Corporate Social Responsibility (CSR) in the United Arab Emirates

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Abstract

Corporations are under the lens of media across the world and variety of headings, contexts and acronyms have a vivid debate and questioning the role of businesses today and the balance of power among institutions. The nature of debate varies across the countries despite the simulated processes and the confluence of so called “CSR” practices under the influence of globalisation.

Corporate Social Responsibility (CSR) has gained an increasingly high attention in recent years. CSR can be defined as the ways in which businesses align their values and behaviors with their various stakeholders such as employees, suppliers, customers, government and other societal interests on whom their operation may have an impact.

This dissertation is an attempt to examine and understand the undertaken practices by Governmental, Semi-Governmental and private entities in the United Arab Emirates (UAE) on the notion of CSR through a qualitative method of primary data and face-to-face interviews as well as extensive academic literature research. This research also provides an overview of CSR definitions, tools, motivators, barriers and practices in this region as well as CSR initiatives in various developing economies and provides two sets of recommendations for CSR globally and for the organizations in the UAE.

The results of this research show that CSR awareness is growing in the country and it is shifting from philanthropy based and moving towards a more expansive CSR strategy. This study proposes that the link between HRM and CSR policies should be fostered and it can help to integrate CSR into the firm’s DNA as HRM acts as a key organizational leader and can translate CSR commitments horizontally and vertically across the organization.
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# Abbreviation

<table>
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADFD</td>
<td>Abu Dhabi fund for development</td>
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<td>AME</td>
<td>Arab Middle East</td>
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<tr>
<td>BGMEA</td>
<td>Bangladesh Garments Manufacturer and Exports Association</td>
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<td>BITC</td>
<td>Business in the Community</td>
</tr>
<tr>
<td>CC</td>
<td>Corporate Citizenship</td>
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<td>CRB</td>
<td>Centre for Responsible Business</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>DMCC</td>
<td>Dubai Multi Commodities Centre</td>
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<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
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<tr>
<td>EEG</td>
<td>Emirates Environmental Group</td>
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<tr>
<td>EPC</td>
<td>Environmental Performance Card</td>
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<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HRM</td>
<td>Human Resources Management</td>
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<tr>
<td>IUCN</td>
<td>International Union of Conservation for Nature</td>
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<td>JA</td>
<td>Junior Achievement</td>
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<td>JODCO</td>
<td>Japan Oil Development Company</td>
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Notes

a: Power distance: Power distance is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally." Cultures that endorse low power distance expect and accept power relations that are more consultative or democratic. People relate to one another more as equals regardless of formal positions.

b: Individualism vs. collectivism: The degree to which individuals are integrated into groups. In individualistic societies, the stress is put on personal achievements and individual rights. People are expected to stand up for themselves and their immediate family, and to choose their own affiliations. In contrast, in collectivist societies, individuals act predominantly as members of a lifelong and cohesive group or organization (note: "The word collectivism in this sense has no political meaning: it refers to the group, not to the state"). People have large extended families, which are used as a protection in exchange for unquestioning loyalty.

c: Masculinity vs. femininity): The distribution of emotional roles between the genders". Masculine cultures' values are competitiveness, assertiveness, materialism, ambition and power, whereas feminine cultures place more value on relationships and quality of life. In masculine cultures, the differences between gender roles are more dramatic and less fluid than in feminine cultures where men and women have the same values emphasizing modesty and caring. As a result of the taboo on sexuality in many cultures, particularly masculine ones, and because of the obvious gender generalizations implied by Hofstede's terminology, this dimension is often renamed by users of Hofstede's work, e.g. to Quantity of Life vs. Quality of Life.

d: Uncertainty avoidance: A society's tolerance for uncertainty and ambiguity. It reflects the extent to which members of a society attempt to cope with anxiety by minimizing uncertainty. People in cultures with high uncertainty avoidance tend to be more emotional. They try to minimize the occurrence of unknown and unusual circumstances and to proceed with careful changes step by step by planning and by implementing rules, laws and regulations.

e: Long-term orientation (LTO) vs. short-term orientation in life (STO): First called "Confucian dynamism", it describes societies' time horizon. Long term oriented societies
They foster pragmatic values oriented towards rewards, including persistence, saving and capacity for adaptation. In short term oriented societies, values promoted are related to the past and the present, including steadiness, respect for tradition, preservation of one's face, reciprocation and fulfilling social obligations.

f: Ogoni people are one of the many indigenous peoples in the region of southeast Nigeria. They share common oil related environmental problem with the Ijaw people of Niger Delta, but Ogonis are not listed in the list of people historically belonging to Niger Delta. They number about one point five million people and live in a 404-square-mile (1,050 km²) homeland which they also refer to as Ogoni, or Ogoniland.

g: The Forest Stewardship Council (FSC) is an international non-profit, organization that promotes responsible management of the world’s forests, from using sustainable forestry methods and promoting ethical employment, to the protection of the indigenous flora, fauna and local community.
Chapter 1 Introduction and Background

Corporate Social Responsibility (CSR) has appeared as a significant topic in the global business community and it has moved now to a mainstream activity. Increased emphasis on CSR is influencing the relationships between organizations and their stakeholders such as customers, employees and communities. Business leaders today are more concerned about being socially responsible and issues such as health and safety, environment and employees well-being.

CSR addresses a company’s transparency or openness and considering its stakeholders’ expectations. This means that business does more than act out of self-interest and shows social responsibility (Juholin, 2004). Companies cannot operate any more entirely independently and need to consider the needs of society and welfare of the community. Organizations now realize that in order to survive and stay unique in business and obtain strategic advantages, they need to practice being socially responsible. Many larger organizations have already integrated CSR into their strategic plans as an important factor in order to have a sustainable business. Although larger enterprises have more impact on society today, SMEs are also considered as a leading area of business with great influence on society due to the fact that they comprise the largest business sector and are dominant employers in most economies.

Life today has been surrounded by various topics such as international business, global warming, natural disasters, and concerns about the supply of energy, technologies and concerns over social issues. However, CSR was considered mainly in developing countries earlier until the recent world downturn which has shaken business leaders to think about being socially responsible while doing business and making profits.

Although CSR appeared in developed countries to push and monitor larger organizations to adopt socially responsible business policies and practices, it is not just restricted to accomplishing the economic and legal responsibilities, the two main factors in CSR identified by Carroll (1979). Furthermore, William and Chandler (2010) argued that, in today’s world where all people and organizations are looking to make changes, CSR is a way that reflects social concerns to lessen the financial and operational limitations on business.
The United Arab Emirates (UAE) is a centre of growth where the focus has been on saving the country’s natural resources. In order to ensure that sustainable growth will not infuriate existing environmental concerns, government and businesses play an important role in making environmental policies that are easily implemented and effective. With this rapid growth and progress in technology, CSR is one area which needs improvement. However, CSR is consistent with Islamic teachings which are to consider community and their needs, and to distribute some of your earnings to the needy people and it is considered in the UAE as ‘Zakat’ which is a voluntary distribution and Muslims donate to the needy people silently (Qasim et al. 2011).

CSR awareness is increasing in the Middle East, particularly in Dubai. One of the main motivators for CSR in the UAE is the Dubai Chamber of Commerce and CSR centre namely; Centre for Responsible Business (CRB) and several hundred organizations in the UAE adopt the practices from this centre. The aim of this Centre is to engage businesses in assuming greater responsibilities for the social and environmental needs of the UAE (Dubai Chamber, 2012). Brik (2009) argued that 88% of companies in Dubai show their support for more rigorous regulations on environmental reporting, monitoring and transparency. Brik believed that the government should take an active role in promoting CSR and more severe regulations are needed in the country.

This dissertation aims to explain CSR in developing countries, particularly in the UAE and explores the motives and barriers towards implementing CSR in the UAE organizations.

1.1 Problem Statement

The focus by organizations in examining their social responsibilities is increasing massively. For instance, the World Business Council for Sustainable Development (WBCSD, 1999) looks to develop a clear CSR environment, including a matrix of corporate social responsibility indicators. But are organizations globally taking on their responsibilities to society? Do they contribute to society in the countries where they are operating in?
The concept of CSR aims to explore the role of businesses in society as well as to maximize the positive societal outcomes of their activities. Practically, many business activities that have been labeled as CSR have been driven mainly by the concerns of companies, investors and consumers based on the richest and developed countries. The CSR agenda in low income or less developed/developing countries have been less noticeable globally and have not been consistently labeled as CSR. The results then have been practices that are framed in developed countries and then transferred to other businesses through “international trade, investment and development assistance” (United Nations, 2007, p.1). CSR initiatives and movements arose later in many countries outside of the West such as China, India, South Africa, the Philippines and Brazil. The government of some developing and middle income countries that facing social challenges had to engage business in meeting those challenges, such as Black Economic Empowerment in South Africa, or Presidential encouragement of business efforts to tackle poverty in the Philippines (United Nations, 2007).

The UAE is a Muslim country which is based on Islamic principles and emphasizes strongly generosity and helping people in need. Moreover, in the UAE collectivism is high so the community welfare and family ties are based on old traditions. In many organizations CSR is still considered as philanthropy and a form of giving and is considered as religious not tied with business strategy. However, many academics believe that CSR concepts are still new in this country and it is moving away from solely philanthropy and CSR awareness among organizations in the UAE is increasing (Al-Ali, 2007).

A CSR perception, drivers and motivators in emerging countries and specifically in the UAE, is the focus of this dissertation and the purpose is to discover and understand the practices of CSR among organizations in the UAE.

1.2 Research Questions (RQs)

The main aim of this research is to find out how organizations in the UAE perceive CSR and what are their initiatives, tools and motivators and understand how these initiatives are implemented in
the group of organizations interviewed in this study. This study aims to address the following research questions:

RQ1. How do organizations in the UAE perceive CSR?
RQ2. How CSR is implemented, integrated and monitored in the UAE organizations?
RQ3. What are the motives and barriers to CSR in the organizations?
RQ4. How do organizations benefit from having CSR in their organizations?

1.3 Research Objectives (ROs)

The following is the list of research objectives:

RO 1: To understand the meaning and characteristics of CSR.

RO 2: To explore CSR practices in the UAE organizations (public and private) and to find out and identify the gaps and obstacles in developing their CSR initiatives in a group of organizations in the UAE.

RO 3: To provide recommendations on how they can boost their CSR activities and practices in the UAE organizations.

1.4 Significance of the Study

There have been always demands from employees, customers, suppliers and government for businesses operating in society to be more transparent about their activities and that they maintain ethical standards in their practices. Many scholars agreed that CSR increases competitive advantages, retains talent and builds reputation and trust among the communities, and mainly employees (Bouten, 2011).

CSR requires organizations to take necessary action to make changes in the lives of their employees, customers and communities. Tulder (2006) believed that using CSR in the company will bring following benefits to the business: Innovation, cost reduction, customer and employee
engagement and reputation. Moreover, CSR practices need strategic planning; as Wall (2008) stated, to make a commitment towards CSR programs, companies need to create a committee, realize and discuss the drivers, set the goals, make the policies, implement the projects and measure impact. However, organizations have different ways and policies for initiating and implementing CSR which will be discussed in this dissertation according to the group of organizations interviewed in the UAE. This dissertation explores the UAE organizations’ practices in CSR. A group of organizations are interviewed in the country and this research study attempts to examine their CSR activities, advantages and benefits as well as motives and barriers towards implementing an effective CSR in the UAE. This study is an attempt to understand in detail CSR concepts by using an in-depth interview approach.
1.5 Dissertation Structure

- Chapter 1: Introduction and Background
- Chapter 2: Literature Review
- Chapter 3: CSR in the UAE
- Chapter 4: Methodology
- Chapter 5: Analysis of the Findings
- Chapter 6: Conclusion & Recommendations
- References
- Appendix
Chapter 2 Literature Review

This chapter provides a review of CSR concepts, theories and perspectives and explains CSR in emerging countries, their understanding of CSR and then gives an overview of CSR in the UAE.

2.1 Definition of Corporate Social Responsibility

The concept of being socially responsible was widely spoken about among business men during past decades. As a modern concept, CSR began in the 1960s when the responsibility of the companies was merely to maximize profit for shareholders (Carroll 1979). Improving the work conditions, providing housing or considering health and safety for staff and charitable works were activities that many of the industries got involved in that today is known as Corporate Social Responsibility (CSR).

As a consequence of the Industrial Revolution, business leaders in Britain started building factories such as Bourneville, which was founded by George Cadbury in 1879 and Port Sunlight established by William Lever in 1888. The purpose was to provide workers and their families with shelters and safety where most of the communities were in poor conditions (Smith 2003). Such initiatives are evidence of concern amongst some businessmen for the good of the community and society which today is considered as part of CSR. Carroll (1979) proposed that there are four arenas in CSR, economic, legal, ethical and discretionary. This means that a firm has to generate economic growth for the owners as well as its employees, it has to operate according to the laws and in an ethical manner and finally when dispute happens, it requires resolution in the discretionary arena.

CSR has been defined differently by people, organizations or industries over the time. Kotler and Lee (2008) defined CSR as a responsibility accomplished to create social benefit, and as a commitment to improve the well-being of the community (human condition and environmental issues) through discretionary practices and corporate resources. This means that CSR is a policy and practice where business and society are closely linked. CSR is a situation where “companies integrate social and environmental concern in daily business operations in their interaction with
stakeholders on a voluntary basis” (The European Commissions Green Paper, 2001, in Korkchi and Rombaut, 2006). Since the twenty first century, then, one of the topics that is thought particularly relevant to International Management is Corporate Social Responsibility (CSR). It originated in North America and started to be adopted by European companies and other countries (Preuss et al. 2009).

Carroll (1979) stated that, at the beginning writing on CSR people defined it as Social Responsibility (SR) rather than Corporate Social Responsibility. He added that this was mainly because “the age of the modern corporation’s prominence and dominance in the business sector had not yet occurred or noted” (Carroll 1979, p. 269). Bowen (1953) defined CSR for businessmen as an obligation to follow policies, to make decisions and follow actions that are based on the society’s values and objectives (Bowen, 1953 in Preuss et al 2009). Moreover, according to Maignan & Ferrell (2004, p. 4) the past conceptualizations of CSR was defined as a social obligation, stakeholder obligation, ethics- driven and managerial process.

McGuire (1963) believed that a corporation can not only depend on economic and social obligations. In addition to these, it has some certain responsibilities to society, which constitutes more than the corporation’s immediate economic and social obligations. Moreover, Davis (1973) argued that social responsibility means taking steps further than merely complying with the law. In other words, it is part of the firm’s agreement as a business entity to accept that there are social obligations beyond the laws of trade and employment. The World Business Council for Sustainable Development (WBCSD) defines CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities” (WBCSD, 2001 in Jamali and Mirshak 2007). Moreover, CSR should not be considered merely as an activity to make more profit for the shareholders, it should act as a corporate citizen, obey the law and take care of the community and the environment.

Although CSR has been considered as a common practice in the west, it still has not been defined clearly by scholars. Some argue that CSR started developing in the 1930s when Professor Dodd introduced it for the first time in 1932. He stated that corporate managers are responsible to the whole public and not only to shareholders (Dodd, 1932 in Mezher et al, 2010). Furthermore, forty years ago Sethi (1975)
noticed that the functional definition of CSR is remarkably unclear and suggested that it indicates several different things to people. Some scholars now use the term “Sustainability” instead of CSR. However, Cohen, 2010 (in Inyang et al, 2011) differentiated these two terms and discussed how CSR is about business taking their responsibilities seriously and being accountable for their impacts on the community and on people. The author added that being obedient to the law is not sufficient and CSR goes beyond legal compliance. In contrast, sustainability refers to how businesses can sustain themselves over time while also being accountable in general for the improvement of society and the environment.

Cohen et al (2010) argues that increased regulatory pressures and social demands regarding the environment as well as being socially responsible have encouraged organizations to concentrate for their efforts on sustainability. They defined Sustainability as “the ability” to meet the needs of the generation today without compromising the ability of future generations to fulfill their own requirements. They also added that a sustainable organization is an enterprise that creates continuously economic, social and environmental benefits. They named these three aims as the “Triple bottom line” giving benefit to society while the company ensures its long term sustainability as an organization.

Sustainability is all about how a business is responsible and contributes to society and also how it deals with societal and environmental issues. To achieve these corporate goals, placing an HR professional in a strategic position in the organization may help to contribute to the success of its CSR initiatives. As Susan (2007, p.1, in Inyang et al, 2011) has commented “The recent shift by organizational leaders from viewing socially responsible or sustainable business practices as a peripheral issue, related mainly to brand perception and public relations, to a strategic issue, presents a significant leadership opportunity for HR professionals”.

If HR can leverage CSR strategies, greater benefits for business, employees, society and environment could be achieved. Strandberg (2009, p. 2) states that “Human Resource managers have the tools and opportunity to leverage employee commitment to, and engagement in, the firm’s CSR strategy”. To have a successful CSR strategy a well-organized set of people management practices seem necessary.
To conclude, CSR is about the organization’s responsibility towards the community, stakeholders, employees and the environment. Its development and success may create a positive image and create opportunity for increased value and more profit potential. Furthermore, CSR is a commitment by business to behave in an ethical manner and contribute to the development of the economy while improving the quality of life of employees, local community and society as well as the environment.

2.2 Importance of CSR

Many organizations are now more concerned about CSR and some of them tend to behave in a more socially responsible way than was common in the past. CSR has been one of the hot topics at the World Economic Forum (WEF). One report from this forum found that three factors “corporate competitiveness, corporate governance and corporate citizenship” and the relationship between these three will re-shape the agenda for business leaders over the coming years. It explains that “in the face of high level of insecurities and poverty, the backlash against globalization and mistrust of prominent business, there is growing pressure on business leaders and their organizations to deliver wider societal value”. This means that there is a need for more effective management of the firms and wider influence and contributions to their society by using the concept of stakeholder’ engagement (WEF, 2003 in Smith, 2003, p.3).

In a similar case, The World Business Council for Sustainable Development (WBCSD), which consists of 120 international companies, urges businesses to accept more responsibilities in the social arena, and it claims that CSR is standing as an important part of the global policy agenda. The WBCSD has been active since 1992 and its members are from 30 countries with more than 20 industries. The United Arab Emirates (UAE) is one of the member countries in the WBCSD. In December 2010, UAE BCSD launched the green page initiative which is intended to highlight the latest sustainable development activities taking place in the UAE and other GCC countries. The UAE BCSD also supports all companies in the region that are active in sustainability by organizing network forums and conferences to increase awareness of best practice (wbcsd.org, 2013).
In a report which was published in 2002, the United Kingdom (UK) Department of Trade and Industry (DTI) mentioned that the government’s vision of CSR is to observe that all private, public and voluntary organizations in the UK take care of their social, economic and environmental impacts. The DTI added that it needs to take necessary action to identify key challenges according to their main competencies; locally, regionally and internationally. Furthermore, the government of UK has a crucial role, in enabling companies to contribute to sustainable development (csr.gov.uk, 2013).

A UK CSR report published in 2004 set the priorities for action. Taking a leading role internationally, raising awareness and creating an environment where CSR can develop and setting the agenda, communicating responsible behavior and supporting the full integration of CSR into the business operations, are some of the plans that the UK government set targets to fulfill (csr.gov.uk, 2013).

This chapter has so far mentioned initiatives and practices showing the importance of CSR as it has developed out of the past. However, it is now more commonly perceived that CSR is not only applicable to multinational companies and should cover all organizations including public, private, small and medium size enterprises (SMEs), non-profit organizations and multinational companies (MNCs). Moreover, many business leaders claim that a firm should balance the competing claims of clients, suppliers and the community or in other words, balance the interests of stakeholders.

CSR is one of the latest trends for organizations that are looking for growth and competitive advantage in their business. Organizations that take an active role in promoting CSR programs have been more successful in terms of attracting customers, talented employees, strong public relations and government relations. CSR commitments must be in line with the company’s values as well as the aims of communities and employees.

Concepts of CSR policies and practices are growing every day and more businesses are now showing interest in implementing CSR in their companies. CSR awareness and activity has occurred mainly in developing countries and economies which will be discussed in the next sections.
2.3 CSR Theories and Views

Carroll (1998) suggested that, a firm is socially responsible, when it is profitable, follows the laws of the country, engages in ethical behaviors and activities and gives back to society through philanthropy. Hemphill (2004) later on identified four elements of CSR:

- To make a profit (economic)
- To obey the law (legal)
- Ethical behaviors (ethics)
- Good interactions with stakeholders (philanthropic)

These categories can be depicted as a pyramid (see Figure 1) and this representation is considered as one of the main references for CSR theory (Schwartz & Carroll 2003).

Figure 1: Pyramid of CSR (Carroll 1991, in Sweeney 2009, p.201)
As the pyramid shows, economic responsibilities are located as a base to show that firm’s economic responsibilities are the main part of the business, and the higher responsibilities cannot achieve without this economic existence (Carroll 2004). Legal responsibilities make the firm obey the society's laws, and are composed of normative guidance defining acceptable and non-acceptable behaviors. In other words, they specify the activities which are violent or undesirable, and not based on the society’s moral standards (i.e. Behaviors which are morally accepted) (Wokutch & Spencer 1987).

Ethical responsibilities define ways that business obeys the moral rules and adopts appropriate behaviors in society. These can be showing as good manners, being fair and doing right, considering other people’s rights and having a moral attitude. Ethical responsibilities include engaging in an ethical way with those practices which are either accepted or rejected by society (Carroll 1991). Discretionary responsibilities include voluntary involvements and activities such as philanthropic actions. However, these activities are based on a voluntary basis and show businesses’ willingness to participate voluntarily in social activities (Maignan & Ferrell, 2000).

Similarly, Aggerholm et al (2011) discussed that there are three pillars of sustainability: economic, social and environmental. Economic sustainability is the basis of business and it is necessary for financial success, and without that organization cannot survive. Social sustainability includes the humanitarian side of the business and relates to safety, education and poverty. Environmental sustainability as a concept refers to the impacts a business can have on natural resources, environment and global warming.

The conceptualization of CSR has changed over the time and this conceptual change has happened across several aspects which are shown in Figure 2.
When a company engages in CSR activities, it should adjust its strategies in order to take advantage of CSR business opportunities and also involve stakeholders in the process of strategy making. Handling financial issues is essential when implementing CSR. In other words, if a company is socially responsible but loses money, it will soon have to stop its activities towards social responsibility and will go out of business due to adverse financial pressures.

Ararat (2006) believed that theories on cultural differences can provide a comprehensive structure for understanding the role of society in driving CSR. Hofstede 1991 (in Ararat 2006) mentioned five dimensions that define societal culture.

1) Social inequality including the relationship with authority (power distance)\(^a\)

2) The relationship between the individual and the group (individualism vs. collectivism)\(^b\)

3) Concepts of masculinity and femininity (masculinity vs. femininity)\(^c\)

4) Ways of dealing with uncertainty \(^d\)

5) Long term orientation vs. short term orientation in life \(^e\)

Ararat (2006) also mentioned that, the above mentioned factors (power distance, collectivism vs. individualism, masculinity vs. femininity, uncertainty avoidance and long/short term orientation in life) are the factors that show organization’s expectations (societal and cultural) towards CSR practices. Friedman (1970) proposed a model which emphasizes principles of corporate
responsibility on institutional, organizational and individual levels. He explained that institutional principle (Principle of Legitimacy) brings social legitimacy to the business; the organizational level brings the public policy to the top and the individual level is based on managerial directions and managers are obliged to practice such direction within every field of CSR in order to promote socially responsible practices and better outcomes.

Corporate citizenship (CC) is a new concept that has been introduced recently. Academics have argued whether this concept is part of CSR as Carroll (1991) linked CC to the definition of philanthropy or whether CC goes beyond CSR which considers responsibilities mainly towards the society while CC considers business as part of the society with all its rights and obligations (Brammer et al 2012). Oliver (1997) has been a proponent of neo-institutional theory and has studied the personal character of leaders and their experience which is essential in decision making. According to Oliver, neo-institutional theory assumes “social influence and pressures for social conformity shape organizational structures and practices” (Oliver, 1997, p. 698 in Bouten, 2011). This theoretical framework shows how managerial discretion plays an important role and emphasizes how social context affects organizational participants motivating them to behave unconsciously in ways that are appropriate. By adopting this theory researchers are encouraged to explore factors in the internal and external environment that influencing how business leaders implement and use CSR in their strategies (Bouten 2011).

Many international agreements have been initiated to encourage and promote voluntary CSR such as UN Global Compact (UNGC) which was launched in 2000. UNGC present ten principles in the areas of labor, human rights, environment and anti-corruption for businesses. It is a strategic policy initiative dedicated to align their operations and strategies as shown in Table 1 below (UNGC 2000 in Mezher et al 2010).
Table 1: United Nation Global Compact Principles (UNGC 2000, in Mezher et al, 2010, p.746)

<table>
<thead>
<tr>
<th>Principle</th>
<th></th>
</tr>
</thead>
</table>
| **Human rights** | *Principle 1*: Businesses should support and respect the protection of internationally proclaimed human rights  
*Principle 2*: make sure that they are not complicit in human rights abuses  |
| **Labor standards** | *Principle 3*: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining  
*Principle 4*: the elimination of all forms of forced and compulsory labor  
*Principle 5*: the effective abolition of child labor  
*Principle 6*: the elimination of discrimination in respect of employment and occupation  |
| **Environment** | *Principle 7*: Businesses should support a precautionary approach to environmental challenges  
*Principle 8*: undertake initiatives to promote greater environmental responsibility  
*Principle 9*: encourage the development and diffusion of environmentally friendly technologies  |
| **Anti-corruption** | *Principle 10*: Businesses should work against corruption in all its forms, including extortion and bribery  |

**Source:** UNGC (2000)

As the above table shows, the principles offer an action plan for CSR which organizations attend in the areas of CSR. For instance, from Human rights, two principles can be used to help the organization: 1. All businesses should respect human rights, and 2. Ensure that they are not involved in human rights unfair treatment. Lee (2008) discussed how CSR is a modern concept and has been developed by groundbreaking research studies over the years. He also mentioned that many researchers consider the Bowen’s theory of CSR (1953) as a basis in order to theorize the relationship between corporations and society. Bowen (1953) stated that CSR is not a panacea that removes all problems of society but is a development that needs to be encouraged.

A recent theory introduced by Stoyanova (2001) working in the context of neo-institutional theory examines CSR practices in cross-cultural and societal contexts. This approach discusses how a company is reliant on responding to internal and external causes. This theory was propounded by Oliver (1997) who expanded the scope of institutionalist studies by investigating leaders’ personality and experience which are important factors in decision making in the company.
As discussed, the conceptual evolution in CSR has moved from concentration on the macro societal level to organizational level and ethical direction has become more implicit than explicit. It may be asserted that CSR is more adequately rationalized in the business community today than it was previously. CSR studies have always been based on business systems to find out the deficiencies of CSR practices and CSR is now a well understood process among businesses. However, developing CSR strategy is the first step for companies that seek to embed the CSR concept into their businesses.

2.4 CSR in the context of emerging countries

As discussed in this paper, CSR is a practice that may apply to many businesses beyond economic, social, political and cultural boundaries. In addition, the concept and definition originates from the western context.

Emerging markets refer to those economies with fast growth and rapid industrialization. Examples are India, Brazil, Indonesia, Thailand, Malaysia, Iraq, Lebanon, Jordan, Iran, Bangladesh, South Africa, Turkey, Russia Federation and so on (The International Statistical Institute, 2013). The United Arab Emirates (UAE) is categorized as one of the “rapidly developing economies” with particularly strong growth in recent years (Ronnegard, 2010).

CSR has attracted much attention from businessmen globally. It aims to define the role of business in society and to increase the societal involvement of businesses. This section aims to discuss CSR activities and disclosures in emerging economies and explore the differences and similarities comparing them to developed countries.

As discussed in this paper, CSR is what business goes beyond legal obligations to have impacts on the environment and society. Visser (2008 in Jamali & Neville, 2011, p. 601) believed that CSR in developing countries has been characterized as more “extensive than commonly believed, less embedded in corporate strategies and less politically rooted than in most high income countries”.
In addition, Jamali and Neville (2011) argued that recent research studies have characterized CSR by SMEs in emerging countries as “anchored in a blend of personal and religious motivations, reflecting in a spontaneous altruistic Philanthropic CSR orientation” (Jamali et al, 2009 in Jamali & Neville, 2011, p. 601).

According to the United Nations Department of Economic and Social Affairs (2007), over the past few years, governments, companies or NGOs in many countries (low or middle income) increased the process of adopting the developed countries CSR driven agenda by direct engagement. CSR initiatives and movements have arisen in countries such as China, South Africa, Philippines, Brazil and India. The governments of some of the middle income countries, which face major social challenges, seek to engage the business community to meet the those issues such as “black economic empowerment” in South Africa or encouragement of Philippines president attempt to tackle poverty in the country (UN Department of Economic and Social Affairs, 2007).

Pachauri (2006) believed that many of the emerging countries suffer from problems such as poverty, inequalities, lack of human rights, violation, corruption and social abuse. Therefore, business operation in emerging countries can handle some of the mentioned problems through CSR practices. A research study by Momin and Belal (2009) explored CSR in emerging countries to understand how businesses in these countries address the above mentioned problems. They also found that external forces (internationally) by institutions, buyers and headquarters companies will result in CSR agendas in emerging countries. This means, CSR in these countries is affected by western or international companies instead of being solely based on adopting a local program.

Looking more systematically into CSR in Asia, Chapple and Moon (2007, in Fukukawa, 2009) argued that Asian business systems have their own practices for CSR. Some of them are older and show their wider cultural and institutional development while others are comparatively new and adjusting slowly to the globalization. Asian societies also have issues such as poverty and wealth distribution, labor standards and employment rates, educational inequalities, civil society organizations, bases of governmental power, corporate governance challenges, access to water and volunteers to natural disasters (Fukukawa, 2009, p. 9).
A study by Welford (2005, in Visser 2008) surveyed CSR in 15 countries in Europe, North America and Asia and the findings showed low response rates from some countries like Hong Kong, Malaysia, Thailand and Mexico, and perhaps can be taken as a sign of CSR being less popular in emerging countries. The author also claimed that these countries underperform when compared with other developed countries. For example, Malaysia was showed as being the weakest in terms of CSR performance while Thailand showed strong activity in areas such as child labor and ethics and also Hong Kong showed better on some aspects such as nondiscrimination and equal opportunities.

Belal & Owen (2007, in Belal & Momin, 2009) argued that early studies on CSR used “content analysis methods” (descriptive and quantitative method) to investigate CSR’s motivators and drivers. They added that recent surveys on CSR study managerial or stakeholder perceptions have been using other research methods such as in-depth interviews. Chakrabarty (2011) argues that the actions and inactions of government define responsibilities and the rights of organizations, and their voluntary actions (CSR) depend on how the government enforces regulatory compliance.

Table 2 below shows the drivers of CSR in developing countries.

<table>
<thead>
<tr>
<th>Internal drivers</th>
<th>External drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural traditions</td>
<td>International pressure</td>
</tr>
<tr>
<td>Socio-economic priorities</td>
<td>Investment incentives</td>
</tr>
<tr>
<td>Government initiatives</td>
<td>Stakeholders’ activism</td>
</tr>
<tr>
<td>Market-driven priorities</td>
<td>Supply chain</td>
</tr>
</tbody>
</table>

Table 2: Drivers of CSR in developing countries
(Crane et al 2008, p.481 in Chakrabarty, 2011, p.3)

India has an ancient tradition of philanthropy. The involvement in CSR started in 1991 while 64% of organizations started CSR activities during 1991-2005. Along with globalization, several Indian companies have become global, and managers have taken their social obligations more seriously.
The newly adopted socio-economic situations following the “opening-up” of the economy to more rigorous rules and mechanisms has stimulated the country to move away from corporate philanthropy towards corporate social investment which means the company’s investments in a variety of community activities (Chakrabarty 2011).

A study of 40 annual reports in Indian public companies in 1975 and 1976 conducted by Singh and Ahuja (1983) showed that age and size (net sales) have no significant association with CSR, but size when measured by total assets had a positive impact on CSR. The impact of profitability was mixed while social exposures were highly related to the type of industry. To articulate CSR, the majority of businesses in India have shown concern about philanthropy. This was popular during the time that the British were ruling the country and has continued since. Companies like Tata and Birla have been involved in donating to social causes for many years before CSR become popular. Notwithstanding having such successful CSR initiatives, Chakrabarty (2011) believes that CSR in India is still in a “very nascent stage”.

Van Zile (2012) highlighted that most of the Indian companies that are engaged in CSR programs (56%), spend their money locally. That is, a major investment around 82% for education and 81% for health. However, spending on the environment also is popular in India. Moreover, to help social problems in India such as poverty in the urban area, some companies have developed “townships” to encourage participation, empowerment and self-determination. Their aim is to provide facilities such as water supply, drainage, roads and garbage disposal.

Indian companies have responded to some challenges existing in the country such as lack of skilled labor and higher pressure to go green in a unique way. Some of the companies also have cultivated competencies to deal efficiently with challenges as well as considering the environment. Initiatives such as focusing on the community, diversity at work, workplace development and training have all continued to higher employee commitment and talent retention (Lee, 2008).

Belal & Momin (2009) have argued that the results of surveys on CSR in emerging countries are not accurate. A study from Hong Kong showed that there is a positive direct relationship between company size (measured by sales) and activities related to CSR. In this study, Gao et al (2005, in
Belal & Momin, 2009) found that, an important factor determining the level of CSR is industry affiliation.

Another Asian country, where CSR is a new concept and has become popular with the business community in recent years is Indonesia and this country still prefers to use the term Corporate Citizenship (CC) instead of CSR (Koestoer 2005). There are groups of companies in Indonesia which have adopted CSR in different ways. According to Koestoer (2005) multinational companies have acquired CSR activities and strategies from their headquarters countries. She also mentioned that state-owned companies contribute to the community and the environment as an obligatory practice which is a requirement stipulated by the government. On the other hand, local Indonesian companies have some charitable activities that are considered as CSR but they do not call them that way.

As a basic tenet of good corporate citizenship, Koestoer (2005) believed that there are five areas companies need to consider. The way they manage their human capital, the way they manage their environment, the way they manage their accountability, in terms of corporate governance and transparency and also the way they should consider their local economies and development because without that they cannot win over the competition and they are essential markets for future business securing clients and customers. Finally, companies should consider the complexity of the community around them and minimize any social conflict by being present with an active social profile in the community.

According to Koestoer (2005) there are many companies in Indonesia, involved in activities such as providing empowerment for the community in health services, education and engaging in environmental protection. She also believed that, by ranking how companies consider aspects of CSR, human capital will gain a higher priority place followed by education and health. Hence, it seems that education is more prominent since the Indonesian population is more than 200 million, and being the fourth largest country in the world education can make an important contribution to the community. To have active CSR programs in Indonesia, companies can collaborate with government, civil society, and NGOs through working with “public-private” partnerships (Koestoer 2005). This model is appropriate in Indonesia because the government structure of the
country consists of various provinces and several local governments that are disposed to collaborate with local and national government organizations to meet the country’s and its regional communities’ needs (CIPE, 2005 in Koestoer, 2005). Furthermore, Koestoer (2005) asserts that companies also need to work with non-profit organizations and NGOs to seek help and find support whenever it is needed.

Moving from Asia to the Middle East, Naser et al (2006) studied the motivators for CSR in Qatar. By using a disclosure index approach, they found that CSR in Qatar “was associated with firm size measured by market capitalization, business risk measured by leverage and corporate growth”. The average disclosure score showed 33% for a total 34 disclosure item (Naser et al, 2006 p. 1 in Belal & Momin 2009, p.125).

Using a content analysis of 68 annual reports, Kamla (2007) studied the volume and nature of equality of social reporting in the Arab Middle East (AME) region including Saudi Arabia, Kuwait, Qatar, United Arab Emirates (UAE), Syria, Bahrain, Oman, Jordan and Egypt. She found that the quality of social reporting in these countries was similar comparing to practice in European countries, mainly the United Kingdom (UK). She concluded that these similarities show the strong influence of western corporations and business practices which first developed in these countries while dissimilarities reflect the economic condition and social priorities of the AME region. She recommended that a country’s history and culture should be supported, and a strong critical approach should be implemented.

A study by Gray & Kouhy (1993, cited in Belal & Momin 2009, p. 127) confirmed that, in emerging economies, CSR issues should be explored carefully based on considering the sociocultural or political context. They added that recent studies tend to explain why companies undertake CSR using “established categories” instead of considering CSR issues through a more specific contextual analysis. Following this, many researchers started analyzing the sociocultural and political contexts of CSR in emerging economies. For instance Williams (1999) studied seven Asia Pacific countries (Australia, Singapore, Malaysia, the Philippines, Indonesia, Thailand and Hong Kong). He believed that national cultural factors such as uncertainty avoidance and masculinity; political and social system, were determinants of doing CSR voluntarily in these
countries. He stated that the socio-political and economic situation of the country affects corporate perceptions about CSR disclosure (Belal & Momin 2009).

Another study by Teoh and Thong (1984) examined the perceptions of corporate social performance and CSR reporting based on a survey of 100 companies in Malaysia. They explored three types of social performance: social awareness, involvement and reporting. Their research found that three factors related to social awareness were management policy, legislation and connection with the parent company. For social involvement and social reporting, they concluded that companies committed to report in the field of human resources (employees) and services to customers comparing these to community involvement and the physical environment. They proposed that this interest in customer services and employees is linked to profitability while community involvement has less connection with profitability.

Lu and Castka (2009) studied CSR in Malaysia and found that companies in Malaysia mainly focus on philanthropy and PR aspects of CSR. They also discussed how the petrochemical industry is a strong contributor to CSR in the country and their activities concentrate on “rural education, health care, sponsoring art and sport events, renewable energy projects, helping single mothers and many more” (p. 150). Lu and Castka (2009) asserted that websites are the most common media for organizations in Malaysia to communicate on CSR. However, other ways such as publicizing CSR through the media, newsletters and posters are also common in this country.

Jamali & Mirshak (2007) studied the incidence of CSR in local and private companies in Lebanon. They concluded that companies in Lebanon prefer philanthropic CSR. They also claimed that CSR in Lebanon is predominantly on a voluntary basis within ethical, legal and economic contexts (according to Carroll’s pyramid). They recommended that researchers conduct consistent studies on the relationship between organizations and the local environments for understanding “social interventions that would benefit society and local stakeholders” (Jamali & Mirshak, 2007, p.252). Hence, it seems that the community is considered as a key stakeholder and practice of discretionary CSR in Lebanese firms prevalent.
CSR in the Lebanese context is therefore largely understood comprising the philanthropic contributions that business firms make over and above their mainstream activities. Nevertheless, everyday activity of business has much more complex social impacts than the small voluntary community contributions, but valuable.

(Jamali & Mirshak 2007, p. 253).

A revealing study on CSR further emphasizing themes of discretionary CSR was conducted by Jamali (2007) which aimed to understand the aspects of CSR in the Lebanese context. Jamali conducted several interviews and questionnaires with 8 Lebanese managers in different divisions and found that CSR is considered merely as discretionary philanthropy. She added that when asking managers about the CSR practices and types of that, they just refer to philanthropic types of activities without mentioning about ethical manner, legal compliances or economic viability (Thibos, 2009).

Jamali & Mirshak (2007) characterized the CSR approach in Lebanese companies, as “amateurish and sketchy”. In addition, their findings suggested that none of the companies they interviewed developed clear targets, clear metrics and showed enough interest in their CSR activities. They argued that CSR in Lebanon is considered as a voluntary philanthropic initiative, due to structured and clear entrepreneurship created by the owners of the business “with the corresponding responsiveness, processes and outcomes modest at best” (Jamali & Mirshak 2007, p. 260). It is clear that post-war effects in Lebanon have made it more difficult for CSR initiatives to grow in this country. Jamali & Mirshak (2007) concluded that the existing financial instability in Lebanon has affected the functions and operations of private companies and modifies concerns and aspirations about economic development.

Another study on emerging economies by Xiao et al. (2005) made a comparison of CSR practices of an emerging country (Hong Kong) with a developed economy (United Kingdom). This study found that the level of CSR in Hong Kong companies was lower than the UK. They concluded that this is due to the different types of social and economic development of these two countries.
Turning to CSR in the African context, Visser (2008) found that, among 53 African countries, only 12 countries had published journals about CSR while 57% articles focused on South Africa and 16% on Nigeria. The latter partly shows the high media profile created around the issues of corporate citizenship and petrochemical sectors such as Shell and their impacts on the Ogoni people (Ite, 2004, cited in Visser, 2008). In Kenya, studies showed that the highest proportion of corporate donations is health and medical, education and training, HIV, food and agriculture and underprivileged children. In Zambia, the most popular CSR activity is taking care of orphans, sponsorships in sport activities, cultural events, education and health and donations to religious and arts organizations (Forstater et al. 2010).

Figure 3 shows the areas that businesses are involved in Africa.

The UN Global Compact, which is the world largest voluntary CSR initiative, considered as one of the major influences in Africa. It was launched in 2000 by the former UN Secretary, Koffi Annan, and it has many development programs, the International Labor Organization and UN Commissioner for human rights as well as global NGOs and business associations. The Compact has set the ethics through global standards in the fields of Human right, labor standards, environment and anti-corruption. The compact believes that by doing so, business which is the main driver of globalization, can assure that markets, commerce, technology and finance develop in ways that can be beneficial for economies, as well as societies and communities (unglobalcompact.org, 2013).

A study by De Oliveira (2006) discusses how CSR in Latin American countries has been shaped by the socio-economic and political situation where before they were suffering from many environmental and social problems such as unemployment, inequalities, crime and deforestation. However, Schmidheiny (2006) claimed that CSR has brought hope to Latin America for constructive changes in issues of poverty, corruption, the environment and economic downturn (Visser 2008). According to a survey by Araya (2006) on CSR reporting among Latin American companies, results showed that 34% of companies in the energy and natural resources sectors, tended to publish sustainability information in an annual report. 43% of Brazilians intended to disclose a sustainability report annually while in Mexico, 33% and Chile 22% of companies reported their CSR activities. Another survey of 1300 SMEs in Latin American countries showed that the highest CSR activities belong to SMEs in Chile and Argentina and the lowest belong to Brazil and El Salvador. Moreover, most of the activities by these SMEs were internal activities such as employee welfare while other external activities such as philanthropic and environmental CSR were less common (Vives 2006: cited in Visser 2008).

CSR is considered as an instrument, as well as a process. As an instrument it is an articulation of the welfare system that corporations claim to fulfill. As a process, it is where a private sector gains acceptance with the public by imagining itself as responsible to stakeholders (Chakrabarty
2011). However, the company is not only responsible to take care of stakeholders’ ‘interest but to protect the eco-system supporting their production and helping to increase profits.

Emerging economies have drawn the attention of many multinational companies for the potential of their market growth. A sustainable business growth is strongly connected with taking care of community, markets and the environment. However, CSR in developing countries is mostly connected with philanthropy or charity through corporate social investment in education, health, sport activities, environment or other community services. Moreover, CSR in emerging economies depends on the type of industry and the country’s situation. The next section will address the gaps and challenges in the developing economies.

### 2.4.1 The Challenges of CSR in emerging countries

While undertaking CSR practices, companies in emerging economies should consider that they need to draft their CSR carefully to avoid any social conflict among beneficiaries because, developing economies have a diverse culture, language and environment (Koestoer 2005). In addition, companies should not see CSR as only a source of competition. In other words, they need to undertake effective responsibilities towards the society they are conducting business within.

Islam and Deegan (2008) examined the attitudes of companies towards social reporting in Bangladesh. They used interviews and legitimacy theory to inform their research. As part of their investigation, they examined the annual reports of Bangladesh Garments Manufacturer and Exports Association (BGMEA) and interviewed some of the employees. They found that since 1990s some stakeholders such as international buyers, had put pressure on BGMEA to improve their social performance which encouraged them to formulate their social policy and approach to CSR disclosure. Jaggi and Zhao (1996) found less interest in developing CSR policies in their study of managers and accountants in Hong Kong perceptions of environmental reporting practices. They found that managers showed concern about environmental protection, but their behaviour and CSR practice was not on voluntary disclosure basis. In this study of Hong Kong,
accountants also showed less willingness to disclose their reports on environmental issues (Belal & Momin 2009).

Visser (2008) presented a summary of the following characteristics for CSR in developing countries:

1. CSR is less industrialized in terms of CSR codes, standards, management systems and reports compared to developed countries.
2. Formal CSR is mainly practiced by large national and multinational companies and those with international brands.
3. CSR issues in developing countries are perceived as dilemmas or tradeoffs. For example, development vs. environment, job creation vs. higher labour standards and strategic philanthropy vs. political governance.
4. CSR issues are different in developing countries in terms of tackling HIV, improving working conditions and alleviating poverty.

International business corporations today pay more attention to responsible business and awareness of the development of international and global society is increasing. Therefore, CSR can be considered as a strategic management tool which can help organizations to be prepared for the future including dealing more effectively with crises whenever they happen. For a company to be integrated more globally, CSR paves the way for organizations to collaborate with public administration, academic organizations, NGOs and operate all around the world with a common goal. Moreover, being socially responsible helps to develop and improve the company’s competitiveness and branding.

2.4.2 Developed Economies vs. Developing Economies; Identifying the gap

Emerging markets currently are the high growth markets for corporations globally. Almost half of the world’s sales are in these countries; examples are Indonesia, Malaysia, India and Bangladesh. There are 3 core issues in terms of CSR in emerging economies need to be considered. They are in the areas of sustainability, human right and governance.
CSR programs promote ethical policies in production connected with supply chains. This is partly due to the pressures they receive from their home markets. Moreover, CSR encourages companies to take responsibility to reduce corruption and support more transparency when transacting with governments.

Table 3 below shows the differences in the public policy environment on the issues in developing and developed economies. In developed economies these issues consider CSR as a good economic and social policy. Moreover, these issues need to be taken into consideration when identifying what CSR strategy to apply when operating in these economies.

<table>
<thead>
<tr>
<th></th>
<th>Developed Economies</th>
<th>Gap</th>
<th>Emerging Market Developing Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Framework</td>
<td>Effective Institutions</td>
<td></td>
<td>Ineffective Institutions</td>
</tr>
<tr>
<td></td>
<td>• Effective institutions encourage commercial activity and competition; provide incentives to investors and spur economic growth and development.</td>
<td></td>
<td>• Emerging world countries lack the basic social and economic institutions that secure economic welfare and prosperity.</td>
</tr>
<tr>
<td></td>
<td>• Effective institutions support economic welfare, strengthen human and employee rights, improve health and education services, provide more equitable laws and access to dispute resolution mechanisms for business.</td>
<td></td>
<td>• This impacts commercial activity through inefficiencies and inadequate preconditions or best practice.</td>
</tr>
<tr>
<td>Regulatory Environment</td>
<td>Strong Regulatory Frameworks</td>
<td></td>
<td>Weak Regulatory Frameworks</td>
</tr>
<tr>
<td></td>
<td>• Essential for economic growth and development. Liberalization improves competitiveness by ensuring that free-market principals are not distorted.</td>
<td></td>
<td>• Impose market entry barriers, trade controls and high transaction and administration costs on business. This results in uncompetitive activity and market inefficiencies, impacting economic development.</td>
</tr>
<tr>
<td></td>
<td>• Allow for practical environmental management and social standards while at the same time incentivizing commercial activity and competitiveness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standards of Governance</td>
<td>Good Governance Capabilities</td>
<td></td>
<td>Poor Governance Capabilities</td>
</tr>
</tbody>
</table>

29
### Governance

- The rich world relies on its strong mechanisms for good governance to ensure the rule of law, to improve the efficiency and accountability of its private and public institutions and to reduce corruption. This provides developed countries with a framework in which their economies can prosper.

- Poor governance can result in political and economic instability.

- Systemic corruption impacts the functioning of government and private enterprise.

- Poor fiscal capacities and weak property rights encourage corruption in emerging countries.

### Infrastructure

**Developed Infrastructure**

- The rich world is well-endowed with developed infrastructure. Infrastructure acts as the basic physical and organizational structures needed for the operation of a society or business, and the facility necessary for an economy to function and grow.

- Developed roads, water supply, sewers, power grids, information telecommunications networks are intimately connected with the process of economic growth. They raise productivity in the production of goods and services, and in the distribution of finished products to competitive markets.

**Undeveloped Infrastructure**

- Emerging Market economies operate within an environment where access to essential infrastructure in limited.

- Emerging markets are prone to crisis where poor infrastructure and insufficient preparedness and response mechanisms are common. These crises’ can have economic, social, environmental, or industrial impacts.

### Human Development

**Achievement of Human Development Indicators**

- Developed economies are the recipients of high life expectancy, formal education, high literacy rates, and high per capita income levels. This has positive implications for the functioning of a prosperous society and a robust economy.

**Failure of Human Development Indicators**

- Emerging Markets suffer from endemic poverty, high unemployment, low levels of literacy and poor public health. Improvements should be driven by economic growth to move vulnerable people and marginalized workers out of declining industries and into highgrowth competitive employment.

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Table 3: Identifying the Gap (Adopted from World Growth Report 2011, p. 14)

CSR is a key success factor and provides sustainable competitive advantages for businesses. If CSR is integrated into a company’s business strategy, it will contribute to sustainable development in emerging economies. Furthermore, integrating CSR into business can create employment opportunities and contributes towards elimination of poverty. However, there is a massive skills
gap in increasing capabilities in these economies. Training and development can contribute to reducing this gap.

Today emerging economies have developed their culture and tools to deal more effectively with CSR and have a considerable movement. Hence, CSR seems to provide hope for positive changes in these countries to improve the institutional capacity of governments and civil society. Islamic views have a strong influence in the Islamic countries which affects CSR activities. MNCs in Mexico adopt more specific CSR linked to their tradition and culture. On the other hand, MNCs in Malaysia and Nigeria tend to have a more mixed approach to CSR. Emerging economies contribute to CSR immensely as Visser (2010, p. 10) suggests “it is very likely that the evolution of Corporate Social Responsibility towards Corporate Sustainability and Responsibility will occur in these countries.”

Table 4 below demonstrates the current status of CSR in developing countries.

<table>
<thead>
<tr>
<th>Region</th>
<th>Current state of CSR</th>
<th>Key drivers</th>
</tr>
</thead>
</table>
| **Africa and Middle East** | South Africa has the most developed CSR situation and SRI interest. Minimal interest in CSR elsewhere. | ☐ Domestic pressure for CR  
☐ Threat of regulation  
☐ Significant SRI market  
☐ Influence of corporate governance code. |
| Latin America        | Most activity in Brazil, Mexico, Chile, Uruguay, Argentina. The focus is on CSI/philanthropy. Some SRI funds emerging. | ☐ Nascent public interest and domestic inequalities.  
☐ Regulatory pressures. |
| Asia                 | Companies from India and Malaysia are at beginning to incorporate CSR. Pockets of interest elsewhere. China has especially low take-up of CSR. | ☐ Global pressures  Strategy for competitive advantage  
☐ Strong external investor interest in corporate governance and SRI in Asia. |

Table 4: Existing CSR status in emerging economies  
(Adopted from Baskin 2006, p. 31)
CSR in emerging countries is developing and will continue to develop as multinational and other international business companies concentrate more on having responsible business. In order to improve competitive advantage and strengthen their brands and products, socially responsible behaviour will become essential.

This research found that CSR is less institutionalized in developing countries compared to developed countries such as standards, management systems and social reporting. Formal and formalized CSR is practiced mainly by multinational companies and those with globally recognized brands. Moreover, CSR in developing countries is linked with philanthropy and issues in developing countries are different, for instance, Tackling HIV is seen more in Africa, poverty alleviation is seen more in India and charities are widely evident in Islamic countries.

The next chapter will discuss CSR in the UAE which is considered as one of the fastest-growing economies in the world.
Chapter 3

CSR in the UAE

3.1 The UAE Background

The United Arab Emirates (UAE) was established in 1971 and it is located in western Asia, has borders with Saudi Arabia in the south and Oman in the east, and Iran, in the North. The UAE is composed of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm Al-Quwain, represented by a single and national president. The federal capital of the UAE is Abu Dhabi and it is ruled by the President of the UAE, Sheikh Khalifa bin Zayed Al Nahyan, and it is the center of political, industrial and cultural activities (Ronnegard 2010).

The UAE Independence Day is December 2, 1971 and the official religion is Islam and language is Arabic while English is widely spoken by people, and it is the language of commerce. The UAE currency is Dirham (AED). The UAE’s economy is one of the most developed in West Asia. It has the sixth world largest oil reserves. The UAE is not a representative democracy, and it is ruled by a Sheikh in each Emirate separately. Each Emirate has its own departments and rules, and maintains a reasonable financial and political independence. According to the UAE statistics centre, the population of the UAE consists of 7.6 million at the end of 2012 with 5.4 per cent to nearly 3.1 million in the Abu Dhabi and population of Dubai increased in 2012 to 2.1 million people. Nationwide, Emiratis were estimated at 947,997, nearly 11.5 per cent of the total population.

Table 5 below shows the latest figures for the National population by Emirate and sex and also population by nationality and sex until mid-2010.
The UAE has a diverse and multicultural society which helps the country with strong social relationships. Suliman (2006) stated that globalization, improvement in technology and education standards and being Liberal have made a significant change in social relationships in the country. Suliman (2006, p. 64) also mentioned six levels of culture, which affects work values in the UAE and are given below:

- Regional
- National
- Generation
- Social Class
- Gender
- Organizational culture

Table 5: Population in the UAE by Gender and Nationality, Mid of year 2010 (National Bureau of Statistics, 2012)

<table>
<thead>
<tr>
<th>Emirate</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>204,108</td>
<td>200,438</td>
<td>404,546</td>
</tr>
<tr>
<td>Dubai</td>
<td>84,245</td>
<td>83,784</td>
<td>168,029</td>
</tr>
<tr>
<td>Sharjah</td>
<td>78,818</td>
<td>74,547</td>
<td>153,365</td>
</tr>
<tr>
<td>Ajman</td>
<td>21,600</td>
<td>20,586</td>
<td>42,186</td>
</tr>
<tr>
<td>Umm Al Quwain</td>
<td>8,671</td>
<td>8,811</td>
<td>17,482</td>
</tr>
<tr>
<td>Ras Al Khaimah</td>
<td>49,181</td>
<td>48,348</td>
<td>97,529</td>
</tr>
<tr>
<td>Fujairah</td>
<td>32,486</td>
<td>32,374</td>
<td>64,860</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>479,109</strong></td>
<td><strong>468,888</strong></td>
<td><strong>947,997</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>479,109</td>
<td>468,888</td>
<td>947,997</td>
</tr>
<tr>
<td>Non-National</td>
<td>5,682,711</td>
<td>1,633,362</td>
<td>7,316,073</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,161,820</strong></td>
<td><strong>2,102,259</strong></td>
<td><strong>8,264,079</strong></td>
</tr>
</tbody>
</table>

Table 5: Population in the UAE by Gender and Nationality, Mid of year 2010 (National Bureau of Statistics, 2012)
Suliman (2006) further explains that regional factors, which are the most influential layer of culture, consist of history, language and religion which lead all aspects of people’s life such as the relationship with their God, doing the good deed and respecting family and elders. Kindness, avoid cheating on others because of personal benefits and being honest are some of the values that the UAE society has obtained from the regional layer. On the other hand, he also added that organizational culture has less impact on the behavior of individuals. Work values in this country are influenced mainly by national cultures, and this caused a failure for organizations in the UAE to build a strong corporate culture that competes with other levels in affecting employees’ behavior.

3.1.1 Economical Background

The UAE has a high Human Development Index in Asia and ranking thirtieth in the world. Oil and Gas play an important role in the UAE’s economy especially in Abu Dhabi. The UAE’s economy is based on exports of natural resources, which increased to 85% in 2009. Construction growth is helping UAE to diversify its economy with its active projects. The oil was discovered in the 1950s transforming the traditional lifestyle of people to a high and modern style with a classy and chic living standard (Heard-Bey, 2005). Most of the oil resources are located in Abu Dhabi. The government of Dubai generates other sources of income in the country such as Tourism center with a contribution of 18% to its GDP in 2003 (Suliman 2006).

Table 6 shows the Annual growth rates of GDP in the country since 2005-2010

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>2005</th>
<th>2008</th>
<th>2009</th>
<th>2010*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>31.7</td>
<td>29.3</td>
<td>-24.1</td>
<td>15.9</td>
</tr>
<tr>
<td>The Non Financial Corporations Sector</td>
<td>33.4</td>
<td>29.5</td>
<td>-25.1</td>
<td>16.1</td>
</tr>
<tr>
<td>Agriculture, Live stock and fishing</td>
<td>-2.6</td>
<td>3.5</td>
<td>3.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>45.9</td>
<td>34.3</td>
<td>-42.1</td>
<td>28.9</td>
</tr>
<tr>
<td>Economic Activities</td>
<td>2012</td>
<td>2013</td>
<td>2012-2013 Growth Rate</td>
<td>2013-2012 Growth Rate</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>-----------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Crude oil and Natural Gas</td>
<td>45.9</td>
<td>34.3</td>
<td>-42.1</td>
<td>28.9</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>23.2</td>
<td>11.2</td>
<td>-22.1</td>
<td>10.8</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>31.3</td>
<td>11.3</td>
<td>3.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Construction</td>
<td>25.6</td>
<td>39.6</td>
<td>20.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Wholesale retail trade and repairing services</td>
<td>12.5</td>
<td>24.2</td>
<td>-12.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Restaurants and Hotels</td>
<td>21.8</td>
<td>39.0</td>
<td>-7.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Transport, storage and communications</td>
<td>17.5</td>
<td>19.9</td>
<td>-2.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Real Estate and Business services</td>
<td>20.1</td>
<td>16.6</td>
<td>7.4</td>
<td>6.4</td>
</tr>
<tr>
<td>Social and Personal services</td>
<td>7.1</td>
<td>28.9</td>
<td>1.1</td>
<td>14.5</td>
</tr>
<tr>
<td>The Financial Corporations Sector</td>
<td>17.6</td>
<td>8.4</td>
<td>2.0</td>
<td>14.4</td>
</tr>
<tr>
<td>Public Administration and Defense</td>
<td>2.8</td>
<td>61.2</td>
<td>10.2</td>
<td>13.0</td>
</tr>
<tr>
<td>Domestic Services of household</td>
<td>3.7</td>
<td>29.4</td>
<td>14.8</td>
<td>9.6</td>
</tr>
<tr>
<td>Less: imputed bank service charge</td>
<td>25.8</td>
<td>22.1</td>
<td>13.9</td>
<td>15.1</td>
</tr>
</tbody>
</table>

Table 6: Annual Growth Rates of GDP by Economic Activities at Current Prices (Statistics Centre – Abu Dhabi, 2013)

3.2 CSR in the UAE

Corporate Social Responsibility (CSR) is fast growing in the UAE when comparing it to other Arab nations (Al-Khatib, 2012; Al-Reyaysa, 2012; Malik, 2012; Thomas, 2011). Along with Qatar, the UAE has been among the top two transparent countries in the Arab world in terms of CSR (Ronnegard 2010). According to a survey conducted by the Sustainability Advisory Group (2010) in the Middle East, CSR awareness has increased to a great extent in the UAE. More than 100 leaders surveyed, and 75% of people agreed that CSR practices can attract new investments and gain new markets. On the other hand, 86% believed that CSR can encourage innovation while 82% of people believed that CSR can attract new clients.
UAE organizations are composed of diverse nationalities. Workers are mainly from Asia, the Middle East, Europe, Africa, China and Australia. Among these, 20% are Emiratis, 30% are Indian, 15% are Pakistani and 15% are Iranian, which work in international and local organizations across the UAE (Butler 2008).

In the UAE, the concept of CSR is more apparent among multinational companies (MNCs) than local organizations, which are comparatively new. The reason is that, MNCs adopt the concept from their operations in the west or their headquarters. However, this may arise the expectations that, MNCs are more engaged and familiar with the CSR concepts as they adopt the practices from outside, and this may seem true to some extent, but the fact is, they do considerably less CSR-related activities in the UAE than other places (Zorzopoulos, 2006 in Ronnegard 2010). However, MNCs show more intention to be active towards CSR activities because they are more capable of adjusting to local situations and they practice those activities which are not different from the activities that local companies perform.

Thibos (2009) claimed that along with the UAE, there are many Arab companies interested to grow beyond the local markets, and they are well aware that if they want to be successful they need to perform better and at a higher standard than other less performing members. If not, that “unavoidable and intense public and media scrutiny will make continued prosperity exceedingly difficult. Moreover, the strong influences of foreign multinational companies on local partners often force domestic firms to clean up” (p. 11).

To help small and medium enterprises (SMEs) to adopt CSR practices efficiently, Dubai Chamber of Commerce and Industry’s Centre for Responsible Business arranged a complimentary session at the Change Initiative premises with the title ‘Corporate Social Responsibility for Small and Medium Enterprises’ to provide companies with practical information and help them to set responsible business practices and increase their productivity (CSR Middle East, 2013). Dubai Chamber of Commerce and Industry was established in 1965 by a decree issued by the late Ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum. Dubai Chamber started its activities with 450 members and a 12-member board of directors. The number of members increased to reach more than 140,000 by the end of 2012, representing all economic sectors (Dubai Chamber 2013).
According to the government of Dubai (2012), in order to promote CSR among the companies in the UAE, Dubai chamber of Commerce introduced CSR in September 2010. The aim was to develop the image of companies as a reputable place to work and help employee retention. To do so, companies will complete an online evaluation form and submit required documents. They will receive feedback from Dubai Chamber with the scores they achieved in the field of environment, community, workplace and marketplace. The next step for companies will be providing the information based on an assessment form, CSR commitment letter from the CEO of the company/head and evaluation fee. The successful applications will then be eligible to get CSR label (Government of Dubai 2012).

UAE has been among countries in the region interested in social welfare by providing services to maintain the stability of social and economic situations such as infrastructure, municipal services, education and health provision and developments. One of the examples of social development program is The Sheikh Zayed Housing Program aims to provide housing for UAE citizens, and on the other hand, Mohammed Bin Rashid Housing Establishment purpose is to provide enough housing for the citizens. (Government of Dubai, 2012). Dubai Cares is a philanthropic organization aiming to help children gain access to education in developing countries. It was launched in September 2007 by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai. Dubai Cares believes education plays a key role in child development, and the purpose of this organization is to help children in developing countries to obtain access to education.

His Highness Sheikh Mohammed Bin Rashid Al Maktoum believes that “Education is the most effective tool to break the cycle of poverty” (Dubai Cares 2012). The aim of establishing such an organization by him was to provide the opportunity for children to contribute to society regardless of nationality and religion. This shows the respect to the human values, which is embedded in the UAE culture and tradition as well as fulfilling His Highness Sheikh Mohammed’s vision. Dubai Cares’ aim is to work in countries where there are difficulties for children’s education. The programs of this philanthropic organization mainly integrate School Infrastructure; School Health & Nutrition; Water, Sanitation & Hygiene (WASH) in Schools and Quality of Education (Dubai Cares 2012). Dubai Cares is in partnership with many international agencies and foundations such as Bill and Melinda Gates Foundation, Care International, GAIN, Idara-e-Taleem-o-Aagahi,

Dubai Cares implemented its programs over 28 countries so far, including Angola, Bangladesh, Bosnia-Herzegovina, Cambodia, Chad, Comoros Islands, Djibouti, Ghana, Haiti, India, Indonesia, Laos, Lesotho, Mali, Mauritania, Nepal, Niger, Occupied Palestinian Territories, Pakistan, Sierra Leone, Sir Lanka, South Africa, South Sudan, Sudan, Yemen, Zambia and with Palestinian refugees in Jordan and Lebanon. Furthermore, to date, Dubai Cares achievements have been more than seven million beneficiaries, constructing more than 1500 schools, providing more than 1000 water sources and 3000 latrines for schools, providing food for more than 490,000 children, implementing activities to keep 1.5 million children away for some disease such as intestinal worms, providing more than 2 million books for students in their own language, training 23000 teachers and organizing 6600 associations (parent – teacher).

Dubai cares vision is to eliminate poverty and make sure all children around the world benefit from education. Hence, by their programs and activities, they showed their commitment to the life of millions of children. Recent news by (CSR Middle East, 2013) highlights that The Dubai Multi Commodities Centre (DMCC), Government of Dubai authority announced that it will support Dubai cares’ walk for education in 2013 by taking the sponsorship of all DMCC staff to take part in this walk which is for three kilometers. This program is part of the DMCC strategy for CSR on promoting a safe and accessible education system for all children. The walk for education, which took place on Friday February 8, 2013 at 9 am at Jumeirah Beach Park, gathered all expatriates, residents and UAE nationals walk around three kilometers in support of millions of children around the world who face problems getting into school, suffer from poverty and lack of education facilities.

A recent initiative launched by Al Jalila Foundation in the UAE aims to raise AED 100 million for the year 2013 and to improve the health care services in the UAE. His Highness Shaikh Mohammad Bin Rashid Al Maktoum issued the law which stipulates that this Foundation will be a nonprofit organization and provides scholarships, funding medical research as well as treatment. It will
be dependent on donations from the public. The Foundation aims to grant scholarships for Emirati citizens and encouraging researchers and research institutions by granting them with awards and cash prizes. Al Jalila Foundation will also provide assistance to needy people from various nationalities in the country and abroad (Gulf news.com, 2013).

There are many such initiatives in the UAE which have made the country more active among other Arab nations in terms of Corporate Social responsibility and charitable activities. However, this concept is still new and there are many corporations at the stage of developing comprehensive Corporate Social Responsibilities in a bigger picture. CSR activities in the UAE are followed and implemented according to what government enforces both local and private organizations. For instance, Emiratisation, Corporate Philanthropy and the environment are examples of CSR activity which will be explained separately below.

A. Emiratisation

The World Bank and the International Monetary Fund have identified that national unemployment is a major barrier for development in the Gulf countries. Hence, the Gulf Cooperation Council countries and the UAE have introduced policies to address its national labor markets and promote their employment in the country. The UAE council of ministers introduced Emiratisation in early 1990, to be applied in both public and private sectors in the country (Al-Ali 2007). The UAE government has created policies to grow, educate and develop Emirati young people for the market and ensure that they have job opportunities in the private and public sectors. This will help UAE to decrease the number of workers coming from outside of the country in the future. However, the UAE nationals showed more interest working in the public sectors rather than private sectors.

TANMIA is another organization in the UAE established in 1999 and provides nationals with education, training and development, career counseling and also employment of youth in the UAE. The word TANMIA means growth in English and their goals are to achieve the employment of UAE nationals, reduce the number of foreign workers in the UAE, increase the numbers of skilled
and qualified nationals for the market, develop and enhance the skills of UAE nationals’ potential for the labor force (Tanmia, 2013).

According to the National Human Resources Development and Employment Authority, expatriates consist of 91% in the 2.4 million labor market and mostly in private sectors. The UAE nationals comprise the remaining 8%, (192000) in the public sectors and 70000 (1%) in the private sectors. During the last decade, the annual employment growth in the UAE showed 7.9% while UAE nationals showed 8.2% of the contribution. However, the UAE government and its policies to encourage the number of women in employment increased the number of their participation annually up to 16.7% of the female population. Moreover, unemployment among the UAE nationals in 2005 was 12.6% (35000) with 19.8% for women and 8.9% for men (TANMIA 2006). However, according to the UAE’s National Bureau of Statistics, unemployment among nationals had reached 20.8 per cent in 2011 (Gulfnews, 2012).

Table 7 shows the rates of employment and unemployment in the UAE.

<table>
<thead>
<tr>
<th></th>
<th>Total (%)</th>
<th>Female (% of Total)</th>
<th>Agriculture</th>
<th>Industry</th>
<th>services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed people of labor</td>
<td>41</td>
<td>2.3</td>
<td>118</td>
<td>1779</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 7: Rates of employment and unemployment in the UAE (Suliman & Hayat 2011, p. 107)

There are many reasons for unemployment of nationals in the UAE, specifically among women. Emirati women have cultural and religious or traditional limitations. However, the number of women working in the UAE is increasing every day, but there are still many with their traditional beliefs. Another restriction for women is that some of the jobs are not suitable for women due to their physical nature for example, the construction sector. Women prefer jobs like teaching where there is no gender mix, or they prefer working in the public sector (Al-Ali 2007).
One of the main reasons for unemployment in the UAE could be the high number of expatriates coming into the UAE from around the world. Looking into the history and economic situation of the UAE, it can be concluded that this country is rich and most of the Emiratis have a rich and wealthy background in the country and their desire to work in middle or low income jobs is less. Furthermore, due to the costly lifestyle that Emiratis lead which needs higher earnings, organizations in the UAE are less likely to hire Emiratis compared to other workers with lower expectations on salary (Ronnegard 2010).

Emiratisation applies both to public and private organizations. However, it is more successful in public sectors and in meeting national targets. Activities related to Emiratisation such as education which is voluntary and hiring which is compulsory, apply to all organizations in the UAE (Al-Ali 2007). In terms of education, there are many organizations in the UAE which provide activities for nationals such as training, work placement or training courses for youth in the UAE. An example of such an organization would be Mubadala in Abu Dhabi, which plays a crucial role in youth development and aims to equip nationals to manage development of the country and reach sustainable businesses. Mubadala is an Arabic word and means ‘Exchange’ in English, was established in 2002 by the Abu Dhabi government and aims to support the UAE nationals with education and career counseling. Mubadala’s vision is to pursue initiatives, support and guide youth to participate in the UAE’s future growth and development (Mubadala, 2012).

Al-Ali (2007) discussed Emiratisation and its barriers in the public and private organizations in the UAE. He explained that the public sectors offer a better and suitable employment environment for Emiratis; such as job security, better timings, higher remuneration, having the environment which is close to their tradition and culture and also requiring less work experience. Based on the UAE Year Book (2005), Omair (2010, p. 14) stated that, National employment in public sectors reached “Saturation point”. However, Emiratisation is set to increase the employment of Emiratis and reduce the dependence on expatriates which has been successful to some extent.

According to Al-Ali (2007) some of the main barriers for Emiratisation in the private companies are:
• Work Timings: In private sectors work timings are longer than public sectors, and they have the official weekend only on Fridays while the public sectors are closed on Fridays and Saturdays. In Ramadan also private companies tend to resume work after breaking the fast in the evening. To attract Emiratis to the private sectors, the ruler of Dubai has signed a law in 2013 to force private sectors to consider two days holidays on Fridays and Saturdays similar to public sectors.

• Compensation: Private companies mostly offer less compensation than public sectors. In insurance companies for instance, to remove the salary inequality between Emiratis and other expatriates, the Insurance High Committee suggested that a separate salary structure for Emiratis should be considered to retain those nationals who are already employed or to attract other Emiratis job seekers. However, this was resisted by many other organizations in the industry.

• Skills Standards: Education and skills requirements are barriers for Emiratis. Insurance companies provided 0.1% of annual profit to the Emirates Insurance Association fund for training programs such as English and computer skills while the private sectors shared a small percentage of the profits for training programs. In this case, after employment training was considered instead of pre employment training to reduce the costs.

• Organizational Culture: The organizational culture is not considered in workplaces (GCC) and it is dependent on monetary rewards and organizational directives. In the public sectors Emiratisation itself is the center for developing a culture between the participating government agencies (Al-Lamki, 2000 & Al-Dosary, 2004 in Al-Ali, 2007, p. 371).

• Career Growth: UAE nationals prefer working in the public sector than the private sector due to better opportunities. However, higher turnover will be expected in the private sectors due to unorganized employee management and lack of career development strategies.
• Internationalization: English is considered as an interlanguage for technology or trade and its fluency affects employability of all citizens including Emiratis. Undoubtedly, public places will be more attractive for those who are not fluent in English because Arabic is widely spoken in the public sector.

UAE is a fast growing country and massive growth has been seen in this country, particularly in Dubai and Abu Dhabi. Social capital theory maintains that a “beneficial working environment supported by the government and society, lead to organizational competitiveness, profitability and sustainability” (Al-Ali 2007, p. 372). A research study by Al-Ali (2007) in the UAE public sectors showed that 76% of policies which enhance Emiratisation, include incentives and compensation, greater promotions for UAE nationals, career development, and training opportunities. Remaining respondents reported that they do not need an Emiratisation policy because it was already part of government regulation.

Recommendations to promote Emiratisation were proposed by the author as below:

1. Increase Emiratisation quotas and link Visa policies to policy compliance and improve Visa observance.
2. Reduce the number of expatriates and increase taxes on their visas.
3. Increase Emiratisation awareness programs, encourage successful organizations and encourage Emirats to accept job offers without higher demands.
4. Create a team responsible for national development and increase post employment training on language.
5. Encourage work placement or internships for nationals from schools or colleges.
6. Audit compliance standards for organizations and consider penalties for not complying.

To sum up, the study concludes that the barriers for UAE nationals were found to be linked to the lack of experience, training and skills, language and communication skills. Hence, an immediate action by government seems necessary to fill the gaps considering the measures mentioned by Al-Ali (2007) and this will help to apply CSR initiatives in the UAE effectively since UAE Nationals play an important role in the development of the country.
B. Corporate Philanthropy

Philanthropy has been practiced by many companies so far. It is an action where companies get engaged in CSR through Corporate Philanthropy. In other words, they donate to local charities or individuals who are in need. There are many forms of Philanthropy, including charitable donations to people in need, helping hospitals or health clinics and providing scholarships for students.

Thibos (2009) defined it as Humanitarian aid which it often helps hospitals and disadvantaged people. An example of this is Al Ansari Exchange Company (a large currency exchange in the UAE) who donated 7 million AED (Arab Emirates Dirham) to the Ministry of Health’s initiative to set up “Shoukah Medical Center” which provides medical facilities to the people who live in the area of “Shoukah”, and it is located in the Emirates of Ras Al Khaimah. This exchange company also, through UNICEF and partnership with the Bill Gates Foundation, donated one million USD (United State Dollar) to support polio eradication in Afghanistan in the beginning of year 2013 (Al Ansari exchange, January 2013).

Corporate Donations increase during the holy month of Ramadan or during natural disasters, such as the Asian Tsunami in 2004 or Philippines typhoon in 2009. Moreover, corporations in the UAE tend to donate locally or regionally such as to Iraq or Palestine. However, these donations do not seem to have a connection with the strategic goals of the organizations or in the local view, they are part of Emiratisation program (Ronnegard 2010).

UAE activities in philanthropy are high and the reasons will be fully discussed in the next sections.

C. Environment

The UAE has the largest carbon footprint per capita in the world (WWF 2008 in Ronnegard 2010), and this is mainly because of the huge demands for electricity and using fossil fuels to produce electricity, and huge demands for air conditioners, water purification (from salt) and aluminum smelting plants (Ronnegard 2010). The UAE has been the largest polluter (carbon) in the world
related to the size of the population, the UAE environmental management is not developed enough and considered as a CSR issue by the local organizations (Ronnegard 2010).

According to the UAE year book (2008), the UAE has the highest rates in the world in terms of:

**Water consumption:** Commercial and industrial consumption (30%)

**Energy consumption:** Hotels consume twice more likely energy than in Europe (275 to 325 kw/h per guest). Commercial and industrial energy consumption accounts 54% of total power consumption in Dubai

**Solid waste:** 275 kg/capita in Dubai: twice the waste per capita in the UK.

**Carbon Dioxide emissions:** 13.3 tones per person per year. Hotels produce twice as much CO2 than similar hotel in Europe (Brik, 2009).

There are many companies in the UAE and Dubai which help to reduce their impacts on the environment. Examples are TNT, Enoc, DLA Piper and so on. Emirates Environmental Group (EEG) is a nonprofit organization established 20 years ago and aims to protect the environment through education, programs and community involvement organization in Dubai. EEG is the first environmental NGO in the world received ISO 14001 and the only organization in the UAE with accredited status to the United Nations Convention to Combating Desertification (UNCCD) and the United Nations Environmental Programme (UNEP). EEG is a signatory of the UN Global Compact and a focal point of the Global Compact in the GCC states. EEG is also a member of the International Union of Conservation for Nature (IUCN). EEG is one of the most prestigious environmental groups within the Middle East and prides itself on its environmental achievements (Emirates Environmental Group, 2013).

Similarly, An article in Gulf News (a local newspaper) dated 22 September 2012 has announced that, environmentally friendly companies in the UAE, listed on the Ministry of Environment and Water’s website (www.moew.gov.ae). The Environmental Performance Card (EPC) awarded by Dr. Rashid Ahmed Bin Fahad, the Minister of Environment and Water, encourages industrial companies which are committed to environmental laws and regulations of the country. The aim of this initiative is to encourage the concept of green production, reduce carbon emissions and save energy and raw materials. The ministry mentioned that green production has many advantages both economically and
environmentally. It will reduce the waste disposal costs and also the costs of providing energy and raw materials. On the other hand, it will reduce the amount of pollutants, reduce the risks of industrial accidents and improve the quality of the environment.

The Environment Agency (Abu Dhabi), under the command of His Highness Khalifa Bin Zayed Al Nahyan, Ruler of Abu Dhabi Emirate, issued the following law for the waste management in 2005.

**ARTICLE 1**

In the implementation of the provisions of this law, the following words and phrases shall bear the meanings mentioned opposite each, unless the context otherwise requires.

**Emirate:** The Emirate of Abu Dhabi.

**Government:** Government of Abu Dhabi.

**Competent Authority:** Environment Agency– Abu Dhabi.

**Concerned Parties:** The governmental or private authorities, which have facilities for waste treatment and disposal or those authorities whose activities, generate waste.

**Environmental service providers:** The parties operating in the field of collection, transport, storage, recycling, processing and disposal of wastes.

**Wastes:** Includes the ordinary, medical, industrial, hazardous and other types of waste (ead.ae, 2013).

The law also includes the reduction of wasted items, recycling and re-using of them and providing solutions for the treatment of wastes as well as to set out best practices for disposal thereof. The aim of this law seems to be the enhancement of waste management across the UAE mainly in the Emirates of Abu Dhabi. It plays an important role to save the environment and natural resources and it eases the access towards a sustainable environment and provides an effective CSR practices for the UAE. Furthermore, The Environment Agency also plays a crucial role in wildlife protection and ecosystems by assuring that the economic and social growth in this Emirate to be managed in a sustainable way (ead.ae, 2013).
As stated above, there are many private and public organizations in the UAE who practice the initiatives (environment related CSR) and consider the impacts they may have on the environment. However, more practices should be utilized to guarantee that all entities in the country execute CSR towards the environment.

3.3 CSR and Islam

As discussed earlier in this paper, the UAE is a Muslim country and the country and citizens follow the laws and regulations mentioned in Islam. The legal system is called Sharia or Quranic law, which comes from the Holy Quran. The main objective of Sharia is to emphasize the moral code of conduct and to execute the justice because without justice there is no peace and freedom. Furthermore, the tradition and culture of the country is a key in practicing Sharia and this influences the social laws such as family, succession and divorce. Most of the commercial issues handled by civil courts or arbitration tribunals due to the fact that, UAE does not have a separate court to tackle such issues (Zorzopulos, 2006 in Ronnegard, 2010).

Islam has a significant emphasis on moral and values in human life. Islam emphasizes strongly on moral principles, faiths and ethics in human behavior and the main purpose of the Holy Quran is to have justice because it has promoted fair treatment to all humans.

Islam requires people to take care of the natural environment because they are God’s creatures and its human’s responsibility to protect them since they belong to God and there are many Hadith related to this. Moreover, taking care of the environment is emphasized in Islamic teaching and Sharia. Social and religious rules and values are linked in Arab world, and Islam has such a social importance and influence in all aspects of life including business. Moreover, Muslims involve Islam in their business and do consider morality and ethics (Soubra, 2006 cited in Ronnegard, 2010).

Religion has driven organizations in the UAE to be involved in Corporate Philanthropy. Such donations are connected to religion and cultural beliefs and rooted in ethics such as Zakat (Khan 2009). Zakat (which is voluntary) urges Muslims to donate 2.5% of their income to the needy
people. This may be considered as a reason why some local organizations consider the concept of CSR as a corporate form of Zakat. In fact, these businesses that tend to be engaged in CSR turned to corporate philanthropy as their main CSR activities (Soubra 2006).

The Holy Quran urges all people including men and women who are financially capable, to help and support needy people and especially those with disabilities, orphans and poor people to create a better society. Zakat is a discrete choice and the donor does not know where the donations go. Kapur (2006) stated that, although Zakat is a personal practice, organizations in the UAE donate large amounts of money as charities every year at certain months.

In 2003, the Zakat fund set up by His Highness Sheikh Zayed Bin Sultan Al-Nahyan (previously ruler of Abu Dhabi and the first president of the UAE), aimed to facilitate donations to needy people. This Fund works under the Council of Ministers and submits periodic reports on its work, activities and achievement of its objectives. The Fund aims to increase awareness of Zakat and establish the concept of the effectiveness and importance of its role in the development of the society and individuals and the vision is leadership and excellence in the service of Zakat. It also aims to achieve a socially interdependent and interrelated humanitarian society. Its main activity is to develop charitable works and help those people in need, in compliance with Sharia principals (zakatfund, 2013).

To conclude, UAE organizations need to establish and create clear CSR activities which are consistent with Islam since the business depends on this belief. Local organizations can establish cooperation with mutual understanding with other multinational firms. The concept of CSR in Islam has a wide meaning, and that is God consciousness by which, cooperation as an individual accepts the responsibilities towards the society and the community (Dusuki, 2008 in Hossain & Siwar, 2009). Islam has a great influence on CSR related activities and this is one of the reasons why most of the organizations in the UAE and mainly public and governmental organizations need to get involved in charities and philanthropic-related activities.
Chapter 4 Research Methodology

This chapter aims to introduce research methods and methodological tools used for this study. A research methodology was adopted to explore and provide an analysis and support to the arguments and main objectives of this research.

This chapter will discuss and outline the research approach, methodology, research sample and limitation of the study.

4.1 Research Approach

This study addresses the concepts of CSR and activities that organizations are undertaking as part of their CSR initiatives in the UAE. The aim of this study is to explore how organizations in the UAE perceive CSR, motivations, benefits and implementation of CSR in this region. The objective of this study is to gain a deeper understanding of CSR and its implementation in this region.

4.2 Methodology

The method adopted for this study is qualitative, capitalizing on in-depth (semi structured) interviews with people in charge of CSR in private and government organizations in the UAE. Interviews were audio taped along with taking notes that facilitated transcription of the interviews. This research also adopts an interpretivist paradigm and inductive orientation. As Thorpe and Lowe (1991) identified there are positivist and phenomenological (interpretivist) paradigms which are based on deductive and inductive orientations. Bryman (1998) discussed the differences between a positivist view point and interpretivist viewpoint which is shown in Table 8 below.
To gain an in-depth knowledge about CSR activities and involvement in the UAE organizations, including SMEs, NGOs and local organizations, the researcher found a qualitative method and interpretivist paradigm by an inductive approach which to be more suitable for this study. The reality of CSR, as it exists in UAE based organizations is not well known as it is a new concept in the region. So an inductive approach that aims to learn the reality of CSR as it exists in UAE based
organizations is ideal. As Parkhe (1993) stated, an interpretivist strategy uses a realist epistemology which can gain access to the realities and perceptions. Interpretivists position encompasses the acceptance that there can be multiple realities (Denzin and Lincoln, 2003). Since all knowledge is embedded in the knower, interpretivists adopt a collaborative approach and work alongside others to understand their point of view and make sense of what other say and then interpret these experiences in the context of the researchers academic experience (Hatch and Cunliffe, 2006), and hence is considered to be an inductive or theory building approach. Bryman and Bell (2005) also mentioned that in inductive methods, theories and conclusions are obtained through empirical data collection. Thomas (2003) discussed inductive methods defining, induction as the process of finding a general principle based on a set of facts. Since the focus of the researcher is to understand and find meanings and interpret the world from the point of view of the subjects being studied. Hence, it is highly contextual and is not widely generalisable (Saunders, Lewis and Thornhill, 2007). Moreover, it starts with observations through in depth interviews then comes to the conclusion and identifies the contribution to theories. However, the conclusion is based on facts and data collected from a real situation.

The aim of this study was to explore participants’ interpretations about their CSR activities. The aim of qualitative research methods is to understand and define phenomena by asking questions How?, Who? and Why? The answers to these questions help unearth the reality and are more descriptive. Zikmund (2000) discussed how qualitative methods deal with observations, explanations, interpretations, words and other meaningful descriptions of a case rather than numbers. Bryman and Bell (2010) stated that qualitative research focuses mainly on the outcomes, and is based on interaction with people. Moreover, qualitative research aims to understand social realities and to provide comprehensive interpretation about the facts people describe in a social environment. The author has used qualitative methods in order to understand what people consider as social responsibility and how to implement it within the organization.
This method helped the author to gain a better understanding and insights about CSR in the UAE organizations.

The strengths of semi-structured interviews are that the researcher can prompt and probe deeper into the given situation (Gray, 2004). The main drawback is that inexperienced interviewers may not be able to ask prompt questions (Gray, 2004). Another advantage of semi-structured interviews is that, in such a format it is possible to find out information that the researcher had not previously encountered in the literature. If the questions are open ended and probing, then the participant may divulge information that the researcher may not have anticipated. In studying a new subject it would be appropriate to conduct interviews, which can help to gather more indepth data.

Table 9 below shows the difference between quantitative and qualitative research in detail.
Table 9: Qualitative research versus Quantitative research

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Qualitative Research</th>
<th>Quantitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>To understand &amp; interpret social interactions.</td>
<td>To test hypotheses, look at cause &amp; effect, &amp; make predictions.</td>
</tr>
<tr>
<td><strong>Group Studied</strong></td>
<td>Smaller &amp; not randomly selected.</td>
<td>Larger &amp; randomly selected.</td>
</tr>
<tr>
<td><strong>Variables</strong></td>
<td>Study of the whole, not variables.</td>
<td>Specific variables studied.</td>
</tr>
<tr>
<td><strong>Type of Data Collected</strong></td>
<td>Words, images, or objects.</td>
<td>Numbers and statistics.</td>
</tr>
<tr>
<td><strong>Form of Data Collected</strong></td>
<td>Qualitative data such as open-ended responses, interviews, participant observations, field notes, &amp; reflections.</td>
<td>Quantitative data based on precise measurements using structured &amp; validated data-collection instruments.</td>
</tr>
<tr>
<td><strong>Type of Data Analysis</strong></td>
<td>Identify patterns, features, themes.</td>
<td>Identify statistical relationships.</td>
</tr>
<tr>
<td><strong>Objectivity and Subjectivity</strong></td>
<td>Subjectivity is expected.</td>
<td>Objectivity is critical.</td>
</tr>
<tr>
<td><strong>Role of Researcher</strong></td>
<td>Researcher &amp; their biases may be known to participants in the study, &amp; participant characteristics may be known to the researcher.</td>
<td>Researcher &amp; their biases are not known to participants in the study, &amp; participant characteristics are deliberately hidden from the researcher (double blind studies).</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td>Particular or specialized findings that is less generalizable.</td>
<td>Generalizable findings that can be applied to other populations.</td>
</tr>
<tr>
<td><strong>Scientific Method</strong></td>
<td>Exploratory or bottom-up: the researcher generates a new hypothesis and theory from the data collected.</td>
<td>Confirmatory or top-down: the researcher tests the hypothesis and theory with the data.</td>
</tr>
<tr>
<td><strong>View of Human Behavior</strong></td>
<td>Dynamic, situational, social, &amp; personal.</td>
<td>Regular &amp; predictable.</td>
</tr>
<tr>
<td><strong>Most Common Research Objectives</strong></td>
<td>Explore, discover, &amp; construct.</td>
<td>Describe, explain, &amp; predict.</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Wide-angle lens; examines the breadth &amp; depth of phenomena.</td>
<td>Narrow-angle lens; tests a specific hypotheses.</td>
</tr>
<tr>
<td><strong>Nature of Observation</strong></td>
<td>Study behavior in a natural environment.</td>
<td>Study behavior under controlled conditions; isolate causal effects.</td>
</tr>
<tr>
<td><strong>Nature of Reality</strong></td>
<td>Multiple realities; subjective.</td>
<td>Single reality; objective.</td>
</tr>
<tr>
<td><strong>Final Report</strong></td>
<td>Narrative report with contextual description &amp; direct quotations from research participants.</td>
<td>Statistical report with correlations, comparisons of means, &amp; statistical significance of findings.</td>
</tr>
</tbody>
</table>

Broom (2005) explained the differences in interview styles in both qualitative and quantitative research. He mentioned that a semi - structured or in-depth interview in qualitative research is one where the researcher has a set of questions to ask and schedules the interview with the interviewee beforehand. This style is flexible and allows for an open dialogue and discussions that go beyond the questions posed. On the other hand, unstructured interview is a style where the researcher has a brief topic guide and a considerable freedom during the interview and the interview is in a form of conversation rather than a question and – answer session. To mention some of the disadvantages
of audio recorded interviews, they are very time consuming and a lot of tape transcripts to write, and analyze and this applied to the researcher of this study as well.

A qualitative research method was chosen for this study to access to the information and explore the activities, perceptions and perspectives of governmental and nongovernmental organizations and also their social activities inside the country or globally. Moreover, interpreting how organizations in the UAE perceives CSR, how CSR is implemented, integrated and monitored, drivers and barriers of CSR and the benefits of CSR implementation in the organization is suited to interpretivism and induction. This research is exploratory and aims to reach the answers of above mentioned questions. The purposes of the inductive approach are:

- To summarize extensive text data into a brief format
- To explain causes, drivers and barriers in an explanatory format
- To establish a connection between this research objectives and findings

### 4.3 Research Sample and Data Collection Process

As Punch (2005) stated, the chosen research methodology should complement the research objectives. Hence, data were collected using a semi-structured face-to-face interview to provide complete, rich and comprehensive information about CSR in UAE organizations. This was based on a set of open-ended questions (see Appendix I), total 17 organizations answered to the questions of which 12 face-to-face interviews were completed. The invitation to participate in this research was sent via email while phone calls were also made in order to reach the right person. A total 44 organizations were approached from different industries across the UAE and finally a total of 12 organizations accepted to have a face-to-face interview. However, the response rate would have been higher if the interviews were not based on voice recording since this was one of the reasons organizations refused to have an interview.

The interviews were arranged according to the interviewee’s convenient time and at their premises. Each interview ranged in duration from 45 minutes to one hour. A formal invitation and a brief introduction of the topic and research aims and clarifications along with questions were sent prior
to the participants via email (see Appendix II for the invitation letter). The process of data collection took 6 to 7 months. This gap was due to late responses from companies and difficulties in reaching the right person.

The group of organizations contacted consisted of both large firms and SMEs and also governmental organizations in the Emirate of Dubai and Abu Dhabi. Table 10 below summarizes the company profiles of the organizations and fields of their activities.

**The total number of organizations contacted : 44**

**The total number of face to face interviews/voice recorder : 12**

**The total number of answers received by email or discussion : 5**

<table>
<thead>
<tr>
<th>Company</th>
<th>Year of Establishment</th>
<th>Activity</th>
<th>Industry</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization 1</td>
<td>1965</td>
<td>Helping organizations to boost business</td>
<td>Local Government</td>
<td>Senior executive, CSR programs</td>
</tr>
<tr>
<td>Organization 2</td>
<td>1987</td>
<td>Encouraging the development of British business in the UAE</td>
<td>Non for profit organization</td>
<td>Management Consulting/Director</td>
</tr>
<tr>
<td>Organization 3</td>
<td>2006</td>
<td>Business Law firm</td>
<td>Multinational company</td>
<td>Corporate Responsibility Manager</td>
</tr>
<tr>
<td>Organization 4</td>
<td>1959</td>
<td>Cargo /Travel</td>
<td>Air transportation</td>
<td>Quality Assurance Controller</td>
</tr>
<tr>
<td>Organization 5</td>
<td>1991</td>
<td>Raising awareness in sustainability and the environment</td>
<td>Non-Profit, Non-Government Organization (NGO)</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Organization 6</td>
<td>2005</td>
<td>To improve the welfare of people and to deliver social value</td>
<td>Government/Nonprofit (Youth training and careers)</td>
<td>Chief Sustainability Officer</td>
</tr>
<tr>
<td>Organization</td>
<td>Year</td>
<td>Industry/Education</td>
<td>Position/Role</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------</td>
<td>--------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>Organization 7</td>
<td>1993</td>
<td>Oil and Gas</td>
<td>Governmental, Oil &amp; Gas, CSR and Media Relations Manager</td>
<td></td>
</tr>
<tr>
<td>Organization 8</td>
<td>1973</td>
<td>A global network of professional firms providing Audit, Tax and Advisory services</td>
<td>Accounting, Partner</td>
<td></td>
</tr>
<tr>
<td>Organization 9</td>
<td>1967</td>
<td>Providing banking and financial services</td>
<td>Banking, Manager - CSR &amp; Internal Communications</td>
<td></td>
</tr>
<tr>
<td>Organization 10</td>
<td>1985</td>
<td>Pharmaceutical</td>
<td>Chemical and Pharmaceutical, Head of HR/Regional Head of Special Projects</td>
<td></td>
</tr>
<tr>
<td>Organization 11</td>
<td>1968</td>
<td>Banking services</td>
<td>Banking, Senior Manager, Corporate Sustainability</td>
<td></td>
</tr>
<tr>
<td>Organization 12</td>
<td>2001</td>
<td>Airline Cargo/Security Services</td>
<td>Security and Facilities Management, Marketing Director</td>
<td></td>
</tr>
<tr>
<td>Organization 13</td>
<td>1962</td>
<td>Providing comprehensive services to the public/sustainable environment</td>
<td>Local Municipal Government, Public Library Specialist Community Services</td>
<td></td>
</tr>
<tr>
<td>Organization 14</td>
<td>1999</td>
<td>Hotel/Hospitality</td>
<td>Hospitality, Cluster Corporate Communications Manager</td>
<td></td>
</tr>
<tr>
<td>Organization 15</td>
<td>2006</td>
<td>Education</td>
<td>Education &amp; Training, CEO</td>
<td></td>
</tr>
</tbody>
</table>
Table 10: A summary of Organizations’ profile and their activities

<table>
<thead>
<tr>
<th>Organization 16</th>
<th>--</th>
<th>Courier Logistics</th>
<th>Corporate Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Manager</td>
</tr>
<tr>
<td>Organization 17</td>
<td>-</td>
<td>Offering Counseling services regarding Social Responsibility</td>
<td>Profit organization, Consultancy</td>
</tr>
</tbody>
</table>

A qualitative methodology helps the researcher to interpret the collected data and reach comprehensive answers to fulfill the objectives of this study. As Flick (2006) explained, qualitative research contains an interpretative and naturalistic approach to the world. In other words, this method study things in a natural way and tries to interpret the phenomena in terms of the meanings people apply to them. It is also about analyzing the text and transcripts of interviews or notes taken during interviews.

The researcher provided the participants with assurance that confidentiality will be maintained and due to this reason the researcher has to use pseudonyms (numbers based on the Table 10) instead of the name of the organizations throughout this research. The primary objective of indepth interviewing was to obtain an insight into the perception of CSR in UAE organizations.

4.4 Data Analysis

Research analysis is based on a review of scholarly literature and data collected from a series of interviews to sketch CSR practices in the UAE. This study uses an inductive approach and aims to develop a theory of CSR a practiced in the UAE. This theory will emerge from an analysis of the primary data gathered from the semi structured interviews. The data gathered was systematically analysed using a three stage analysis process involving open, axial and selective coding (Glaser and Strauss, 1967).

In the first stage of analyses using open coding, key concepts were identified and categorized from the data collected. In the next stage of analysis using Axial coding, the aim is to identify causal relationships between categories defined in open coding and to make explicit connections between
the categories and sub-categories in order to understand the phenomenon to which they relate (Glaser and Strauss, 1967).

In the third and final stage of the analysis, selective coding is done and involves selecting and identifying the core category and systematically relating it to other categories. It involves refining, developing and integrating those categories to arrive at a theory (Glaser and Strauss, 1967).

### 4.5 Research Limitations

This research has several limitations. The low number of participants who agreed to voice recorded interview is one of them. Out of 44 organizations only 12 organizations agreed to participate in the research. Most of the organizations refused to have an interview probably due to reasons such as confidentiality, CSR disclosure, environment and culture of the organization, for example governmental organizations have a centralized, conservative or a bureaucratic environment and sharing information or disclosing the activities by employees is restricted. Other reasons maybe lack of trust, because the invitation was sent by an unknown person (the researcher) and many organizations perhaps did not want to deal with an MSc student or get involved in interview research or surveys. On the other hand, some of the organizations may not have the broad range of CSR activities, and so it may be limited to “public relations” instead of CSR, so this would make it difficult for them to participate in the research. However, due to confidentiality, the researcher cannot disclose the names of the organizations that declined or any additional information related to their confidentiality.

Another limitation applies to this research was the adequate number of answers to the questions. From the beginning of each session, the interviewee was asked to answer the questions in a convenient and flexible way. In this case, they preferred more to discuss their CSR activities in general rather than going through the questions. This made it difficult for the researcher to make a systematic comparison of their answers to compare all organizations in terms of activities, programs and industry. Hence, the best method chosen for this research is a qualitative and an analytical discussion and interpretation of the data collected for each organization.
Time was another limitation of this research. The process of data collection took 7 months starting from July 2012 and ending in February 2013. Finding the responsible person for CSR, talking to them by phone to collect their email address, fixing the appointment at their convenient time were contributors to the long time frame. However, public holidays such as UAE National Day, New Year holidays and some other holidays between inevitably meant the process took longer.
Chapter 5 Data Analysis and Discussion

Using qualitative research methods, this chapter presents the analysis of the empirical data. All 12 audio recorded interviews were transcribed by the researcher and read in detail subsequently. The rest of the data collected from emails was read accordingly and notes that were taken during the interviews also help the researcher to fill some of the missing points. Using in-depth interviews enabled the interviewees to feel there was more flexibility to discuss about CSR activities in their organizations as they were not limited to just answering the closed questions.

The analysis that will be described below is based on Table 10, which was illustrated in Chapter 4.

5.1 The Core of CSR: A Centre for Responsible Business

To help all SMEs in the UAE to understand and adopt better CSR practices, Dubai Chamber of Commerce established a Centre for Responsible Business (CRB) in 2004 to support and promote CSR, sustainability, and corporate governance best practices. This Center claims that CSR is not just philanthropy and charity based activities. By CSR practices, businesses not only contribute to the society but will get more in return. Implementing good CSR policies will give companies a competitive platform inside and outside of the company.

The aim of this centre is to enable the business community to adopt greater responsibilities while meeting social and environmental needs. It also supports members of Dubai Chamber and Dubai business community to apply responsible business practices that enhance their performance and competitive advantages through:

- Promoting CSR, sustainability and good governance practices at all levels of the Dubai business community
- Disseminating knowledge and information on CSR, sustainability and good governance □
  Providing direct advice and feedback by evaluating companies CSR performance.
• Stimulating companies to integrate CSR, sustainability and governance strategically into their management, operations, and processes.
• Developing practical CSR, sustainability and good governance management tools and guides
• Measuring and documenting responsible business practices in the UAE

Interviewee 1 (see Table 10) explained how the Dubai Chamber works to “Talk the Walk and Walk the Talk”. She added that one of the organisation’s visions is to be one of the best Chamber of Commerce in the world. She mentioned that:

We do this by (1) building awareness, (2) giving staff opportunities to get involved and (3) anchoring the change through our systems and departments.

She also stated that we aim to lead by example and to be a model for our members. Below Figure 4 shows the Dubai Chamber’s model for a responsible business.

![Figure 4: Model from Dubai Chamber’s Centre for responsible business](Dubai Chamber, 2012)
Mr. Hamad Buamim, Director General of Dubai Chamber mentioned the vision of the organization “a secure, healthy and prosperous environment for business in the future and these businesses succeed in reducing costs by enhancing efficiency and using the resources wisely. They served their staff, customers and community which increase loyalty, sales and performance” (Dubai Chamber, 2012).

The Dubai Chamber’s main focus is on 4 areas to establish more sustainable and responsible business: workplace, marketplace, community and environment each of which is explained below.

**Workplace:** Dubai Chamber has a diverse workplace consisting of 200 employees with 29 nationalities and with 50% UAE nationals. It provides a safe and eco-friendly environment for all employees (LEED EB) with a high level of employee satisfaction. CSR is the main contributor to employee satisfaction which is around 20% more than past years. Interviewee 1 claimed that:

We have ongoing programs and campaigns to develop staff, enhance communication and the working environment.

**Marketplace:** The centre encourages sustainability and has received the Mohammed Bin Rashid Al Maktoum Business Award since 2005 in sustainability criteria. The Centre for Responsible Business offers a variety of educational, professional training and consulting services to Dubai Chamber's members. Moreover, Dubai Chamber works with its supply chain to source responsible products such as recycled paper and eco-friendly cleaning agents.

**Community:** Dubai Chamber launched the University of Dubai in 1997 which developed many skilled employees and entrepreneurs. Many staff got involved in initiatives in 2011. 77 staff were involved in charitable initiatives and raised around USD 20,000. Dubai Chamber also has a yearly award for contractors who work hard.

**Environment:** Dubai Chamber started greening its building in 1997, it is LEED certified and first in the Arab World. It also reduced energy use by 47% and water consumption by 77% during 1998-2008 which saved USD 1.93 million with no major investments. Dubai Chamber also conducts many environmental campaigns throughout the year such as Earth Hour, World Health
and Safety at Work Day and Car Free Day. Moreover, Dubai Chamber uses grey water for landscaping and light sensors, energy saving bulbs to save electricity and has an effective recycling program.

The CRB has been involved in many activities such as providing training. Engage Dubai is one of the initiatives supported by ENGAGE Secretariat of Business in the Community (BITC) in the UK. BITC “Mobilizes Business for Good”. With more than 850 members, it represents 1 in 5 of the UK private sector workforce and meets a network of partners globally. Engage Dubai is an employee volunteering program runs by CRB for member companies. It is part of an international network of businesses and community partner organizations that collaborate to support the development of healthy and sustainable communities through increasing employee involvement in their local communities. Companies in the UAE are encouraged through the centre for responsible business and HRM Business Award and other initiatives such as UAE BCSD, UN GC GCC and policies such as Estidarma green building code. The international ENGAGE program operates in Dubai and in other cities such as Paris, Frankfurt, Istanbul and Hong Kong.

Employee volunteering is the mobilization of time, talent, energy and resources of employees to contribute to their community. This is including:

- Long term sustained commitments
- Skills based and short term assignments
- Transfer of skills
- Team based challenge projects
- Company sponsored projects
- Secondments

According to Lantos (2001) employee volunteerism programs grew in the 1990s. It was included mentoring students, painting houses (low income) and distributing food to the needy people. The reason for this program was to increase employee mobility, creating the desire to get to know the community and inability of the government to respond to demand for services.
Interviewee 1 explained that the reason for Engaged Dubai is that there are some companies who do not have any interactions with the community and this program will help them to engage more interactions and sharing with others. Employee volunteering can benefit Dubai by: encouraging and increasing dialogue between organizations and society, creating opportunities for strengthening stakeholder relations, leveraging organization resources for a better impact on the community, bringing corporate culture and values to life and building morale, pride and employee loyalty (Dubai Chamber 2012).

Participating companies benefit of being part of ENGAGE Dubai through:

- Exposure to international and local companies that demonstrate best practices in community social investment
- Increased employee motivation by improving their work-life balance
- Enhanced attraction for recruiting talents
- Networking opportunities with like-minded organizations
- Building a good name and reputation in the marketplace
- Facilitating skills development for employees

Dubai Chamber’s aim is to act as an example and proves that how responsible organizations can reduce their costs by enhancing the efficiency and using resources wisely. Organizations who serve their employees, customers and communities will increase loyalty, sales and performance. They will be also considered as a contributor to the development of the country and more success.

Dubai Chamber launched the CSR label initiative in 2010 and it was developed by the CRB which provides a clear framework for companies and helps them to implement CSR and sustainability initiatives. It also creates a good image among employees and the public. CSR label is also part of learning program which promotes sustainability and CSR. The CSR label helps all organizations in the UAE to access the toolkits, networking seminars and workshops in order to adopt and implement their CSR. Another achievement of Dubai Chamber is wining the CSR Company of the Year Award. It has received many awards regionally and internationally over the years for its green practices and its encouragement of being sustainable among the UAE community.
According to the Dubai Chamber (2012) an annual survey in 2008 on the Government’s role in promoting CSR practices showed that business managements in Dubai believed that the local government needs to set a good example by implementing CSR (79%), recognize those socially responsible companies (74%), develop a CSR charter (70%), provide incentives to companies (71%) and promote CSR to all companies (57%). This survey also showed that consumers in the UAE expect business to be engaged in their community (77%), to protect the environment (58%) and to offer high quality products and services (54%).

By implementing CSR, organizations can measure their success and this can be done through their ability to protect the environment, supporting community and improving customer satisfaction.

...CSR is an investment in the environment, employees and for the future and you can save money as well. Impacts such as environmental and social are for everybody. Big companies can’t do business without social responsibility. Companies should help the country to reach the vision. We want all companies to work on CSR, implement it and develop it.

(Interviewee 1)

The Dubai Chamber plays an important role in the awareness, promoting and understanding of CSR in the country. It aims to develop CSR in the UAE by bringing the top business executive to the network, share the experience and show CSR leadership. Many of top managements recognized that expectations for sustainability are increasing every day and pressure to perform it is also becoming greater. This pressure is mainly from stakeholders such as employees, customers, government, investors and the society.

At the end Interviewee 1 mentioned some of the barriers for the organizations to implement CSR as: “lack of awareness, resistant to change and a role model or strong leadership is required to implement and improve CSR”. To add, awareness among organizations seems the main objective of Dubai Chamber.
In conclusion, Dubai Chamber plays an important role in raising awareness and supporting the development and implementation of CSR and sustainability practices among businesses in the UAE. It also provides the network members a connecting platform to share best practice and experiences. CRB is also the standing centre promoting business responsibility in the country and enables the business community to assume greater responsibility and meet social and environmental needs.

After explaining about the Dubai Chamber, the leading light on CSR in the UAE and particularly in Dubai, the next section will discuss about CSR in the UAE organizations including 3 in Abu Dhabi and 14 organizations in Dubai. The main objective of this study is to find out CSR activities in the UAE organizations.

5.2 The Recognitions and Definitions of CSR

The first question (Appendix I) was asked to define CSR from their point of view or their organization’s and following responses received:

As a non for profit organization sponsored by Dubai Chamber of Commerce, CSR perception is more philanthropic and environmental; we don’t do any global reporting initiatives at the moment. We don’t have any CSR strategy because of diversification of members we are not there as not for profit org to promote CSR in the companies that they already have CSR, we don’t dictate to the members. We do charitable works, collect funds from members and its philanthropic not CSR.

(Interviewee 2)

Respondents explained different definitions for CSR and below more are highlighted:

…A journey From CSR to CR and sustainability and now happy of creating shared value. It is a contribution to the community which you are operating, the environment and also something in it for the company. Traditionally CSR in the past was
considered only as community aspects, giving back or philanthropy. It’s all about a responsible business, sustainable business its not just running a business.

(Interviewee 3)

Interviewee 7 mentioned that:

..CSR was more philanthropic and charity at beginning then we started to do charity along with action, such as helping children. In 2008 CSR started with strategy, the company started to develop. We started to look internally and started to embed CSR into our business and deliver to the customer.

.. For us education is the core and the best thing is that we can give back to the community and around us. Education, knowledge and financial literacy is what we are concentrating.

(Interviewee 9)

Organization 17 defines CSR as:

…CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities.

Many interviewees defined CSR as giving back to the community. As these definitions show, the meaning of CSR is moving from philanthropy towards sustainability and being a responsible business. However, philanthropy or charity is one of the oldest methods used in the country and it is part of Islamic ethics which explained earlier in this paper. Porter and Kramer (2002) stated that charities or donations are an underutilized opportunity for businesses to create a competitive context. This means that organizations should be involved in philanthropic contributions and charities that indirectly promote their own corporate interests.

Interviewee 16 has another definition:
...For me CSR is a way of balancing act between the interests of a company's stakeholders including shareholders, employees, communities, suppliers and customers. Stakeholders: more NGOs and civil society. Our company as a corporation wants to share the responsibility in the world we live in and mitigate the impacts of its activity on the environment and the society. We acknowledge the need to work in hand in hand with our main stakeholders to ensure shared value creation. Our stakeholders do care as mentioned in our regular dialogue, among which customers, who seek partners able to help them reduce their CO2 footprint or employees like to work for a firm they can identify with sustainable programs and be proud of.

As the above explanations show, organizations perceived the CSR in different ways. However, there are similarities and differences in CSR definitions by organizations. Many of the organizations interviewed in this study preferred to have more than philanthropy and charity. They explained that they are dedicated to the society and should go beyond charity which is an old commitment. Training, awareness, educating youth and sustainability are some of the activities they prefer. However, all of the organizations interviewed intended to have positive impacts on environment, consumers, employees and communities which are the four familiar and outstanding pillars of the Dubai Chamber.

As explained about CSR pyramid, Carroll (1991) placed the philanthropy at the top of the pyramid. On the other hand, Kotler and Lee (2005) argued that “Doing the Most Good for Your Company and Your Cause” but Vogel (2005) believed that “Doing Good to Do Good” is the old style of CSR. Philanthropy is desired by organizations but it is less important than other categories. However, the most noticeable element of CSR activities in a company is often a charitable giving and many do that to create a good image in society.
5.3 CSR: Environment and Sustainability

The results obtained from the respondents show that many companies have considered environmental factors in a large and high quality unit and flourished them well. Many organizations have a strong influence on the environment and have developed great innovative works to assume greater responsibility in meeting environmental needs.

Founded in 1991, Organization 5 is a voluntary, local and nongovernmental (NGO) dedicated to raise awareness of the environment in the society. It is also devoted to protect the environment through education, actions and community involvement. It is one the oldest and most proactive organization which promotes sustainable business and encourages best practices in the UAE.

Interviewee 5 explained that:

We need to work for continuous awareness raising and capacity building profits to go on but when you are working in the area of environment you can’t isolate from other issues so they are overlapping issues you have bound and force to look at the social part of it and economical part of it.

She added that:

…UAE is a young country with emerging market and it is still growing like a child so when you grow you see a lot of things which you never did in your consideration. One of them is immaturity of the legal system. We don’t have a legal system which is 200 years old or more than 200 years old as you see today in industrial nations. A lot of things we put and still put in place to deal with as a reaction to the issues. One of the legal parts that really need to work is an environmental.

She also mentioned that UAE environmental law is very good and comprehensive and still needs to be more active. They launched CSR network in 2004 to look at the CSR issues in a more constructive and systematic way. Later in 2009, CSR network developed and ARABIA CSR
Network came into existence. Arabia CSR targets organizations in the UAE and the wider Arab region to showcase their companies' CSR policies. Giving the members a platform to share CSR experiences, offering tangible added value through the workshops and seminars and facilitating networking opportunities amongst regional leaders in CSR, are some of the goals. Their programs and activities include waste management and recycling, training and education, seminars and workshops on CSR. Some other projects that they are involved in are: can collection campaign, clean up UAE, million tree campaign, every drop matters and neighborhood recycling program.

This organization works towards the raising awareness on the environment and encourages other organizations to recycle. This shows organization’s commitment to the advancement of sustainable development in the UAE as a pivotal centre for all people who are concerned with the protection of the environment.

Organizations tend to invest and have better working conditions, have low footprint and contribute to the society more than before. In other words, they increase their desire to be Green. There are many organizations that focus more on environmental issues than other issues. Below are more initiatives which have been taken by the organizations that participated in this survey.

Organization 13: Participating in Earth hour 2012 and 32nd plantation week events, expanding the green areas, beach cleaning, collect and recycling 18000 cans and 25209 kg of papers from the city and 80% energy savings in their building by using LED lamp.

Organization 14: Joining “Clean up the World” campaign which is held annually, 20% reduction in waste output in five years as well as a 20% cut in CO2 emissions and 10% in water usage and the company retains its ISO 14001 certification for Environmental Management Systems.

Organization 16: Committed to improve the safety and environmental performance of its entire operation, which includes the activities by subcontractors, and to provide full and transparent disclosure on its environmental footprint. Their locations are certified to OHSAS 18001 and ISO 14001 standards.

Organization 3: Work to minimize environmental impacts, achieved global certification to ISO 14001, strives to reduce the environmental impact in four key areas: energy, waste, travel and
procurement. Legal advice to clients through the Pro Bono work they provide to environmentally focus nonprofit groups and NGOs or the legal advice to clients relating to environmental best practice and climate change. They received the "Best Environmental Excellence Award" in 2009 for the organisation’s commitment to environmental accountability and sustainability. Strictly implement the energy saving and emissions reduction policy. Interviewee 3 claimed that:

… We have put a lot of efforts to create a CSR program that is based on community and environment. We have integrated environmental practices into our sustainable development strategy and these practices are part of how we run our business.

Organization 4: Volunteer for scuba diving to clean up Dubai Creek, a “historic focal point of life in Dubai” as part of the company’s Eco Campaign, received the Environmental Awareness Award. The award evaluates nominees on five key criteria: Occupational Health, Cleanliness, Recycling, Smoking, and Employees’ Environmental Awareness. Organization is accredited to ISO14001 for its Environmental Management System. It encourages its employees to develop a greater degree of conscientiousness in the conservation of water, fuel and energy. Posters and banners on a variety of environmental topics have been put up to educate and encourage employees to conserve these resources. Employees also participate regularly in environmental activities such as clean up drives and soft-drink can collections, in collaboration with the UAE government as well as other environmental organizations.

Interviewee 4 explained:

…Cleaning desert from plastics to prevent camel death, cleaning the beach and mountains are some of our activities. CSR in some countries in Europe is part of their culture they don’t use the term CSR for it. Protecting the creek is like to protect the Dubai heritage because it is an artery and culture of Dubai. As an organization we owe something to the public.

Organization 7: Received ISO 14001 for its Environmental Management System and the Hazard Analysis and Critical Control Point (HACCP) certification for Food Safety Management System. It has twice won the first prize in the Environmental Protection category of the 2nd Dubai Award for Sustainable Transport (DAST) for introducing proactive programs and services in line with
environmental conservation and pollution prevention. It donates used laptops for charity as well as conserving the environment.

Interviewee 7 claimed:

   We look at how to save the environment, cut down, come down to the bottom line the economy side, cut down the cost and look at best practice for business and embed the CSR into the business rather than old thought and just look at CSR for the sake of PR.

Organization 9: Over the years it has successfully contributed to environmental issues. Commissioning recycling bins to the offices in the Dubai, water saving initiatives and reduced water up to 58 % per year, partner with “Shred It” to reduce paper and recycling services, “Go Green” initiative to help save the environment, activities including: cleaning the beach and parks and forestation campaign. Interviewee 9 stated that:

   …Assuming sustainability practices means that you change yourself to be advanced and know what exactly you want to achieve. She added that CSR is all about doing business and responsibilities that offer a lot of benefits to employees, society and the environment.

Organizations 11: Started to become sustainable in 2008, as a bank industry committed to be sustainable and accountable, it has been listed 3rd on the Standard & Poors/Hawkamah Pan-Arab Environment Society Governance Index and it aims to be the most Sustainable Arab Bank. It reduced the consumption of paper by replacing electronic use, recycled around 40000 kg of waste papers last 2 years, it could influence other banks in the Middle East to be more sustainable, in 2011 it reduced emissions by 15%, paper recycling program by installing recycling bins and resulted in 97,992 kilos of paper being recycled in 2011, green building standards & solar powered ATMs, employees are encouraged to save power and water, manage their money and share their ideas about how this bank can become more sustainable.
Interviewee 11 during the interview discussed that:

…To be sustainable, everybody and every part of organization should work together and get involved. We are not a charity givers, beach clean-up, collect the cans; we are not Angelina Jolie to go around and do humanitarian work. We are a strategic unit within the bank that helps the different areas in the bank understand what sustainability means in the area of business. Our charity staff is that comes through our profit. We are committed of 1% of our profit go to charitable causes.

Organization 12: Considers sustainability as part of integral component of corporate strategy. Its objective is to reduce Carbon Dioxide emissions along with water and energy consumption by use of energy saving light fittings and air conditioning units and using eco friendly cleaning systems, installing 3750 devices for water saving across the offices and staff accommodation, one of the environmental initiatives is: TG Green which includes committee of staff members and its committed to: Educating every employee about sustainable initiatives within the workplace and within the community; Working with suppliers, clients and partners to develop sustainable business solutions; and Investing 15% of all savings they achieve back into the CSR initiatives. Other activities include: Marine cleanup campaign, recycling, reduces Carbon Footprint and switched its paper supply to FSC \(^g\) certified paper for all internal use.

The current study examined the adaptation of environmental practices by UAE organizations and found that they are increasingly paying attention to their impacts on the environment and they have adopted practices to ameliorate or deduct their impacts on the environment. As the results show, most of the companies have adopted the same practices to save the environment.

Today we see the world is facing environmental challenges and it alerts people to how society is performing and it needs global efforts resolve the challenges. Businesses can have a significant role in protecting and enhancing the environment, in line with greater goals of sustainable growth. Environmental practices can be described as a process and procedure guiding the way an organization follows the relevant regulations and look to reduce the consumption of energy, water,
reduce emissions, decrease waste, recycle paper and used items and reuse them and promote developing more environmentally friendly use of materials. Hence, environmental sustainability needs an effective strategy, a capable leader and an environmental management system to monitor and manage the issues and find the ways to tackle them.

Babiak and Trendafilova (2010) pointed to an improved financial performance as a result of environmental performance development (p. 14). On the other hand, Welford et al (2007) also found that the environment is the most important factor for stakeholders in an organization’s CSR efforts. Williamson et al (2006) concluded that factors which affect business performance such as cost reductions and efficiencies as well as considering regulations, will motivate environmental CSR. Similarly, Babiak and Trendafilova (2010) discussed how the motivators for being involved in environmental activities will provide organizations with many advantages. They include advantages such as increasing reputation, responding to the demands and expectations of customers, reducing negative media reports and creating a stronger network of partners linked into the communities.

NGOs, mainly in developing countries and a country such as the UAE, play an important role on environmental practices. They have major economic impacts on firms and they can structure the nature of environmental CSR. Data analysis showed that some of the environmentally focused initiatives are planned as strategic alignments with experts and consulting companies that provide knowledge and insight. An example is EEG, which provides training and contributes to sustainable development in the UAE. The full details are explained in previous chapters.

Production and sale of products which are environmentally friendly is a growth business and now more people prefer green products than before. In developing countries if regulatory systems are weak, international markets may be a strong driver for environmental CSR. For instance, ISO 14001 certificate is becoming popular among organizations in the UAE which is to have a positive impact on environmental operations. After all, the government and its rules and regulations will be key forces driving environmental improvement.
5.4 CSR: Community involvement and development

As discussed in this paper, one of the main pillars of CSR is giving back to the Community. Community is defined as a group of people who share a similar and common purpose, who are independent and aim to fulfill certain needs (Lee, 2008). Definitions of CSR by respondents also refer to the fact that every business should contribute to the community and society in which they are operating and CSR is an opportunity for businesses to become socially responsible and contribute to the society positively.

Many organizations in the UAE have joined the bandwagon of CSR towards building community relations, develop them, engage them, involve them and fulfill their interests. Such initiatives are considered as an investment in employees, develop the networks around them as well as show concern for customers and suppliers. The paragraphs below discuss the initiatives and activities performed towards communities in the organizations interviewed.

Organization 13: Implementing of career planning, training and development programs for staff, visiting patients in hospitals, holding a football match for children from a charitable society, enrolled male and female students from universities across the UAE in the training programs aiming to upgrade and complete the skills and abilities of trainees and fit them into the environment in a way that support the overall development of the country. The organization has many training programs such as student trainees to enable them to advance their abilities and skills, set their orientations, increase their contribution to the community to have a positive and constructive role in the society. Other activities include promotional and social events such as children with special needs and providing facilities for staff and customers.

Organization 3: Focusing on key areas: Pro Bono, Community Engagement, Diversity and Environmental Sustainability, distinguish their approach by their collaboration with corporate clients, academic institutions and community partners. In terms of Pro Bono, they provide legal advice for individuals, communities and nonprofits. Activities such as education and empowerment helped them to make a difference in the communities. Diversity and equality are important factors in their business and defined by the people they recruit, develop and retain. In 2011, this organization provided more than 200000 hours through initiatives such as community engagement and contributed 110 million worldwide.
Having partnership with INJAZ, organization 3 supports Arab youth and encourages them to create an entrepreneurship environment and be leaders in the future in the Arab World. Interviewee 3 explained about other initiatives in terms of community:

…Health and safety is important for us. We promote well being, Pro Bono and community engagement. We measure input, output and the impacts of all programs. Input is time; output is how many people get involved in the community. By survey and questionnaire we get feedback from projects we run. We are looking to develop a global charity such as: Fund rising or pro Bono support.

Organization 6: A philanthropic governmental organization based in Abu Dhabi, focuses on assisting youth and community organizations to contribute to the society and sustainability. They have 3 main areas of focus, leadership and empowerment, social inclusion, and community engagement. Through their projects and programs, they provide solutions to some challenges that affect the young generation Emirati such as employment, knowledge creation and social engagement. The organization supports knowledge creation through research projects such as scientific, technological, and educational as well as some other training programs. Some of the projects they are involved in include:

- TAKATOF: A social program contributing to volunteering across the UAE.
- TAWTEEN: established in 2007, aiming to prepare Emirati people with the skills for future employment in private sectors.
- Science Express: to encourage for science and engineering among the nation’s youth, this organization collaborated with the Japan Oil Development Company (JODCO) to create a science express, which is an adapted van and offers school children the opportunity to experience hands-on scientific experiments.

Interviewee 6 explained about TAKATOF program and mentioned that:
...We are looking at now scaling up the program to RAK, Fujairah because we have seen a lot of positive impact of engaging young people in social activities and responsibilities towards their community. We are now shifting a bit more into CSR side of thing. What the Foundation is now trying to do is more advanced in that area and helped us towards the social investment rather than the traditional CSR that corporations try to do and what we have been doing some of our donors we have been advising them. Because we know our field very well, our country very well so we are trying to advise them on where to socially invest.

There are some other initiatives for people with special need. For example organization 6 provides training programs and job opportunities for such people. A chocolate factory in Fujairah helps people with disabilities to work. Interviewee 6 added that:

...We had females with intellectual disability producing quality chocolates so how do you turn that into the social business this is how we are looking to show that we are loyal to people with special needs and again the pace was more about is research, understanding and studying the types of things that Foundation could do or shouldn’t do the social enterprise as a model for creating a job opportunity for people with special needs.

Talking about social enterprise, organization 7 also takes steps to support people with special needs. Supporting disadvantaged people and people with special needs and also encouraging the charity initiatives globally are some of them. This organization has a 9 month training program that targets people with special needs. The “Masiraty” program launched by this organization in association with the Ministry of Social Affairs and aims to encourage well fixed and affluent people to become part of the business workforce by providing them a 4 month training program. This organization has many more charities and social activities especially during the holy month of Ramadan. To mention some more, Tarabut is another initiative taken to raise funds for children with special needs.
Interviewee 7 described the community as:

… Community is from customer to stakeholders to suppliers every one deal with us, people who live far away they are community for us. Our Exercise for CSR touches everyone. We serve the community for example with natural disasters happen in other countries. We built stations there to raise awareness. That is part of employee engagement as well.

Organization 5 discussed about the progress of CSR in the UAE and mentioned that:

… It is a surprise that CSR has been in a huge progress and CSR in the country is moving from philanthropy based and now it is moving towards more organized and measurable ways of assessing the impacts of initiatives in the organizations.

Community development is the initiatives taken by organizations to empower individuals and provide them with the skills required to make effective changes in the society. These initiatives are including learning, education and empowerment. Lee (2008) mentioned that community development includes programs, process, strategies and activities that make a community sustainable. The author added that community development is a process of challenging the undesirable disparity of conditions that affect the life of people where they live and work.

Organization 16 believes that protecting the employees is important for them for the win – win situation:

… We aim to enhance the safety and well-being of its employees worldwide. Providing a safe and healthy environment for employees and others that may be affected by its operations is vital to its success. Our ambition is therefore to meet and exceed, where possible, all health and safety obligations. This is supported by workplace, road safety and general health and safety best practice processes and training programs throughout the organization based on safety standard and human right policy.

Sample firms in this study have different understanding of the community within which they operate. The Table 11 below summarizes CSR activities of some of the
organizations interviewed based on community members, environmental initiatives and Emiratisation programme.
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<tr>
<th>Organization</th>
<th>Community Initiatives</th>
<th>Environmental initiatives</th>
<th>Emiratisation Programme</th>
</tr>
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<tbody>
<tr>
<td>Organizations 16</td>
<td>Helping the Poor and needy people, committed its knowledge, skills and resources to support WFP in fighting world hunger.</td>
<td>It is committed to improve the safety and environmental performance of its entire operation, which includes the activities by subcontractors, and to provide full and transparent disclosure on its environmental footprint. The locations are certified to OHSAS 18001 and ISO 14001 standards. It has a Road Safety Policy and Management System to support its zero fatal accident ambition. Through the partners Fleet Forum and North Star Alliance they promote Road Safety mainly focused on developing countries.</td>
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<tr>
<td>Organization 14</td>
<td>General community through voluntarism, Pro Bono and monetary donations, Sustainability activities, complimentary use of their facilities</td>
<td>Saving water and energy, holding CSR label by Dubai Chamber on environmental initiatives, have clean up campaigns such as desert clean up.</td>
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<tr>
<td>Organization 15</td>
<td>Business Community, Schools and Universities, and volunteers.</td>
<td>Initiatives such as Clean Up The Gulf and waste management</td>
<td>Its mission is to inspire, train and empower young nationals, main focus on education, they link professionals with students and their effort is to support future leaders in the region and empower young Emiratis through entrepreneurship education.</td>
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<tr>
<td>Organization</td>
<td>Community Initiatives</td>
<td>Environmental initiatives</td>
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<tr>
<td>Organization 9</td>
<td>General community: external such as clients and internal such as employees through education, sports, arts and culture and humanitarian activities, blood donation drive, donations to countries with natural disasters.</td>
<td>Practicing the best use of valuable raw materials and encouraging employees to take care of environment for recycling or waste reduction and to reduce carbon emission. It involves employee participation to raise awareness of the ecological hazards, water saving, facilities management.</td>
<td>Achieved 41% of Emiratisation, particular attention to recruit, train, develop and retain nationals. Support and offer variety of programs focus on enhancing knowledge, skills and abilities of the UAE nationals.</td>
</tr>
<tr>
<td>Organization 7</td>
<td>Employees, clients, citizens and all people around.</td>
<td>Participate in sustainable development initiatives, recycling programs, using eco-friendly products, saving energy and water to cut down the costs. Have Environmental best practices and Food Safety. The three main categories include – the ISO 9001: 2008 Quality Management System (QMS) certification; the ISO 14001:2004 certification for Environment Management System (EMS) and the Hazard Analysis and Critical Control Point (HACCP) certification for Food Safety Management System.</td>
<td>Its vision is to promote and development of human capital to support the Emiratisation including training programs for UAE nationals, programs such as Mawaheb aims to enhance leadership capabilities through workshops and management certificates from UK (ILM). Another programme is National development Programme which trains young Emiratis for skilled jobs.</td>
</tr>
<tr>
<td>Organization 6</td>
<td>Young generation through education, training and development</td>
<td>Support the environmental initiatives, volunteers participate in cleanup the beach and desert.</td>
<td>As governmental organization, aims to train and develop UAE nationals. Programs such as Takatof and Kaffat target to develop the youth in the country and help to develop their career pathways.</td>
</tr>
</tbody>
</table>

Table 11: A summary of CSR activities by organizations in the UAE
Examples show that many UAE organizations contribute to the society, marketplace and workplace. The ability to recruit and retain Emiratis talents in the UAE is a challenge and by taking social responsibilities through businesses in the country, training and developing talents will help them and empower them for the improvement of the country. However, CSR is a new concept yet and many companies are still at the stage of implementing and developing it, so improving awareness about CSR and to be more strategic in terms of corporate community involvement are required. According to Eweje (2006) the role of CSR in community development is:

- Talent development and retention
- To alleviate poverty (developing countries)
- To raise awareness on environmental issues
- To involve employees in the company

Analysis of the main data obtained from interviews show that organizations in UAE show their commitment to the society and people globally more on a philanthropic basis and especially where they have businesses. For example MNCs tend to donate or educate people in places or countries where they operate their business.

Eweje (2006) discussed that the demand for MNCs to support the community by providing development programs where they operate and particularly in developing countries, is increasing every day. Moreover, the author argued that every business has a responsibility or an obligation to help and solve the problems of the public. It is a matter of “enlightened self interest” for companies to be socially responsible. The reason is that ethics is crucial for the organization and its effectiveness and ethical behavior elevates the organization’s standing in society and is more profitable for them.

A business should first realize what they can do for the community. They should know about their capabilities in the areas of money, manpower, equipments and managerial and technical expertise. Once the areas are identified they can find the community needs to determine how they can contribute to the community.
MNCs play an important role in global development through capital investment, such as investing in human capital and also providing the means and tools for local people to manage and drive their economic development. Activities and programs such as supporting the educational needs, considering the health and safety of the communities specifically workplace and employees, doing volunteer activities and philanthropy are the main areas which should be considered by MNCs for community development.

The CSR concept is growing among organizations in the UAE. They realize that CSR is much more than being green or charity. They are well aware that their actions in the communities they operate in have a strong impact on their reputation.

### 5.5 Drivers and Barriers to CSR

Interviewees mentioned some of the barriers or obstacles for implementing CSR in their organizations and these will be described below.

Organization 16:

…Lack of support from management and mainly middle managers, because convincing them for funds, it is not easy.

The interviewee also mentioned some of the future plans to be implemented as: “Looking to make new strategy for improvement, communication plans and new project CR2.0 new version”.

Organization 2 believes that there will not be any failure in implementing CSR. He added that:

…Awareness is the most imp part of any program. Planning on an event may fail on its product it doesn’t fail in its ability to get the message out there. I don’t believe there is a failure. We don’t fail. Because we fail to plan and plan to fail and we try not to have that.
Interviewee 3 explained about the Pro Bono activities and obstacles towards CSR:
... Pro Bono is a challenge here not a failure. Finding a decent pro Bono work, finding the scale pro Bono work to hit the time for our lawyers is a challenge. I try to get involved in global programs. We have small impact and a lot of efforts have been put and it is not a failure in reducing our impact.

Organization 16 mentioned the role of private companies in promoting CSR as:

Development in education, environment and human right can happen only if all private companies in the UAE -not only the government-contribute and help.

To mention some of the barriers for CSR implementation, this research found that lack of support from operational managers and lack of leadership support, costs and expenses of CSR projects, lack of awareness, resistance to change and lack of strategic planning are some of the obstacles facing CSR in the UAE organizations.

According to the Dubai Chamber report (2011), the most common barriers to CSR and particularly volunteer activities (Employee Volunteering Program) are lack of knowledge about volunteering programs (22%), lack of time (20%) and the lack of employee awareness (9%). Murillo & Lozano (2006) discussed that lack of awareness about CSR as well as lack of resources obstructs CSR participation by organizations. However, some other researchers believed that enough information about CSR is available but knowledge is not sufficient among business leaders (Gerstenfield & Roberts 2000).

After studying the interviews and interpretations of responses, this research found that the main drivers for organizations in the UAE to implement and develop CSR are:

- Ecological sustainability: The most important drivers for organizations in the UAE to implement CSR are their desire to protect the environment by reducing pollution, waste management, considering climate and global warming by carbon footprint reduction.
• Reducing the costs: By reserving natural resources such as saving energy and water.

• Globalization: With the increased power of MNCs leads to increased levels of authorities, especially in the UAE as a developing country. When power increases, responsibility also increases, and globalization has fed the need to filter all strategic decisions through a CSR lens to ensure ideal outcomes for diverse stakeholders.

• CSR Drivers in governmental organizations are found to be linked to the cultural tradition, and results from interviewees show that organizations in Abu Dhabi are more concerned for their local communities and mainly Emiratis.

• The other driver can be having better image or reputation in the market (Branding)

According to Russo & Perrini (2009) motivators for companies to implement CSR are: to increase trust, reputation (branding), and legitimacy with stakeholders such as customers, employees and suppliers and external factors such as cultural and political. On the other hands, Fuller & Tian (2006) mentioned drivers as business reputation, meeting the needs and expectations of stakeholder.

Many researchers have explained the rationale for CSR such as the company’s reputation or branding the company. De Prins et al (2009) mentioned the drivers for companies to initiate CSR, are as an instrument for damage and risk control and for reputation management, as a business opportunity, as a product of the vision of an ethically motivated leader and as a product of a company’s core values.

Although organizations have philanthropic activities for their regional businesses, the understanding of strategic philanthropy is not well practiced in the organizations except Emiratization. Corporate philanthropy such as helping those countries exposed by natural disasters seems to attract attention of the media. However, as discussed in the previous chapter, corporate philanthropy in the organizations is connected with Zakat and most of the donations are during the holy month of Ramadan. Private sectors on the other hand, promote sustainability amongst their members through fundraising events, blood donation drives and engaging the staff in various community development programs.
Working with Injaz - UAE, some companies want to shape their future workforce and develop a skilled environment. Injaz – UAE is a member of Junior Achievement (JA) Worldwide and it is the world’s largest and fast growing nonprofit business education organization dedicated to educate students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs and it is now reaching over 10.6 million students a year. It is a partnership between the business communities, educators and volunteers and all working together to inspire young people to dream big and reach their full potential in the UAE. Organizations can help INJAZ-UAE through financial contributions, in-kind support and volunteers (Injaz –UAE, 2013).

According to the Dubai Chamber (2010) more than 66% of organizations in the UAE are not involved in the community. Lack of awareness about the activities related to the community is around 56% and lack of financial resources which is announced around 41% considered to be the main obstacles that stop companies from community involvement. Initiatives such as working with Injaz and other organizations in the UAE facilitate the pathway for many organizations to contribute and participate in the improvement of the community mainly youth in the country.

Organizations in the UAE and particularly in Dubai are at an early stage of developing a comprehensive CSR strategy. Data analysis and results of this study show that few organizations have a strategic plan specifically for community involvement. Moreover, CSR activities and initiatives are not measured or monitored often. Also, most of the organizations do not have a policy for CSR disclosure and prefer not to disclose to the public. Organization in the UAE continued to follow traditional aspects of CSR such as philanthropy, donations or giving services free of charge. However, as discussed earlier, social and religious belief is intertwined deeply in the Arab culture and Muslims consider Islamic ethics in all aspects of their business as stated in Islam, people should act ethically in the society and towards the community they are operating. Interestingly, many organizations are found to be active in volunteering activities through Injaz or Engage Dubai programs.

The size of the organization was found to be related to the CSR activities and more specifically in contributing to the community. Small organizations have less activity and less contribution
compared to the large organizations. Organizations’ interests for community involvement and development are prioritized as below:

1. Education and literacy initiatives
2. Sport and physical activities
3. Health and safety
4. Supporting people with special needs
5. Environment

Many of the managers interviewed in this research believe that the role of government in supporting and promoting CSR is important. Qassim et al (2011) mentioned that despite the awareness and perception of CSR and its benefits in UAE organizations is increasing but still advertising and promoting CSR activities in society is lacking. This suggests that many organizations now understand CSR but have failed to put it in action or get involved in it. The result reveals that organizations are deficient in competencies to put CSR initiatives into practice.

Most of the interviewees believed that they need to contribute to the environment more and it is an investment for them. They mentioned some of their future plans for environmental initiatives which were discussed above. Environmental initiatives focus mainly on decreasing the consumption of paper and recycling it and disposal of other waste, reduction in water and energy, reduction of carbon footprint and gas emissions. However, only a few organizations mentioned that they have systems to measure CO$_2$. On the other hand, many of the organizations attempt and have systems for water and energy reduction and recycling. In addition, a very small portion of organizations implemented CSR 8000 or ISO 14001 and 9000.

Few organizations in our sample develop partnership with charitable organizations. In other words, they prefer to act in isolation and dependently. Furthermore, many of the organizations do not
allocate a budget to the activities related to the community and many of the interviewees mentioned that they contribute when and where it is needed.

This dissertation has explained and discussed CSR activities and practices as well as the tendency of organizations in the UAE to be connected to the main core and driving force, Dubai Chamber of Commerce and to other institutes in order to maintain their network. The Chamber of Commerce acts as an influence in the country, encourages and pushes organizations towards CSR and implementation.

Table 12 below summarizes the key CSR activities by respondents in this survey.
<table>
<thead>
<tr>
<th>CSR Area</th>
<th>CSR Priorities</th>
<th>Org 1</th>
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<th>Org 15</th>
<th>Org 16</th>
<th>Org 17</th>
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<td>✓</td>
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<td>✓</td>
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<tr>
<td></td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Community Support</td>
<td>Education and Training</td>
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</tr>
</tbody>
</table>
Spence and Schmidpeter (2003) concluded that today more organizations are involved with other networks around them beyond merely communicating to serve regulatory requirements. Networks such as being a member of Dubai Chamber of Commerce help the organizations getting access to the business information and also an opportunity for marketing. Programs and awards such as CSR Label, Engage Dubai and other programs with INJAZ, which were discussed in the previous section, provide a stage for organizations to benefit from and promote themselves.

The awareness of CSR is increasing in the country but results show that an organization's contribution in the country is limited to the traditional area of philanthropic giving. Contribution to the community and workplace by investing strategic plans and partnership with other organizations is rare and lacking. Contributions should go beyond these donations and should be aligned with the core competencies and develop a long-term plan for the needs of communities. However, results reveal the CSR development in the UAE and the culture of generosity and giving is deeply embedded in the society and country’s culture. Employee health and safety, fair payment and discrimination found weak so they should be enforced. A serious consideration should be given to establishing an organizational culture where people feel that ethical and moral practices have been practiced well. This will prevent the potential for "whistle blowing”.

Below summarizes the main findings from this study based on the stated research questions:

5.6 Summary of main findings
RQ1. How do organizations in the UAE perceive CSR?

- CSR is a way of balancing act between the interests of a company's stakeholders including shareholders, employees, communities, suppliers and customers.
- Stakeholders - more NGOs and civil society.
- CSR means giving back to the community, taking care of environment and do charitable works.

RQ2. How CSR is implemented, integrated and monitored in the UAE organizations?

- CSR measurement was found missing. Maybe because of the fact that organizations mainly focus on reputation in the market or financial growth.
- The main focus areas in CSR found environment followed by charitable activities. Though more activities on environment are required by organizations.
- Governmental organizations showed active in community engagement and development. Training and development of young Emiratis are the main focus and organizations support the Emiratisation. However, the pressure from government is the main reason for organizations to be involved in Emiratisation.

RQ3. What are the motives and barriers to CSR in the organizations?

- Leaders and top management support have a great impact on CSR initiatives.
- Strategic CSR and planning develop CSR initiatives and a well CSR strategy framework will be the driver for CSR, but this found lacking in UAE organizations.
- CSR practices and activities depend heavily on the company's industry. The company's activities are mainly based on their industry.
- The role of HR managers in CSR activities found weak as Redington (2003) suggests CSR and HRM both together can effectively contribute to business success.

RQ4. How do organizations benefit from having CSR in their organizations?

- To save money on energy and operating costs
- To improve business reputation and create good image
- Talent development, main focus on UAE nationals
- Positive PR: creating a network to share ideas, activities as well as marketing
Chapter 6 Conclusion

This chapter will discuss the conclusion and implications for organizations to develop and practice CSR more effectively globally and in the UAE.

6.1 Global CSR

This paper discussed about CSR in emerging economies in previous chapters and concluded that CSR in these countries has been greatly affected by economic globalization. Cases in Mexico and Argentina demonstrated that MNCs are the main drivers for their CSR activities. However, Frynas (2006) believed that “CSR agenda in emerging economies is driven by external demands by developed countries, and foreign multinational companies spearheading CSR activities” (p.17). Furthermore, all practices cannot be considered as western influence such as philanthropy which is based on Islamic ethics and it is common in Arab Muslim countries.

Results from the review of literature in this paper show that interest in CSR in emerging countries has risen intensely. Muslim countries such as Indonesia, Malaysia, Turkey and Arab countries are driven by religious and transitional notions and they are active more on philanthropy or charities because of Islamic values such as Zakat which has been discussed in this paper. Indeed, Western notions of CSR cannot be superimposed in all developing economies. In Europe for example philanthropy is not part of core CSR and sometimes dismissed. However, all companies in emerging economies should practice more on community activities and contribute to their local communities and society.

Government plays an important role in establishing an effective framework and supporting responsible business activities. The five examples of such governments are:

Botswana – The African Comprehensive HIV/AIDS Partnerships
China – CSR Guidelines for State-owned Enterprises
Denmark – National Action Plan for Corporate Social Responsibility
Germany – Public Private Partnership Program
6.2 CSR in the UAE

The fast economic growth in the UAE has caused an enormous impact on the environment due to the large demands of energy in the country. Rettab (2009) discussed that organizations may increase their activities in CSR but engaging the stakeholders is a problem. The reason is lack of communication and a restricted media forum. Ararat (2006) discussed CSR challenges in the UAE and found the areas in which organizations in the UAE should focus, that are similar to Carroll’s Pyramid of CSR and was discussed in Chapter 2. The Pyramid below demonstrates the 3 focus areas.

![Figure 5: Potential Focus Areas of CSR in UAE](image)

Similarly, Rettab (2009) mentioned that environmental responsibilities, anti-discrimination, and consumer and community responsibilities are the areas which should be focused on in the country.
This research addressed activities and practices related to CSR in a sample of organizations in the UAE. Most of the organizations in the UAE were found to understand and be aware of Social Responsibilities more than before but still follow the traditional method, charity and philanthropy. However, this concept is changing today as stated by many participants that CSR has to be considered beyond charitable works. Furthermore, MNCs seem to follow their company headquarters abroad and their activities are mainly followed by them.

This study also found that CSR activities in organizations differ across industries. In other words, their CSR programs and activities are dependent on the field of their business and industry. For instance, companies which are involved in legal services provide Pro Bono works and advice related to law and legal actions. The company, whose main activity is in pharmaceutical, provides advice for medicine and raising awareness among communities.

Adopting a qualitative research method this study explored CSR activities among organizations in the UAE and discovered that leadership is a strong enabler for CSR initiatives. As Visser (2010) defined, a CSR leader is the one who encourages and fosters action for a better world. This statement clarifies that leadership in the organizations plays an important role. It determines the activities and actions towards the community or society. It decides engagement for socially responsible behaviour, in terms of the environment, charity or other involvements.

Leadership support is a driver for the growth of the company. A good leader is a role model for others in the company and his or her leadership style can play an important role in CSR engagement within the company. According to Tulder (2006) a Transactional leader is the one who is good at specifying CSR goals, explaining the roles and responsibilities, motivating other subordinates to achieve organizational goals. This leader focuses on the internal operations of the company. On the other hand, a Transformational leader is the most “outward” oriented type of leadership who implements the organizational vision which is embedded a broader vision of society and the active involvement of external stakeholders. The key to real transformational
leadership connects with the effectiveness of their actions (p. 3). Hence, according to the above, a Transformational leadership style boosts CSR activities and involvement in the organization.

Figure 6 below demonstrates the main findings of this study in the areas: CSR and HRM, CSR and strategy and CSR monitoring.

As discussed in the previous chapter, organizations in the UAE have different CSR activities and programs. However, they mostly adopt and follow the 4 pillars of the Dubai Chamber: Workplace, Marketplace, Community and Environment. Below will explain and conclude the main CSR interests and reasons that organizations in the UAE are involved in: Emiratisation, Corporate Philanthropy and Environment.
A. Emiratisation

As discussed in previous chapters, Emiratisation is an initiative introduced and developed by the UAE Government to employ UAE nationals and expatriates in an efficient manner in the public and private sectors. The aim is to secure jobs, training and development programs for the Emiratis to reduce unemployment among them. UAE rulers have been supportive of any initiatives related to the development of the nationals.

Emiratisation is an important factor of socially responsible initiative and it plays an important role in developing and increasing the standards of young Emiratis to be part of the workforce in both public and private sectors and preserve their Emirati culture.

Many of the initiatives taken by organizations of this study’s sample seem to be positively connected with Emiratisation programs. Training and development or literacy initiatives, donations, funds given for scholarships or developing Emiratis entrepreneurs, internships and other initiatives seem to have a positive impact on the country, contribute to the society and UAE nationals.

Another initiative taken by the Government in 2013 is to have equal holidays for public and private sectors in the UAE. Most of the private sectors in the UAE have only Friday holiday while public sectors have Saturday holiday as well. This adjustment aims to make private sector jobs more appealing for UAE nationals.

B. Corporate Philanthropy

It was already discussed in this paper that the social life of people in the UAE is influenced by the values and culture of Islam and social and religious principles are linked with the culture (Suliman 2006). Hence, Muslims consider religion and ethics in their business, and organizations in the UAE link CSR with corporate philanthropy such as donations and charities during the Holy month.
of Ramadan. To conclude, Islam plays an important role in urging organizations to involve in corporate philanthropy and such CSR activities.

C. Environment

This study outlined and explained many CSR activities towards environment initiated by organizations participated in the research. Programs and practices by Dubai Chamber, organization 5, 7, 9 and 16 are outstanding. Lyon and Maxwell (2008, p. 12) discussed the drivers that urge companies to engage in environmental concerns. They stated that “Perhaps pollution is symptomatic of broader production inefficiencies, and pollution reduction and cost reduction go hand in hand to create “win/win” opportunities in today’s economy”. Hence, with the world’s concern today about global warming, customers in the UAE, like other developing countries prefer to “go green” and pay a higher price to use cleaner products and companies are concerned about this and respond accordingly. Other reasons that force organizations to demonstrate concern about the environment is cost reduction, which was already discussed in this paper.

A successful implementation and development of CSR can attract a positive image in the market and among stakeholders. Being socially responsible is not only about moral philosophy, it is also interlinked with a long term business plan. Moreover, it has a significant impact in motivating, developing and retaining talent in today’s resources challenges, including the HR “war for talent”.

6.3 Recommendations

The definition, drivers and benefits of CSR have been discussed in this dissertation and it is concluded that it can increase financial returns for the organizations that implement CSR. As discussed, through CSR implementation, businesses are given the opportunity to reduce the risk and costs, achieve competitive advantage, establishing a reputation and legitimacy, promote innovation inside and outside of the organization and enhance their financial performance.
6.3.1 Global CSR

The above mentioned benefits indicate how organizations can benefit from CSR implementation which forms economic, environmental and social decision making within the organization. Rangan et al (2012) discussed the concept why organizations need a CSR strategy and concluded that, every corporation needs a CSR strategy that “unifies the diverse range of a company’s philanthropic giving, supply chain, cause marketing, and system level initiatives all under one umbrella” (p. 4).

A successful socially responsible program requires integrating CSR into business strategy and also into its operations. Every business should identify and prioritize the most important social causes or the ones which can have the great impact on society and the future of business. Kitthanananan (2010) explained that business and society are co-dependent and any decision making must benefit both. This means that CSR activities and practices need to look for a balance between social and business benefits.

**Recommendation:** Organizations should identify what Global CSR topics and initiatives are relevant for strategic planning and engagement. Figure 7 below shows a framework adopted from Kitthanananan (2010) which guides a complete step by step embedding CSR into business strategies and practices.
Figure 7: CSR Implementation Framework (Kitthananan 2010, p. 65)
As the framework shows, it has 3 stages: designing, executing and mainstreaming. The three stages contain 8 steps.

1. Preparation

1.1 Raising awareness within the company
CSR practices should be initiated strongly and with a “conviction “by those who implement it within the organization. People in the organization should be persuaded and influenced enough that CSR is a path to follow and the right way for a company to go. Voluntary programs can help to have a successful CSR practice. However, volunteers should have a clear understanding of the necessity and importance of a responsible business. Such practices already discussed in previous chapters such as: cleaning the beach and creek, educating children and so on.

Starting CSR awareness can be characterized into reactive, which stem from external environmental pressures, and proactive, when personal values of people inside the organization increase and force for an adoption of responsible practices compelled by a sense of personal morality, influenced by managers or employees’ socially oriented personal values (Christine 2005, in Kitthananan, 2010). Hence, awareness feeds the proceeding and formulation of CSR strategy and its implementation and should be carried forward put into an action by a decision in designing a CSR program.

1.2 Assembling a CSR Team

At the early stage of CSR programs, a good CSR team should be assembled. CSR needs support from top management, so this team should be including representatives from top managements and volunteers inside the company. Other involved representatives can be Human Resources, community relations, environmental department, finance, and marketing or communication department. This team also should be able to encourage other employees to contribute their time, energy, efforts and opinions into corporate CSR initiatives. The team also needs to determine plans and actions that each department or division needs to perform in order to achieve the corporate CSR goals.
2. CSR assessment

It is the responsibility of every business to realize the opportunities and risks of barriers related to CSR. A smart and sensible gathering in the form of CSR assessment can protect the company from initiating an ineffective CSR approach or going towards a direction that is not suitable for the company and business. Therefore, a systematic assessment will help for better understanding of problems or challenges and importance of CSR for the business.

An assessment should gather and examine the information related to the company’s products, services and activities in relation to CSR. The process of CSR assessment should provide:

- Norms and Values
- Internal and external drivers which encourage the organization to undertake a more comprehensive and systematic approach towards CSR
- CSR issues or problems that affect the business
- Key stakeholders who need to be engaged as well as their concerns
- Current CSR initiative, practices and standards
- Legal requirements
- Implication for resource and budget

Hohnen (2007) mentioned five stages for CSR assessment process similar to Kitthananan’s model but he argued that assembling a CSR leadership team is important in this process. On the other hand, Benn et al (2010) highlighted that, in this developing world where a large power distance between managers and subordinates exists, leaders and top managements have a strong impact on CSR implementation.

2.1 Understanding corporate norms and values

Norms and Values play important roles as prerequisites for the organization that embark on CSR. In other words, norms and values lead the decisions and behaviors within the company and also
support the company to fulfill the vision and goals. This means that CSR initiatives must align with the values, norms and missions of the company.

In this dissertation, the vision of some organizations was explained. For example, some of them had a vision to become a sustainable organization in the future or to be more active in literacy initiatives, reduce emissions and so on. Maon et al (2009, in Kitthananan, 2010, p. 70) stated that “to successfully incorporate CSR into long-term strategies and business operations, a company must transition from a target-driven to a value-driven culture”.

2.2 Auditing current CSR-related norms, standards, initiatives and practices

The aim of this is to identify firms’ profiles linked to below key CSR aspects.
(1) Social and environmental dimensions and impacts of company activities
(2) Corporate governance issues
(3) Corporate commitment to sustainability
(4) The societal dialogue process

Many organizations may realize that they are engaged in CSR activities without identifying them. For instance, a company may have systems for environmental management, employee health and safety, employee development programs or community initiatives. When the corporate norms and values are assessed, it is helpful to study mission statements, policies, codes of conduct and principles because they may be useful for the CSR audit. Moreover, all business operational process should be assessed to make sure that they are in line with CSR principles. Hence, it is necessary for the company to examine all activities related to partners such as supply chain partners, to ensure nothing can affect the company.

3. Stakeholder engagement

Business is always part of society and cannot be isolated as it needs to be connected with customers, suppliers, employees and communities. Stakeholders are those who can have an effect on business operations, make it successful or fail. Hence, relationship with stakeholders is
necessary. A company can have discussions with external stakeholders about CSR, plan their interests and concerns which can help companies to reveal opportunities and problems.

The reasons why stakeholder engagement is important are: risk reduction, social capital and business innovation. Stakeholder engagement includes identifying their concerns. This means defining which stakeholder’s categories the company has to deal with and consider as part of its strategy. However, the nature of business determines the type of stakeholder. This engagement process needs planning as well. It is necessary to understand the purpose of stakeholder engagement. The company should understand the objectives of engagement with each stakeholder because the reason for engaging them will define the style of this engagement and the expectations of the stakeholder. After clarifying the objectives, a plan for the engagement process should be developed. However, the engagement plan should consider the capacity of each group to engage with the company on particular issues. Below are examples:

- Communities, stakeholders and other people in order participate may require resources such as information, compensation and so on.
- Using the language of stakeholders sometimes is needed. This will help to reduce the gap between the company and stakeholders. An interpreter is required here.
- For each diverse cultural group, a separate engagement process should be considered
- Make sure that those vulnerable or disadvantaged groups such as employees and their representatives in certain situations are free to talk openly. This may need holding the process off site.
- Gender and faith issues should be considered. This includes providing an organizer of the same gender and faith so the group will feel more secured to share the information.

At the end, an engagement process should be exercised. An actual dialog and exchange of conversation between the two parties is necessary. Listening to the ideas and views of stakeholders will help the company to learn about the problems and issues. After all, parties should deliver on their engagement commitments.
4. Development of CSR strategic plan

After the company cleared the vision, values, norms and initiatives related to CSR and also the key stakeholders, their interests and concerns at this stage company can have a common meaning for CSR that encourages a socially responsible shared vision, consisting of stakeholder’s expectations which are compatible with the company’s strategic goals.

Developing a working definition of CSR is also essential if managers and stakeholders are to work in the same direction and to establish the foundations for subsequent activities.


A strong and supportive leader plays an important role in creating a CSR vision in the company. This leader also should take initiatives in communicating the vision in an inspiring way to motivate the employees. Moreover, a socially responsible vision also needs to be formulated and announced by top management then should be communicated through annual reports, brochures or publish online. The examples of this have seen in many organizations in the UAE but still CSR disclosures by organizations seem rare.

The lack of a developed and comprehensive CSR strategy is another gap has seen mainly in the public sectors in the country. Typos (2009, p. 36) stated that “CSR in some form or another has existed in the Middle East for centuries because of Islam. All the West has done is fine tune the concept in order to reap more benefits for themselves and, after that, for society. It is this step from philanthropy to a strategy that has not taken hold in strength in the Middle East”.

The next step is benchmarking with competitor’s CSR practices and standards. This process requires 3 steps: identifying the best performers on CSR issues on the basis of industry, identifying the norms and standards used by the competitors and measure the performance of the best
companies against this benchmark, and finally, the company needs to compare its performance with the best performers and identifies and measures any gap that may exist.

The final step in this section is to craft the strategy. “A strategic plan is required for a company to ensure that it builds, maintains and strengthens its market, identity and relationship with all stakeholders in a productive manner”. (p. 79)

A good CSR strategy should identify:

- The direction for CSR
- Stakeholders, their interests and viewpoints
- The basic path for moving forward
- Clear priorities
- A timeline for action, responsible staff and resources
- A process to review the outcomes

Hohnen (2007) mentioned that, to generate ideas a company should integrate CSR into operations. “Brainstorming sessions” with employees, top managers and business partners can be held to clear and discuss the CSR plan. These sessions also will help with the awareness of CSR activities that a company is planning.

5. Implementation

The first step in implementing a CSR integrated strategic plan is to develop CSR commitments. Commitments are those policies that company develops to clarify what the company needs to do and commit in terms of addressing and manage socio-environmental impacts. Commitments also help to align and fit in CSR into the business strategy, aims and goals of the company.

Developing CSR commitments provide opportunity for the company to promote CSR interest among the employees and show that codes and standards align with the company. According to Belal and Momin (2009) commitments for CSR which is developed in some of the UAE
organizations are more based on western practices. Therefore, it is necessary that commitments flow from CSR assessment and strategy and then develop while company starts moving from designing to the executing stage. In other words, commitments should stem from company’s goals and objectives.

The second step is to identify a key implementation approach and then develop an integrated decision making structure. CSR implementation will include many decisions that can affect the operation of the company. Hence, the structure of decision making should be implemented accurately and make sure that CSR commitments are met. However, for this implementation, a CSR team or a senior management should be assigned.

The third step is to prepare a CSR operational plan. This operational plan should stem from the CSR strategy and commitments. Strategy, commitments, CSR team and decision making all are in place and now CSR operational plan assures that it is the time to do action now. This can be done through Human Resources, financial and other resources or activities to execute CSR strategy and commitments. The role of HR manager in this implementation is important as Taylor et al (2011) implies, HR needs to ensure that strategy and commitments are coherent across the organization. The fourth step is to mobilize the internal staff. At this stage, top management directs the CSR strategy, but implementation activities will be handled by front line staff. A good communication skill is required between the top management and employees about the strategy and CSR commitments. However, mobilizing the employees first requires the awareness of strategies, directions and commitments.

6. Monitoring and Evaluation

To improve CSR activities and performance, it is necessary to monitor and evaluate the results. This evaluation should be based on measuring, improving and reporting.

6.1 Setting up targets and performance measurements
Effective execution of the CSR initiative needs the setting up the targets and measurements. In other words, the targets should be defined along the way to the ultimate goal of the company.

As discussed earlier, many organizations in the UAE set their target to achieve the CO2 emissions. This process can be done through reduction in energy. However, to achieve this target, training programs for employees seem necessary.

6.2 Verifying the results and reporting the performance

Tracking the CSR progress is important in order to realize that organization is on the right road towards the CSR strategy and commitments. It is also an opportunity to draw on statements and inputs from external stakeholders, employees and managements as well as to other approaches. By this, the company will be able to track the progress, evaluate it and if any obstacles exist try to remove them. Moreover, this will help the company to assess what other organizations are doing and what they have achieved.

Finally a company’s economic, environmental and social management and performance as a report should be prepared and communicate with the stakeholders. Building employee engagement and loyalty with customers and suppliers are some of the advantages of such a reporting. Furthermore, reporting is an important step for the company because it will place the company in a “better position in capital access through socially responsible investment”. (p. 93)

Reporting on CSR activities and practices are not seen much by UAE organizations. Except few organizations in this study who share their reporting publicly mainly on environmental issues. However, reporting shows a company’s motivation and willingness to place itself in the market in terms of responsible business conduct. Moreover, the role of Dubai Chamber as a CSR promoter and its ethics center which encourages the companies to be engaged in CSR activities boosts their corporate image and declare their initiatives by CSR awards, has been very important in the country.
7. Institutionalization and CSR practice

The company needs to maintain CSR activities and ensures their activities continue. To become sustainable, institutionalization of activities in the organization and considering it as part of the organizational culture is important. The reason is that it has been assumed as a long-term strategy and a guide for decision making. In order to receive the support from employees for CSR practices, the company should identify those who are best in CSR and known as superior among people, and mobilize momentum for CSR practices, connect the success of CSR initiatives to performance, keep the record and follow-up on progress, increase or develop the incentives for those with new ideas. For example celebrate the success and motivate the team for more achievements. The role of HRM in these initiatives seems significant.

This study has already explained and discussed some programs initiated by the Dubai Chamber such as the Volunteer Program which offers opportunities for organizations and employees to become engaged with the communities. Such programs provide a mechanism to engage employees and give them options on how to contribute to the society. This will help to the company reputation as well as giving the employees confidence to a positive contribution to the society and to benefit communities.

8. Communication

CSR commitments, activities and practices should be communicated effectively with employees and stakeholders to increase the awareness among them. This communication with employees can be through newsletters, annual reports, internet and meetings. This will help raise awareness among them that CSR is important for the company. However, employees should be informed about changes and progress.

CSR has become prominent today due to global awareness mainly on the environment and communities. Many companies have incorporated the concept of social responsibility into their business vision and mission. Leadership starts with a vision that motivates hope and a mission that
makes the hope changes in to reality. Leaders build the vision, define the mission and create the cultural values on which the strategy is determined. It is important that vision supports the business as well as communities, workplace and society. Hence, after implementing a CSR with above mentioned framework and process, a leader with such a vision is required to drive CSR. Only a few national governments have followed coherent and complete CSR strategies to date. Examples are Costa Rica, Denmark, Sweden and Poland.

Appendix III demonstrates good policy options to foster CSR among countries all around the world.

6.3.2 CSR in the UAE

CSR has achieved prominence in the developing countries specifically in the UAE today due to global awareness mainly on corporate citizenship and environmental concerns. However, more awareness is required that CSR is beyond just a charity. All organizations in the UAE should invest more in providing tools, instruments, skills and supports to the communities aiming to create a centre with knowledgeable and skilled members. Moreover, organizations should refine their CSR activities and strategies and think about their role in a wider society.

Improving the qualifications of young Emiratis are important, organizations can promote leadership, self-efficiency and technical competence. Since the unemployment rate among Emiratis is high specifically among women, more initiatives should be taken to tackle the issue. Programs similar to TAKATOF which was explained earlier in this paper, can address the issue. For example career counseling, volunteer training on leadership or other qualifications could be enhanced.

Organizations should focus on improving sustainability, and CSR activities should be incorporated into the overall business strategy of the company. This can be by reducing energy, water, electricity and create a great place to work for everybody and deliver the best outcome for the society, community and for the business itself. Sustainability can be divided into 3 categories: human sustainability which helps people to live safer, healthier and have a more active life; environmental
sustainability which protects natural resources such as water, energy and efficient use of land; and
talent sustainability which helps talent acquisition and retain them, develop the skills they need to
grow themselves and company as well and by doing this, companies will create employment
opportunities for the community.

Being part of sustainability network which initiated by Dubai Chamber and explained in this paper,
also will help organizations to exchange best practices and start collaborating with other
organizations following similar vision. The network brings together organizations that are
interested to learn about CSR initiatives and provides them a platform to showcase their activities
and share their successful achievements with others.

6.4 Recommendations for organizations in the UAE

Recommendation 1
Social Audit: Davis and Blomstrom (1975, p. 81) defined the social audit: "A social audit is a
systematic study and evaluation of an organization's social performance, as distinguished from its
economic performance. It is concerned with possible influences on the social quality of life instead
of the economic quality of life. The social audit leads to social performance.” It will give managers
required information to evaluate the effectiveness of programs related to the environment,
community development and the like.

A well managed company will try hard to meet its obligation towards the society. In order to
confirm that social goals are met, social audit will help companies to measure, monitor and
evaluate their contributions to the society (Anderson 1989). Social Audit will help managers in the
UAE to compare relative effectiveness of different social programs. Organizations in the UAE
could use Social Audit to provide information to the external forces that make demands of the
organization for social performance. As discussed earlier, the social reporting was not shown
effectively by the organizations in the UAE. Companies should do this through a sustainability
report, annual report or use advertising, public relations and websites to communicate their CSR.
This will help organizations to introduce themselves as a reputable, responsible and safe place to work. As Ernest and Whinney (1981) discussed, developing a good social reporting is a process that cause establishing a foundation, improving the quality of reporting and improve the system.

**Recommendation 2**

**Vocational training:** Organizations should invest more on human resources. More focus should be on continuous development, and skills improvement of young Emiratis is essential. UAE nationals should be provided with the possibility to develop their potentials to maximize their contribution to their country and society. Training courses, internship opportunities and on the job training are some initiatives which foster the growth and development of young Emiratis and enhance their skills to the success of the country. However, there are numbers of programs and training opportunities provided by organizations in the UAE for the Nationals which can be developed and encouraged further. Emiratisation is a good example and helps those fresh and young graduated nationals to develop their competencies and skills.

**Recommendation 3**

**Health and Safety:** Companies in the UAE are required to establish policies to ensure their employees’ health and safety at work. This gap was reported in the country and it is necessary for enterprises to develop their policies towards health and safety at work. Organizations should provide all employees with a healthy working environment and make sure all employees do not have any problem. Considering health and safety issues, improve working conditions and equal opportunity and programs such as work-life balance or stress management will help all employees have a healthy life which has positive impacts on their work and outcomes. Such programs will also help in employee retention.

**Recommendation 4**

**Communicating CSR initiatives to stakeholders:** Companies in the UAE should provide systematic information on social effects of business activities on their website based on international reporting standards. Moreover, intensive communication increases level of brand
awareness which leads to contribution to the level of revenues for the company. This can be done for example by holding meetings and share ideas and views on what steps and considerations can be done for future CSR activities. Every one or every organization may have different comments and advices which will be helpful for organizations to consider. Stakeholders may include customers, suppliers, shareholders, communities, media, other organizations and employees. Organizations should first identify stakeholder issues and interests. Issues for communication can be employee development, employee welfare and health, employer-employee relationship, environmental policy and management, corporate governance, supply chain management, waste management system and codes of conduct.

**Recommendation 5**

**Employee Engagement:** Organizations in the UAE need to boost employee engagement in decision making and CSR implementation process more. According to Aras and Crowther (2010) informing employees about CSR activities by different channels of communication, is an effective way to increase company’s social responsibility performance (p. 359). The employee volunteering program will be the best way to engage employees and having good CSR activities. Employee volunteering is one the best initiatives which should be fostered in the organizations. Organizations could ask employees to do something more on their jobs to create more effective outcomes for the business and society. Mirvis (2012) suggested 3 different ways that companies can engage their employees through CSR.

- A transnational approach, where programs are set to meet the needs and interests of those employees who are willing to take part in the socially responsible activities of a company
- A relational approach, where an organization and its employees together make a commitment to social responsibility
- A developmental approach, where a company aims to more fully activate and develop its employees and the firm to produce greater value for business and society. (p. 96)

**Recommendation 6**

**Code of Conduct:** Code of conduct is an agreement in which the duties between employees and the company towards stakeholders are defined. In the companies where code of conduct is
practiced, more encouraging and supportive environment has seen in terms of ethical behaviors. Graafland and Stoffele (2003, p. 47) mentioned that Code of Conduct includes three main categories: mission statement, value declaration and rules of conduct. Hence, encouraging organizations to have code of conducts can help them to get involved in CSR activities and it guides the behavior of everyone in CSR to act honestly and fairly. By having Code of Conduct more effectively, organizations in the UAE will be able to show their openness towards the communities and stakeholders, encourage non-discrimination and anti-corruption and create a healthy work environment where they can attract more talents.

**Recommendation 7**

**Creating CSR Department or Team:** As Table 10 in Chapter 4 shows, most of the interviewees do not have positions directly related to CSR. Creating CSR team, department or someone as manager who can lead and directs CSR activities seem necessary in these organizations. As explained above, the first step in the guideline to embed CSR into business strategy is assembling a CSR team. CSR team can determine the plans and actions that other divisions require to perform and contribute to the achievements of CSR goals. They also can coordinate and manage CSR initiatives. Hence, a good CSR team should be created in every organisation in the UAE to direct CSR activities effectively.

**Recommendation 8**

**Government Support:** Government needs to promote and support CSR more in the country, educate and inform the public to align CSR understanding in the UAE. Community involvement is seen weak in the organizations and government could support this by endorsing best practices, facilitating partnership, providing findings and rewarding champions (Rettab and Brik 2010). By facilitation, government can enable companies to engage in CSR and improve social and environmental initiatives. For example, government can provide tax incentives or penalties to promote responsible business. Moreover, the government should ensure that all businesses have access to required information on legal requirements for issues related to responsible business practice (MacGillivray et al 2007).
Corporate Social Responsibility or Sustainability award by Dubai Chamber could help organizations to pull in and get attracted to CSR activities. However, other awards such as Business Ethics Excellence award may magnetize many organizations to start and implement CSR. Table 13 summarizes types and instruments that help the government to promote and encourage CSR in the country.

<table>
<thead>
<tr>
<th>Types and Instruments</th>
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<tbody>
<tr>
<td><strong>Awareness raising</strong></td>
<td>Award schemes, information platforms, campaigns, training and capacity building measures, the disclosure of payments to public institutions, naming poor performers, labeling, tool-kit.</td>
</tr>
<tr>
<td><strong>Partnering</strong></td>
<td>Multi-stakeholder involvement, public-private partnerships, collective action efforts, round tables.</td>
</tr>
<tr>
<td><strong>Soft Law</strong></td>
<td>Corporate governance codes, codes of conduct, implementation of international principles, guidelines for CR reporting, tax exemptions for philanthropic activities, linking CR aspects of public procurement procedures and export credit boards.</td>
</tr>
<tr>
<td><strong>Mandating</strong></td>
<td>Company laws, regulations for pension funds, stock exchange regulations, laws on CR reporting, penalties for non-compliance.</td>
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</table>

Table 13: A guide for government to promote CSR (UN Global Compacts, 2010)

**Recommendation 9 for HRM**

**HR Managers should get involved in CSR:** HR managers are well placed to play an important role in helping the company reach its goals and become socially responsible as well as reducing its negative impacts on society. Those organizations, who wish to be the best place to work, looking to manage their employees’ relationship in a socially responsible manner, wish to improve employee engagement and want to improve health and safety at work, HR manager can be a solution. HR managers can assist the CSR team to integrate CSR into the firm’s DNA.
HR’s instructions to communicate and implement policies, ideas and behavioral change in organization fulfills the organization’s objectives to integrate CSR into the overall strategy. HR can facilitate the development of employees, retain talents, engage employees and increase productivity. Strandberg (2009) believed that when CSR is embedded in business strategy it becomes a mechanism for unlocking human potential. (P. 3)

If employees are not engaged in the organization, CSR will become an exercise in public relations and the integrity and reliability of the organization become damaged when it is obvious that it is not “Walking the Talk” (Mees and Bonham, 2004). By using HR functions, the socially responsible values can be instructed and sustained into the culture of the organization through below ways:

• HR should take the responsibility to develop policies on sustainable practices engaging employees. For example, organization 9 in cooperation with Dubai Chamber uses employee volunteering in different ways. Such as raising funds for donations, cleaning the sea and the beach, blood donations and so on. Fundraising is a practice to show support for the community and creating a winning environment at the workplace. Such initiatives by HR will build a positive environment in the organization and should be practiced more in UAE organizations. HR team will have a great influence and enable the initiatives to improve employee retention and satisfaction.

• The Corporate philosophy of CSR should be highlighted for newly recruited candidates at the beginning. It is important that top management have a commitment to CSR and show it in a way that reinforces the right behavior in the organization. For example, CSR values can be included among the workforce during the induction sessions. Employees should be energized about CSR initiatives. Induction session is a good opportunity for organizations in the UAE to explain about CSR activities and initiatives and no one can do this better than an HR.

• Performance Management System should be designed in a way that measures the CSR initiatives taken by employees. Internationalization of CSR in organizational culture needs appropriate behaviors that get appreciated, rewarded and appraised. If not, the organization cannot instruct it in the workplace due to lack of positive support.
• HR should include CSR training among employees. This can instill the CSR culture among them. CSR can be included in management skills program. It is necessary to make employees to learn and practice CSR in the organization.
• Practices on Equal Opportunity, diversity management, human right and harassments shall give credibility to the CSR initiatives of the organization. These are important issues under CSR and should be taken seriously.

HR acts as a key organizational leader and can lead others to integrate CSR objectives into how business is executed. Furthermore, HR can translate CSR commitments horizontally and vertically across the organization. However, an effective HR leadership in CSR integration needs every body’s commitment in the company to become successful.

Organizations need to develop and boost CSR reporting and auditing systems that strengthen transparency and consistency. By setting such mechanism in place, HR can start designing effective metrics for the impacts of CSR strategy on employees’ effectiveness. Such assessments include internal measurements of employee engagement, attitude, satisfaction, and commitment. External factors include employee retention, productivity and absenteeism (Kwan and Tuuk, 2012). Hence, to achieve change within global communities, organizations in the UAE need to empower HR to use the human assets into their operational framework. Moreover, organizations should strengthen HR’s ability to help employees become more enthusiastic and integrated into their “cultures of responsible leadership” (Kwan and Tuuk, 2012, p. 9).

Figure 8 suggests the steps to implement CSR effectively in UAE organizations adopted by the researcher.

Figure 8: Steps in CSR Implementation
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CSR Implementation Strategy

- CSR into business strategies, set goals and monitor
- Establish implementation committee to review policies, strategy, risk management, stakeholder engagement and reporting
- Report on CSR performance to stakeholders
- Possible next steps: management training, recruitment strategies, talent retention

Operating Framework

- Accountability
- Human Resources
- Operational Performance
  - Information systems
  - Financial, Administrative Management and control

Measuring and Internal/External Reporting of Performance
To improve results
It is the role of all companies to see deeply and responsibly the effects and impacts of their businesses on the world as general and sustainability initiatives will impact many people around them. Education and youth empowerment, community development, entrepreneurship and the environment are the areas to be focused mainly. It is time for business leaders to change their view and look at their role that goes beyond their responsibilities to the shareholders to embed a personal commitment to their task as institutional custodians. As Reich (2007, p. 173 in Fukukawa, 2009) stated “corporate initiatives that generate higher profits and higher returns for investors, are not socially virtuous. They’re just good management practices that should – and given the competitive pressures of super capitalism, will – be undertaken regardless of how much or how little they benefit society”.

To conclude, initiating and leading CSR is an opportunity for supply chain professionals to show their value across the wide range of initiatives and make a distinction to the organization, its customers, suppliers and products. At the end, this dissertation provides some hints and tips to maximize the positive impacts that organizations can bring:

- Embedding CSR into the organization’s strategy will give a better chance to coordinate different aspects of standards and policies that it needs.
- Implement CSR standards cross functionally, get the input from others and connect with them.
- When creating CSR priorities make sure to review products and services for potential impacts or risk they might present.
- Find CSR issues and problems at the earliest time.
- Adopt performance or functional specifications wherever needed to deliver CSR outcomes and encourage innovative solutions.
- Give consistent message to the stakeholders and suppliers and build confidence by giving support and training for those who are involved.
CSR is evolving in this region and results show that organizations in the UAE have increased their activities during the economic downturn mainly on their environmental impacts and they continue increasing. Moreover, CSR is not seen as an “add on” but as integral to the way organizations are run and it is expected to continue in the UAE.
References


Appendix I – Interview Questions

1. How do you define CSR? How does your organization define CSR?
2. What is the strategy of your company in terms of CSR? What are its key components?
3. How does this strategy fit the overall strategy of your company? Is there alignment?
4. What are the ways in which CSR is practiced in the industry in which you operate?
   a. Are there pressures for compliance / pressures of supply chain?
5. How would you define and describe the ‘community’ within which your company operates?
6. In what ways does your company feel accountable to this community?
   a. How do you serve it?
   b. How do you involve them in governance (decision making) in your organization?
7. Who are your key stakeholders and how do you communicate with them?
8. What are the key organizational strategies / structures / mechanisms through which CSR is supported in your organisation?
9. What are the ways in which the leadership of your company is supporting CSR?
10. What have been the main barriers to CSR implementation in your company?
11. Have you experienced any CSR project / strategy failures?
   a. What did you do?
   b. What did you learn from those?
12. What are the main HR policies that you have in your company? And, how do they support the central HR strategy?
13. How do you build and maintain networks in and around your company?
14. Does your company have any particular policies for the environment, or health and safety?
15. How are CSR activities / initiatives measured in your organisation?
   a. How is the impact on community measured?
16. How are CSR activities / initiatives in your organisation monitored?
Appendix II- Research Invitation Letter

Corporate Social Responsibility in the UAE

Dear Sir/Madam,

We are undertaking a research and I am writing to request if it is possible that I from The British University in Dubai meet with you to discuss and explore Corporate Social Responsibility in the UAE? Our interview discussion will be for one hour. We can visit you at your office at any time that is convenient for you.

Audio taping: the interview will be audio taped for future referencing. The audio tape will be transcribed following the interview. If you are agreeing to the interview being audio taped you can request at any time for the tape recorder to be stopped. Any tapes associated with the interview will be erased at the completion of the study; but the written transcripts will be retained with the study documentation.

Confidentiality and disclosure of information: A full report on the main findings from this study will be circulated to all of the participants. I attach a copy of the questions/topics we cover. Your anonymity will be maintained at all times and no comments will be ascribed to you by name in any written document or verbal presentation if you preferred to and all information you provide will remain confidential and will be disclosed only with your permission.

If you have any queries concerning the nature of the research or are unclear about the extent of your involvement in it please contact me: sajadi.ns@gmail.com or Professor Ashly Pinnington (ashly.pinnington@buid.ac.ae).

I should thank you for taking the time to consider my request and I look forward to your reply and meet you soon.

Best regards,

Vajiheh Sajadi
### Appendix III

<table>
<thead>
<tr>
<th>Country</th>
<th>Instrument</th>
<th>Public agency</th>
<th>Description</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>Regional Workshops: &quot;Talk to enterprises&quot;</td>
<td>Office of the Comptroller General (CGU)</td>
<td>The CGU has recently begun implementing the &quot;Talk to Enterprises&quot; project through its regional branches. CGU officials are tasked with contacting representatives in business, associations and confederations in order to foster the implementation of integrity measures while emphasizing better practices for public sector relations. Twelve states in Brazil are slated to hold pilot workshops in 2010.</td>
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<tr>
<td>Colombia</td>
<td>Green Markets Program (Mercados Verdes)</td>
<td>Ministry of Environment</td>
<td>The Mercados Verdes Program was launched in 2002 as part of the National Strategic Plan for Green Markets (Plan Estratégico Nacional de Mercados Verdes), for an initial period of 10 years. The program is aimed at creating a national green market for sustainable goods by: 1) boosting domestic demand for green products; 2) establishing Colombia as a supplier for green products in international markets; 3) strengthening organizational structures supporting the production of green products; and 4) creating instruments to support the green products sector. It provides incentives for companies at the local, regional and national level. In 2005, the voluntary Colombian Environmental Label (Sello Ambiental Colombiano) for environmentally friendly products was introduced.</td>
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<tr>
<td>Costa Rica</td>
<td>Costa Rican Certification for Sustainable Tourism</td>
<td>Costa Rican National Accreditation Commission</td>
<td>Costa Rica pioneered sustainable tourism certification in Central America in 1997. Costa Rican Certification for Sustainable Tourism (CST) was designed to differentiate tourism-focused firms based on the degree to which they comply with a sustainable model of natural, cultural and social resource management. The CST consists of five levels of sustainable tourism achievement. Participation in the program is entirely voluntary and is open to all hotels in Costa Rica.</td>
</tr>
<tr>
<td>Germany</td>
<td>CSR WeltWeit (CSR Worldwide)</td>
<td>Federal Foreign Office</td>
<td>The information portal “CSR WeltWeit – German Business Global Citizen” was created in 2008 by the German Federal Foreign Office and the Bertelsmann Stiftung, in cooperation with partners from the public sector (four ministries) and business sector (three business associations). The project’s goal is to promote corporate responsibility among German companies investing abroad and to highlight good examples of CSR activities.</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Toolkit, guide and virtual map promoting human rights</td>
<td>U.K. Foreign and Commonwealth Office; Department for Business, Innovation and Skills</td>
<td>The U.K. government has developed three tools to promote the protection of human rights in the course of business activities. A first is designed to help overseas representatives raise awareness of how business operations can impact human rights. The latter two, both developed by the Ministry of Justice, include a guide for businesses on what human rights mean within the U.K. context, and a map depicting the roles and responsibilities of different organizations in the business and human rights arena.</td>
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<td>Country</td>
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<td>Brazil</td>
<td>Partnership with the Ethos Institute</td>
<td>Office of the Comptroller General (CGU)</td>
<td>In order to combat and prevent corruption, the CGU has developed a portfolio of actions targeting the private sector. Most of these actions are in partnership with the Ethos Institute for Business and Social Responsibility. The partnership has enabled a set of positive outcomes, such as the launch of the Business Pact for Integrity and Against Corruption, which is a collective action initiative for companies in Brazil; the creation of the &quot;clean company campaign&quot;; the development of the handbook &quot;Business Social Responsibility in Combating Corruption&quot; (A Responsabilidade Social das Empresas no Combate à Corrupção); the organization of workshops in 10 Brazilian states to promote the content of the handbook; and the organization of the seminar &quot;Overcoming the Culture of Corruption.&quot;</td>
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<td>China</td>
<td>Roundtables on Social Standards and Corporate Social</td>
<td>Ministry for Economic Cooperation and Development</td>
<td>Since 2004, the German Agency for Technical Cooperation and the Foreign Trade Association of the Retail Trade Industry have jointly convened regular round table meetings on social standards. These events provide a forum to discuss strategies to improve factory working conditions in China-based suppliers serving the German retail market. Various stakeholders participate in these meetings, including public and private actors.</td>
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<td>Thailand</td>
<td>Working group on CSR</td>
<td>Several ministries</td>
<td>In 2007, a working group was established tasked with developing CSR policies in Thailand. In 2008, a handbook on CSR was created aimed at raising awareness and informing the wider public about this issue. One year later, private actors founded the CSR Club, announcing plans to develop a CSR reporting framework for Thai-listed companies.</td>
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<td>Vietnam</td>
<td>CSR Award, footwear and garment industries</td>
<td>Ministry of Industry and Trade, Ministry of Planning and Investment, Ministry of Labor, Invalids and Social Affairs</td>
<td>The Vietnamese government has asked the Vietnamese Chamber of Commerce and Industry to provide CSR-related support services to companies. As a starting point of the strategy, Action Aid Vietnam (AAV) initiated the CSR Award in 2005 in conjunction with the Leather and Footwear Association and the Center for Development and Integration. This award was aimed at increasing Vietnamese companies’ competitiveness by providing incentives to integrate CSR standards into business operations. Due to the success of this pilot project, AAV expanded its mandate to the garment sector. Additional awards designed to promote corporate social responsibility were also subsequently given.</td>
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<td>Country</td>
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<tr>
<td>Denmark</td>
<td>Base of the Pyramid (BOP) Facility</td>
<td>Ministry of Foreign Affairs (Danida)</td>
<td>Under the BoP Facility, Danida supports partnerships that develop socially responsible innovation and include people living at the base of the income pyramid. The BoP Facility provides assistance during the following three phases: the “Contact Phase,” in which the partners are identified or the partnership is consolidated and the initial partnership idea is clarified; the “Study Phase,” where the business plan is developed and the local business environment is assessed; and the “Project Phase,” in which the partnership activities are implemented.</td>
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<tr>
<td>Sweden</td>
<td>Globalt Ansvar</td>
<td>International Trade Policy Department of the Ministry of Foreign Affairs</td>
<td>The Globalt Ansvar initiative was launched by the Swedish Prime Minister in 2002. Member companies have to report on their implementation of the principles of the UN Global Compact and the OECD Guidelines for Multinational Companies. Among the goals of the initiative is the promotion of human rights and sustainable development, but strengthening Swedish companies’ competitiveness is also a focus. The partnership is unique in its manner of practical implementation of the UN Global Compact and the OECD Guidelines at the national level.</td>
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<tr>
<td>Egypt/Mena Region</td>
<td>MENA Responsible Business Forum</td>
<td>Egyptian Institute of Directors (EIoD)</td>
<td>The MENA Responsible Business Forum was launched in Cairo in October 2008 as an initiative of the MENA-OECD Investment Program. The group’s aim is to help governments in the region, in cooperation with business and civil society organizations, to create a climate maximizing investors’ ability to contribute to sustainable economic and social development. The Forum will pursue this aim by promoting cooperation and partnerships, providing a framework for sharing best practices, and by facilitating the development of tools and guidelines relevant to the MENA region that can assist governments and businesses in CR activities.</td>
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<tr>
<td>Germany</td>
<td>Common Code for the Coffee Community (4C)</td>
<td>Ministry for Economic Cooperation and Development</td>
<td>With support from the Federal Ministry for Economic Cooperation and Development (BMZ), the German Agency for Technical Cooperation (GTZ) initiated the Common Code for the Coffee Community in collaboration with the German Coffee Association (2002 – 2010). The aim of this public-private partnership is to improve the social and ecological conditions prevailing in coffee production through the introduction of standards and the provision of training on their application. On the German side, coffee roasters join and comply with the provisions of the code.</td>
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<tr>
<td>Malawi</td>
<td>Business Action Against Corruption</td>
<td>Ministry of Trade and Private Sector Development, among others</td>
<td>With leadership from the private sector, a cross-societal coalition called the Malawi Leaders Forum, with representatives drawn from government, private business, civil society, donor agencies and the media, launched in Malawi the Business Action Against Corruption program, a project of the Business Action for Africa network. This action plan is aimed at addressing corruption in the public and private sector, and is inspired by the 10th principle of the UN Global Compact. The Leaders Forum was created in 2005.</td>
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<tr>
<td>Country</td>
<td>Instrument</td>
<td>Public agency</td>
<td>Description</td>
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<tr>
<td>Mozambique</td>
<td>Projecto Um Olhar de Esperança (Look of Hope Project)</td>
<td>Ministry of Education and Culture</td>
<td>The Look of Hope project is part of a ministry campaign to improve primary and secondary education quality by widening access, improving the learning-teaching process and expanding institutional capacity at the local level. Founded in 2000, the project supports school construction and purchases of basic school materials. The private sector contributes by financing equipment and training materials, and has identified areas to help MEC extend educational opportunities to more children.</td>
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<tr>
<td>Nigeria</td>
<td>Business Action Against Corruption</td>
<td>Convention on Business Integrity</td>
<td>In 2005, the Business Action Against Corruption governance program, a project of the Business Action for Africa network, was initiated with the support of the Southern African Forum Against Corruption. It was extended into West Africa with its subsequent launch in Nigeria. The program assists national actors in working together by building new partnerships between government and business, and by removing opportunities for corruption. It is implemented by the Convention on Business Integrity, a Nigerian initiative established in 1996 to promote a peer-based accreditation system for the private sector.</td>
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<tr>
<td>United States</td>
<td>Strategic Partnership Program, Occupational Safety and Health Administration (OSHA)</td>
<td>United States Department of Labor</td>
<td>The OSHA Strategic Partnership Program (2002) provides opportunities for the Occupational Safety and Health Administration to partner with employees, employers, professionals, and trade or labor associations. The aim of these partnerships is to encourage efforts to prevent serious workplace hazards and to achieve model workplace safety and health practices. Partnerships are available to all private sector industries and government agencies in regions where OSHA has jurisdiction.</td>
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<tr>
<td>Brazil</td>
<td>Certificate of Independent Bid Determination</td>
<td>Ministry of Planning (among others)</td>
<td>In accordance with regulations established by the Ministry of Planning, potential bidders are required to submit the &quot;Certificate of Independent Bid Determination.&quot; The certificate must clearly state that the bidder prepared the respective proposal independently, and that it did not discuss the proposal with any other potential bidders. The administrative rule reflects the convergence between anti-fraud efforts in public procurement and the defense of competition.</td>
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<tr>
<td>Country</td>
<td>Corporate Governance Codex</td>
<td>Ministry of Education and Culture</td>
<td>In 2005, the Egyptian Institute of Directors (EIoD) developed a Code of Corporate Governance targeting Egypt’s listed companies and state-owned enterprises. A presidential decree stated that EIoD is responsible for training companies on the implementation of the code’s provisions, and for promoting the code’s principles.</td>
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<td>United Kingdom</td>
<td>Sustainable Public Procurement</td>
<td>Department for Environment, Food and Rural Affairs; HM Treasury</td>
<td>In its Sustainable Development Strategy, the U.K. government set a goal of being a sustainable procurement leader in the European Union by 2009. A Sustainable Procurement Task Force produced a June 2006 road map on achieving this aim. This “Procuring the Future” action plan detailed a step-by-step evolution toward sustainable procurement, identifying general governmental actions needed to reach these goals (e.g., leading by example, setting clear priorities, raising the bar, building capacity, removing barriers, and capturing opportunities). In practical terms, this has meant more efficient expenditure of public funds, and a reduction of the government’s procurement footprint in key environmental areas.</td>
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<tr>
<td>Sweden</td>
<td>Export Credit Boards</td>
<td>Export Credits Guarantees Board</td>
<td>Export credits are seen by the Swedish government as important instruments in promoting CR. Since 2008, the Export Credits Guarantees Board (EKN) has considered environmental and social criteria in its decisions. In addition, the EKN has a zero-tolerance policy for corruption, seeks to promote sustainable lending to poor countries, and encourages all companies to commit to the UN Global Compact principles and the OECD Guidelines on Multinational Companies. EKN provides its customers with information on Globalt Ansvar and the Swedish Global Responsibility Initiative.</td>
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<tr>
<td>India</td>
<td>Affirmative action in India’s industrial sector</td>
<td>Mainly Ministry of Commerce and Industry</td>
<td>In 2006, a coordination committee created to promote affirmative action in India’s industrial sector began developing a code of conduct on the issue of affirmative action. Relevant government ministries, the presidents of the Confederation of Indian Industry, the Associated Chambers of Commerce and Industry of India, and the Federation of Indian Chambers of Commerce and Industry, as well as other senior representatives of industry, have all taken part in this initiative. An ombudsman with regional branches will be established to monitor compliance with the voluntary code. An additional agreement was aimed at intensifying training and education efforts targeted toward people falling into the Scheduled Caste and Scheduled Tribe groups. Many companies are applying the codes and have drawn up an affirmative action agenda.</td>
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<tr>
<td>India</td>
<td>Voluntary Guidelines on CSR</td>
<td>Ministry of Corporate Affairs</td>
<td>In 2009, India’s Ministry of Corporate Affairs released a set of CSR guidelines aimed at promoting businesses’ contribution to the well-being of stakeholders and society. The aim is to persuade business leaders to integrate CSR activities into company policies and business goals. The guidelines set out six core elements for companies to address: respect for all stakeholders; ethical functioning; respect for workers’ rights and welfare; respect for human rights; respect for the environment; and activities for social and inclusive development.</td>
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<td>France</td>
<td>Mandatory sustainability reporting</td>
<td>French Parliament</td>
<td>Under a 2001 law on economic regulation, French companies listed on the stock exchange have to provide social and environmental information in their annual reports. A 2002 decree established specific quality and quantity criteria for these reports. The objective is to encourage companies to establish the tools necessary to measure the social and environmental impact of their activities in a strategic way. Criteria include issues such as human resources, community issues and engagement, labor standards, and health, safety and environmental conditions.</td>
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<td>India</td>
<td>Obligations of Insurers to Rural or Social Sector</td>
<td>Insurance Regulatory and Development Authority</td>
<td>India was one of the first countries in the world to oblige its insurance companies to do twenty percent of their business in rural areas and the “social sector,” which is also known as the informal sector and economically vulnerable classes in both rural and urban areas. This regulation triggered the development of microinsurance products that are vital in combating poverty. The market is estimated to comprise anywhere from 140 to 300 million policies in India. By 2006, around 30 million Indians had signed up for a life insurance.</td>
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<tr>
<td>Norway</td>
<td>Government Pension Fund</td>
<td>Ministry of Finance</td>
<td>The purpose of the pension fund, established in 2006, is to facilitate government savings necessary to meet the rapid rise in public pension expenditures expected in the coming years. Ethical guidelines were established with a view toward achieving high returns that will enable coming generations to benefit from the country’s petroleum wealth. Guidelines also require that the fundamental rights of those affected by companies in which the fund invests should be respected. This goal is promoted through the exercise of ownership rights and the exclusion of companies from the fund’s investment portfolio.</td>
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<tr>
<td>South Africa</td>
<td>Black Economic Empowerment (BEE)</td>
<td>Department of Trade and Industry</td>
<td>The Black Economic Empowerment (BEE) policy is designed to advance economic transformation and participation rates among the country’s black population. BEE combines semi-mandatory and voluntary measures with incentive-based structures. The BEE Act of 2003 facilitates the work of the Department of Trade and Industry by establishing a legal framework which aims at increasing participation and equitable access for all people. In 2007, the Codes of Good Practice emerged as a BEE policy implementation framework; these are binding for all public institutions when making economic decisions on procurement, licensing or public-private partnerships, among other activities. The newest release of the codes is also known as Broad-Based Black Economic Empowerment, and covers fields such as ownership and employment equity, among others.</td>
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Good policy options to foster CSR among countries all around the world (United Nations Global Compact 2010, p.23)