CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN DEVELOPING COUNTRIES, THE CASE OF THE KINGDOM OF BAHRAIN

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Abstract - Ethical Considerations and Governance issues are now the main concern for various national and international organizations. This comes along with the rise of Corporate Social Responsibility (CSR) and sustainability programs undertaken by various institutions. CSR is a business approach contributing to sustainable development by delivering economic, social and environmental benefits for stakeholders. CSR has many definitions and practices; however the majority refer o companies' practices to be sustainable or responsible, to be economically viable, with a positive impact on society, to respect and conserve the environment. The subject of Corporate Social responsibility, especially with the spread of unethical practices and organizations fallouts and wrongdoings is yet under-researched. Moreover, it is further mandated from developing countries to meet international sustainability and governance standards. The problem with current CSR models is that they are focused on the financial responsibility of an organization being less attentive to employees who are the most important stakeholder. In this study, the main objective is to understand the CSR practice in the Kingdom of Bahrain, a complementary objective is to measure the perception of employees about the code of ethics implemented and the CSR initiatives undertaken by organizations in Bahrain data has been collected through 3 Interviews with Experts in three organizations and from a survey collected from 106 respondents with a response rate of 40 percent as the rest were not considered for no respons and/or invalid and incomplete responses. Key findings reflected employees' perception that there is a strong presence of organizational values, and most of the respondents perceive CSR as an important component in organizations, yet some of the employees were not engaged in such activities.

Keywords - Corporate Social Responsibility, CSR in Bahrain, Employee Perception of CSR.

I. INTRODUCTION

Different CSR scholars explore the CSR theme and related notions derived from various perspectives, such as social obligation, marketing, stakeholder-relation, integrated strategy, and leadership themes; the social obligation view of CSR is the foundation of future research in the CSR area, Carroll (1979) identifies the CSR pyramid, which includes four stages of CSR development: economic, legal, ethical, and philanthropic obligations.

The Social role of businesses is widely discussed among scholars and increasingly demanded by practitioners and stakeholders; several studies have been conducted investigating CSR, its application, effectiveness, customers' perception, however employees' perception remains unexplored.

The concepts of CSR is related with people and for people and is very much connected with the Human development and the idea of lifelong learning, incorporating concepts and ideas from the field of education and training offered to employees and to the community. Much discussions about CSR concerns the corporations' impact on society which sometimes leads to its internal stakeholders being forgotten. For example, a corporation's employees are perhaps its most important constituency, in part because of the pervasive influence that the corporation has over their lives, but also strategically because they are the holders of the organisations' core competencies. This is particularly relevant to companies in the GCC who during the recent boom found it incredibly difficult to attract and retain employees with the right skills.

The significance of this research lies in the fact that until recently the focus of CSR studies has been more on external reputation than on internal values, beliefs and practices that are supposed to drive CSR from within. According to Mirvis, 2012, "Researchers have brought to light the importance of employee perceptions and involvement in CSR"; Employees' perception is important as they are engaged in CSR activities which affects greatly employees' engagement, participation, loyalty and performance affecting the overall organizational performance. Nowadays CSR orientation is part of the coporate culture which affects various stakeholders.

There has been a lot of sustainability initiatives in the Cooperation Council for the Arab States of the Gulf (GCC) Its member states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates as social orientation and environmental awareness became a strategic objectives in such countries. Organizations in the GCC are mostly family-owned which characteristically allows family values to influence the way in which the businesses are run. These organisations may often take stakeholder interests into consideration when making business decisions, but may not think of calling it 'CSR'. This will have a particular influence on the current and likely future shape of CSR in the Gulf region.

Currently, most managers in the GCC believe their governments should be involved in guiding corporations to step up their CSR activities. They think the government should indicate what areas corporations should focus on in their CSR activities and provide incentives to guide them in that direction. For example, governments could subsidise corporate practices that they wish to encourage, while taxing other practices they want to discourage.
In the Kingdom of Bahrain, the Ministry of Industry and Trade has established a technical committee to study the draft international standard of social responsibility. The specification includes a guide to the principles of social responsibility and partnership within enterprises of all kinds, including governmental, private, industrial and commercial, to have the social relations between company and society, and the aspirations to extend the lines of communication between them at various levels.

As an example, one major company in the kingdom of Bahrain, Bahrain Airport Services (BAS) discovered that besides focusing on how it can use its business activities to economic effect. BAS decided to start a new game focused on society through taking a wide part of activities specified in culture, charity, environment and sports that will provide adequate support to Bahrain's local community (Bahrainairport, 2017, para. 1).

Almoayyed International Group is an international renowned expert on delivering reliable, efficient and innovative solutions for the future. At Almoayyed International Group, it is believed that corporate success revolves around building a healthy work environment that promotes commitment to giving back to the community, being role models in the society, taking care of the environment and our devotion to strong work ethics and creating a safe and diverse workplace which seeks the well-being of various stakeholders.

Aluminum Bahrain's (Alba) corporate social responsibility initiatives cover a wide range of activities in charity, sports, environment and culture unleashing different ways to bring value to the communities to benefit customers, employees, and the community. Alba has a main purpose that considers steps in their operation to serve and bring value to the communities (client, employees and local community in Bahrain). The steps contain activities of practical support and considerable financial in culture, sport, charity and environment.

Since its early days, Bahrain Petroleum Compnay Bapco has been a major contributor to the Kingdom of Bahrain, not only economically, but also through its training and development of Bahrain's labour force. Bapco contributes to training the Kingdom's youth with its career-driven initiatives. It also regularly presents promising young Bahrainis with opportunities to pursue their education in the US and UK. Bapco is also a leading Environment, Health and Safety champion regionally, initiating tremendous strides for the betterment of the Bahraini community.

National Bank of Bahrain (NBB) is committed to the fact that business needs to be developed in a socially responsible manner by encompassing every individual of the community with a belief in Community Development, Sustainability, Knowledge Sharing and Social Investment with commitments to Social welfare, Health care, Education and Research studies.

Ebrahim K. Kanoo B.S.C (Kanoo Group) always takes the initiative to contribute to the sustainable development of the society; It continues to invest in various local social projects and provides support for many charitable organizations. It also makes a significant contribution to the development of the Kingdom's labor force by providing scholarships for vocational training and education at a number of universities and institutes in Bahrain and abroad.

As a concerned and responsible corporate citizen, Tatweer Petroleum is committed to contributing to the economic and social prosperity of the Kingdom of Bahrain and to acting as a good neighbor in the local communities where it operates. Tatweer Petroleum also continues to sponsor its employees in various sporting activities including football, bowling, basketball and a team that participated in the Bahrain Ironman Triathlon. Additionally, the Company annually participates with a marathon team in the Bahrain Marathon Relay, for which all proceeds go to charity.

II. METHODOLOGY

This is a descriptive exploratory research with applied outcomes exploring the perception of CSR initivatices and strategies in organizations in Bahrain. The population targeted are employees working in Bahrain across various sectors and from different managerial levels. The research used a pretested questionnaire to measure perception previously developed by Toliver in 2013. Data was collected from both In-depth Interviews and Survey filled in by employees. The Criteria for CSR executives or directors in organizations was to be Employed full time in a senior position in the company with job responsibilities including CSR, environmental sustainability, philanthropic and charitable giving, employee volunteer programs, community relations, nonprofit partnerships, ensuring pay and benefits are better than the industry average, or designing and implementing employee-friendly workplace policies. And the most important criterion was to be employed in this position with these responsibilities for at least

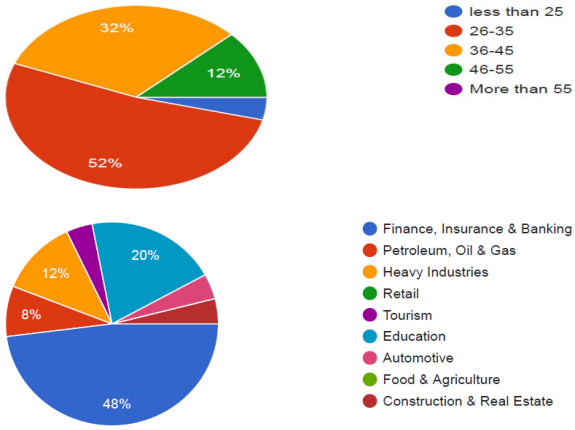
a year. However, ther has been a challenge in setting interviews with Key employees in organizations, the interviews were run with only three respondents who were senior in position and aware of the CSR strategy in their companies, but they were not all directly related in the implementation and follow-up.

The first interview was with Mr. Khalid AlQuod (Chairman of the Bahrain Society for Social Responsibility), he mentioned that 'Bahrain has a special reputation of CSR and is highly known by private companies rather than government companies, some of them not all are applying the concept of CSR in their field; However, they are traded the concept of social responsibility as a onetime practice, as it known as a community service to the Bahraini society which might be a temporary initiatives and not part of their sustainable strategy. He added that he noticed that in several organizations employees were not engaged and not even aware in most of the cases about the sustainability goals in their companies or the defferent CSR initiaves, which lies in the responsibility of the internal communication officers and their direct managers."

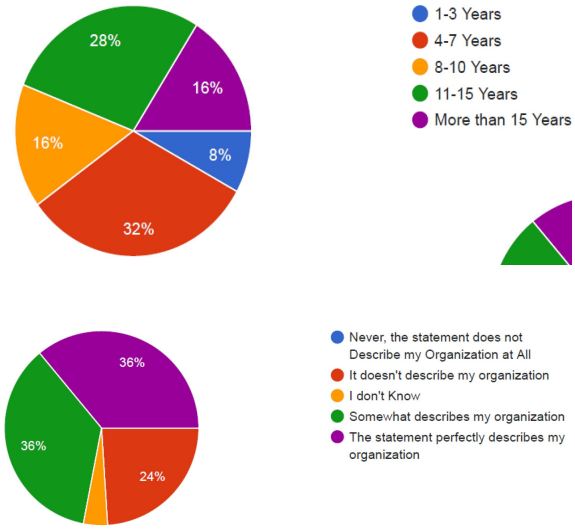
The Second and Third interviews were with the Marketing and Public Relations Managers in a family business in the hospitality industry, they mentioned that "they adopt CSR through coffee shops located in the old Bahraini Market where it is always open to receive poets and writers for free to encourage the culture and maintain the Bahraini Heritage especially with the Kingdom of Bahrain promoted over the past years as the Cultural Hub in the Region."

The survey data was collected from employees working in different organizations in Bahrain from different secrtors, for the purpose of this study, only frequency analysis was employed to show the employee responses to questions within each construct to help identify what employees evaluate the most with regard to their perception of CSR initiatives within their companies. Summary or responses for each question is presented below.

The survey has been sent to 250 respondents, yet some of them didn't complete the survey, so the valid complete surveys were only limited to 106 responses, and the age distribution is as follows where the majority lies between the age of 26 and 35 with 64% females. This finding is consistent with previous research, as the relationship between perceptions of CSR and organizational commitment differe between women and men; Brammer (2007) stated that the relationship between CSR and commitment is stronger for women than it is for men. Therefore, CSR may be particularly important for companies concerned with increasing the commitment of their women employees. For the demographics, the majority of respondents were from the Finance, Insurance and Banking sector. The respondents varied in the length of their working experience with majority having between 4-7 years of experience followed by 11-15 years.

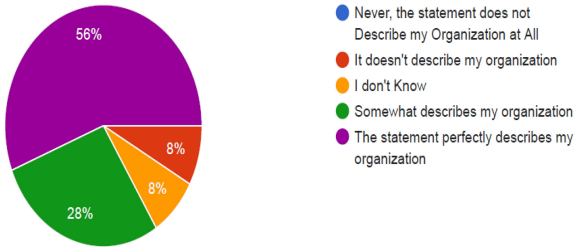


64% of the respondents felt valued within their organizations, with 60% felt respected as employees whereas 62% agreed that their companies respect their customers and value them. The repondents agreed across different organizations that their companies provide good products and services to their customers. The employees were indifferent in answering the statement: "My Company Focuses on People", 72% agreed yet 24% stated that this doenst apply on their companies.

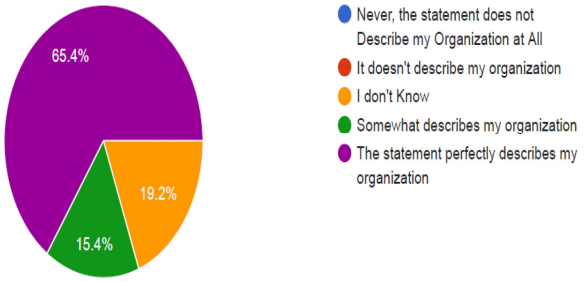


As for the Question asking "whether the company makes sure that its employees feel supported", 72% agreed yet 38% were mostly disagreeing stating that this doenst apply to their employers, and the interpretation is that those who don't agree mostly are on a lower managerial level in organizations or they haven't worked for long with the current employer. In contrast, 83% agreed that their ideas are valued in their companies and 89% stated that their companies encourage creativity and innovation. The following question focuses on the role of corporate culture reflected in the working environment; "My Company

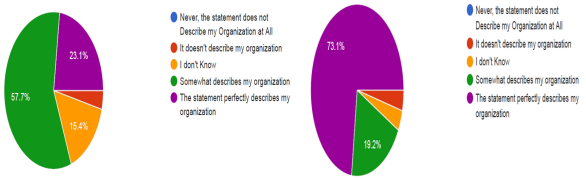
Fosters an environment that is characterized by respect for lifestyle, cultural, and ethnic differences".



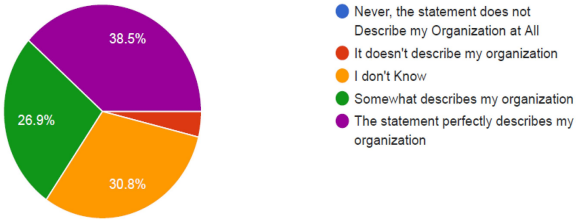
Asking about the importance of safety to organizations, employees agreed that their employers provide a safe working environment with an 86%. They added that their companies seek more diverse cultures with 78%, and this might provide more diverse and creative ideas with different CSR interests. When asked about the role of companies in encouraging employees to utilize their talents in different areas as CSR apart from work, only 53% confirmed, where 15% didn't know and 32% disagreed. The employees agreed with 84% that their companies act responsibly in their decisions towards the community and various stakeholders with 76% they organizations make honest decisions.My Company encourages employees to abide by the Code of Coduct and Ethical practices, almost 79% agreed with the statement, yet 19% were not aware of the code of conduct or the policies governing employees' behavior. 68% agreed that their employers are concerned with human rights while 31% didn't agree.

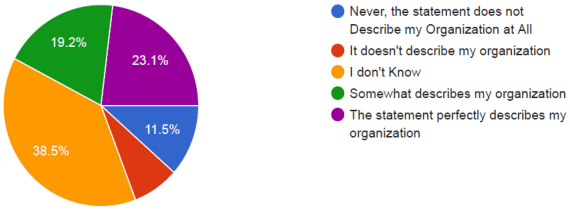


Around 80% of thr employees agreed that their organizations do business in a fair manner, in contrast around 92% stated that their organizations hold employees accountable for their actions reflecting a clarity of roles and performance management system with transparency

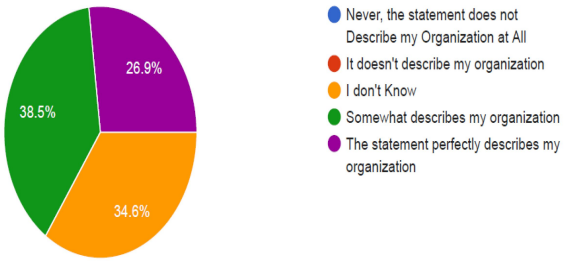


Reflecting CSR orientation and high level of community engagement, 65% of the employees stated that their organizations encounage employees to volunteer for a good cause and the welfare of the community, yet 30% didn't know whether such activity is supported within their organizations. On asking whether your companies are active in organizations or not, 68% of the respondents agreed, however still around 11.5% mentioned that they didn't know while 19% didn't agree on the statement. This signifies the role role of Human resoucres, internal communication and CSR managers in organizations for increasing awareness about such activities if they exist. Moreover, about the recylciling programs and activities run by organzizations, 42% agreed yet 57% either didn't know or they strongly didn't agree about the availability of these sustainable initiatives and recycling programs within their organizations. Asking about community service projects within communities, 72% agreed, yet 28 the strongly disagreed with the statement, indicating that employees are not informed or there is not sufficient internal communication abour CSR initiatives in organizations.

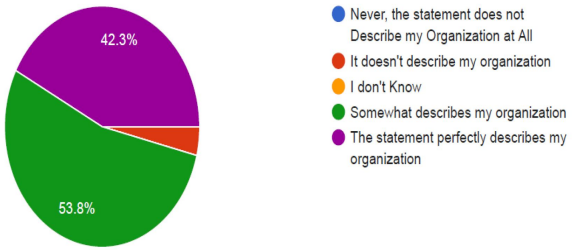




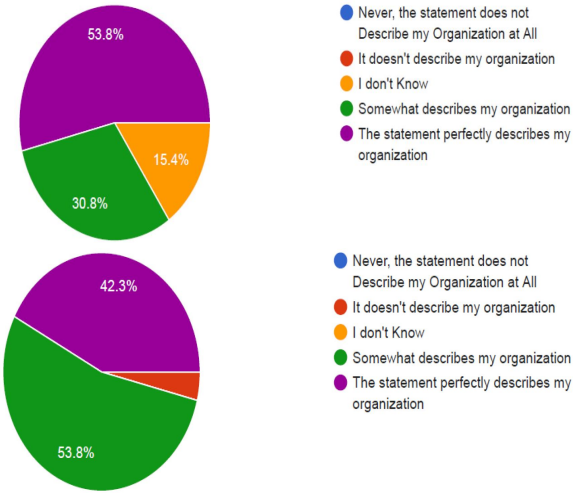
As far as the workplace, 80% stated that their organizations and environmentally friendly which is not consistent with the awareness about the recycling programs. This confirms that either the internal communication withing such organizations is not active or the involvement of such activities is exculsive to some managerial levels. More alarming would be using such activities only for promotional purposes and not as a suatained activity. Which muct be further investigated in future researches. In contrast, asking "My Company is committed to conducting business in a sustainable manner, around 64% agreed with the statement, yet around 35% either didn't agree or didn't know.

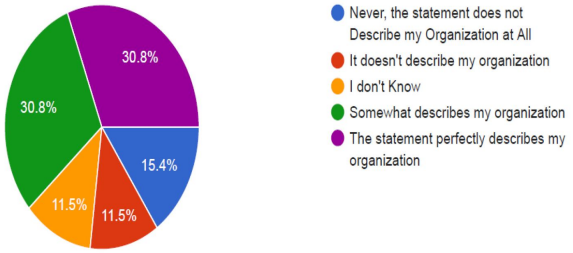


Emphasising on the learning and training aspect of CSR, employees were asked whether their organizations offer Training and Development Programs in a sustained manner, and the majority agreed with the statement. And this might be due to the roles of social organizations and the government with regard to supporting and empowering employees within organzations such as Tamkeen which means enablement or emplowerment in English and it is a government agency in Bahrain and was founded in 2006 to provide assistance and training to private-sectorbusinesses and individuals, and to promote development in various sectors. The agency has taken steps to improve the employability of, and employment rate for, women in Bahrain, where in 2009–2010 approximately 80% of unemployed people were female.



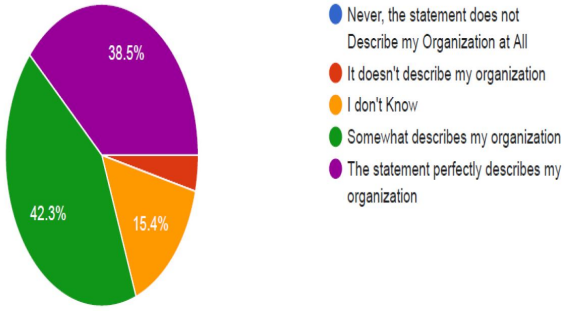
And since one of its mandates is empowering women, it provided training courses and grants, and organised a training and employment exhibition for women only. According to Tamkeen, by 2011 almost 12000 women had been helped by the agency with ongoing activities and programs. And hense, when asked about organizations providing educational scholarships for employees, the majority agrees and only 15% didn't know about it, and this might be due to their time spent in the company which mught be less than three years making them in some case ineligible for such scholarships. Yet when they asked whether their organizations believe education is importanat, 92% agreed and this might be due the the strict requirements in recruirting and hiring highly educated individuals.





In contrast, when asked about companies donating resoiurces to education programs, only 60% agree, where 23% didn't know about their organizations' donations and this is surprising and alarming. 17% confirmed that their organizations don't donate to education or training. However when investigated, their organizations were found to donate a great deal to training and development both for internal customers as employees and for young entrepreneurs and youth but employees were not informed about it. This was further confirmed when asked about the company taking part in the community to ensure that citizens and the community have access to education, and only 76% agreed and the rest either didn't know or disagreed with statement. On analyzing the responses, this answer might reflect the real truth about the mandates and priorities of organizations whuich might not be necessarily directed towards education. On asked about the organizations' CSR intiatives towards econtinuing education and learning 80% agreed, yet the rest didn't know or didn't link such initiatives to CSR.

Majority of the repsponses were more interested about the efforts offered to employees and they were mostly satisfies, yet they didn't know or consider this as a CSR initiative; employees were more eager to have a healthy work environment, providing inclusive employee wages and benefit packages. It is highly recommended that a company's CSR efforts and its business are linked, to be be more distinct and more importantly to be internally and externally communicated to employees



Most workers believe their own employer is responsible, even if they believe most companies are not responsible. The majority believed their companies pursue responsibility towards employees and the community, a lot of them were neither aware nor involved in such initiatives. The majority couldn't

confirm whether these were sincere sustained efforts out of a genuine desire to help others-employees and the community- or just promotional activities bragging about their capabilities. Some employees believed their company leadership is more concerned with being good than looking good, some employees mentioned that they see their companies in the news promoting SCR and charity activities that they never heard about. Majority of responded employees agreed that their company provided employees with continuous education opportunities for acquisition of new skills and for career development. Respondents agreed that their company has a code of conduct valuing human beings but mostly customers along with honesty and fairness. Employees' perception of CSR is one of many factors that impacts commitment, and it make sense that knowing about the "good deeds" of an organization might make an employee more eager to discuss their company with outsider stakeholders, as well as feeling more committed to their organization which is doing these good things. And Hence, communication, engagement, commitment enhances employees' ratings of corporate image and positive image increases employees' commitment leading to a better perception and more importatntly CSR effiectiveness.

CONCLUSION & RECOMMENDATIONS

As there is a lack of studies in this area, the main recommendation is to examine CSR-related strategy at the industry and the individual levels of the organizations. It is important to understand the industry-specific CSR initiatives and to study the effect of the role and managerial level in the formulation and implementation of CSR strategies.

Employee-centered CSR initiativs should be developed; these might be in the form of a good working environment whereby employees are developed to realize their potential and to fell empowered. Moreover, establishing good communication channels throughout the organization is really cruicial for CSR success and to increase its effectiveness.

This research highited the unfamiliarity of Employees about the various CSR initiatives undertaken in prganizations, and hence this research importance lies in translating the CSR concept and practices towards various stakeholders including employees. According to Brammer and Millington (2007), "CSR policies can lead employers to form favorable perceptions of the organization. Such policies influences employee commitment to the organization as they make them feel proud to be associated with the good that the organization does", Organizations must develop and communicate policies and mandates for CSR. On developing this, the level of participation offered by employees will increase as they can volunteer in fundraising to assist particular causes within the community or they can volunteer their time and expertise in local non-profit programmes through employee volunteering programmes especially if they are encouraged and supported by their employers. Such involvement by employees can lead to their moral satisfaction, organizational commitment and business success. The research concluded that CSR efforts should align with the company's overall strategy and services and employees cared more about companies doing good and helping employees and theywere not fully aware of their companies' initiatives. Some Managers were stating that CSR initiatives should be chosen based on business alignment and related to the core business, yet this has to be further tested in future research.

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