CSR (see Table 39) indicate that idealised behaviour has a positive effect on CSR. The Beta value is 0.665. Also, both the independent variable (idealised behaviour) and CSR (dependent variable) have a strong correlation (see Table 31). Managers with this leadership behaviour are very ethical. Like moral managers, these leaders are very mindful about the ethical consequences of their actions (Carroll 1991). Therefore, these managers give a lot of priority to responsible business practices. As a matter of fact, they align their personal ethics and values to the organisational goals (Bolden et al. 2003). This leadership behaviour is a prerequisite for CSR. Surprisingly Waldman, Siegel and Javidan (2006) maintain that there is no relationship between leader charisma and CSR. However studies conducted by Abdul Rashid and Ibrahim (2002) and Pless (2007) indicate otherwise.

They argue that responsible business practices are influenced by leader ethics and values. The findings of this study also indicate that CSR is influenced by leader charisma.

6.3.3 Inspirational motivation and CSR

Table 40 indicates that inspirational motivation has a significant impact on CSR. The Beta value is 0.704. The corresponding correlation value is 0.704 (see Table 31). This indicates that inspirational motivation has a strong positive effect on CSR. Managers, who possess this attribute of transformational leadership, talk passionately about the future, goal achievement and the benefits of being socially responsible. In doing so, they inspire and motivate associates to engage in responsible business practices. They communicate openly with their associates about their values and the shared organisational goals. By articulating high expectations of their subordinates (Muenjohn and Amrstrong 2008) these managers assist subordinates to alter and alleviate their own expectations. Leaders, who possess this leadership behaviour, help associates to understand their contribution to the achievement of shared organisational goals. This enhances subordinate commitment (House and Shamir 1993, cited in Jabnoun and Al Rasasi 2005) and in turn, their performance. This leadership behaviour complements that change process and the implementation of CSR. Motivating and winning subordinate commitment is half the work done in the implementation process.

6.3.4 Intellectual stimulation and CSR

The results of the regression analysis between intellectual stimulation and CSR (see Table 41) indicate that responsible business practices are influenced by intellectual stimulation. The Beta value is 0.639. The associated correlation value is 0.639 (see Table 31), which indicates that intellectual stimulation and CSR are strongly correlated. Managers with this attribute of transformational leadership support innovation and creativity. They encourage associates to think out of the box and look at problems from different perspectives. This leadership behaviour is ideal for crisis management and problem solving (Hooper and Potter 1997 in Bolden et al. 2003), both of which are expected during implementation of CSR (due to its ambiguity). This leadership behaviour is also suited for analysing and meeting conflicting stakeholder demands. This finding is further supported by Waldman, Siegel and Javidan (2006) who found a positive relationship between intellectual stimulation and CSR in their study on American and Canadian firms.

6.3.5 Individual consideration and CSR

The results of the regression analysis between individual consideration and CSR (see Table 42) imply that individual consideration has a positive effect on CSR. The Beta value is 0.547. The correlation value (see Table 31) signifies a positive relationship between the two variables. Managers with this leadership attribute spend quality time coaching each subordinate personally (Muenjohn and Amrstong 2008). In addition to improving subordinate performance (Masi and Cooke 2000 in Jabnoun and Al Rasasi 2005) this attribute enhances their loyalty and reduces staff turnover. Waldman, Siegel and Javidan (2006) argue that this leadership attribute gives excessive importance to an individual employee rather than the organisation as a whole. Nevertheless, it must be kept in mind that, this aspect of leadership lays the foundation for good employee relations, which by itself is a vital CSR component.

6.3.6 Contingent reward and CSR

Table 43 presents the results of the regression test between contingent reward and CSR. It indicates that responsible business practices are positively influence by contingent reward leadership behaviour. The Beta value is 0.645. The associated correlation value (see Table 31) also indicates a strong positive relationship with the two variables. These managers ensure that subordinates are motivated and committed to responsible business practices by compensating them. They ensure that CSR actions are carried out as per defined standards and desired outcomes are realized.

6.3.7 Management by exception-active and CSR

The results of the regression analysis between management by exception-active and CSR (see Table 44) indicate that this leadership behaviour has a weak impact on CSR. The corresponding Beta value is 0.274. Although positive, the correlation between management by exception-active and CSR (see Table 31) is also weak. Managers who possess this leadership behaviour actively monitor performance. They ensure that CSR activities are carried out as planned and take corrective measures if the desired results are not met (Behery 2008). While is proves to be advantage for the management of CSR programs, it conflicts with the intellectual stimulation leadership attribute which promotes creativity and innovation.

6.3.8 Management by exception-passive and CSR

The results of the regression analysis between management by exception-passive and CSR, as presented in Table 45 indicates that this leadership behaviour does not support CSR. The Beta value is -0.158. The correlation between the two variables is also negative (see Table 31). Managers with this leadership behaviour do not facilitate CSR, as they are not proactive. They get involved only when things go wrong.

6.3.9 Laissez-faire and CSR

The results of the regression analysis between laissez-faire and CSR (Table 46) support the thirteenth hypothesis. The Beta value is -0.332. The correlation value between the two variables is also negative (see Table 31). Therefore, it can be concluded that managers possessing the laissez-faire leadership behaviour do not facilitate CSR. They are absent during the decision making process and in extreme cases abandon their leadership responsibilities.

A comparison of the Beta and correlation values point out that inspirational motivation (Beta value 0.704) leadership behaviour has the strongest impact on CSR. This is followed by idealised behaviour (0.665), contingent reward (0.645) and intellectual stimulation (0.639) leadership behaviours, all of which have a stronger influence on CSR compared to individual consideration (0.547) and idealised attributes (0.532). While management by exception-active has a weak impact on CSR, the factors of passive/avoidant leadership style have a negative impact on CSR and do not support responsible business practices.

6.4 CSR and stakeholder priorities of corporates in the UAE

In order to understand the CSR and stakeholder priorities of firms operating in the UAE, an analysis is conducted on some of the responsible business initiatives undertaken by UAE corporates. Section 3.2.11 of the literature review, elaborates on some of the CSR initiatives undertaken by firms based in the UAE. Although not all CSR programs undertaken by the respective firms are explained and not all corporates that engage in CSR are covered, this section helps to comprehend the nature of CSR activities UAE firms engage in. It also assists in identifying the stakeholder priorities of firms in the UAE.

Table 13 provides an overview of the primary stakeholders of the concerned firms. While nine out of ten firms engaged in CSR activities aimed at community development, eight firms undertook environment based CSR initiatives. Five firms had CSR programs which focused on employee relations. Only three organisations engaged in customer related initiatives. Based on this analysis, the community seems to be the most important stakeholder. This may be due to the fact that most CSR projects, undertaken by MNCs and private corporates are in partnership with the Dubai Municipality (Qasim, Muralidharan and Ramaswamy 2011). The community is the primary stakeholder for the civic body. Majority of the firms also consider the environment as a significant stakeholder. Companies such as Jotun and ENOC for example, must adhere to the UAE environmental law and engage in responsible environmental practices, failing which they will not obtain the license to operate (Katsiolourdes and Bordtkorb 2007). Employees and customers seem to be less significant stakeholders. There are two explanations to this. Firstly, it can be justified that both employees and customers are primary stakeholders. Organisations cannot survive without these stakeholders (Moir 2001). Hence, it can be supposed that these firms engage in employee and customer focused CSR initiatives which are integrated with routine business operations and therefore not publicised. Secondly, as mentioned earlier not all CSR practices these firms engage in are covered.

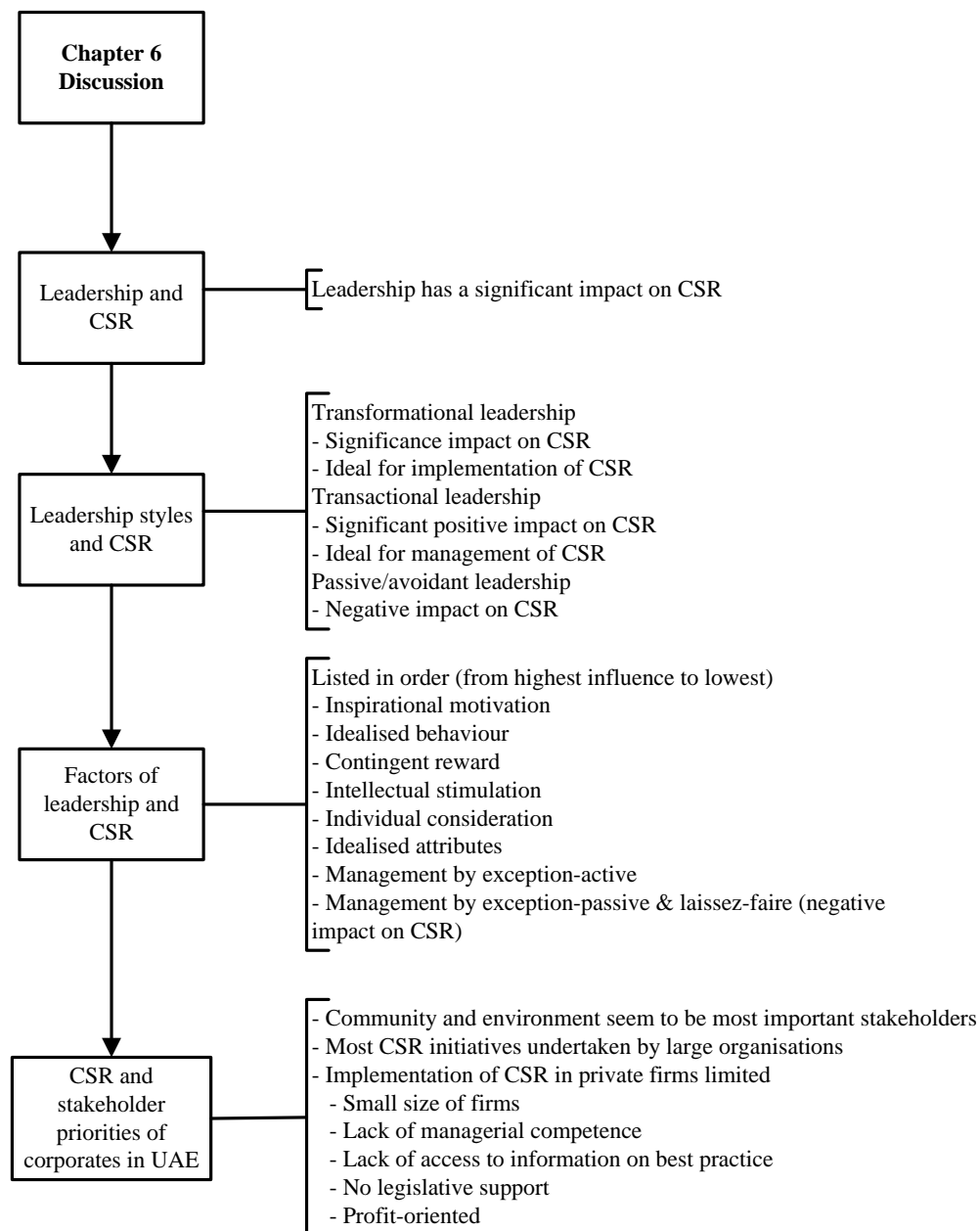
This analysis also highlights the fact that most firms which engage in CSR, in the UAE are government entities, local corporate giants, or MNCs. A negligible number of small and medium size enterprises (especially in the UAE private sector) invest in CSR. This observation is further supported by Katsiolouides and Brodtkorb (2007) whose research revealed that CSR is not a priority for firms in the Dubai private sector. This can be reasoned from an economies of scale point of view. While large organisations enjoy greater economies of scale, small firms incur high CSR related costs as a result of which they suffer lower economies of scale. Therefore firm size plays a key role in determining the optimum level of CSR investment. However McWilliams and Siegel (2001) maintain that firms which invest in CSR enjoy the associated strategic benefits irrespective of their size. Another explanation is that MNC have well defined CSR policies. They have direct access to information and best practices (from host country). Most MNCs have personnel who are employed and trained specifically to implement and manage CSR. Private sector firms (in the UAE) on the other hand, have limited awareness on the concept of CSR and the corresponding benefits. Even if they are aware, their managers are not competent enough to

initiate and administer CSR. The gap between awareness and implementation of CSR may also be due to the lack of a support system (in terms of regulation and legislation) which facilitates the implementation of CSR in small and medium size firms (Suliman in Kapur 2010). Lastly, managers may be profit driven and hence do not care for responsible business practices.

6.5 Summary of discussions

Flowchart 6 gives a summary of the discussion chapter.

Flowchart 6: Summary of discussions



Chapter 7

Conclusion and recommendations

The previous chapter discussed the findings of this study in relation to the literature review. The impact of leadership, leadership styles and the factors of leadership on CSR were discussed. The results of the hypotheses and the ensuing implications are examined as well. Lastly, the CSR practices and stakeholder priorities of private sector firms in the UAE were reviewed. This chapter will present the conclusion drawn upon the discussion and lastly list the recommendations made by the researcher. Figure 20 provides the layout of this chapter.

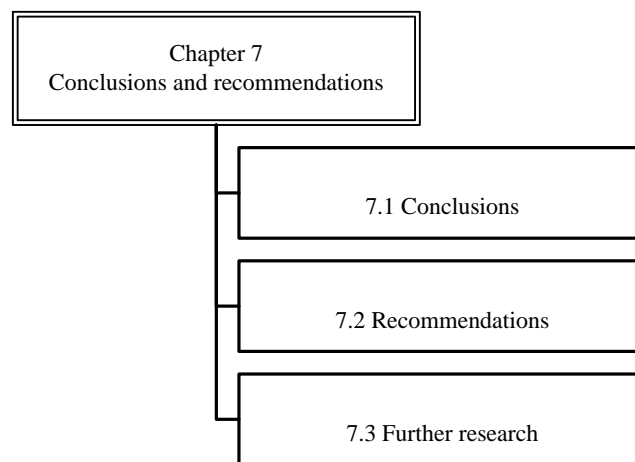


Figure 20: Outline of chapter 7

7.1 Conclusion

The results of the first hypothesis indicate that leadership has considerable influence on CSR which answers the first research question. Therefore it can be concluded that leadership (as a global variable) has a significant impact on the CSR orientations that firms adopt. The CSR strategy that a firm adopts is significantly influenced by the organisation leader's approach to ethics and in turn responsible business practices. As it is evident that leadership has a significant effect on CSR, it is but obvious that different leadership styles have varying consequences on corporate citizenship (supported by hypotheses 2, 3, and 4). While transformational and transactional leadership styles have a positive impact on CSR, passive/avoidant leadership style has a negative impact on CSR. Based on the above discussions (see Section 6.2) it can be concluded that transformational leaders champion change. Hence this leadership style will be

ideal to implement CSR in the UAE private sector (as CSR is a new concept and implementation of responsible practices will require change). Transactional leadership on the other hand will be best suited to manage the CSR actions that firms undertake. Hence, a combination of transformational and transactional leadership styles (Bass 1985 in Behery 2008) will be the optimal leadership style which facilitates the implementation and management of CSR.

With leadership styles having an impact on the CSR practices that firm adopt, it is apparent that leadership behaviours (factors of leadership) also impact CSR orientation. The results of the regression test conducted to validate hypotheses 5 to 13 reveal that, of the nine leadership behaviours, inspirational motivation has the most significant impact on CSR. Idealised behaviour, contingent reward and intellectual stimulation leadership attributes also have strong positive influence on CSR. The factors of passive and avoidant leadership have a negative effect on CSR.

A review of the current CSR actions of UAE firms highlight that most firms which engage in responsible business initiatives are corporate giants (local, government and MNCs). The community and the environment seem to be the most important organisational stakeholders with most of these firms engaging in CSR programs that are related to these two aspects. This is mainly because most of these initiatives are undertaken by government authorities such as the Dubai Municipality (either on its own or in association with a MNC or local organisation). Moreover, the UAE has well defined environmental laws which firms must mandatorily comply with in order to acquire the license to operate and remain in business. Competition among local firms to engage in contemporary market practices also force some local corporate giants to engage in CSR. Interestingly firm initiatives to satisfy employee and customer demands seem to be less. Either these initiatives are not publicised as it is integrated into their routine business operations or they simply do not engage in employee and market related CSR initiatives. The latter justification is quite unlikely, as most of these firms invest in best practices and adhere to the UAE labour law. Moreover as discussed earlier, not all CSR programs undertaken by these firms are covered in this study.

Lastly, the level of CSR practiced by private sector firms is negligible. There are several explanations for this. Firstly, small firms suffer lower economies of scale as a result of which they incur higher CSR related costs in comparison to large firms. Secondly, although

organisational leaders are aware of CSR, they may not be aware of the strategic benefits associated with it. Even if they are aware of the benefits, they may not be competent enough to implement and manage CSR initiatives. Thirdly small and medium size enterprises in the private sector have limited access to information on best practices in CSR. The low level of CSR implementation may also be due to the lack of a support system in terms of legislation. Lastly, these firms may have managers who are profit oriented and disinterested in responsible business practices.

The UAE Government is making a conscious effort towards increasing the implementation level of CSR in the UAE private sector. For instance, the DCCV is developing a CSR model which is relevant for firms operating in the UAE (based on the local social-economic and cultural background). The CRB has been established to educate firms about the advantages of social responsibility. Initiatives such as the Dubai Chamber CSR label have been implemented to motivate firms to adopt CSR (Dubai Chamber 2011). The CRB also organises CSR related training programs for corporate executives and has introduced CSR tool kits in an effort to assist managers to implement CSR and manage stakeholders. (CRB 2010; CRB 2011).

7.2 Recommendations

The following suggestions are put forth to help organisations in the UAE to be responsible corporate citizens and engage in sustainable business practices.

1. Organisational leaders must identify the social values that they want their firms to be associated with (Meehan, Meehan and Richards 2006). This will assist them to establish ethical principles which are aligned and integrated with the business strategy of the organisation. This in turn will increase the firm's commitment to CSR as a whole.
2. Once the social principles are established, managers must identify the relevant stakeholders. A stakeholder analysis must be conducted to classify stakeholders based on their power and the legitimacy of their demands (Brammer and Pavelin cited in Vaaland and Heide 2008).
3. Firms must then establish good stakeholder relationships. In order to ensure optimal stakeholder management, firms must make certain that the social principles of both the parties are aligned (firm and stakeholders).

4. The executive/board management level's commitment to the established social principles must be obtained and communicated to all the relevant stakeholders (ECRC 2005).
5. In order to facilitate the smooth implementation of responsible business practices, corporates must create a CSR position at the management level. For instance, Cisco has a Program Director for CSR.
6. CSR policies must be developed in line with international guidelines and best practices (Katsiolordes and Brodtkorb 2007). Once developed, managers must ensure that the CSR strategy is integrated with the business strategy.
7. In order to implement and manage CSR, firm managers must identify the relevant implementation tools such as government support, legislation, training and development (Katsiolouides and Brodtkorb 2007).
8. Corporate managers must develop a consistent internal benchmarking system to monitor and assess social performance. This will ensure that CSR initiatives are executed as planned and will generate the desired outcome.
9. Corporates must engage in CSR reporting (Katsiolouides and Brodtkorb 2007).
10. Firms must invest in tailor-made training and development programs to educate and guide corporate managers to implement and manage CSR. As concluded previously, transformational leadership style facilitates CSR the best. Since the attributes of transformational leadership can be learned (Boseman 2008) managers must be trained to develop the attributes of this leadership style.
11. The UAE Government must provide increased support (in terms of regulatory frameworks and access to best practice) to firms in the private sector.

7.3 Further research

The current recession has been brought about by corporates engaging in irresponsible business practices. In order to rectify the recession, firms must be committed corporate citizens who engage in responsible and sustainable business practices. Both governments as well as firms are now realising the importance of corporate governance. It can be justified that CSR will be one of the few business practices that will earn prominence during and after the recession period. It is therefore vital that research which is focused on organisational leadership and CSR is continued both by academics and management practitioners, especially since leadership styles and the nature of business organisational are continuously evolving.

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Appendix A-Elements of CSR

The 20 elements of CSR identified by Welford (2004) to assess the CSR and Stakeholder priorities of European, Asian and North American firms.

SI No	Elements of CSR	Source of guidance	Code
Internal Aspects			
1	Written policies on non-discrimination in the work place	UN Universal Declaration of Human Right, 1948	Non-discrimination
2	Equal opportunities statement and implementation plans	ILO Conventions 100,110 and 111	Equal opportunities
3	Statement on normal working hours, minimum overtime and fair wage structure	ILO Conventions 1,30 and 47	Fair wages
4	Staff development, in-house education and vocational training	UNESCO Project on Technical and Vocational Education (UNEVOC)	Vocational education
5	The right of freedom of association, collective bargaining and complaints procedures	ILO Convention 98	Association
6	The protection of human rights within the company's own operations	UN Global Compact	Human rights 1
External Aspects			
7	Policy on labour standards adopted by suppliers in developing countries	ILO International Labour Standards Convention, 144	Labour standards
8	Policy on restrictions on the use of child labour by suppliers	International Programme on the Elimination of Child Labour (IPEC)	Child labour
9	Commitment to the protection of human rights in the company's sphere of influence	UN Global Compact	Human rights 2
10	Inspection of the suppliers facilities for health, safety and environmental aspects	ILO Working Environment Convention, 148	Suppliers
11	Commitment to local community protection and engagement	UNESCO World Heritage Initiative	Local protection
12	Policy on responding to stakeholders including procedure for the resolution of complaints	Industry best practice	Stakeholder 1
13	Policies on fair trade, equitable trade and end-price auditing	Ethical Trading Initiative	Fair trade
14	Policies on the protection of the indigenous population and their rights	ILO Indigenous and Tribal Populations Convention, 169	Indigenous people

15	Code of ethics (including bribery and corruption)	Transparency International	Ethics
Accountability			
16	Commitment to reporting on corporate social responsibility and/or sustainable development	Global Reporting Initiative	Reporting
17	Policies and procedures for engaging in a wide range of stakeholders in two-way dialogue	Industry best practice, AA1000 standard	Stakeholder 2
Citizenship			
18	Direct support for third-party social and sustainable development -related initiatives	Industry best practice	Third parties
19	Educational programmes for the promotion of corporate citizenship	Industry best practice	Education
20	External campaign programmes for raising social and sustainable development issues	Activities of 'leading-edge' companies	Campaigns

Appendix B- Questionnaire

Leadership Styles and the Practice of Corporate Social Responsibility in the U.A.E

This research aims to understand the relationship between different leadership styles and their impact on the practice of corporate social responsibility in the private sector in UAE. The questionnaire gives you the opportunity to express your views on a wide range of issues and practices related to leadership and corporate social responsibility.

Please note that there is no right or wrong answer. This questionnaire will be used to collect the primary data needed for a research study. Therefore, I seek your assistance to be as open, fair and honest as possible as you can in your responses.

Please be assured that your identity will remain anonymous and your responses will be treated in the strictest confidence. No part of this questionnaire requires confidential information. The results of the analysis will be strictly used by the researcher for Study purposes only.

This questionnaire consists of three sections as follows;

- A. General information
- B. Leadership
- C. Corporate social responsibility

Please complete ALL sections.

Thank you & Best Regards,

Researcher

Part A - Demographic Information			
1	Gender		
	1	Male	()
	2	Female	()
2	Marital Status		
	1	Married	()
	2	Unmarried	()
3	Age		
	1	Less than 25	()
	2	25 to 35	()
	3	36 to 45	()
	4	46 to 55	()
	5	56 and above	()
4	Education		
	1	Less than high school	()
	2	High school	()
	3	Bachelors	()
	4	Diploma	()
	5	Certification	()
	6	Master or above	()
5	Total years of experience		
	1	One year or less	()
	2	2 to 7 years	()
	3	8 to 13 years	()
	4	14 to 19 years	()
	5	20 years and above	()
6	Management Level		
	1	Non managerial	()
	2	Lower management level	()
	3	Middle management level	()
	4	Top management level	()
7	No of years in the current position		
	1	One year or less	()
	2	2 to 7 years	()
	3	8 to 13 years	()
	4	14 to 19 years	()
	5	20 years and above	()
8	Functional Area		
	1	Management	()
	2	Sales	()
	3	Marketing	()

	4	Finance	()
	5	Logistics	()
	6	Human Resource	()
	7	Administration	()
	8	Health and Safety	()
	9	Others	()
	9.a	If others please specify	

Part B - Leadership styles (Please select one option for each item)						
Sl. No.	Statements	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
9	My manager instills pride & respect in others for being associated with him/her					
10	My manager goes beyond his/her self interest for the good of the team					
11	My manager displays a sense of power and confidence					
12	My manager talks about his/her most important values and beliefs					
13	My manager specifies the importance of having a strong sense of purpose					
14	My manager considers the moral and ethical consequences of decisions					
15	My manager emphasizes the importance of having a collective sense of mission					
16	My manager talks enthusiastically about what needs to be accomplished					
17	My manager articulates a compelling vision of the future					
18	My manager expresses confidence that goals will be achieved					
19	My manager seeks different perspectives when solving problems					
20	My manager encourages others to look at problems from many different angles					
21	My manager spends time teaching and coaching					
22	My manager considers each individual as having different needs, abilities and aspirations from others					
23	My manager provides assistance to other in exchange for their efforts					
24	My manager discusses specific terms of who is responsible for achieving performance targets					
25	My manager makes it clear what one can expect to receive when performance goals are achieved					
26	My manager expresses satisfaction when others meet his/her expectations					
27	My manager focuses all his/her attention on dealing with mistakes, complaints and failures					
28	My manager keeps track of all mistakes					

29	My manager fails to interfere until problem become serious					
30	My manager waits for things to go wrong before taking action					
31	My manager shows a firm belief in "if it ain't broke, don't fix it"					
32	My manager avoid getting involved when important issues arise					
33	My manager is absent when needed					
34	My manager avoids making decisions					

Part C - Corporate social responsibility (Please select one option for each item)						
Sl. No.	Statements	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
35	My organisation encourages employees to develop real skills and long-term careers					
36	My organisation offers good work-life balance for its employees					
37	My organisation takes the opinion of employees on important issues					
38	My organisation has a formal internal communication channel to communicate with employees. (For example the intranet)					
39	My organisation adheres to the UAE labour law and regulations					
40	My organisation adheres to the environmental law of the UAE					
41	My organisation curtails its expenditure by reducing its environmental impact					
42	My organisation provides accurate environmental information regarding its products and services to customers, suppliers and local community					
43	My organisation undertakes environmental activities in association with environmental groups & agencies such as Green Peace and PETA					
44	My organisation enjoys competitive advantage against its competitors by providing environmentally sustainable products and services					
45	My organisation engages in community development (for example provide training opportunities for disadvantaged group)					
46	My organisation encourages employees to volunteer and participate in community development activities					
47	My organisation provides financial support and donations for local community development projects					
48	My organisation is associated with NGO's/agencies/Non-profit organisations which focus on community development					
49	My organisation respects its suppliers					
50	My organisation ensures that its supply chain is socially responsible					
51	My organisation provides adequate after sales service to its customers					
52	My organisation has a formal procedure to register and resolve complaints from customers and suppliers					

53	My organisation provides adequate and relevant information to its customers regarding its products and services at the point of purchase					
54	My organisation provides goods and services at affordable prices					
55	My organisation has a formal code of conduct					
56	My organisation communicates its values to its customers and suppliers via marketing collateral, presentations and so on					
57	My organisation provides training to employees on its values, code of conduct and ethics					
58	My organisation undergoes external social auditing to certify its activities as ethical					

Appendix C

Correlations																			
	IA	IB	IM	IS	IC	CR	MBEA	MBEP	LF	LS_GLOB AL	ER	EV	CM	MP	ET	CSR_GLO BAL	TRFL_LS	TRCL_LS	PL
IA	1																		
IB	.811**																		
IM	.671**	.742**																	
IS	.739**	.802**	.672**																
IC	.719**	.754**	.642**	.815**															
CR	.726**	.687**	.692**	.730**	.725**														
MBEA	0.105*	.121*	.131**	.169**	.241**	.245**													
MBEP	-.211**	-.160**	-.219**	-.166**	-.105*	-.130**	.363**												
LF	-.287**	-.466**	-.300**	-.402**	-.309**	-.194**	.236**	.567**											
LS_GLOBAL	.804**	.811**	.758**	.798**	.818**	.847**	.445**	.160**	-.039**										
ER	.641**	.668**	.677**	.668**	.603**	.686**	.294**	-.013	-.261**	.738**									
EV	.341**	.437**	.500**	.483**	.379**	.480**	.260**	-.090	-.230**	.473**	.587**								
CM	.087	.222**	.258**	.241**	.199**	.269**	.165**	-.135**	-.108*	.220**	.337**	.382**							
MP	.506**	.656**	.678**	.577**	.490**	.597**	.150**	-.246**	-.437**	.563**	.688**	.567**	.390**						
ET	.493**	.617**	.641**	.518**	.463**	.469**	.203**	-.142**	-.246	.564**	.648**	.472**	.453**	.672**					
CSR_GLOBAL	.532*	.665*	.704**	.639**	.547**	.645**	.274**	-.158**	-.332**	.656**	.839**	.778**	.640**	.853**	.810**				
TRFL_LS	.893**	.940**	.846**	.888**	.867**	.795**	.164**	-.196**	-.403**	.895**	.733**	.479**	.224**	.662**	.624**	.698**			
TRCL_LS	.618**	.595**	.603**	.651**	.679**	.897**	.648**	.063**	-.045	.868**	.672**	.496**	.286**	.538**	.461**	.632**	.699**		
PL	-.281**	-.351**	-.292**	-.319**	-.232**	-.183**	.340**	.889**	.881**	.071	-.152**	-.179**	-.138**	-.384**	-.219**	-.275**	-.336**	.011	
** Correlation is significant at the 0.01 level (2-tailed)																			
* Correlation is significant at the 0.05 level (2-tailed)																			