Analyzing and Developing Corporate Social Responsibility: The Business Case for Corporate Social Responsibility

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ABSTRACT

CSR is the obligation of businessmen to follow specific policies for making decisions or to do certain actions with the purpose of recognizing the need of society or any ethical factor to be followed in the entity. It is also for managers to have responsibility for the public good, where that includes investigating whether the action is effective and contributes in promoting the public good and for advancing the basic societal beliefs to manage and contribute in its stability, harmony and strength. Corporate managers are normally appointed as being public trustees. The UAE offers insights into CSR because other Middle Eastern countries have not adopted the concept as quickly as the UAE. One indication of CSR in the UAE is its transparent firms. This article 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 practices of CSR in the UAE. Secondary data from both western and eastern cultures was 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

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INTRODUCTION

CSR ensure ethical conduct of businesses. Also, CSR involves four key areas that describe the scope of a business responsibility and these are: economic, ethical, legal and discretionary (Freeman & Hasnaoui, 2010).

So, this basically means that a company should be accountable for its societal impact, monetary impact and ecological impact. It should also pay attention towards human rights. There are variety of actions it must be involved:

- Taking responsibility and working with indigenous communities in partnership;
- Doing investment which are socially responsible;
- Relationship development with customers and employees;
- Sustainability and safeguarding of environment.

Implementation of social and environmental objectives are the key functions of come businesses in contrast to businesses that strive to achieve only their financial goals. At the same time it’s also attempts to decrease impact of functions on environment and society as a whole. Such companies are named as social enterprises. With the incensement in social responsibility, the is increment relationship demands of companies stake holders. Companies must be more accountable and expose their social activities in order to preserve and spread satisfactory standards of business in their practices of doing business (The University of Enendenburg, 2018). It is very obvious that big companies have recognized impact. For example, social impact of companies is one of the most visible example. Like oil companies which are spills but there are different industries that are responsible for pollution of environment and damaging Eco system. The change in climate can also be attributed to large companies. It is hard to say that consumers do not need the services that they provide as their services have become daily need of those customers (Investopedia, 2018).

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 implements 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

Corporate social responsibility is very crucial for today’s businesses both big and small due to advance in technology and high-speed world. Companies can lose its trust of businesses which are crucial for business if it did not appear and activate the CSR services and relations in the local community.

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 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.
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