Corporate Social Responsibility: Case Study in UAE Organizations

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ABSTRACT

Corporate social responsibility (CSR) is a western concept that is penetrating Middle Eastern countries, and the UAE is the most appropriate region to offer insights into CSR because other Middle Eastern countries are not adopting the concept quite as quickly as the UAE. One indication of CSR in UAE is its transparent firms. This paper explores the current stage of CSR implementation in Arab countries, with special attention given to the UAE. An in-depth study was conducted to explore CSR implementation among local managers. Primary data from 198 questionnaires and case studies were analyzed to obtain valuable insights into the current state of CSR in the UAE. Key concepts are highlighted regarding the definition and practice of CSR in the UAE. Secondary data from both western and eastern cultures were also analyzed to examine the extent of adoption and adaptation of CSR and corporate philanthropy from multiple perspectives. Findings suggest all organizations, both local and multinational, must consider environmental and stakeholder interests in order to become global. Some confusion appears to exist between the concept of philanthropy and CSR. Some CSR highlighted by firms includes following regulations effectively and efficiently, adopting environmentally friendly business processes, organizing seminars, and creating awareness of the concept among peers. Although CSR is maturing in the Middle East, UAE firms need to improve CSR to compete with the practices that have become the CSR standard in western countries. In the last few years, governments and local organizations have strictly enforced business ethics and environmental regulations to support the growth of CSR in the country.

KEYWORDS

Corporate Social Responsibility, Employee Involvement in CSR, Middle East, Philanthropy, Stakeholder Theory

INTRODUCTION

Comprised of seven states, the UAE demonstrates potential for significant growth. Seven prominent families rule the country under a non-democratic government, but as time passes, multinational firms are increasingly entering international business scenarios, and it has become naïve to dismiss the importance of corporate social responsibility (CSR). The majority of firms and the managers who run them are aware of CSR and corporate philanthropy as business terms, but few implement CSR as a regular part of business. UAE businesses realize the importance of CSR for their firms but are reluctant to invest money and other resources into CSR and include it in long-term planning. Many local organizations talk about CSR and its implications, but they have not yet converted words into action.

Study Objectives

Companies try too hard to implement CSR, and the problem is that companies lack a framework required to implement CSR according to the UAE’s unique environment. The purpose of this study

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is to increase awareness of CSR in the UAE, both globally and regarding implementation of CSR at a mature, well-developed stage. CSR in the UAE is in a nascent stage, requiring much more work to develop it further. Opening of international firms provided a great starting point for implementation of CSR. This study will to develop a definition and understanding of CSR in a UAE-specific context by analyzing current practices and the existing conceptualizations of CSR within various UAE firms. At the study’s conclusion, researchers and practitioners will know more about how UAE organizations can operate in a socially responsible manner that is both regionally and globally relevant and appropriate.

The first objective is to define and explore the definition of CSR and related terms within UAE organizations. Disparities concerning CSR practices between developed and developing countries are highlighted, with the help of extant literature and case studies. The challenges that industries may face while implementing CSR in their strategic plan are also explored.

**Significance of The Study**

To place the UAE as a prime destination for tourism, investment, real estate, finance, public relations, and marketing, the country must meet international standards of CSR and have the means to effectively implement it. As per international standards, it is the responsibility of an organization to give back to society and take care of its stakeholders. The largest challenge the UAE faces is the impact of industry on the environment. This study is significant in particular regard to the revelation of current CSR practices in the UAE, popular practices that are currently implemented, and practices that should be implemented in the future, and whether organizations are ready to make CSR part of their strategic visions over both the short and the long-term.

**Statement of the Problem**

CSR is known well in western countries; some organizations include professionals who manage the firm’s CSR. In the U.K., a Minister of Corporate Social Responsibility manages CSR. Through social media and other virtual presences, firms discuss what they do to conduct their business responsibly and what they do to give back to society. Similar behaviors are not evident in the UAE because CSR is still in a nascent stage there, and most organizations have not recognized the importance of CSR for meeting international CSR standards. The awareness of the concept that already exists there is the result of recent summits and conferences that surfaced from business and research communities in the UAE. According to Ararat (2006), most UAE businesses have policies related to employee and family safety, regardless of economic sector, and these companies are high-standard firms according to CSR guidelines. Some companies do even more (but they are very few) and they tackle issues like eliminating discrimination, establishing community and consumer policies, encouraging a healthy work-life balance for employees, and espousing practices that benefit environmental sustainability. The particular issue that will be highlighted in this study is the environmental impact of businesses, since long-term sustainability relates directly to it, and contemporary, societal concepts of marketing support it such as free activities and volunteering work (Al-Jenaibi, 2012). Several unique challenges suggest research into CSR in the UAE is needed. For example, in the UAE, CSR consultants and advisors are few, and the few who are available are from western countries, and do not have the necessary familiarity with Middle Eastern cultural and environmental issues. As a step forward, outsourcing CSR is beneficial, but it is not an ideal nor permanent solution; locals should be trained to implement CSR in the UAE after challenges have been identified.

**Research Questions**

1. What does CSR add to UAE organizations?
2. How do governmental and semi-governmental UAE organizations perceive CSR?
3. What factors shape understanding and practice of CSR in UAE firms?
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