Corporate Social Responsibility in a Saudi Arabian Context: Social Development Centres as a Bridge between the Private Sector and Community Needs

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Submitted in Partial Fulfilment of the Requirements of the Degree of Doctor of Philosophy

School of Health and Society
University of Salford

2018
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Dedication

I dedicate this thesis to my beloved family, my husband (Ibrahim Albargash) and our three sons (Nawaf, Saud and Abdullah), and to the memory of my parents (Abdullah and Muneera). This success is especially dedicated to my late mother who passed away during the course of my doctoral work. I wish she had lived to share and celebrate with me this distinguished moment, which was a direct result of her continuous love and support.
Acknowledgement

I am grateful to Almighty Allah for giving me the strength, guidance, patience and ability to complete this work. This work would not have been possible without the help and support of several key people. I would like to thank the Saudi government and the Saudi Arabian Cultural Bureau in London for their generous financial support and cooperation during my study. I am grateful to my supervisors Dr. Mark Wilding and Prof. Anya Ahmed for their continuous guidance and support, many stimulating discussions and the opportunity to carry out this work. I am deeply indebted to the examiners Dr. Stephen Mustchin and Prof. Martin Johnson for their constructive and helpful feedback. I would also like to extend my thanks to my colleagues at the School of Health and Society at The University of Salford for their help and support. I would also like to express my thanks and appreciation to the staff at the Ministry of Labour and Social Development, The Social Development Centres, the Riyadh Chamber of Commerce, NGOs and private sector who facilitated and/or participated in this research.

Personally, I would like thank my close friend and neighbour, Reem Alghamdi for her companionship and support over the past several years. I would also like to thank my brothers (Fahed, Mohamed, Khaled, Abdulrahman and Turki), sisters (Kholoud, Bodour and Noura), aunties (Jawher and Sheikha) for their love and support. Last but certainly not least, I would like to thank my family for their unlimited love and support. In particular, I owe a tremendous debt to my beloved husband, Ibrahim Albargash, for his wisdom, encouragement, support and love. Together with our three sons Nawaf, Saud and Abdullah, they have been my most enthusiastic supporters. Their love, patience, and laughter have encouraged me throughout this journey. I owe them all so much and I offer them my love and eternal gratitude.
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<th>Definition</th>
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<tr>
<td>ASSIA</td>
<td>Applied Social Sciences Index and Abstracts</td>
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<tr>
<td>CED</td>
<td>Committee for Economic Development</td>
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<td>CMA</td>
<td>The Capital Markets Authority</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IBSS</td>
<td>International Bibliography of the Social Sciences</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>NGOs</td>
<td>Non-Governmental Organisations</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>SAMA</td>
<td>The Saudi Arabian Monetary Authority</td>
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<td>SAQIA</td>
<td>The Saudi Arabian General Investment Authority</td>
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<tr>
<td>SARCI</td>
<td>Saudi Arabian Responsible Competitive Index</td>
</tr>
<tr>
<td>SDCs</td>
<td>Social Development Centres</td>
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<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNIDO</td>
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Abstract

The concepts and practices of Corporate Social Responsibility (CSR) are continuing to gain considerable attention from business leaders, government officials and academics. The traditional role of governments as the main body responsible for improving the living conditions of society has become less viable with the increased demands on public resources; placing more emphasis on the role of business in society and increasing the role of CSR. More recently, it has been argued that a purposeful engagement of corporations in societal affairs through an active contribution to capacity building is crucial for the progress of developing nations and CSR could be a vehicle for development through public-private partnerships.

This work aims to evaluate the current understanding and practices of CSR in Saudi Arabia and explores the potential for a government-role in its implementation in support of social development. The research has been conducted using semi-structured interviews with twenty five key personnel from both the private and public sectors involved in the implementation of CSR and social development. The findings have been presented and discussed thematically focusing on the understanding and evaluation of the current practices of CSR in Saudi Arabia and on a potential future role for government in CSR implementation through public-private partnerships, where government-run Social Development Centres (SDCs) could play a key role.

The research revealed that the concept of CSR was often mixed with other practices of charity and public relations. However, there was clear evidence that the situation is not as simple as suggested and that a deeper understanding of CSR is starting to emerge in Saudi Arabia. Moreover, the findings suggested that partnerships between public and private sectors in support of social development work were seen as an...
important part of the future direction of social development work in the Kingdom. There was a very positive attitude towards government involvement in CSR implementation with a stronger strategic focus on building capacity and improving the skills of Saudi citizens. The work proposes a framework for future CSR implementation in Saudi Arabia based on tri-sector partnerships involving government, private sector and society and it is seen as a valuable opportunity for all involved parties to discuss and define their mutual goals and priorities within the context of Saudi Arabia. A role for the SDCs as a bridge between the private sector and local communities is envisaged provided substantial changes to their current role and capacity are made.
Introduction
Background

The concepts and practices of Corporate Social Responsibility (CSR) are increasingly becoming well-established, and continuing to gain considerable attention from business leaders, government officials and academics (Adams and Zutshi, 2004; Reinhardt and Stavins, 2010). This is reflected in the growing body of academic literature on the theoretical and applied aspects of CSR as well as in the increasing number of corporations including CSR in their strategies (Lantos, 2002; Porter and Kramer, 2006; Secchi, 2007). Although there is no one universally agreed definition of CSR (Carroll, 1991; Jones, 1995; Jones, 1999; McWilliams and Siegel, 2001), existing definitions relate to how business takes account of its economic, social and/or environmental impacts in the way it operates, while maximising the benefits and minimising the downsides. The definitions range from business development focused ones on the one hand (e.g. Friedman, 1962), to those incorporating a wider range of stakeholders and aims on the other (e.g. Holmes and Watts, 2000). The traditional role of governments as the main body responsible for improving the living conditions of the society has become less viable with the increased demands on public resources; placing more emphasis on the role of business in society and increasing the role of CSR (Hertog, 2006; Jamali and Mirshak, 2007; Ali and Al-Ali, 2012). Therefore, CSR is now an important factor in the corporate decision making agenda, where many companies are considering how to improve their relationship with customers, the community and the environment, while ensuring their business is successful (Visser, 2008; Reinhardt and Stavins, 2010; Mandurah et al., 2012).

Saudi Arabia is a country with distinct political, religious, cultural and value structures which play important roles in the way the country operates and affects its social and
economic development. In particular, the strong influence of religion and its dominant role in everyday life make Saudi Arabia distinct from other countries (Nalband & Al-Amri, 2013). Current CSR practices in Saudi Arabia are strongly influenced by religious beliefs mostly through the motivation of the concept of giving with the aim of improving society. Most of the organisations and charities working to improve living standards of local communities are reliant on donations from individuals and from the private sector. However, these tend to be one-off initiatives and are not generally sustainable over long periods of time (Fadaak, 2010; Montagu, 2010). This suggests that the concept and practice of CSR in Saudi Arabia are still in their early stages of development, and it is mostly viewed as philanthropic rather than having strategic direction that benefit communities as well as businesses (Mandurah et al., 2012, CSR Saudi Arabia, 2014).

This work aims to explore and evaluate the current understanding and practices of CSR in Saudi Arabia and explores the potential for a government-role in its implementation in support of social development. The thesis includes a contextual introduction to Saudi Arabia, a literature review examining theoretical and practical aspects of CSR and an examination of the current implementation of CSR in Saudi Arabia. It also includes a description of the methodology adopted in this research, and thematically presented findings.

Rationale and Scope

There is an increasing recognition of the role of CSR in social and economic development. It is argued that a purposeful engagement of corporations in societal affairs through an active contribution to capacity building is crucial for the progress of
developing nations (BPD, 2002; UN Global Compact, 2010; Ali and Al-Ali, 2012; CSR Saudi Arabia, 2014; Maqbool, 2015). This is because the competitive position of a nation and the well-being of its citizens are influenced by the challenges facing it. Powered by its oil resources, Saudi Arabia has experienced a rapid economic development over the past few decades, which enabled the country to make the move from an agricultural to an industrialised economy (Ali & Al-Ali, 2012). The private sector plays a crucial role in the nation’s economy, accounting for over 50% of the total GDP. It has undergone remarkable growth due to governmental support through incentives such as interest-free loans and the provision of public facilities.

Over the past few decades, the government has been working to develop the country’s human resources and diversify the economy in order to strengthen its role in the global economy, while increasing the private-sector participation in the development process and expanding the basic services offered to citizens. More recently, government plans have a stronger focus on capacity building with the aim of enhancing the skills of its citizens and enabling them to participate in economic opportunities (Hertog, 2006; Ali and Al-Alli, 2012; Vision 2030). These aims are in line with the concepts and practices of CSR which also aim to contribute to the social and economic development.

In terms of scope, this work is focused on exploring a potential role for CSR as a strategy and mechanism to contribute to the capacity building and development goals set by the Saudi government (Vision 2030). The United Nations Industrial Development Organization has suggested that a partnership between corporations and governments can make a vital contribution to developing innovative solutions to development challenges (UNIDO, 2007). In addition, in a study on CSR in developing
countries, the UN’s Division for Sustainable Development argued that the governments promoted CSR in order to enhance national competitiveness and to help deliver public-policy goals (United Nations, 2007). It is worth noting that while Saudi Arabia has a high GDP, it shares many of the characteristics of a developing country. It has been suggested that there was a clear lack of understanding of the potential of CSR in Saudi Arabia, and that most of the support provided by companies to communities is often in the name of charity or as part of their public relations strategy. The forms of CSR practiced by companies are usually limited mostly to philanthropy, have a short term nature and motivated mostly by religious beliefs (Ali and Al-Ali, 2012). This work will examine and evaluate the current understanding and practices of CSR in Saudi Arabia, and explore its potential to strategically help address societal challenges in a framework connecting government, public sector and local communities.

The Saudi Ministry of Labour and Social Development is a key example of an organisation that drives the implementation of programmes and initiatives for the benefit of local communities. This is mostly conducted by the Ministry’s Social Development Centres (SDCs), which operate as official community based centres to provide key liaison with other departments and promote and execute social programs. SDCs currently provide material and moral support and resources for the implementation of social development programmes as well as community programmes related to a wide range of areas including culture, health, sports and environment (The Council of Ministers, 2007). They also supervise a number of non-governmental organisations (NGOs) and are responsible for regulating the work of Charities. Given that the scope of this work is focused on exploring a potential role for
CSR in helping to address social challenges such as the current problems of unemployment and shortage of skills in Saudi society, it is crucial to establish an understanding of the views of a selected number of stakeholders as possible from both the public and private sectors.

Aims and objectives

The aim of this work is to evaluate the current understanding and practices of CSR in Saudi Arabia and to explore the potential for CSR to be used as vehicle for social development. In order to do this, the work will investigate the potential for a government role in CSR implementation within a framework based on partnerships between public and private sectors. Specifically, the objectives of this work are:

- To establish a clear understanding of the theoretical and practical aspects of CSR based on existing literature and place this understanding in a Saudi context.
- To examine attitudes, perceptions and experiences of CSR among key government and business stakeholders in Saudi Arabia.
- To determine and evaluate the factors influencing the implementation of CSR in Saudi Arabia.
- To explore the attitude amongst key CSR stakeholders towards a potential role for government in CSR implementation
- To examine the current role of Social Development Centres (SDCs) and evaluate their potential to play a future role in CSR implementation within a framework linking the government and the private sector with local communities.
It is argued, in this thesis, that SDCs are an under-utilised and under studied resource in terms of their work with local communities, and could potentially be an important part of a new framework for the implementation of CSR linking the private and public sectors. While SDCs have not had a role in CSR implantation to date, an examination of the Ministry of Social Affairs\(^1\) policy for regulation of SDCs suggests that SDCs are ideally placed to play a major role in delivering CSR programmes in collaboration with private sector, as they are experts in local affairs and knowledge who can be used to support CSR projects. In the Regulation manual (The Council of Ministers, 2007), there are very clear guidelines with regards to who should be involved in decision making and project implementation in the SDCs. This includes a variety of stakeholders such as the Ministry of Social Affairs, a committee comprised of NGOs, citizens and other governmental representatives. The model requires consultation to determine local community needs, and the needs of private businesses, with programmes delivered by the SDCs at the Ministry of Labour and Social Development. The Centres are currently required to conduct social surveys, promote social awareness in the local community, plan and implement social programmes. The SDCs do not offer long-terms programmes and there is little evidence to indicate that the short term programmes have significant impact on education, employment figures and addressing the skills gap in Saudi Arabia.

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\(^1\) It is worth noting that in May 2016, the Ministry of Social Affairs was merged with the Ministry of Labour and formed the current Ministry of Labour and Social Development. Some of the documents and references used in this work were produced prior to this merger and were issued by the Ministry of Social Affairs. The new Ministry of Labour and Social Development fulfils the role and duties of the Ministry of Social Affairs among other roles and duties.
Research questions

In pursuing these aims and objectives, the thesis will address the following research questions:

1. How has the concept of CSR been adopted in Saudi Arabia?
2. How do key stakeholders in Saudi Arabia interpret and understand CSR?
3. What are the key factors influencing the implementation of CSR in Saudi Arabia?
4. How can CSR be developed and implemented in Saudi Arabia?

Thesis structure and content

Chapter One, Saudi Arabia in Context provides a general background of Saudi Arabia, and describes and discusses a number of key aspects of Saudi economic, cultural and religious life in order to provide a context for understanding the practice and implementation of corporate social responsibility. The chapter starts with a description of the demography and infrastructure of Saudi Arabia. This is followed by an examination of the role of religion and its influence on government, business and women. It then focuses on the economy; providing a discussion of the relationship between government and the private sector and an insight into how businesses operate, before setting out the role of key organisations related to economic and social development in Saudi Arabia.

Chapter Two, Literature Review provides a historical and theoretical overview of CSR through an examination of the CSR definitions, concepts, theories and practices identified in the literature. It starts with a historical overview of CSR development,
followed by a discussion of its definitions and concepts, as well as an examination of the main drivers and theories of CSR as presented in the literature. The use of CSR as a strategy for public relations is then discussed followed by the implementation and reporting of CSR. The final section of this chapter is dedicated to a discussion of the role of government in CSR promotion and implementation.

Chapter Three, Factors Affecting Current Implementation of CSR in Saudi Arabia provides an assessment of the current implementation and understanding of CSR in Saudi Arabia through an investigation and discussion of the factors that influence the way CSR is currently being practised and how it compares to its implementation in the Western world. The chapter ends with a discussion of the current state of CSR practices in Saudi Arabia and provides a comprehensive evaluation of the need for a new approach for the implementation of CSR.

Chapter Four, Methodology describes and discuss the research methodology adopted in this work. It starts with a discussion of the epistemological framework and methodological approach, followed by a description and discussion of the adopted research methods including the data collection instruments and sampling strategy. A discussion is then provided on the adopted analytical framework to enable findings to be established in order for this research to achieve its aims. Ethical considerations of the research are discussed before ending the chapter with conclusions.

Chapter Five, Findings and Analysis presents the findings of this research in relation to the current understanding and practices of CSR in Saudi Arabia. The findings are presented and discussed thematically under the following headings: understanding and evaluation of current CSR practice in Saudi Arabia, the Saudisation programme,
capacity building and training needs in Saudi Arabia and finally improvements and recommendations.

**Chapter Six,** Findings and Analysis presents findings and analysis related to the idea of a government role in CSR implementation in Saudi Arabia, with a focus on preparing Saudi citizens for the requirement of the private sector job market and offering them employment opportunities. This is presented through a detailed assessment of the suitability of the SDCs for a potential role in CSR implementation through an evaluation of their current role and capacity before seeking participants’ views on the idea of public-private partnerships and on a potential role for the government and SDCs in CSR implementation.

**Chapter Seven,** Conclusions and Recommendations brings together the key findings of the work and examines them against the research aims and objectives. The chapter discusses the key findings of the research presented in chapters five and six within the wider context of relevant literature. This is followed by a discussion of future direction of CSR implementation, and how it could potentially be linked to capacity and human development. The chapter also provides a concise summary of the contribution to knowledge made by this research, followed by key recommendations aiming to improve the general practices of CSR in Saudi Arabia, and more importantly to pave the way and enable the realisation of a new CSR implementation framework. The chapter ends with discussions of the limitations of this work, a dissemination plan, future research and a personal reflection on the researcher’s own experience.
Chapter One

Saudi Arabia in Context
1.1. Introduction

There are several factors and characteristics that make Saudi Arabia a distinct country. These factors include religion, economy, politics and the interaction among them. The aim of this chapter is to provide a general background of Saudi Arabia, and to describe and discuss a number of key aspects of Saudi economic, cultural and religious life in order to provide a context for understanding the practice and implementation of CSR in the country. The chapter starts with a description of the demography and infrastructure of Saudi Arabia. This is followed by an examination of the role of Islam and its conservative influence on government, business and women. It then focuses on the rentier economy; providing a discussion of relationship between government and the private sector and an insight into how businesses operate, before describing key organisations related to economic and social development in Saudi Arabia, including SDCs among others.

1.2. Demography

According to a report published by the United Nations (2012) on world populations, the population of Saudi Arabia increased from 10 million in 1980 to about 27 million in 2010, and is expected to increase to about 40 million in 2050. An increased population presents two areas for consideration; a potential vibrant market and a more active economy, both of which introduce a need for more strategic efforts by the government to accommodate the population and provide them with training and jobs in order to prevent high levels of unemployment. The child birth rate has decreased from about 7 per women in 1980s, to 3 per woman in early 2000s, and it projected to decline to below 2 during the late 2040s. Contraceptive prevalence among women
aged 15 to 49 years was approximately 35% in 2010, which increased to 37% in 2012. These figures were projected to increase to 40% by 2015 among women in this age group.

According to the Saudi Arabian Monetary Agency, about 60% of the Saudi population are below the age of 18; illustrating the importance of young people in Saudi society (Achoui, 2009; Abusaaq, 2012). Whilst the rate of the working age group between 15 to 65 years increased to 66% in 2010, it is predicted it will reach a peak of 74% in 2035 and eventually decrease by 2050. At the same time, the population aged 65 and above is expected to increase to about 18% by 2050 (Abusaaq, 2012). Another factor at play in Saudi population growth is the increasing migration of labour. Saudi Arabia is a prime destination for migrants from Asia as well as from other Arab countries. It is reported that immigrants compose about 27% of the total population in Saudi Arabia (Achoui, 2009; Gravem 2010). Significantly, non-Saudis represent about 88% of the labour employed by the private sector in Saudi Arabia, showing a very large dependence of businesses on expatriates. This high percentage of expatriates reflects the low employment figures for Saudi citizens in the private sector, which has been attributed to their preference for public sector jobs, combined with questionably low levels of skills needed for private sector employment (Fakeeh, 2009).

These demographic changes in Saudi Arabia place pressures on the Saudi state to respond, for example through introducing plans to accommodate the increasing population and to provide young people with the appropriate level of training and education to prepare them for the job market. Activities related to CSR discussed later in this thesis have the potential to provide a mechanism for addressing these challenges.
1.3. Infrastructure

Although there is no specific definition of what should be included under the term infrastructure, Pollin (2009) classified the term into three main areas: transportation, energy and water management and included a further classification into sub areas such as roads and bridges, airports, railway networks, public transportation systems, drinking water, dams and electricity supply. Saudi Arabia has seen a rapid transformation from a largely agricultural society to a sophisticated modern state, with a highly developed infrastructure of roads, seaports, airports, schools, and hospitals (Jones, 2015). Furthermore, electricity networks have been extended to villages, towns and cities across the country. Since the 1970s there has been an intense promotion of modern farming technology and the encouragement of agricultural research and training institutions. The private sector has also shown considerable efforts towards agricultural development in the country; Saudi Arabia is mostly desert with little rainfall per year and without permanent rivers or lakes (Haykel et al., 2015). However, it has embraced several innovative ways to provide water to support important developments. Such efforts have been achieved through locating and mapping aquifers, which is the major source of water in Saudi. The largest dams in the country include Wadi Fatima, Wadi Jizan, Bisha and Najran, which are used to capture water, especially after floods. Water is then used in agriculture, and recycled in Jeddah and Riyadh for domestic use and urban parks (Al-Zahrani, 2009).

Saudi Arabia has a modern transport system including major international airports as well as 30 local and regional airports, in addition to 21 large and modern seaports. The Saudi telecommunication sector has been rapidly growing to accommodate the growing market demands (Felix, 2009). The major telecommunication service
provider is the Saudi Telecommunications Company, a privatised firm and one of the largest operators in the region. Tendered companies are required to observe the morals and contributions of the society through the Zakat\textsuperscript{2}; these contributions fall under the umbrella of Islamic religious activities. Here the private sector already plays a major role in the running and maintenance of the infrastructure; the labour force is however mainly expatriate workers (Achoui, 2009). This contextual discussion of infrastructure in Saudi Arabia demonstrates the development that the country has been going through over the past few decades, which facilitated the creation and development of the private sector in Saudi Arabia. The role of the private sector in supporting the modern day Saudi society is at the centre of this research through the CSR role of private sector companies.

1.4. Religion in Saudi Arabia

Islam is the state religion of Saudi Arabia, and adherence to Islamic laws and values is an overriding factor that can be easily identified in everyday Saudi society. Islam originated in Saudi Arabia in the 6\textsuperscript{th} century and the country is the host to the Two Holy Mosques of Islam as well as the pilgrimage destination of Muslims from all over the world. At the time of establishment of the modern day Kingdom of Saudi Arabia in 1932, Islamic law (also known as Shari’a) was declared as the supreme law of the country, and the Quran as its constitution. It is important to emphasise that several other tribal and traditional laws and customs also found their way into the legal system.

\textsuperscript{2} Zakat is one of the five main pillars of faith in Islam, which stipulates that Muslims should give 2.5 percent of their wealth annually in the form of charity to help the poor.
at that time, but only those that were consistent with Islam (Commins, 2015). The interaction between religion and culture has played an important role in defining and forming Saudi Arabia.

1.4.1. Religion and Government

Saudi politics is very closely linked to religion, which explains the conservative nature of the society. Despite attempts to introduce political reforms over the past few years, the country is still very much run by the powerful Al Saud family (Weston, 2008). According to Al-Rasheed (2010), the discovery of oil has greatly contributed to the ability of the state to move from the limited emirate pattern of rule into a more established kingdom. Al-Rasheed emphasised the importance of the role of Islam in politics and the impact of the religious scholars who played a key part in the establishment of the Saudi kingdom. The relationship between religion and politics goes back to the time of the first Saudi state, which was established in the 1740s through an alliance between prince Mohamed ibn Saud and the Islamic scholar and preacher Mohamed ibn Abdel Wahhab in an attempt to use religion as a means to unite tribal people under a common belief (Nevo, 1998). This alliance continues to form the basis of the Saudi state and it is often referred to as Wahhabism in relation to ibn Abdel Wahhab. The term is used to refer to an Islamic movement, which is based on the fundamental pillars of Islam and calls for the worshipping of Allah as the one and only God, and it prohibits attempts to introduce any practices or habits, which were not clearly mentioned in the Quran or practiced by the Prophet Mohamed. The term Wahhabism is often used to describe this movement as a new type of Islam, which was created to serve political purposes (Commins, 2015). However, this claim is challenged by scholars who argue that the Salafi movement calls for the return to
the pure Islam as stated in the Quran and practiced by prophet Mohamed and his companions. The fact remains that religion and political governance have been and continue to be strongly linked in modern day Saudi Arabia in ways that influence most aspects of Saudi life (Gravem, 2010).

1.4.2. Religion and Business

Despite the country's aspiration to be a modern state, it is still largely based on a traditional society, where organisational values in business and management take a humanistic approach with individual preferences and religious beliefs playing an important role in determining business goals. Consequently, religion is influential in moulding and regulating individual and group behaviour in the business sector (Cassell & Blake, 2012). Moreover, Islam influences business operations in Saudi Arabia through operational practices, which are heavily reliant on Islamic standards and norms. For multinationals aiming, or operating in Saudi Arabia, Islam has many implications; for example, Islamic laws for commercial transactions forbid giving or receiving interest (Cullen & Parboteeah, 2009). Interest is perceived as illegal with most Muslim businesses operating on profit-sharing activities as a means of avoiding payment or receiving interest. The Shari’a laws are based on the five pillars; prayer, fasting, confession, pilgrimage, and alms-giving. Businesses operating in Saudi are required to abide by the rules of Shari’a. Cullen & Parboteeah (2009) stated that foreign businesses operating in the country face various challenges posed by the impact of religion such as Saudi Arabian staff needing to pray five times a day or fasting during Ramadan. These religious duties raise time management issues and affect productivity particularly in Ramadan when many businesses do not operate at
full capacity; Ramadan also depletes the customer base as there is less consumption and this also affects productivity.

1.4.3. Religion and the Role of Women

The World Report (2013) regards women as holding a specific and often conservative role in Saudi Arabian culture, arguably facing gender discrimination on multiple levels; legally their role is seen as passive homemakers and mothers. Women face restricted access within the public domain; they are not allowed to study particular topics, need permission for some medical procedures and are not able to conduct official business. Women and religion are mentioned here only in the context of exclusion from the workforce and in relation to specific educational and employment fields. Hamdan (2005) and Calvert and Al-Shetaiwi (2002) reported that the majority of women graduating with humanity degrees are unable to find employment in a related area. More generally, female employment is low despite its increase from 5% in 1990 to 19% in 2010 (UN Report, 2012).

The World report (2013) stated the situation for women had changed very little despite government promises to abolish the compulsory guardianship system for women. The absence of women from much of the Saudi Arabian public domain is ascribed to a particular interpretation of the Quran. However, Ross (2008) finds quite a different reason; namely the influence of oil. He argues there is a correlation between massive oil wealth and the lack of rights for women; claiming that development does not

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3 A legal requirement for women to seek permission from a responsible male (i.e. husband, father or brother) before being allowed to undertake activities such as travelling abroad.
necessarily lead to equality for everyone. His research showed effects in other oil-rich
countries such as Saudi Arabia, Kuwait and Algeria where oil production impacted on
the work routines of women and their chances at political presence. Ross found that
development based on oil facilitated the continuation of patriarchal norms and values.
Specifically, in the case of Saudi Arabia oil production removed women from the
workforce and reduced their decision-making capacity; whereas before the discovery
of oil women had been actively present as part of the work force. However, a report
by a private consultancy company (EVO SYS, 2015) concluded that the Ministry of
Labour purports a growth in the number of women employed within the private sector,
but the actual number of women employed is still much lower compared to other Gulf
countries.

Through their research on Technical and Vocational Education and Training centres
(TVET), Calvert and Al-Shetaiwi (2002) have shown that neither the private sector
managers nor women themselves have any objections to working together and do not
anticipate problems in the future. The TVET programmes have a noticeable lack of
women and this is due to TVET not being geared towards offering training to women;
this proved to be due to a lack of collaboration between the private sector and the
government (Calvert and Al-Shetaiwi, 2002).

However, very recent developments in Saudi Arabia are showing promising signs of
change for Women and Saudi Society. In September 2017, Saudi Arabia’s King
Salman issued a decree allowing women to drive cars for the first time in the history
of the Kingdom. This decree has seen to be in line with a programme called Vision
2030, which is promoted by Saudi Crown Prince Mohammed Bin Salman. The Vision
2030 programme aims to modernise Saudi society and bring it more into line with the
rest of the World (Vision 2030; Gardner, 2017). This followed another recent announcement made in July 2017, and published on the Ministry of Education’s website stating that Saudi girls’ schools were going to start offering a physical education program beginning in the fall 2017 school term including sports halls and competent women instructors. It was stated that the Ministry made this decision in order to fulfil the goals of Vision 2030.

1.5. Economy

Since its establishment in 1932, Saudi Arabia relied on farming and commerce as an integral part of its economy. Currently, Saudi’s economy largely depends on oil, being one of the largest oil producers and exporters in the world; playing an important role in the global energy industry and is a central economic hub for oil exporting nations. The country has continued to invest in refineries through joint ventures with other countries to possess vast natural gas reserves and promotes foreign investments in this sector. Recently Saudi Arabia has started to diversify its economy to produce and export various industrial goods across the globe. Commins (2006) reported that industrial products comprise 90% of Saudi’s non-oil exports; these include petrochemicals, plastics, electrical appliances, construction materials, and gold. In addition, there are vast natural reserves of mineral deposits such as tin, copper, zinc, iron core, silver, and salt. Moreover, Saudi has made developments in the agricultural sector in recent decades, promoting the production of basic foods; Saudi is currently self-sufficient regarding food.

The private sector in Saudi has undergone remarkable growth due to governmental support through incentives such as interest-free loans and the provision of public
facilities. Foreign investment has also been growing at a rapid rate as investors join local partners to create business ventures due to the nation’s favourable laws, geographical location and infrastructure. Saudi Arabia has a lucrative modern banking sector with 13 commercial banks, which provide corporate and retail banking, brokerage facilities, investment services and Islamic banking services, and point of sale and ATM transactions (Menoret, 2006). The private sector plays a crucial role in the nation’s economy, accounting for over 50% of the total GDP. According to Ministry of Labour figures, the number of public sector employees is about 900,000 people, while those employed by the private sector are more than 5.4 million (Hertog, 2015). Thus, while the public sector is clearly significant, the private sector is important to employment and development of Saudi Arabia. However, Achoui (2009) reported that more than 88% of the employees of the private sector are expatriates, whilst most Saudis prefer to work for public sector institutions such as ministries of education or health as well as for oil related industries for reasons related to long term stability, income and prestige. The Saudi Arabian Ministry of Planning has raised concerns over the training and employment of Saudi citizens (Hamdan, 2005). As a result, the Saudi government, in collaboration with the private sector, introduced the Saudisation programme as a policy to give priority of employment for Saudi nationals (Fakeeh, 2009). However, the programme has been facing a major problem because employers are finding Saudi nationals lacking appropriate skills for the jobs on offer. Fakeeh (2009) argued that the skills gap has been caused by an economy reliant on oil, rapid industrialisation and the financial ability to buy everything ‘pre-packaged’. This has resulted in employing expatriate workers and widening the mentioned skills gap amongst Saudi citizens.
1.5.1. The Relationship between Government and the Private Sector

In Saudi Arabia, the state has generally driven economic development through the support of its oil resources (Hertog, 2013). This section examines the relationship between the state and business. This will be investigated after a brief description of the main theories of state-economic relations.

A model where states exercise strong intervention in the economy in order to introduce rapid industrialisation is known as state-sponsored capitalism (Niblock & Malik, 2007). Countries in East Asia and in particular Taiwan are regarded as good examples of this model (Wade, 1990). In this model, a good and supportive relationship between government and the private sector is required (Niblock & Malik, 2007). A balance of state autonomy and consideration of private sector interests is desired with the aim of achieving a productive relationship between the state and the private sector (Niblock & Malik, 2007). Evans (1995) described this model as “embedded autonomy”, where the state can act autonomously in planning and guiding the industrialisation process, while the actual decision-making process is embedded in the private sector allowing rapid economic development. This relationship takes the form of committees or contacts with influence on the policy-making process through negotiations between the state and the private sector investors. However, Evans (1995) goes on to suggest that in most developing states, “embedded autonomy” has not been fully achieved, with personal interests undermining state support for the private sector. While it is still relatively early days in terms of Saudi Arabian development, there are few signs that the country is moving towards “embedded autonomy” (Alghamdi, 2014; Ali & Al-Ali, 2012; Achoui, 2009). There have been suggestions, however, that Saudi Arabia is still mostly regarded as a rentier-economy.
A rentier-economy can be defined as “an economy substantially supported by the expenditure of the state whilst the state itself is supported by the rent accruing from abroad” (Beblawi, 1987). In other words, a rentier state relies on the rent or sale of national resources to generate national revenues. This concept is important to understanding the political economy in Saudi Arabia. The rentier-economy is characterised by a central role of the state as a main link between the national resource (oil in the case of Saudi Arabia) and the rest of the economy (Abdel Fadil, 1987; Niblock & Malik, 2007). Rentier-states do not depend on resources from citizens such as taxes, rather the opposite is true, where society is highly dependent on the state for resource distribution through employment, contracts, subsidies and handouts (Niblock & Malik 2007). In addition, it is common in rentier economies for industrial and agricultural sectors to be marginalised and subsidised, and ending up being not internationally competitive (Niblock & Malik 2007). These characteristics of the Saudi economic system result in a blurred line between public and private sectors despite the increased importance of the role of private sector in Saudi economy. As businesses generate almost no tax income and depend on cheap energy provided by the state, they remain highly dependent on government defining and driving demands.

1.5.2. Business Governance in Saudi Arabia

Corporate governance involves the relationship between the Board of Directors, management and other stakeholders. Good corporate governance practices include aspects such as equitable treatment of all shareholders, disclosure and transparency and the promotion of sustainable economic development (Albareda et al., 2007). The World Bank (2009) reported Saudi Arabia as having one of the largest equity markets
compared to other Arab nations with a capitalisation of about USD 519 billion in 2008, compared to USD 224 and USD 95 billion of UAE and Kuwait respectively. Moreover, while data concerning the ownership of listed companies in Saudi Arabia is very limited, ownership of these companies is highly concentrated among founding families and government (The World Bank, 2009). The government owns approximately a third of the total market capitalisation including the public pension fund, founding families hold another third while the rest belongs to Saudi retail investors. In spite of the opening of trading markets to foreign investors, Saudi investors represent a larger share of the market compared to foreign investors. In addition, the concentration of liquidity has reduced public accountability in the market as the government and families have the highest concentrated ownership while unwilling to dilute their respective holdings. Although significant efforts are in place to increase the supervision of public companies such as The Capital Markets Authority (CMA) and The Saudi Arabia Monetary Authority (SAMA) for banks, authorities report low compliance, especially for public companies. Likewise, cases of market insecurity, due to insider trading, abuse of position and misconduct, is a major concern in Saudi Arabia, which calls for CMA to develop more strict regulations (The World Bank, 2009).

It is also an important requirement for listed companies in Saudi Arabia to provide quarterly, semi-quarterly and annual reports as complete disclosure according to the Listing Rules (LRs) (Dahar, 2014). However, there is still weak compliance involving non-financial disclosure requirements by some market participants about corporate governance information. Although it is a fundamental requirement for companies to disclose information such as their corporate objectives and board composition; their
divided policies around disclosure in other key areas including information related to board member qualifications, beneficial ownership, and nomination procedures, remains the greatest challenge. Furthermore, it is an essential requirement for financial statements to be prepared by the local Accounting Standards and further audited in line with National Standards. It has been reported that compliance with national standards is undoubtedly high (Al-Shammari et al., 2008; Alamri, 2014); however, it is of equal importance for Saudi Arabia to ensure compliance with international standards, in order to improve on financial reporting and further assure their investors of their quality. Some listed companies and most banks have audit committees, but their roles lack proper description, and, are, therefore, not well understood. Similarly, there is a lack of proper succession planning and effective performance evaluation frameworks among listed companies. The conduct and performance of Saudi businesses rely heavily on the cultural beliefs and Islamic religion. The description of corporate governance in Saudi Arabia provided in this section illustrates that although practices are not optimum and lack clarity in certain aspects, the structure is mostly in place to encourage compliance with regulations.

World Business Culture (2014) identified Saudi businesses as revolving around family units with the majority of key employees being members of the extended family. Family members and relatives are trusted more than non-relatives and hence nepotism is accepted. As a result, it is common to find a company founded on deeply rooted hierarchical lines with power held at the top by older family members (Al-Ghamdi and Rhodes, 2015). In addition, the management style for business is based on the instructional approach, whereby subordinates view the manager as the overall decision maker who conveys decisions for implementation across the organisation.
Similarly, family relationships are also very important in the business place where merits are expressed through praise. The concept of teamwork is also acceptable as long as family members, close friends and relatives are included in the team. Family ownership of businesses in Saudi Arabia has the potential to allow culture and beliefs to have a large influence motivating business engagement in social activities. This might be manifested in the choice of the types of corporate social responsibility activities a company wishes to engage in. In other words, the cultural values and beliefs of an individual or a family could determine the types of CSR projects of their company rather than making such decisions and choices based on the company’s strategic interests and direction.

According to Sfakianakis (2013), Saudi Arabia has maintained its historic inclination for having many large businesses owned by family members. Family business in Saudi Arabia accounts for 90% of all companies in the country, where most prominent families hold the largest share of business opportunities playing a significant role in the economy of the country. The major problem facing family-owned businesses in Saudi is that of inheritance, with reported cases of conflict in governance when the key founder dies. These conflicts are not easily solved, as the legal system for resolving such disputes is weak, putting the economy at risk because family businesses contribute to the growth of the economy. According to Sfakianakis, statistics show that the second generation is in ownership of family businesses and they are reluctant to seek financial advice; this continues to limit their success. Family owners in Saudi Arabia tend to interfere with every investment decision made by hired professionals; the professionals have found their practises and experience undermined; and in many cases, the potential of hired professionals has been limited.
by the religious beliefs of the country (Cullen & Parboteeah, 2009). This discussion provides an important insight into the way businesses are run in Saudi Arabia. The domination of family owned business can potentially lead to more centralised governance and decision making practices within a well-defined hierarchical structure. In this context, the role of cultural beliefs and practices could be potentially influential on the type of activities businesses choose to engage in.

Global social changes and modern sources of investment have prompted a move within Saudi Arabia towards a capitalist economic structure, where the country is pouring billions of dollars from the oil industry into private industries and project development. The Government is trying to turn its population from Bedouins, a nomadic Arab of the desert, into modern capitalists without affecting their social values, traditions, and religion while imitating the diversification found in more developed countries. As stated by Sfakianakis (2013), Saudi Arabia is moving towards capitalism, the economic environment is changing, and, therefore, families owning businesses have to be careful as domestic banks are currently tightening their lending to locals. Banks are expanding to the open market; international investors are encouraged leaving family owned businesses at risk because their finances will be subjected to outside scrutiny. Sfakianakis suggested a need for cooperation between family owned businesses and international investors, without this, family businesses are at risk and may not be able to source future finances. Sfakianakis pointed out that once the banks have cooperated with international investment systems, they will face threats caused by the rigours of international markets. The intention of diversifying the country’s resources in the international market welcomes competition in the country’s market, but joint ventures are yet to be realised. In this context, Sfakianakis
predicts that family businesses will fail because competition calls for professional advice and collaboration and they are not operating at this level. It is clear that most of this discussion is based on projections of potential future directions of Saudi economic structure. However, the potential influence of a move towards a more explicit form of capitalism on family businesses in Saudi Arabia needs to be evaluated and taken into consideration when thinking about the future of business in Saudi Arabia. A change of businesses away from family ownership might mean a change in the influence of culture and beliefs motivating business engagement in social activities.

1.5.3. Saudi Organisations Key to Economic and Social Development

This section will introduce a number of organisations, which play key roles in economic and social development in Saudi Arabia. The Ministry of Labour and Social Development was created in May 2016 following a merger between the Ministry of Labour and the Ministry of Social Affairs. The main goals of the newly formed Ministry include the preparation of Saudi citizens currently dependent on government support for employment in order to turn them into productive members of society, encouragement of cottage industries to integrate better in the wider job market, develop the skills of Saudi citizens and incentivise the private sector through partnerships aiming to create employment opportunities for Saudi citizens.

Social Development Centres (SDCs) are social institutions established, managed and supervised by the Ministry of Labour and Social Development. There are currently 38 SDCs throughout the country, and they are tasked with the social development of local communities according to their needs through partnerships with community members. SDCs provide material and moral support and resources for the
implementation of social development programmes as well as community programmes related to a wide range of areas including culture, health, sports and environment (The Council of Ministers, 2007). The centres are required to coordinate with other government, non-government and charitable organisations working in their areas when planning and implementing their programmes. SDCs are responsible for the non-governmental Social Development Committee whose members work on a voluntary basis and help the SDCs in identifying local needs and suggest ideas for projects and programmes to address them (The Council of Ministers, 2007). In addition, SDCs supervise and regulate the work of charitable and non-governmental organisations working in Saudi Arabia. These are voluntary organisations aiming to provide social services and social support for the poor and needy. In addition, they provide programmes in education, health care in addition to care for children, the elderly and people with disability (Fadaak, 2010). The voluntary sector is traditionally seen as a key part of civil society in Saudi Arabia and as a major national force and driver for social reform and modernisation (Montague, 2010).

Other Saudi organisations that are key to economic and social development include The Saudi Arabian General Investment Authority (SAQIA) and the Saudi Chamber of Commerce. SAQIA is part of the Ministry of Commerce and Investment. It was created in the year 2000 with the objective of achieving rapid and sustainable economic growth by creating a pro-business environment, providing comprehensive services to investors and fostering investment opportunities in key sectors of the economy, including energy, transportation, information and communication technology (ICT) and knowledge based industries (SAQIA, 2008).
The Saudi Council of Chambers of Commerce and Industry is an umbrella of a number of regional chambers of commerce and industry, which are quasi-governmental entities (Hamilton, 2010). They certify and process all documents necessary to conduct business in the kingdom, and engage in the arbitration of commercial disputes, community development planning, and encourage voluntary work. They are defined as non-profit entities (governed also by relevant regulations for non-profit organisations) with membership comprised of merchants and industrialists in the region it serves.

1.6. Social Change in Saudi Arabia

A modernisation agenda driving social change in Saudi Arabia is changing the intrinsic religious culture and traditions. In this context, Nazer (2014) argued that Saudi Arabian economic, political and social activities are changing slowly, but markedly. Per capita, Saudis are ranked among the biggest users of Facebook, YouTube, and Twitter. Laws governing entertainment are becoming flexible and there are many privately owned communication networks that air sports, news, and entertainment to many homes in the country. It has been argued that social media served as a social reformist power due to the fact that it is highly popular amongst Saudi young people (both liberal and conservative) who represent a high percentage of the Saudi population and embrace the anonymity of social media (The Economist, 2014). Admittedly, change has until very recently been slow, but social media is a powerful tool when looking at ways to debate social issues such as freedom of speech and gender discrimination (Askool, 2013). Media is becoming influential and enjoys relative freedom; the increase in of social media users is added to by increased
urbanisation, with many families moving from rural to urban areas (AbouKorin and Al-Shihri, 2015). Urbanisation has created a growing urban population, and demand for the government to develop strong and effective housing schemes similar to those adopted by other countries. The government is also encouraging young people to look for work in order to be able to sustain themselves in urban life.

According to Holmes (2012), social interactions were traditionally held in mosques, but social meetings are now taking place in other places such as cafes. Even though these and wider changes are occurring in the nation (Al Fahad, 2015), reforms from the government have been relatively slow (until very recently). New methods for conducting business and sustainable projects are taking place, and the very recent government programme of Vision 2030 is now driving a modernisation agenda developing Saudi Arabia into an urbanised country which will attract investors (Vision 2030). This is the context in which SDCs now operate throughout the country in order to lead social development of local communities.

The Government has also committed itself to goals of gender equality and to an effective education system that reflects the demands of global changes. These changes are dependent upon religious tenets and social customs and norms. Recent developments in Saudi Arabia related to the government’s Vision 2030 programme show signs that such issues are starting to be addressed (Vision 2030). However, the extent to which such commitments and religious tenets are reconcilable is an ongoing question. Holmes (2012) points out that customs and norms create barriers to rapid reforms. For example, guardianship for women remains to be a challenging issue for any proposed changes since it is considered to stem from religion. Le Renard (2014) supports Holmes’ (2012) view that reform is hampered, but offers very different
reasons to that of religion. Le Renard (2014) argues that with rapid urbanisation comes the speedy development of women’s activities. She says that the reforms still assume that ‘real society’ is male while women’s development is still disregarded. Le Renard (2014) suggests women are changing Saudi society from within by forming their own ‘urban, consumerist and professional space’. Unfortunately, these developments mostly apply to women living in cities and exclude those living in rural areas as they remain mostly with no access to modern, sophisticated lifestyles causing divisions and marginalisation. Both Holmes (2012) and Le Renard (2014) agree that despite all of these promises, changes are slow to take effect and government has been unable to consider the needs of all sectors.

1.7. Conclusion

This chapter introduced and discussed a number of distinctive factors, which characterise Saudi Arabia. The country’s population has increased substantially over the past few decades, and has been characterised by a large proportion of young people presenting opportunities as a resource and challenges in terms of the need to provide them with training and jobs. Saudi Arabia is a very rich country with a growing infrastructure and a strong economy that is heavily dependent on the country’s oil resource. Although the size and influence of the Saudi private sector has been increasing, the rentier nature of the economy results in a blurred line between public and private sectors. Businesses generate almost no tax income and depend on cheap energy provided by the state, which leave them highly dependent on the government defining and driving the business environment. The Saudi private business model revolves around family business with the overall decision making process
characterised as highly centralised and hierarchical in nature. The organisations, which play key roles in economic and social development in the Saudi Arabia include the Ministry of Labour and Social Development; the Social Development Centres, the Saudi Arabian General Investment Authority and the Saudi Council of Chambers of Commerce and Industry. Islam is the state religion of Saudi Arabia, which represents an integral part of everyday Saudi life and influences all aspects of politics, business and society. However, a modernisation agenda is starting to result in a slow but marked change in economic, political and social activities. In this context, work discussed later in this thesis aims to explore a potential role for the SDCs in social development in Saudi Arabia through a proposed role for government in CSR.
Chapter Two: Literature Review

An Examination of the History and Development of Corporate Social Responsibility
2.1. Introduction

CSR is a concept and practice that has become well established worldwide. This is reflected in the growing body of academic literature on the theoretical and applied aspects of CSR (Lantos, 2002; Porter and Kramer, 2006; Secchi, 2007; Visser, 2008; Reinhardt and Stavins, 2010). The traditional role of governments as the main body responsible for improving the living conditions of the society has become less viable with the increased demands on public resources, placing more emphasis on the role of business in society (Hertog, 2006; Jamali and Mirshak, 2007; Ali and Al-Ali, 2012; Park and Wilding, 2014; Abdull Razak, 2015). CSR is increasingly becoming an important factor in the corporate decision making agenda, where many companies are considering how to improve their relationship with customers, the environment and the community while ensuring their business is successful (Visser, 2008; Reinhardt and Stavins, 2010; Mandurah et al., 2012).

Although CSR principles have long been practiced by business in various contexts and to different extents, the concepts, definitions and theories of CSR implementation have been evolving. While there are many definitions of CSR, Holmes and Watts (2000) introduced a relatively inclusive definition as the ‘continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large’. This definition incorporates several of the main aspects and objectives of CSR practice, which defines the relationship between businesses and their stakeholders in general. This chapter aims to provide a historical and theoretical overview of CSR through an examination of the literature view of definitions, concepts and theories of CSR understanding and practice. It starts with a historical overview of
CSR development, followed by a discussion of its definitions and concepts, as well as an examination of the main drivers and theories of CSR. The use of CSR as a strategy for public relations is then discussed, before considering the implementation and reporting of CSR. Finally, the role of government in CSR promotion and implementation is reviewed.

The content of this chapter is based on a literature review, which aimed to explore literature relevant to theoretical and practical aspects of CSR. The search was started in 2014 and continued until September 2017. The key words used in the search included ‘CSR’ and ‘history’, ‘definition’, ‘concepts’, ‘drivers’, ‘theories’, ‘implementation’, ‘practice’, ‘charity’, ‘public relations’, ‘stakeholders’, ‘Non-governmental organisations’, ‘government role in CSR’, ‘CSR and development’, ‘social development’ and ‘community development’. The search strategy involved extensive searching of electronic databases available through the library services at the University of Salford including International Bibliography of the Social Sciences (IBSS), ProQuest Social Science Journals, Social Policy and Practice and Applied Social Sciences Index and Abstracts (ASSIA). The search also included other resources and methods such as Google Scholar and manual search of key specialist journals such as Journal of Business Ethics, Social Responsibility Journal and Journal of Management Studies. An examination of the reference lists of the initially found references led to the identification of a large number of other relevant references. Grey literature including dissertations and reports were checked through the electronic resources at the University library and websites of relevant organisations, respectively. The aim of this literature review was to produce a narrative account summarising currently available information in order to establish an up-to-date
understating and critical evaluation of the history, definitions, drivers and theories of CSR. Although different types of literature reviews have different expectations, the format of this narrative review is meant to be more than descriptive (Jesson and Lacey, 2006). It is intended to be original and analytical based on a critical evaluation of a reasonable selection of sources.

2.2. Historical overview

The concept of CSR has experienced significant growth over the past several decades from a narrow and marginalised concept to a complex and multifaceted one (Cochran, 2007). This section presents a broad historical overview of CSR development and understanding with the aim of showing how the concept started and how it evolved over time. The roots of CSR reach back as far as the 19th century whereby companies were bonded with public interest objectives and public goals as well as private economic objectives. In the late 19th and early 20th century, a number of companies in the West were concerned about the wellbeing of workers and corporate effects on general society. For example, the founder of Cadbury, George Cadbury, invested much of his time in helping his employees driven by the belief that if he looked after his employees, they would in turn look after his business (Idowu and Louche, 2011). He established the village of Bourneville near Birmingham as a workers’ model village, where he built houses for his employees, in addition to a hospital, reading rooms and washhouses for both his employees and the general public. Another example is Titus Salt, the Yorkshire wool baron, who was described as “a pioneer of caring capitalism” (Cook, 2003; Rowley and Harry, 2011), and “a pioneer of modern environmentalism” (Idowu and Leal Filho, 2009). Motivated by a
responsibility to reduce pollution in Bradford, which was then described as the most polluted town in Britain, Salt relocated his woollen mill to Saltaire outside Bradford town centre, and created a model community for his staff in which every home had running water. Another example of early forms of socially responsible behaviour was that of Joseph Rowntree, the sweet manufacturer and famous philanthropist, who in 1904 built “Rowntree Village” in York for his employees with houses centred around a community hall (Cook, 2003). Rowntree also set up a pension fund for his staff, and in 1918, introduced staff holidays (Idowu and Louche, 2011).

It has been argued that the Industrial Revolution of the late 18th and early 19th centuries was the factor that initiated the need for corporate responsibility (Mandurah et al., 2012). The Industrial revolution saw widespread slums, and a rise in labour movements; a number of companies responded by providing limited social welfare, such as building bathhouses and hospitals, and the provision of food to the public. This has been identified as the same period of time when the United States experienced individual business philanthropists such as Cornelius Vanderbilt and John D. Rockefeller (Jamali et al., 2009). It has been suggested that although there was no legal requirement for traditional philanthropy or charity, the need for philanthropy was recognised by various social groups and local communities such as the Young Men’s Christian Association (Reinhardt and Stavins, 2010). The establishment of public trusteeship management during the Great Depression strengthened this trend towards public giving and business philanthropy during the 19th century paved the way for the development of corporate social responsibility concepts. The idea that CSR has been in practice since the early 19th century was agreed upon by several authors including Lange and Washburn (2012), Prasertsang
et al. (2012) and Tschopp (2005). Heald (2012) stated that the idea of CSR in businesses was already in practice at the onset of the 20\textsuperscript{th} century, and argued that businesses in the first half of the 20\textsuperscript{th} century contributed to and were involved in community issues. However, authors such as Heavey, Simsek, Roche and Kelly (2009) argued that businesses in the early 20\textsuperscript{th} century were involved in profit making rather than social activities, and did not pay much consideration to society, environment or customers.

It was suggested that although CSR existed for a long time, the practice of CSR was limited and not very popular prior to the 1950s despite the fact that some companies engaged in activities with the aim of improving the welfare of the consumers and the surrounding communities (Virvilaite and Daubaraite, 2011; Hackert et al., 2012). The 1950s saw the start of the modern era of CSR when it was more commonly known as social responsibility or SR. In 1953, Howard Bowen published his book, \textit{Social Responsibilities of the Businessman}, and is largely credited with coining the phrase ‘corporate social responsibility’ (Bowen, 2013). It was argued that the 1950s was the period when businesses started to be more aware of the need to be more responsible and accountable for the consequences, both positive and negative, of their actions and operations in a sphere wider than the corporate financial performance, and to pursue their policies and to operate in ways that were desirable in terms of values and objectives of society (Reinhardt and Stavins, 2010, Hackert et al., 2012).

The concept of CSR gained more recognition during the 1960s and 1970s due to the rapid growth of consumer protection, social movements advocating human rights, and environmental protection policies. Reinhardt and Stavins (2010) found that labour issues changed and companies followed government regulations on improving
employee welfare. Hackert et al. (2012) examined organisations in developed countries, especially the United States and the United Kingdom, who were subjected to pressure by their governments to consider and respond to issues beyond the narrow economic, legal, and technical requirements of a company. This implies that rather than focusing mainly on financial and economic growth, companies also needed to focus on the welfare of the employees, customers, and society, through improving living conditions, preserving the environment, reducing poverty and offering high quality products and services that would positively and significantly change lives (BPD, 2002; UN Global Compact, 2010).

Makinen and Kourula (2012) examined business analysis and decision making in the 1970’s and found that rather than focusing mainly on profit maximisation, it was crucial to consider other avenues of increasing returns to their shareholders. Pless et al. (2012) described this further by arguing that responsible companies were required to consider the interests of customers, employees, local communities, dealers, suppliers, and the nation by engaging in socially responsible activities. Virvilaite & Daubaraite (2011) identified the 1980s and 1990s as the period when concepts of CSR in the West were subject to much development. Ubius & Alas (2012) regarded this as a period of emphasis on corporate responsibilities and policies including the principles and processes of solving corporate issues and undertaking corporate actions. Heavey et al. (2009) attributed this emphasis to increased social challenges during this period compared to previous years. For instance, companies were engaged in increased production that continually caused environmental pollution, population increase led to a rise in the number of needy people, and business profits increased, giving companies an opportunity to serve a large number of people.
According to Visser (2008), during this period some customers started to realise the significance of corporate social responsibility. In the 1990s, there was a significant change in the CSR as corporate managers were viewed as moral actors with an obligation to maintain roles incorporating CSR ethics. Uecker-Mercado and Walker (2012) stated that there was, in addition, increased recognition of social issues as the outcomes or performance of CSR initiatives. These outcomes were categorised into three different groups; social impacts of corporate behaviours, policies used by an organisation to handle social issues, and CSR programs. The focus of corporate social responsibility developed new concepts and eventually included alternative approaches such as corporate citizenship, stakeholder theory, and business ethics.

Mandurah et al. (2012) argued that nowadays more emphasis is placed on the implementation of CSR programmes and their impact. Blowfield and Murray (2015) argued that the perception of CSR among companies has changed over time; unlike the traditional view of CSR as a growing idea of voluntarily giving back to the community, it is now viewed as mandatory for market success.

It is clear from the literature reviewed in this section that the historical roots of CSR have been a subject of debate. In particular, whether CSR started as early as the late 19th century or as recently as the 1950s is one of the issues debated. The review has shown how the roots of CSR can be traced back to the 19th century. However, early practices of CSR appear to have generally been focusing mostly on the wellbeing of work force in the form of their living and working conditions. On the other hand, starting from the 1950s onwards, CSR practices have increased in popularity and scope extending to wider communities beyond those working for the corporations. The concepts, understanding and implementation of CSR have been substantially
evolving and developing since the 1950s. In other words, it could be argued that early practices of CSR were directly associated with businesses and their own work force. This could be interpreted as a gesture of good will and a limited form social responsibility or as a way of increasing profit through making sure that the work force had the right conditions to be more productive. The development of CSR since then has led to businesses targeting wider communities for their practice of social responsibility. The following section will explore and discuss definitions of CSR.

2.3. Definitions of Corporate Social Responsibility

The literature contains a wide range of definitions of CSR, with no apparent consensus on a universal definition of what CSR exactly is, nor what it precisely entails. As the meaning and definition of CSR has evolved over time, it is not easy to agree on one exact definition. The aim of this subsection is to identify and examine a range of CSR definitions presented in the literature. These definitions range from business development focused ones on the one hand, to those incorporating a wider range of stakeholders and aims on the other. As will be illustrated, however, they all relate to how business takes account of its economic, social and/or environmental impacts in the way it operates, maximising the benefits and minimising the downsides.

A general consideration of the terms contributing to CSR perhaps provides a good starting point for this section. The term "social" may refer to social issues such as health, education, security and other similar issues but could also be interpreted as related to society more widely, including the environment. The latter interpretation can be thought of as the ambit of action of the corporation. The term "responsibility" on
the other hand, could be understood as accountability for the corporation’s actions; or a sense of duty toward society; and for others, good judgment (Vives, 2008).

According to The World Business Council for Sustainable Development, corporate social responsibility can be defined as the undertaking of a permanent obligation to participate in the development of the economy. Similarly, Greenfield (2004) described CSR in a context of expectation that corporations as legal entities have two main duties; to make money for owners and to obey applicable laws. Nadhar et al. (2014) suggested that CSR is a type of corporate self-regulation incorporated into a business model. These definitions do not provide much help in terms of explaining or defining CSR and provide a clearly narrow view of CSR containing only economic and legal aspects. It is a general expectation on each business to contribute to economic development within the law.

Slightly more detailed definitions of CSR were provided by Novak (1996) and Luetkenhorst (2004) who argued that CSR enables businesses to move from compliance to engagement and the establishment of added value through their practices. Although this definition attempts to explain some role for business in CSR context, it remains vague and stops short of identifying the nature of this role and the partners involved. On the other hand, Clarkson (1995) and Waddock et al. (2002) described CSR as an undertaking reflected in partnerships with employees, employee families and the local community. In 1971, the non-profit and business-led American public policy organisation, the Committee for Economic Development (CED) defined CSR as a business function aimed at constructively serving societal needs (CED, 1971). In 2011, the European Commission defined CSR as the duty of companies and organisations to take responsibility for their impacts on society (Khan et al., 2013).
These definitions provide more detail about possible partners for businesses within a CSR context, and indicate an expectation for corporations to have a process for integrating CSR into their strategies and operations. However, it could be argued that these definitions remain largely vague and fail to identify areas of engagement with or pathways for supporting the needs of those partners.

A number of other definitions of CSR included more description of the nature of the practice. For example, Carroll (1979) placed CSR within a framework of corporate social performance (CSP); including four types of CSR: economic, legal, ethical and discretionary. Jamali and Mirshak (2007) defined CSR as a set of management practices that extend beyond the normal legal, ethical, commercial and public demands. They suggested that the private sector can create economic growth and so has a moral duty to undertake practices which increase both opportunity and economic growth in a fair and sustainable manner. Unlike the more general previous definitions, these definitions implied that there was a direct role for businesses to contribute to societal benefits by creating opportunities in a more defined manner. Visser (2008) included economic, legal, ethical, social, and voluntary aspects in his discussion of CSR. The voluntary nature of CSR was also suggested by the International Labour Organisation which defined it as an integration of internal business processes with social principles on a voluntary basis. Hancock (2005) summarised his understanding of CSR as a process which included environment, community development and other philanthropic undertakings under the assumption that corporations accepted and adopted principles of morality, accountability and integrity. It is important to emphasise that within most of the literature discussion of CSR, there is a wide recognition that businesses still require a balance of return on
natural, social and financial capital in order to effectively integrate CSR initiatives and enterprise operations to ensure a company does not operate at a loss while trying to implement CSR initiatives (Carroll & Shabana 2010).

A more inclusive and detailed definition of CSR emphasising the long-term and ethical nature of CSR, as well as stating the its beneficiaries was provided by Holme and Watts (2000) describing it as a ‘continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large’. However, Micheletti (2003) argued that this is impossible to achieve because while the aim is to maximise shareholder value, many other stakeholders are disregarded; stakeholders such as creditors, customers, debtors, environmental issues and future generations. The disregard for many other stakeholders means corporations are encouraged to consider and take up much wider social aims. CSR discourse progressed to discussion of international development (Natufe 2001; Walker, 1992) with organisations like The World Bank (2000) describing CSR as a new tool for community economic development, education, disaster relief, environmental protection, health promotion and many other areas that previously came under government remit; this broad coverage served to keep the definition of CSR imprecise.

It is important to note that the literature contains much debate about the role of CSR in addressing not only social and economic aspects but also environmental ones. For example, Jamali et al. (2009) defined CSR as the process of integrating social and environmental concerns in the business model of an organisation, while Reinhardt and Stavins, (2010) described concerns about environmental protection as an
important concept for organisations. As a result, companies in developed countries (such as the United States and the United Kingdom) are increasingly involved in environmental protection activities such as reducing the amount of emissions, encouraging tree planting, and engaging in activities that encourage preservation whether through funding or offering training sessions. Although this is an important aspect of CSR practice, the main focus of this research is on the role of CSR in economic sustainability and development. Emphasis on the role of CSR in economic development in this work is motivated by the economic and social challenges in Saudi Arabia and on the government’s current drive towards diversification of the economy and development and training of Saudi citizens (Vision 2030). Therefore, the link between CSR and environmental matters is considered outside the scope of this current work.

In this context, it is crucial to emphasise that corporate philanthropy or charity is often mistaken for corporate social responsibility. The two concepts are not same, or more precisely, corporate philanthropy could be considered as one dimension or phase of CSR development. In order to understand what is meant by the social responsibility of business, and why it is not equal to philanthropy, this discussion needs to be placed in the context of the definitions presented in this section and, more directly, the classification presented by Lantos (2002) based on Carroll’s four-part definition of CSR (Caroll, 1979). Lantos suggested three different types of CSR:

1. **Ethical CSR**: a morally mandatory fulfilment of a corporation’s economic, legal, and ethical responsibilities.

2. **Altruistic CSR**: Fulfilment of a corporation’s philanthropic or charitable responsibilities, going beyond preventing possible harms (ethical CSR) to helping
alleviate community and public welfare deficiencies. It is crucial to emphasise that this type of CSR is practiced regardless of whether or not it benefits the business itself.

3. Strategic CSR: Corporate activities that help the public while accomplishing strategic business goals. In other words, these are activities or initiatives that benefit both the corporate implementing them and the communities in which they operate.

Whilst Lantos presented this classification as three different types of CSR, others thought of them as phases of development rather than just different types of CSR (Porter and Kramer, 2006). This is based on an argument that corporations initially responded to societal issues through philanthropy (altruistic CSR in Lantos’ classification) as a starting point, but learned that philanthropy was not enough (perhaps not sustainable from a business perspective). CSR, according to Porter, represented the next phase, which he argues is more than just philanthropy. It includes philanthropy, but also involves compliance with ethical and legal community standards, citizenship activities helping companies to be good corporate citizens and moving towards sustainability. In other words, Porter implies that corporations have learned from a process of moving from philanthropy to CSR. He stated that there is ultimately a next phase of this process, which involves creating shared value; arguing that while philanthropy and some forms of CSR involved taking resources from the business and using them to help worthy social causes, shared value is about the practice of capitalism “creating economic value by creating a societal value” (Porter and Kramer, 2011). This argument converges with Lantos’s strategic CSR classification. In summary, we can define or describe CSR on three levels: philanthropic or charitable (helping communities without necessarily expecting a
return), basic (good corporate citizenship that does not harm society) and strategic (helping communities while benefiting the business). The fact that CSR is thought of as the same as philanthropy is perhaps because philanthropy was the most common way utilised by corporations to help communities for a long time. This is clearly changing as the business world is changing and shifting its focus towards basic and strategic CSR.

This discussion illustrates that there is a lot more to CSR than just corporate philanthropy in that it is not just about making a contribution towards good causes. For the purpose of this thesis, the following understanding and definition of CSR will be used: **CSR is a continuous responsibility of corporations to serve and develop the community, its business and other stakeholders through the integration of corporate and social values and cultures in their strategies with the aim of achieving future corporate and social sustainability.** This definition emphasises the continuous nature of CSR as opposed to short term gestures as well as the element of development of communities, which will help improve conditions and create capacity. It also recognises the need to include benefits for the business itself as well as for relevant stakeholders. The major emphasis of the definition is on the aim of achieving economic sustainability through ensuring that CSR activities can add value to all those involved. By economic sustainability, I mean mutual long term benefits for the business, which can simultaneously create opportunities for members of the community involved. It is important to emphasise that the term community in this definition is meant in a broad sense and refers to people interacting with the business. The size of the community in this definition scales with the size of the corporation involved in the CSR. In other words, it refers to local community for a small business.
and to multiple communities across a number of countries for multinational corporations. The next section will provide a discussion of the drivers in CSR as presented in the literature.

2.4. Drivers of CSR

It may be argued that in a world dominated by capitalism, the basic responsibilities of managers towards their shareholders and governments for social well-being should remain unchanged. In fact, Milton Friedman argued that the main responsibility of managers was to meet the objectives of the owners and stakeholders stating that ‘The social responsibility of business is to increase its profits’ (Friedman, 1970). It is important to highlight that Friedman’s argument is consistent with his anti-regulatory and anti-statist ideology, which contributed to the historical development of neoliberalism. Whilst businesses should operate within ethical and legal frameworks, an argument could be made that they should leave social matters and public issues to governments. However, a strategic implementation of CSR can be advantageous for businesses when it forms an integral part of their interests. This section examines the drivers that motivate businesses to implement CSR.

It has been proposed by Moon (2007) that CSR is best understood in terms of market, social, governmental and global drivers; arguing that CSR is part of a new system of societal governance. He used the natural-resource-based perspective of the firm as introduced by Hart (1995) to understand how these drivers enable sustainable development. In his analysis, Moon examined the possibility of achieving sustainable development through business and suggested that CSR offers a potential solution since it can provide corporations with the necessary inducements to behave
responsibly within a social context that encourage sustainable development. He argued that the CSR could be used to achieve sustainable development provided there is corporate motivation and the correct drivers are merged. According to Chapple and Moon (2005) there is further contestation since each corporation, government and community has its needs and goals to be met and the difficulty is aligning these different needs to address common concerns. They pointed out that CSR and sustainability agendas differ according to the national, social, economic, governance and environmental systems.

Turning first to the role of the market, many companies see CSR as providing a competitive edge and subsequently creating more pressure for their competitors to equal CSR investments (Porter and Kramer, 2002). In support of this argument, Frenkel and Scott (2002) reported that many companies of various sizes were incorporating CSR standards into their portfolio. However Moon (2007) pointed out that the power of social responsibility investors (SRI) is still minimal and there are trends in the USA and the UK showing a growth in SRI funds being set aside for use, with this trend being imitated in Western Europe.

Consumer power is another way of looking at the market as one of the drivers of CSR. It should be remembered that although consumers prefer socially responsible products, their spending practises indicate a gap between what is said and what is done. Bhattacharya and Sen (2004) and Micheletti (2003) note there are particular groups of consumers who are willing to pay extra for socially responsible services; for example goods and products, which have not undergone animal testing, organic foods and ethically sourced products. Smith (1987) argued that consumers are more likely to penalise unethical conduct or service through “negative ethical
consumerism”, which could extend to boycotts where consumers refuse to buy unethical products or services. Examples of consumer boycotts include those of Nestle for advertising powdered milk instead of mother’s milk (Boyd, 2012) and Nike for the use of child labour in countries such as Bangladesh (Boje, 1999; Zhang, 2012).

There is much debate about consumer power and the ability to influence ethical corporate behaviour, de Regil (2005) stated that since governments are unable to enforce compulsory CSR, consumers are able to influence CSR practices. He suggested that CSR is still developing and is regulated by voluntary courses of action because people who sponsor their election campaigns influence governments. de Regil argued that vital concerns such as a living wage were often omitted from CSR operations and it is through the participation of civil society and ‘forceful action’ that the changes which are legally required in global CSR can be realised. Consumer influence can be a strong driver forcing business to act responsibly. For example, de Regil argued that consumer boycotts can be more costly to businesses than CSR practices and potential boycotts can force businesses to comply. He also suggested that consumers in developed countries could use CSR data to inform their purchasing decisions; thus enabling them to curb the actions of global corporations who might otherwise exploit workers and communities in the developing world.

Whilst de Regil (2005) supports the idea that consumers are able to influence CSR practices in a positive way, it could be argued that consumer needs are not always clear and that they could be motivated, to some extent, by personal needs. For example, Clarkson (1995) argued that there was no clear indication of what consumers anticipate in the way of CSR from companies. McWilliams et al. (2006) contended that this makes CSR planning difficult for companies, with Mohr et al.
(2001) and Riddleberger and Hittner (2009) considering the problem to be greater since there is little academic research into what consumers want and the degree of help required for a community. Green and Peloza suggested that consumers wanted reciprocal value relationships with companies using CSR, while D’Astous and Legendre (2009) implied that consumers were persuaded by self-interest rather than concerns for society.

The role of societal drivers of CSR has been discussed in a number of studies including those by Newell and Swan (2000) and Doh and Guay (2006). They have identified pressure by non-governmental organisations (NGOs), media attention, social expectations, business associations, consumers, employees and investors as main factors under the umbrella of social drivers. NGOs, in particular play an important role in influencing CSR through drawing attention to practices, which are unethical and socially irresponsible. Additionally, NGOs create partnerships with corporations, which often lead to improved social responsibility in business practice (Newell and Swan, 2000; Doh and Guay, 2006). Moon (2007) rightly pointed out the important role played by the media as a driver for CSR by highlighting and reporting activities of social irresponsibility by businesses. Those who lead businesses are strongly aware of general public opinion and the consequences of poor opinion and as such, polls are now often being commissioned by corporations themselves who ask the public questions relating to CSR. The role of employees as a societal driver has been identified in a number of studies including Grosser and Moon (2005), Muthuri et al. (2012) and Singh and Point (2004). This role has been presented as a force from within companies that urge them to contribute to the development of local communities.
The appointment of a CSR minister by the UK government in the year 2000 has been reported as a leading example of governmental drivers of CSR by Moon (2007). Part of the role of this minister position is to persuade and encourage businesses to adopt and implement social responsibility practices. For example, during his term as a Prime Minister of the UK government, Tony Blair urged businesses to help deal with social issues by providing facilities through CSR initiatives. The UK Government involvement in CSR development led to research funding by the Department of Trade and Industry (DTI), stakeholder discussions and the setting up of a CSR Academy intended to develop CSR skills and competencies within corporations. In this context, Moon (2007) suggested that governments could present soft regulations in order to establish good CSR practice within businesses.

Global drivers are the last of the CSR drivers suggested by Moon (2007). Kolk (2005) examined globalisation as a driver of CSR and concluded that it is a chance for businesses to exploit under-developed labour markets, social standards and take charge of natural resources. He argued that exploitation by transnational companies has pushed the drive for socially responsible business practices in developing countries, leaving businesses compelled to draw up codes of practice to make CSR part of their ethical practices within global supply chains. Chapple and Moon (2005) reported that organisations are now taking up membership of standards such as the UN Global Compact, the International Business Leaders forum; with some companies presenting their CSR via the Global Reporting Initiative.

While the four CSR drivers discussed here capture the main motivating factors for business to embrace CSR strategies, the influence of these drivers might vary according to the context of implementation. This might include the national, cultural,
religious, economic, governance and environmental systems in which CSR activities are being implemented. For example, what could be considered a business responsibility in one country may be deemed as a governmental, societal or individual responsibility in another. Furthermore, there is evidence that CSR practices in certain societies are heavily influenced by deep-rooted cultural traditions and religious beliefs (Visser, 2008). An understanding of the relevant drivers and their weight in a given context is clearly a crucial element in assessing and implementing CSR in different parts of the world. The following section will examine the relationship between CSR and public relations.

2.5. CSR and Public Relations

The concept of PR has been described as a management tool or task, which aims to foster a positive relationship between corporations and the public (Cutlip et al., 2006). This section aims to discuss the relationship between CSR and PR. It has been argued that, in the current business world, reputation matters more for corporations than production and sales figures (Jackson and Apostolakou, 2010). This argument has been supported by a study based on a survey by the Reputation Institute involving 47,000 New York consumers across 15 markets, aimed at ranking the 100 most reputable companies globally in the year 2012 (Lange & Washburn, 2012). The study concluded that consumers and investors are influenced 60% by their perceptions of a company and 40% by the perceptions of products and services offered by the company. These findings are in line with the argument made by Hristache et al. (2013) that CSR indicates ‘who’ the organisation is and ‘what’ it believes in and ‘how’ it operates. An implication of this is that ‘doing business’ is not only producing and
selling goods and services but also engaging in activities of corporate social responsibility, which can have a positive effect on consumers and investors. To this effect, it was argued by Goi and Yong (2009) that theories of both public relations and CSR recognise the importance of stakeholders; indicating a common aim between both practices. However, it is important to emphasise that the concept, definition and drivers of CSR as discussed in this chapter are much broader than that of PR, and the use of CSR as a tool of PR can have negative results as will be discussed shortly.

It has been suggested that PR should be at the heart of business ethics (Pearson, 1989). This was based on an argument that moral truths are achieved through a process of discussion and compromise, which provides a subjective view of right and wrong, formed by our social and cultural environment. Pearson called these moral rules ‘intersubjective’ as they are formed through negotiation and agreement, and he argued that this is a communication process, which forms moral truths and corporate behaviour. Ideally, according to Pearson, this ought to provide integrity through ‘communicative interaction’; this would place PR not only at the centre of corporate communication, but also make it a key player when determining corporate conduct. This is comparable to Grunig and Hunt’s (1984) two-way symmetrical model, which promotes communication in discussing issues with the public, effective conflict resolution and reciprocal understanding and respect for organisations and stakeholders. Pieczka (2006) argued that this approach was idealistic and normative which meant made it limited. He, however, commented that the approach could offer rational explanations for a variety of issues. Wilcox et al (2006) regarded PR as a tool providing open reciprocal communication that allows organisations to alter their own approaches and conduct as well as those of stakeholders. This is in agreement with
the opinions of Freeman (1984) and Golob and Barlett (2007) who recognised that organisations affect diverse groups in society and these groups have genuine rights, which an organisation needs to meet.

The results of negative press as well as harmful effect of products on the reputation and performance when consumers mistrust corporations and their practices have been discussed by Sen and Bhattacharya (2001). The cases of Nike and the tobacco industry have been used as examples of corporations attempting to deal with negative press through the use of CSR as a PR strategy, leading to the sincerity of their CSR initiatives being drawn into question. In the 1990s, Nike lost the trust of some its customers due to its overseas practices in relation to labour pay and conditions (Boje, 1999). The company staged a PR campaign to promote its CSR activities as a way of trying to improve its image; a process that raised ethical questions. Stoll (2002) stated that the marketing of ‘good corporate conduct’ is a mandate for higher ethical and moral expectations, and regarded advertising good conduct for financial gain to be deemed as morally unacceptable; this is interpreted as trading ‘right conduct’ (high value) for ‘money’ (low value). Stoll proposed that matters were exacerbated by attempts to use deceptive advertising in an effort to deceive consumers to cover up bad press.

Similarly, the Tobacco industry has faced public mistrust and negative reputation with an attempt to engage in and fund research. Michalos (1997) emphasised research findings that smoking is addictive and fatal; in direct opposition to the image and interests of the tobacco industry and certainly goes against the ideas of social good. The reports produced by the tobacco industry are considered to carry little truth by the public since they tend to refute risk and manipulate data creating immense public
distrust. The issue for the tobacco industry was how to be good corporate citizens and be seen as actively undertaking social responsibility in the form of funding research relevant to the public; a massive dilemma due to the well-established effects of tobacco on health. Both PR campaigns and CSR initiatives by the tobacco industry have been viewed negatively due to the well-established harmful effect of their products. As a result, tobacco companies often fail to achieve the desired goal most likely because they are perceived as ways of trying to compensate for their negative effects on people. This could be viewed in the context of the argument made by Weaver and Agle (2002) that one purpose of CSR could be to legitimatise activities and to develop acceptance by society at large. This idea was expanded upon by Palazzo and Richter (2005) who argued that legitimising the position of the tobacco industry was incredibly difficult due to the harmful nature of their products and they have a questionable history.

It should be noted, however, that there were well-funded PR campaigns against anti-smoking regulation (Saloojee & Dagli, 2000), PR associated with the energy industries against environmental protections (Vasi, 2011), and a wider process of business trying to improve its image through lying, obfuscation, political lobbying, pressure, victimisation and propaganda. These examples help demonstrate that while PR attempts to highlight corporate ‘good works’ to improve the image of companies, some of it takes a different approach entirely. Based on the discussion and the examples provided here, it could be concluded that CSR should not be regarded by businesses as a PR strategy to fix or cover up a problem. On the other hand, it is probably acceptable for corporations who embrace the strategic and integrated concepts of CSR in their practices to use PR as a way of sharing with the world the
progress they are making, and in the process gain potential benefits. As discussed in the CSR definitions section, CSR should be strategic, sustainable and systematic approach to business and is about being good corporate citizens to all stakeholders. Therefore, PR should ideally be a vehicle to promote CSR activities, but surely CSR should not be a PR strategy to help companies deal with problems. Whilst this should be the aim of corporations, it can sometimes be difficult in practice as illustrated in the examples provided in this discussion. The next section will examine the theories of CSR as presented in the literature.

### 2.6. Theories of CSR

The concepts and theories of CSR have been evolving and developing for several decades resulting in a large number of individual theories, perspectives and approaches to understanding CSR. In this context, the theories of CSR will be presented and discussed in this report based on the classification suggested by Secchi (2007), in which he grouped the CSR theories according to the role that theorists confer to the corporation. In his classification, he questioned how the theories define the relations between corporations and society and, more specifically, where responsibility is allocated. Accordingly, Secchi classified CSR theories into three main groups: (1) Utilitarian, in which the corporation is intended as maximising entity where problems of social costs and externalities arise; (2) Managerial, where responsibility is dealt with from within the corporation; (3) Relational, where the type of relationship between corporations and society is emphasised; meaning that the firm loses its central role and become part of an interactive economic system. This
section will introduce and evaluate three groups of theories with the aim of understanding CSR from a theoretical point of view.

### 2.6.1. The Utilitarian Theories of CSR

The Utilitarian theories consider a corporation as part of the economic system, with the main aim of maximising profit regardless of the practices and activities of the corporation. It is an approach, which is accepted by both liberals and Keynesians (Jackson and Apostolakou, 2010). Utilitarianism was first defined by Bentham in 1815 as a maximisation of the usefulness of the greatest possible number of people (Jones and Felps, 2013). Utilitarianism is considered as the sum total of well-being that needs to be maximised by moral agents; so in addition to profit maximisation the well-being of all humans should be taken into consideration. It is this core premise of this group of theories, which connects it to the concept of CSR. Hristache et al. (2013) argued that Utilitarian theory results in political and economic choices motivated by economic growth. However, Lange and Washburn (2012) stated that economic growth is a result of activities made by the rich in society. This view is supported by Makinen and Kourula (2012) who asserted that although, for example, Utilitarianism considers environmental protection, this consideration are purely driven by economic interests. Reinhardt and Stavins (2010) argued that companies engage in activities promoting environmental protection purely to support their economic growth rather than to improve society. Pless et al. (2012) stated that modern economic science considered the impact of economic activities of an organisation, and viewed responsibility allocation dependent upon the influence that corporate non-economic activity had on a social economic system.
The Utilitarian theories have been criticised because of their perspective on CSR. One of the critiques is that they seem to justify the prevalence of profit making as well as economic maximisation. This is consistent with the view of Prasertsang et al. (2012) who defined the goal of CSR as profit making, and stated that a company cannot engage in CSR activities that are unprofitable. However, this is inconsistent with the concept of CSR, as it generally aims to give back to society without necessarily making direct profits. John Rawls’ critical evaluation of Utilitarianism focused on the increased inequalities in society created by distribution of wealth. In addition, although the Utilitarianism approach focuses on maximising collective wellbeing, it ignores the significance of freedoms. Hackert et al. (2012) suggested that this approach is true with regards to CSR in that some initiatives executed by multinationals are aimed at fostering better living conditions in their industrial areas. However, they have resulted in paternalistic behaviours and do not increase personal freedom since people are dependent on the good will of the company. Khan Al-Maimani and Al-Yafi (2013) proposed that this implies that CSR initiatives may be rejected by the government, especially if initiated by international companies and seem to hinder people’s freedom. For instance people may be offered economic benefits and environmental improvements, but denied the freedom to change other aspects of their lives.

2.6.2. The Managerial Theories of CSR

Secchi (2007) defined Managerial theories as those which consider how issues of responsibility are dealt with within a company from its internal perspective. These theories can be divided into three major groups; theories on social accountability, corporate social performance and social issues in the field of international businesses.
According to Managerial thinkers such as Drucker (1955), business ethics have no theoretical relevance to corporate managers, and business owners have no social responsibility. Blowfield and Murray (2015) argued that this suggests that ethics do not contribute to economic growth in a business as it relates to pure sentimentalism. However, Carroll (2008) argues that Drucker can be interpreted as contradicting the scepticism of business ethics: the authority of managers dictates their social responsibility. Nevertheless, responsibility and integrity make sense only if they are reflected on a business. Managerial theory therefore is not against the social responsibility of corporate managers, rather it asserts that philanthropic activities are dangerous for a company; however this does not mean that social responsibility is inversely related to profit maximisation.

The corporate social performance model has an objective of measuring the contribution made by social variables towards economic performance. A drawback of managerial theory is the challenge involved when managing an organisation and considering social and economic variables simultaneously. Carroll and Shabana (2010) argued that social responsibility can be to some extent integrated, measured and controlled in economic performance. According to Tschopp (2005) it is very hard to identify the connections between corporate, financial, economic, and social performance because social activities may not have direct economic value to an organisation. Notions related to corporate social accounting, auditing, and reporting are closely related to social performance contributions. Social performance is measured through accounting procedures and/or reporting practices. Lange and Washburn (2012) place importance on the economic benefits of a project avoiding loss and the importance of accountability for CSR undertaken. However, they do not
indicate procedures and processes to be followed in ensuring there is accountability. There are problems with this as Hristache et al. (2013) pointed out, for example that a corporate manager may account and report CSR which has no importance to community members; this serves the interests of corporate managers and not the local community. Prasertsang et al. (2012) proposed that social responsibility as an international business model sees foreign companies facing increased competition from local companies, making it difficult to separate social and economic issues.

2.6.3. Relational Theories of CSR

The relational theories examine the relationship between corporations and the society. Secchi (2007) stated that in the case of this particular group of theories, there is little concern with an analysis of corporate internal dynamics and how social or environmental issues are addressed, however, focus is centred on how the corporate internal dynamics and the environment interrelate. The approach emphasises that a company needs to understand the relationship between its operations and a particular community if it is to choose appropriate CSR programmes for implementation. For Hackert et al. (2012) corporate citizenship is connected to social responsibility, but corporate citizenship may refer mainly to a specific community of reference. In this context, they provided an example of the relationship between surrounding communities of an industrial site as different from that of more distant communities and suggested that this might necessitate two very different CSR initiatives for the two communities. Another example for improving living conditions in surrounding communities by improving roads and therefore improving both social and economic conditions was given by Khan et al. (2013).
Although this group of theories has several applications, it has been criticised in the literature. For example, Mandurah et al. (2012) argued that a shortcoming of this approach is that, although CSR is a matter of economic and social factors; the model does not draw conclusive boundaries between these two factors. This implies that when the model is implemented, companies might not discern between economic and social benefits. In addition, Nadhar et al. (2014) stated that there is no clear indication of which community should be given priority and the amount of economic effort a company should give to a certain community.

2.6.4. Framing CSR theories

While the three groups of theories discussed here form a general framework for categorising CSR theories, the ideas and concepts included within them could be connected to provide more insight into the analysis of CSR theories. Secchi (2007) argued that relational theory is a way of considering four categories; business and society, stakeholder approach, corporate citizenship and a theory of social contract. Under the business and society category, scholars try to explain the role played by business in societies; all businesses operate in a society hence there is necessarily a relationship between the two entities. In most cases, businesses influence and affect the livelihood of the local communities they are situated in economically, socially, environmentally, and politically. Uecker-Mercado and Walker (2012) proposed a change from ‘business and society’ to ‘business in society’ indicating that the activities of a firm are intelligible only within the social context where they operate; with CSR emerging as a result of relationships between business and society.

In his shareholder’s theory, Freeman (1984) integrated the concept of shareholder responsibility with social responsibility, whereby shareholders were viewed as the
economic engines of globalisation and should engage in activities aimed at improving the welfare of shareholders; a concept first introduced in the 1970s. With regards to the stakeholder’s approach, Secchi (2007) suggested it was a tool which could be used to improve the management of an organisation and considered it as a model suitable for studying relationships. Amaeshi and Krane (2006) added that this approach helps to understand reality and so manage the socially responsible conduct of companies. Secchi (2007) described the central feature of the social contract theory as justifying the morality of organisations economic activities, which provides a basis for analysing social relations between organisations and society. He stated that it is a concept where organisations, society and economic institutions share an implied, informal association so they can outline a moral community. Secchi argued that this relationship should be the defining limits for every feature of ethical principles; and regarded the work by Donaldson (1989) and Donaldson and Dunfee (1999) as the one that created an outline for corporate moral limitation, where they argued that social contracts lead to knowing the unexpressed social norms and values established in any community and develop a ‘moral free space’.

It has been concluded that the theories presented by Carroll (1979; 1991) and Wood (1991) complement one another in understanding CSR (Jamali and Mirshak, 2007). CSR has been placed within a framework of corporate social performance (CSP); including four types of CSR: economic, legal, ethical and discretionary (Carroll, 1979). It was advocated that in order to participate in CSP, a fundamental awareness was needed of the problems which social responsibility needed to address as well as policies designed to respond to social issues. Briefly, Carroll (1979) described the categories as follows: (1) Economic: returning a profit on investments for owners and
shareholders, creating jobs, fair pay, resources, new technology, innovation and new products; (2) Legal: an expectation of legal compliance and to adhere to at least the limits of acceptable behaviour; (3) Ethical: going beyond the limitations of the law undertaking actions not codified, but expected of corporations; (4) Discretionary: provides companies with extensive opportunity to decide exactly how philanthropic activities and contributions are distributed. This theory has been refined to show a hierarchy of corporate responsibility in a pyramid, with economics at the base, followed by; legal, ethical, and discretionary, with total responsibility at the apex of the pyramid (Carroll, 1991). In Carroll’s original model (1979), there was need for firms to identify social issues and the ability to deal with issues pertinent to the corporation.

Based on the CSP framework, Wood (1991) examined the ‘principles’ behind responsible corporate behaviour, levels of responsiveness and performance outcomes. In this model, CSP was determined by a firm’s policies surrounding principles of social responsibility, its process of social responsiveness and outcomes that can be related to social relationships. This was seen as a tool for researchers to analyse CSP by considering motivating principles on three levels – institutional, organizational and individual (Jamali and Mirshak, 2007). For example motivation could arise through a wish to be considered credible (legitimacy) or from the organisation’s philosophies about public responsibility. Responsiveness is an awareness of external conditions and extensive analysis, which is then used to generate tactics which allow the firm to adapt to the environment or effect change. A second form of responsiveness is the management of stakeholders through social reporting, newsletters for employees and public relations exercises. Outcomes of Wood’s (1991) model are extremely pertinent to CSP assessment by companies and
can be divided into three categories; the effect of social corporate behaviour, the
programmes used for CSR and stakeholder interests. It was suggested that this
provides a basis whereby corporations can assess the impact of corporate conduct
as well as integrate ethical CSR policies into investment planning (Jamali and
Mirshak, 2007). It has been argued that the two models are complementary, where
Wood (1991) can be considered to be an addition to Carroll (1979 and 1991) allowing
each of Carroll’s domains to be considered in terms of the principles, which offer
motivation (Jamali and Mirshak, 2007).

In light of the description and analysis provided here for CSR theories, it could be
argued that a theoretical framework, which considers the relationship between the
corporations and other major partners is recommended for effective CSR
implementation, which considers the interests of all parties. In this regard, the
relational group of theories offer a framework, which emphasises partnership, where
corporations lose their central role and starts being an interactive partner in a multi-
way relationship.

2.7. Implementation and reporting of CSR

The discussion throughout this chapter demonstrates that CSR has been a highly
topical and debated subject. It provides a focus for investigating broad questions
about the roles and responsibilities of corporations and governments and their
relationship with other stakeholders. In addition, it also provides the context for a
discussion on more particular issues from corporate charity to more strategic role for
corporations in solving societal problems and challenges. In this context, the
implementation of CSR might be considered as the answer to fundamental societal
problems or it could risk being thought of as glossy reports and an exercise in public relations.

In practice, while CSR could be seen as a source of business opportunity and improved competitiveness, it might also be considered as a distraction or threat to profit. While some companies may choose to limit their CSR practices to donating money, others choose to contribute to society by sharing their own unique skills, knowledge and resources. It could be argued that the main differences in CSR implementation among corporations are in the motivations and delivery methods. CSR has been associated with different underlying strategic purposes (e.g. responsibility for externality, competitive advantage) (Moon, 2007). As corporations take responsibility for defining their CSR, it is not unreasonable for them to do so while reflecting their own business impacts. Consequently, various companies place different emphasis on their CSR practices, including for example community involvement; socially responsible products and processes; socially responsible employee relations (Moon, 2002).

The implementation of CSR programmes is becoming increasingly prominent theme in business. As a simple indicator of CSR status, a Google search in April 2006 revealed 81 million CSR references (Moon, 2007). A similar search conducted as part of this review revealed 176 million CSR references in October 2017; showing a continuing increase in CSR recognition. This is reflected in a distinctive organisational status for CSR within companies, as it is now being included in board level and senior management responsibilities. In addition, there is a steady increase in middle management level jobs designated as CSR, while some corporations have small CSR teams (Moon, 2007). The exact location of these managers and teams may vary
depending on organisational structures or CSR strategies of different corporations (e.g. marketing, public affairs, human resources, governance) (Brammer and Millington, 2004).

Three main methods of CSR implementation have been described (Prasertsang et al., 2012). The first method focuses on consumer oriented policies to improve the quality of a product and services while maintaining the price. This method is mainly applied in developed countries where companies adopt a differentiation strategy to distinguish themselves as unique in the market. Customers are the beneficiaries in this method receiving high quality products and services at reduced prices. The second method focuses on protecting the local, natural environment. This method is seen as a regulation by the government to ensure that companies conserve the environment by producing non-polluting, environmentally friendly products and services. In this context, the sensitivity of customers to environmental issues has been emphasised, where companies accused of polluting the environment can be negatively perceived (Pless et al., 2012). The third method focuses on community-oriented goals; this is mainly a project by project activity involving the local community. This includes examples such as companies such as Tesco offering scholarships, and Wal-Mart help to families faced with natural disasters such as earthquakes and storms (Uecker-Mercado and Walker, 2012). Wider examples of activities which may be included by companies in their CSR policies include promotion of education, promoting gender equality and empowering women, combating diseases, ensuring environmental sustainability, employment enhancing vocational skills and social business projects (Singhal, 2014).
For successful implementation of CSR, it has been suggested that companies should conduct research to identify the most viable and helpful projects prior to engaging in any community activities (Uecker-Mercado and Walker, 2012). It has further been proposed that managers are required to strike a balance between creating positive perceptions and gaining returns from consumers, employees and investors (Schwartz and Gibb, 1999; Klein, 2000). In the case of product demand, CSR might be considered as part of a bigger branding strategy; engagement in CSR attracts investors and consumers alike who are concerned with social issues. This strategy can take the form of product certification using established global standards. The use of such standards can be seen as a sign that a company is socially responsible and employs an accepted and acknowledged strategy of marketing their corporate responsibility.

The degree to which stakeholders are able to influence CSR implementation have been a subject of debate. On the one hand, the importance of stakeholders due to their ability to influence the extent to which a company can lose or gain from public policy has been emphasised (Cummings and Doh, 2000); suggesting that with careful evaluation of stakeholders and stakeholder interactions, companies are better placed to work successfully in public and private environments and to justify the range of relationships, responsibilities, and interaction included in their strategic CSR planning and implementation. On the other hand, Banerjee (2008) argued that corporations can be too powerful and capable of meeting their own needs. In the process, they fail to consider all groups of stakeholders; especially those people or groups who face the risks associated with corporate actions who rarely have the power or means to challenge large corporations or influence the decision making process rendering their
role as stakeholders as not important. This was in line with an earlier argument by Mitchell et al. (1997) who stated that corporate concerns are related only to stakeholders who wield power and have insistent legal claims on companies. Banerjee proposed the creation of an agency able to take into account the interests of all stakeholders and give all stakeholders a voice, claiming that it would require mandatory and stringent CSR reporting by corporations, potential community sanctions, and directors being held liable. However, the realistic or idealistic nature of Banerjee’s proposal was questioned by Bansal (2009), who argued that if change was to occur in current CSR practice, it could occur within the presently available institutional frameworks or by considering a need for external regulations.

In this context, an increasing number of companies disclose social and environmental information in their annual reports, which contain specific sections on their CSR activities (De Beelde and Tuybens, 2015). Over 90% of the largest 250 companies in the world (G250) issued CSR reports in 2015 (KPMG, 2015). Although becoming general practice, publishing a CSR report is still a voluntary decision, with the main reasons for publications include enhancement of business reputation, meeting investor demands and demonstrating an ethical position to stakeholders (Dando and Swift, 2003). External assurance of these reports by independent third parties has also been rising (Owen and O'Dwyer, 2004; Perego and Kolk, 2012). It is argued that the assurance statement adds to the credibility of the CSR report and improves stakeholder confidence, more than 650 assurance statements were produced in 2007 (Corporate Register, 2008), involving approximately 25% of the published CSR reports (De Beelde and Tuybens, 2015). According to KPMG (2015), almost two thirds
of the G250 are currently including a formal third party assurance statement in their CSR reports.

2.8. The role of government in CSR promotion and implementation

It is becoming increasingly recognised that government actions are vital for creating an enabling environment for private sector development, which lowers risks, reduces costs and barriers of operation and increases opportunities for competitive and responsible private enterprises (BDP, 2002; Albareda et al., 2008; UN Global Compact, 2010). Over the last decade, governments have joined other stakeholders in assuming a relevant role as drivers of CSR, working together with intergovernmental organisations and recognising that public policies are key in encouraging a greater sense of CSR (Bichta, 2003; Albareda et al., 2008). It has been argued that the challenge for governmental agencies in promoting a CSR agenda is to identify priorities, raise awareness, create incentives and support, and mobilise resources from cross-sectoral cooperation that are meaningful in the national context, as well as building on existing initiatives and capacities (Singhal, 2014). The first documents to introduce the debate on governments’ CSR role appeared in the 1990s (Moon and Sochaki, 1996). Most of these documents suggested that there was a need for governments to actively promote CSR as a response to the social and environmental challenges and problems caused by corporate action within an increasingly globalised economic context (Moon, 2004).

According to Fox et al. (2002), a government could support a CSR agenda through a number of key roles, which include (i) regulating: this can be in the form of laws, regulations, penalties and associated measures to control certain aspects of business
investment or operations, (ii) **facilitating**: this could include access to information, tax incentives and penalties to promote responsible business with the aim of enabling companies to engage in CSR to drive social and environmental improvements, (iii) **brokering**: a government could help initiate a dialogue involving relevant stakeholders and act as a broker in partnering public sector agencies, private sector and civil society organisations in order to tackle complex social and environmental challenges, (iv) **warranting**: this may include commitment to implementation of international principles; education or awareness raising programmes; official policy documents; publicity of good CSR practices; specific CSR related award schemes or endorsement of specific pro-CSF indicators, guidelines, systems and standards.

In parallel, Lepoutre et al. (2004) reviewed the strategic roles to be played by governments managing institutional uncertainty (activate, orchestrate, and modulate) and presented common tools for public action managing strategic uncertainty (public information campaigns, organisational reporting, labelling, contracts, agreements, and incentives). Furthermore, the role of governments promoting CSR has been analysed by other authors in the context of new forms of public–private partnership linked to CSR aiming to address social problems, promote coordination with companies, social organisations and local governments (Gribben et al., 2001; Nelson and Zadek, 2000; Bodruzic, 2015), and also to analyse the role of CSR in public–private partnerships as models of governance (Guarini and Nidasio, 2003).

Another approach to the understanding of CSR public polices is the soft policy approach introduced by Joseph (2003), in which the role of government is viewed as collaborative and facilitating through the use of soft tools and means in collaboration with the private sector. Soft policies (also known as soft powers or tools) refer to
possibilities of governments to change behaviour with means other than regulation. Examples of such policies in the case of CSR include creating an enabling environment; raising awareness and stimulating public debate for challenges and issues; promoting CSR initiatives by endorsing or inviting business and wider community support; formally recognising CSR initiatives; developing CSR guidance documents; building capacities for CSR in businesses, civil society and public authorities through trainings and internet platforms; convening businesses and stakeholders as an extension of capacity-building; funding research and facilitating networking of researchers in the CSR context; engaging in Public-Private Partnerships and developing tools for CSR management (Fox et al., 2002; BPD, 2002; Bichta, 2003; Albareda et al., 2007; Singhal, 2014). It is worth mentioning here that the use of soft power or soft policies is not limited to CSR and is practiced in wider aspects of government relations with the private sector. For example, it is widely reported in the context of the management and regulation of industrial relations and labour standards (e.g. Sisson & Marginson, 2001; Kuruvilla & Verma, 2006; Martinez Lucio & Stuart, 2011; Meardi & Marginson, 2014).

A combination of some of the different government roles could be used to raise the CSR profile of a country (Albareda et al., 2007; Albareda et al., 2008; Singhal, 2014). This may include (i) creating an enabling environment through the influence of public policy as an important tool for supporting CSR practices, (ii) raising awareness and increasing public support of the voluntary nature of CSR, (iii) establishing a specialised CSR agency with a specific mission to promote and support CSR practices, (iv) reforming regulatory frameworks to meet CSR-related standards and to ensure a good CSR practice and (v) fostering partnerships with businesses, NGOs.
and other key stakeholders with the aim of addressing social problems through a CSR agenda. For example, the government of Thailand established the CSR Institute (CSRI) in 2007 as a dedicated CSR agency with a specific mission to promote CSR practices among its listed public company members (Singhal, 2014). Similarly, a study on the government and civil society roles in CSR in Poland suggested the creation of a Commission for CSR as part of a cooperation involving government, the private sector and civil society (Faracik, 2008). The Indian government provided an example of how to play a key role in facilitating dialogue with the business community through two dialogue forums directly relevant to CSR policy development (Singhal, 2014). The first forum is the *Coordination Committee to Promote Affirmative Action in the Indian Industry* involves the Indian Ministry of Commerce and Industry, Associated Chambers of Commerce and Industry of India, Federation of Indian Chambers of Commerce and Industry, as well as senior representatives of industry. The aim of this forum is to agree and produce a Code of Conduct on Affirmative Action and to set up an ombudsman with regional teams to monitor the compliance of the voluntary code of conduct by its members. The second forum is the *India Partnership Forum (IPF)*, which is more CSR-focused with the main interest being the adoption and application of issues such as a social code for business, the formulation of CSR, providing support to public policy measures on CSR, ensuring the mainstreaming of CSR education in business schools and capacity building for community development.

A number of studies have focused on geographical comparative analysis of culture and government approaches to CSR between Europe and North America. For example Aaronson and Reeves (2002a, b) provide insights into the relevance of cultural differences and their influence on the national CSR models. Aaronson and
Reeves (2002a) explored how European policymakers have taken a wide range of public initiatives to promote CSR, in contrast to the lack of policies in the U.S.A. The work noted European-based companies acceptance of CSR related public policies compared with the less accepting attitude of U.S.-based companies, and argued that the difference was based on the countries’ respective business cultures. This research provided insight into how companies in certain regions could be more prepared to work with governments to improve social conditions with a regulated environment (Aaronson & Reeves, 2002a; Albareda et al., 2007). Furthermore, Albareda et al., (2008) compared CSR initiatives and public policies in three European countries (Italy, Norway and the United Kingdom), focusing on governmental drivers and responses. This research demonstrated that governments were incorporating a common statement and discourse on CSR, working in partnership with the private and social sectors. It concluded that for governments, CSR implied the need to manage a complex set of relationships in order to develop a win–win situation between business and social organisations. However, the research highlighted that differences existed between the three governments in their use of CSR public policies. These differences were based on cultural and political factors such as the welfare state typology, the organisational structures, and the business and social and cultural background in each country.

On a related note, there are a number of voluntary codes of conduct involving governments and businesses, which are relevant to this discussion. Examples of such initiatives include the Organisation for Economic Cooperation and Development (OECD) guidelines and the UN Global Compact. The OECD Guidelines for Multinational Enterprises (OECD, 2011) are recommendations addressed by
governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. Several governments around the world have committed to promoting these comprehensive guidelines for responsible business practices. The UN Global Compact is a global movement of sustainable companies and stakeholders to create a better world. It is a corporate sustainability initiative, which calls on companies to do business responsibly by aligning their strategies and operations with an agreed set of principles on human rights, labour, environment and anti-corruption (UN Global Compact, 2010; UN Global Compact, 2018). The initiative also supports business to take strategic actions to advance broader societal goals such as the 17 UN Sustainable Development Goals (SDGs) (e.g. no poverty, zero hunger, quality education, decent work and economic growth, responsible consumption and production and reduced inequalities) (UN Global Compact, 2018). This initiative was adopted by all 193 Member States of the United Nations with the aim of achieving a better future for all. The SDGs resulted from an inclusive process with governments involving business, civil society and citizens. The initiative demonstrates that there is a growing understanding among business leaders that it is not enough for companies to focus only on short-term profit because social unrest and economic inequalities can damage long-term prosperity.

2.9. A Critique of the Approach to CSR

As this chapter has illustrated, there is increasing awareness of the importance of promoting social responsibility and environmental safety in association with economic
growth and improved competitiveness (Karam & Jamali, 2017). Indeed, a wide variety of CSR strategies have been formulated to help ensure both the long-term sustainability and short-term prosperity of businesses. Nevertheless, despite the growing awareness and volume of CSR initiatives taking place, there have been limits to the success of CSR (Fleming, et al., 2013; Karam & Jamali, 2017). A number of explanations for this have been put forward, including a lack of clarity about CSR benefits and implementation, as well as environmental, social and economic causes of concern, amongst others. These criticisms are discussed in more detail below.

A key criticism of CSR is that the corporate benefits outweigh the social benefits. The growth in popularity of CSR has been attributed to the creation of a clean image and improved reputation in the market (Haigh & Jones, 2006), and the enterprises tend to benefit from being seen as a reliable company with high ethical standards (Fleming et al., 2013). It has been observed that the stature of the company rises following the introduction of CSR initiatives (Lund-Thomsen & Pillay, 2012; Van Aaken, et al., 2013). However, utilising CSR primarily to improve brand image for greater recognition and profitability, reduces the true spirit of the CSR which is to contribute to social and environmental welfare. From the citizen perspective, the lack of concrete evidence about the intent of the CSR raises doubts in their minds, and so reduces the impact of the CSR (Nyberg et al., 2013).

In some cases, organisations have misled the public, leading to suspicion about the reliability of CSR reports. For example, Volkswagen were found to have provided misleading information in a company report (BBC News, 2015). The German automobile maker was found to be installing software called the “defeat device” that permitted the diesel engine to detect if they were being tested and alter the
performance accordingly to enhance the results. The firm’s admission to having cheated the emission tests has damaged the reputation of the brand. This case represents the failure of the firm in terms of CSR, and is linked to a rise in scepticism among consumers, making it hard for companies to convince them of their noble motives.

There may also be ways in which CSR furthers the advantage of large corporations to the detriment of their smaller competitors. For big companies, the significance of maintaining a good brand value exceeds the cost associated with it, hence more ventures in the automobile, manufacture, and service industries have increased their spending on CSR practices (Fleming, et al., 2013). While established ventures can cope with the added financial burden, it is the smaller firms that find it difficult to accommodate the rising cost implications. Supporters of CSR may demand the modification of a number of processes to make them sustainable, and this can involve expanding the workforce to handle the CSR activities (Costas & Kärreman, 2013). This increases the overall cost of production which in turn raises the price of the products and lays stress on the pockets of the customers or stakeholders’ itself. In addition, the implementation of the CSR does not guarantee a positive outcome or growth in productivity; it only enhances the image of the companies in the consumers’ perception leaving the power to choose still in their hands. Due to the unpredictability of the model, it becomes a risky proposition to invest in especially for the smaller firms.

A further criticism of CSR in the literature is that it may have unintended negative effects on the company - customer relationship. CSR is often perceived as the commitment of organisations to conduct their activities in an ethical and
environmental-friendly manner. However, CSR can reveal underlying unethical behaviour or defects of their services or products (Cederström and Marinetto, 2013). For example, to comply with their CSR standards, Coca-Cola released information to the general public in 2003 about the ingredients used in their products (CNN, 2003). This resulted in an immediate negative impact on their overall income due to the negative perception of consumers towards the chemicals used (Van Aaken, et al., 2013). Thus, the utilisation of CSR for PR can have negative consequences as well, and companies must be cautious in their use of CSR. Since CSR reveals the objectives, beliefs and method of operations, these must be consistent to appeal to customers (Christensen, et al., 2013).

The voluntary adoption of CSR regulations instead of compulsory and legislated social responsibility has been the cause of much debate throughout the world (Mitra, 2013). This is because the implementation of CSR is largely dependent on the willingness of the organisations to monitor and regulate the business activities across all stages. Indeed, the rise of CSR has been interpreted as a response by companies to threats of unionisation or significant workplace regulation (Marens, 2013). Today, companies take varied approaches to CSR based on the prevailing culture, environmental condition, legal framework, and geographical location. It has been claimed that India has become the first country to legislate CSR by making it compulsory for all companies with revenues worth more than 10 billion rupees (approximately £100M) to donate 2 percent of their gross profits to the causes of social welfare like poverty, education, hunger and gender equality initiatives (Balch, 2016). Amongst developed countries, the OECD recommends international standards and guidelines to its member nations for CSR compliance to enhance the quality and
sustainability of life, business productivity and environment (OECD, 2011). However, for the most part, CSR is a voluntary activity, which means it is subject to the climate of feeling among companies to fulfilling their responsibilities. This can change during periods of economic difficulty, and as such CSR is looser than corporate regulations (Marens, 2013).

Indeed, it can be argued that CSR is not the appropriate tool to ensure responsibility from corporations due to the unpredictable and complex nature of problems in modern society. More specifically, in today’s competitive world, enterprises are under intense pressure from their stakeholders to reduce their costs and increase their profit margins. This leads them to adopt potential opportunities to venture into new unchartered markets or cost reduction schemes by compromising their value chain (i.e., the collection of activities including logistics, operations, marketing, sales and services) (Lund-Thomsen & Pillay, 2012). The added stress of functioning in complicated environments with diverse social and legal norms increases the probability of the company engaging in environmental damage and violation of human and labour rights.

It has been observed that often the ventures belonging to the same value chain employ a joint CSR strategy (Lund-Thomsen & Pillay, 2012). However, this offers a substantial degree of control to the dominant associate, reduced greater economic risks, and better scope to obtain the benefits, while the small and medium-sized enterprises (SMEs), especially those in the developing countries, are left with the burden of CSR compliance. Indeed, local beneficiaries, workers or suppliers have had little say in the CSR strategies or standards (Lund-Thomsen & Nadvi, 2010). This has been found to isolate the local producers in the developing nations as the
implemented CSR does not address their localised problems and only focuses on the
globalised value chains (Jamali, et al., 2017). Though CSR intends to improve the
welfare of all people, it usually does not safeguard labour rights. Studies conducted
by the Ethical Trading Initiative (ETI) have revealed that the benefits of CSR usually
fail to reach vulnerable workers, especially contractual labourers (Barrientos, 2008).

In summary, CSR has developed into a significant component of brand image and
overall company strategy for productivity, and as such, claims of the benefits should
be robustly examined. Indeed, observations from academics and activists have
revealed numerous limitations; it is unable to address all the economic, social and
environmental challenges. Hence further investigation, considerations and analysis
are required to reduce its limitations and enhance the effectiveness of the CSR
framework.

2.10. Conclusion

This chapter has shown that the concept and practices of CSR have become well
established worldwide with an acceptance that business has a growing role in society
beyond economic development and growth. Increased demands on public resources
resulted in more expectation being placed on the role of businesses in society and
their share of responsibility in improving the living conditions of the society. The
chapter provided a historical and theoretical overview of CSR through an examination
of the literature view of definitions, drivers and theories of its understanding and
practice. The early form of CSR goes back to the time of the industrial revolution in
the 19th century and its practice over the following decades was mostly dominated by
the ideas and concepts of philanthropy. Much of the development of the CSR
concepts and practice started after the 1950s. In particular, the rapid growth of consumer protection, social movements advocating human rights and environmental protection policies formed the main drivers for CSR understanding and implementation in the 1960s and 1970s. Nowadays, there is much more emphasis being placed on the implementation of CSR programmes as well as on their impact on society. The perception of CSR among companies has changed over time from a traditionally voluntarily giving back to the community to almost being a mandatory requirement for market success.

Corporate philanthropy or charity is often mistaken for corporate social responsibility. The two concepts are not same, or more precisely, corporate philanthropy could be considered as one dimension or phase of CSR development. Strategic CSR include activities or initiatives that benefit both the corporate implementing them and the communities in which they operate. There is no consensus in the literature on a universal definition of what CSR exactly is, nor what it precisely entails. However, the meaning and definition of CSR has evolved over time. The wide range of CSR definitions include those presenting CSR as a tool of economic development within legal limits; others viewing it as a type of corporate self-regulation incorporated into a business model whilst slightly more specific definitions describe a role for businesses in addressing societal needs. Although the latter definitions stated some expectation on businesses towards society, they remained vague and stopped short of identifying the nature of this role and the partners involved. More detailed definitions included not only details of partnerships between businesses with employees, employee families and the local community, but also identified areas of engagement and pathways for supporting the needs of those partners. These definitions suggested
that the private sector could create economic growth as well as opportunities in a fair and sustainable manner. For the purpose of this report, the following understanding and definition of CSR is used: CSR is a continuous responsibility of corporations to serve and develop the community, its business and other stakeholders through the integration of corporate and social values and cultures in their strategies with the aim of achieving future corporate and social sustainability.

Although CSR is often viewed in a context of public relations, an examination of literature proved that this strategy did not always work, especially when corporations attempted to use CSR to counter negative press resulting from their business activities or practices. The practice of CSR could be understood in terms of a number of main drivers including the market demands or consumer power, societal requirements, governmental involvement and global business environment. There are a number of schools of thinking that can help understand CSR from a theoretical point of view. The utilitarian group of theories focus on the utility of CSR by comparing possible social and economic impacts of its initiatives. These theories assert a company should ensure its economic prowess is not endangered by CSR. In managerial theories, the implementation of CSR is dependent on the extent of authority possessed by a manager in an organisation, implying that a manager with high levels of authority is capable of making decisions about where CSR programmes ought to be implemented. Relational theories place much value on the relationships between an organisation and society. They emphasise the need for a corporation to understand the relationship between its operations and a particular community if it is to choose appropriate CSR programmes for implementation. The implementation of CSR is becoming increasingly prominent theme in business. This is reflected in a
distinctive organisational status for CSR within companies, as it is now being included in board level and senior management responsibilities, with a steady increase in middle management level jobs designated as CSR.

Governments have joined other stakeholders in assuming a relevant role as drivers of CSR, working together with intergovernmental organisations and recognising that public policies are key in encouraging a greater sense of CSR. A government could support a CSR agenda through a number of key roles including regulation, facilitating, brokering and warranting.
Chapter Three

Factors Affecting Current Implementation of CSR in Saudi Arabia
3.1. Introduction

As discussed in chapter one, Saudi Arabia is a country with distinct political, religious, cultural and value structures which shape attitudes and perspectives towards economic development. It is these strong norms, which make Saudi Arabia distinct from Western nations, particularly in terms of the influence of religion (Nalband & Al-Amri, 2013). Having already provided a contextual background to Saudi Arabia followed by a historical and theoretical discussion of the concepts and practices of corporate social responsibility in wider context, this chapter will provide an assessment of the current implementation and understanding of CSR in Saudi Arabia through an investigation and discussion of the factors that influence the way CSR is currently being practiced and how it compares to its implementation in the Western world. The chapter ends with a discussion of the current state of CSR practices in Saudi Arabia and provides an evaluation of the need for a new approach for its implementation.

3.2. The role of religion in current CSR practice in Saudi Arabia

It has been argued that there is a connection between organised religion and the progression of personal values, morals and conduct, which has served to impact on the business world (Williams and Zinkin, 2010). Several studies including Epstein (2002); Sacks (2004); Stackhouse et al. (1995); Tamari (1990) and Zinkin (2007) stated that the Bible, Quran and Rabbinic texts (Abrahamic faiths) dictate how business transactions ought to be carried out. This view has been supported through several studies using empirical research to examine the links between religion and ethical values (Angelidis and Ibrahim 1993; Angelidis and Ibrahim, 2004; Miesing and
Preble, 1985; Smith and Oakley, 1996; Terpstra et al, 1993). This was also indicated in research showing the effect of religion upon managerial decisions and attitude (Agle and Van Buren, 1999; Kidwell et al., 1987; Longenecker et al., 2004). The Interfaith Declaration on business ethics (Declaration, 1994) aimed to create a code of shared moral, ethical and spiritual values found in the Abrahamic faiths with the intention for it to be used as a standard for international business behaviour. The aim behind this initiative was to encourage corporations to hold responsibility for their behaviour.

As already discussed in chapter one, religion (specifically Islam) plays an important role in almost every aspect of life in the Saudi Arabian society. Consequently, it is not unreasonable to expect the practices and understanding of Islam to have a substantial influence on the current implementation of CSR in Saudi Arabia. Importantly, charitable giving is a common practice, which is undertaken regularly and with great social acceptance; with the aim of improving various aspects of society. Tamkeen (2010) stated that as Islam is the State religion of Saudi Arabia wielding power which influences culture and governance; incorporating social welfare from the core values of Islam. Wynbrandt (2010) argued that the location of the holiest site of worship for Muslims worldwide has meant, despite changing trends in the economy, society remains predominantly traditional and government and domestic policies are based upon interpretation of Islam.

Furthermore, Wynbrandt stated that Islam plays a major role in shaping customs, culture, norms, domestic policy, education, business practices and importantly directs believers to give to those in need at every opportunity. Similarly, the Oxford Business Group (2013) found that Saudi domestic policy was heavily influenced by religion.
One of the key links between Islam and CSR practice in Saudi Arabia stems from the perception that CSR is a form of *Zakat* (charity) by the corporations. Zakat is one of the five main pillars of faith in Islam, which stipulates that Muslims should give 2.5 percent of their wealth annually in the form of charity to help the poor. This represents a major incentive and driver for Saudi corporations to contribute to society. Khurshid et al. (2014) connected the concept and practice of Zakat by businesses to their CSR role, and argued that Islam assumes a holistic approach to corporate social responsibility, combining the spiritual visions as depicted in the Shari’a and Quran; describing the relationships between people, nature and others. Similarly, Beekun and Badawi (2005) supported the view that aspects of Islam and CSR are linked arguing that this concept is articulated in the Shari’a law as well as the Sunnah (the sayings of the Prophet Mohamed) placing emphasis on justice, public welfare, companions, customs, and legal precedent. Beekun and Badawi (2005) described business activities in Saudi as conforming to the Islamic and business ethics, which demonstrate cross-fertility between Islam and the demands of CSR. Placing these findings in the context of the discussion about the relationship between CSR and charity presented in the CSR definition section of chapter two, it could be implied that corporate philanthropy (not strategic CSR) plays an important role in current CSR practices in Saudi Arabia. This stems from the way religious concepts and values appear to dominate the motivation and understanding of CSR in Saudi Arabia.

As discussed in the definitions in chapter one, the practice of CSR asserts that businesses operate ethically while upholding morality and preserving the environment (Abdull Razak, 2015). This perspective is highlighted in the Quran in many verses; for example, preservation of the natural environment is quoted in Quran (6, 165 and 2:
30). Ethical Business considerations, prohibiting corruption in business transactions are quoted in the Quran (2: 188) and by the prophet Mohamed (Sahih Bukhari⁴; vol. 3, book 43, no. 634), and ethical considerations regarding the treatment of workers are quoted by the prophet (Sahih Bukhari, 3, p. 258). Beekun and Badawi (2005) stated that all those quotations in the Quran and by the prophet are part of the core elements of CSR. In this context, Golan and Salem (2013) argued that CSR initiatives by both private and public corporations in Saudi Arabia are mainly governed by the religious doctrines of Islam and Islamic business ethics show a significant connection between the elements of Islamic faith and the demands of CSR. In general, the concept of giving is deep rooted in Islamic faith and values and provides a constant motivation for Saudi individuals, as well as corporations to continuously contribute to common good of society, which makes this aspect of the Islamic faith compatible with CSR concepts. The following sub-section elaborates on the emphasis of the concept of giving in Islam.

The Concept of Giving in Islam

From a Saudi context, Islamic ethics require social responsibility towards the community and society in general; this includes ‘giving’ as Islam believes charity or giving increases and protects wealth. Saudi operates under the norms of Islamic religion, linking the metaphysical to spiritual causes; the Quran says charity wards off evil. Muslims believe the amount one gives in charity, will be increased by Allah

⁴ Sahih al-Bukhari is a collection of reports describing the words, actions or habits of the Prophet Mohammad compiled by Imam Muhammad al-Bukhari (870 AD). His collection is recognised by the overwhelming majority of the Muslim world to be the most authentic collection of reports of the Prophet Mohammad. It contains over 7500 reports (with repetitions) in 97 books.
tenfold as well as knowledge. Beliefs about charity are taken from the Quran; for example, several sayings of the prophet Muhammad referred to the spirit of brotherhood such as “you will not believe until you love for your brother what you love for yourself”. Spiritually this saying requires those with wealth to give selflessly to those who do not have. The Quran reminds people about charity and the effects of being selfish and the dangers of pride. It also regards those who have failed to support the orphans and the poor as having rejected the faith. For these reasons, Saudi has a variety of charitable programmes to help the poor.

For example, Zakat is a mandatory requirement for all employed Saudi citizens. In addition sometimes-wealthy Saudi citizens give other forms of charity as described in Hadith (sayings and examples of the Prophet) for improving the livelihood of the needy. Golan and Salem (2013) explain Zakat applies to individuals, businesses and companies operating within the country; it is paid through the government or personal Zakat and is paid directly to the needy. Saudi’s religion can be seen as relevant to CSR in two distinct ways; firstly, based on the traditional focus of Islamic charity; Saudi society believes participating in Islamic charity stands to benefit an individual and those attached to him or her, as well as contributing towards a beneficial after-life in accordance with Islamic ethics. Secondly, society believes Islamic charity yields immediate rewards. Sentuk (2007) points to Sadqa (voluntary charity) a traditional form of charity. This is an individual contribution (not performed by business organisations) acting as part of CSR in Saudi Arabia. Islam is founded on the belief that as long as someone generates wealth they have a responsibility to help others. These forms of charity are at a societal level and are comparable to the corporate
social responsibility of businesses. Islam is a major driver of why individuals and companies participate in charitable acts regularly.

3.3. The role of culture in CSR practice

Culture could be thought of as the sum total of the ideas, customs, traditions and social behaviour of a group of people in a society. Whilst some societies may have various subcultures within them, others could be dominated by a main-stream culture (Miroshnik, 2002). The interaction between culture and religion in a society varies depending on factors such as its homogeneity. For example, some societies identify themselves by their religion; resulting in a strong interaction between religion and cultural customs and traditions (Barth, 1998; Wilkins and Ouchi, 1983). Undoubtedly, culture impacts on the way businesses think and operate; with consequences for CSR implementation and practices. Hofstede conducted a cross-cultural study of organisations and presented five main cultural dimensions associated with work-related values using IBM employees as an example (Hofstede, 2005). The cultural dimensions were power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, and long-term vs. short-term orientation. Hofstede argued that culture is a ‘collective programming of the mind’; identifying those who belong and those who do not. Cultural markers are nationality, gender, generation, ethnicity, occupation and organisation providing recognition of those who belong and those who do not for all societies. Importantly, he suggested that cultures have rituals, which are socially important since they signify accepted cultural behaviours, and concluded that cultural differences were not arbitrary, and were probable since each culture has diverse norms, values, ways of thinking and cultural choices based on
various dynamics. The work of Hofstede has been suggested to condense complex cultural issues and be readily applied to a variety of parallel cultural dimensions (Froholdt and Knusden, 2007).

It is important to note that Hofstede’s work on culture is regarded as controversial and has been criticised from a range of perspectives. Critics have pointed out that Hofstede has excluded several variables, for example high vs. low context (Hall, 1976), and universalism vs. particularism (Trompenaars & Hampden-Turner, 1997). Furthermore, Hofstede’s deterministic approach has been criticised for inhibiting the recognition of other identities, and that people relate more to age and gender (Baskerville, 2003; Goodeham & Nordhaug, 2001; Harrisson & McKinnon, 1999; McSweeney, 2002). According to Johns (2007), some of the more pertinent issues that have been raised in relation to Hofstede’s work include relevancy (Schwartz, 1999), cultural homogeneity (Nasif et al., 1991; Redpath, 1997), national divisions (McSweeney, 2002), political influences (Sondergaard, 1994), one company approach (Olie, 1995; Sondergaard, 1994), and statistical approach (Dorfman and Howell, 1988). While Hofstede has responded to many of these criticisms in his own work (Hofstede, 1998), opinion remains divided. In addition, other scholars have argued that the problem is in the oversimplification of Hofstede’s theory, where for example, bipolarisation and stereotyping might present a very limited, black and white view of the world (Sondergaard, 1994; Harvey, 1997; Bhimani, 1999; Williamson, 2002; Froholdt & Knusden, 2007). Still, despite its limitations, Hofstede’s research is widely used among scholars and practitioners (Furrer, 2000; Sondergaard, 1994). The present study therefore draws on Hofstede’s approach to understand culture in Saudi Arabia, but not without caution and accepting that is limited.
Understanding the role of culture is important for my study, since, without a proper consideration of its relevance in Saudi Arabia, there is the danger of impeding CSR implementation by failing to understand the influence of both national and corporate cultures. It is, therefore, vital that CSR should take into consideration the cultural expectations of diverse stakeholders within specific national cultures (Fernandes, 2013). The cultural context of a business has been found to impact on the way in which CSR is understood and implemented, and can be a reason for a particular type of implementation (Jamali and Mirshak, 2007). As Hofstede (2005) argued what is considered rational by one culture is not necessarily so for another. He is supported by Fernandes (2013) who argues that cultural values can change over time and what one culture holds as valuable may not be the case for other cultures. However it is important to recognise that culture cannot be assumed to be static and unchangeable and that stereotyping and a simplistic bipolar approach may mean a loss of insight and understanding (Harvey, 1997; Osland and Bird 2000; McSweeney, 2002; Froholdt and Knusden, 2007).

Studies have suggested that the culture in Saudi Arabia is “fairly homogeneous”, and has business and legal implications because of the overlap and interaction between culture and faith in a way that infiltrates all decisions and impacts on society and businesses (Idris, 2007). In this context, Cassell and Black (2012) applied Hofstede’s model to Saudi Arabia and found that culture undeniably influences business and legal environments. For example, with regards to the power distance aspect of Hofstede’s model, the study found that authority is respected, inequality can be acceptable, individuals in power are often privileged and the decision making process is often centralised. While for the individualism vs. collectivism aspect, the study found
that Saudi Arabia has a strong focus on tradition with work mostly being collaborative not competitive and that “Time is in God’s hands and delays are the result of fate” (Cassell and Black, 2012). These findings along with other cultural aspects of Saudi society must be considered when thinking about CSR initiatives as they have potential implications on the implementation of CSR programmes. For example, the centralised nature of the decision making process in business operations is an important factor, which influences the types of CSR work of a particular business. Aspects of this discussion will be elaborated upon in the next section.

3.4. Implementation of CSR in Saudi Arabia: A literature review

As discussed earlier in this chapter, current practices of CSR in Saudi Arabia are strongly influenced by religious beliefs mostly through the motivation of the concept of giving with the aim of improving society. Moreover, Saudi government policies governing the business environment are tightly bound to the tenets of Islamic law. It has been argued that that CSR development has taken a similar route with religious organisation in Western countries, such as the Young Men’s Christian Association, which have philanthropic foundations (Reinhardt and Stavins, 2010). Saudi Arabia is taking a similar route and there are many NGOs and charities operating within Saudi which are working to improve local communities; many of these are reliant upon donations from individuals and the private sector. These tend to be one-off programmes and are not generally sustainable over long periods of time (Fadaak, 2010; Tamkeen, 2010; CSR Saudi Arabia, 2014). They also often involve civil society organisations supporting local communities through varied, voluntary initiatives (Montagu, 2010). A study involving a sample of 120 managers of Saudi companies
concluded that the CSR concept in Saudi Arabia was still in its early stages of developments, and that CSR was mostly viewed as philanthropic rather than having strategic direction (Mandurah et al., 2012). The study found the managers had a good level of awareness of and attitude towards the concept of CSR, but were less enthusiastic about their perception of the beliefs of top management on the issue, pointing out a lack of clear organisational policies and coordinated efforts for the implementation of CSR. Another study investigated the practices of CSR disclosure using annual reports of 166 Saudi companies published in 2013 (Abdull Razak, 2015). It found that the practice varied across companies and industries with almost 66% of the selected companies reported CSR activities in their annual reports. The study also presented strong evidence that CSR disclosure was positively related to the size and profit of the companies.

Currently in Saudi Arabia, CSR is practiced by some companies and not by others and is often neither sustained, nor considered as part of their strategic planning. The findings of Jamali and Mirshak (2007) can be viewed as comparable to Saudi Arabia where CSR is practiced as a discretionary act and CSR activities are regarded as philanthropic undertakings. The study examined large international corporations who had implemented their CSR policies in Lebanon within local contexts and allowed managers discretion in CSR projects. They found this provided the motivation for local initiatives and included programmes, which improved skills, IT and social work. Lebanese CSR saw a range of working partnerships which included outsourcing CSR to NGO’s who were considered to be experts, had the capacity and experience to deliver CSR programmes at a local level. Other companies had nominal involvement whilst others handled their CSR schemes entirely by themselves. The Lebanese

context is comparable, to some extent, with the Saudi context where targets are undefined and CSR is viewed as largely philanthropic and is not promoted. The Lebanese context shows companies have no defined targets or organised processes for CSR activities, with CSR based upon voluntary, philanthropic perspectives from progressive owners. It is recognised that CSR practices are influenced by national and cultural contexts and thus affecting the form they take and their methods of implementation (Jamali and Mirshak, 2007). The Saudi government has already taken steps to develop sustainable competitiveness and to encourage Saudi corporations to embrace social responsivity as part of their strategies through the introduction of the Saudi Responsible Competitive Index (SARCI) in 2008. This was an initiative by the Saudi Arabian General Investment Authority (SAQIA) in collaboration with Accountability and Tamkeen Consulting (Tamkeen, 2010; Ali & Al-Ali, 2012; Abdull Razak, 2015). The index evaluates CSR practices of leading Saudi companies on the basis of their strategy, management, stakeholder engagement processes and their social, environmental and economic performance (Abdull Razak, 2015). The index forms the basis of the King Khalid Award for Responsible Competitiveness, which was launched in 2009 and is awarded to the top three companies according to the SARCI. Although the introduction of SARCI and its associated award represent a positive step towards CRS practices in Saudi Arabia, the government is yet to take more steps to encourage and incentivise the implementation of CSR as part of a long term strategic policy (Abdull Razak, 2015).

An example of CSR in Saudi Arabia is provided by the Savola Oil Company and their concept of the ‘Balanced Way’, which included programmes supporting and developing local communities and have incorporated this type of CSR into their
strategic planning. Savola is an Arab multinational company based in Saudi Arabia. A study examining the company’s CSR activities suggested that Savola was the only company adhering to Islamic principles and executing Islamic-based CSR in a way that went beyond corporate duty, exceeding ‘obligations and embellishments’ (Darrag and E-Bassiouny, 2013). The study found that since 2001 Savola had adopted an ethics based attitude to CSR; this perspective can be can be traced back to the company’s original ethos and its Saudi Arabian roots.

Savola is one of the largest, diversified corporations in the Middle East and North Africa region; with a very clear idea and mission statement regarding their stance on CSR stating: ‘Our belief is that despite all efforts, success in business needs a blessing from Allah. That blessing comes only if our intentions are moral and free from hypocrisy.’ It was argued that these ethos are consistent with those promoted by the EU Commission urging open, transparent and ethical business activities (Darrag and E-Bassiouny, 2013). Savola management has incorporated CSR within strategic planning by observing four main principles, with roots in Islamic beliefs: honesty, conscientiousness, caring justice and personal control. As part of their strategic planning, Savola defined three types of external relationships; those with partners, third party customers (customers, suppliers and communities) and colleagues. All of these external relationships are directed and guided by the principles of the ‘Balanced Way’ ethos. CSR in Savola was originally a form of altruism, but strategic planning and incorporation of CSR began in 2010 when new, younger management introduced new approaches and ideas. The Savola strategy required all CSR to be based upon Islamic precepts. They found Savola historically based business practices on Islamic beliefs, allowing Islamic CSR to develop in line with Islamic principles shaping
Savola’s legal and social aims to support and develop communities and stakeholders. In report (Savola Annual Report 2013: 35 years of achievement and prosperity), the company included a section titled ‘CSR, sustainability and communications with employees program’ pledging one per cent of annual net profits to CSR activities. Their key CSR projects include the Makeen Centre where they train disabled people; the Saudi Injaz Entrepreneurs Program which educate students and prepare them for employment; and the Zamzam Association of Voluntary Health Services which provide medical equipment for people with special needs on low-incomes. Savola also runs the Panda Programmes to support all areas of society; the programme includes health, environmental issues and supporting charitable donations. The main principles of Savola approach to CSR, which is defined as the ‘Balanced Way’ has been described as follow (Darrag and E-Bassiouny, 2013):

**Corporate Culture** Savola Group adopts a firm corporate culture based on time-honoured principles and values, namely:

- **Amanah (Honesty)**: Responsibility towards our shareholders, through maximising profits and commitment to transparency and disclosure of the company's performance.
- **Birr (Caring Justice)**: Responsibility toward colleagues, through developing capabilities, motivation, guidance, and the sharing of ideas.
- **Taqwa (Contentiousness)**: Responsibility to our customers and the community at large by providing high-quality products and services at reasonable prices, acknowledging our suppliers' and stakeholders' rights, as well as contributing to the development of the communities where we operate through the ‘Savola Bridges’ CSR programs.
• Mujahadah (Personal Control): Mujahadah is the drive towards self-improvement, progressively increasing self-discipline so as to realise our full potential and achieve greater distinction and excellence.

The Savola model is consistent with the Islamic emphasis on giving, as well as with Saudi Arabian norms and values and could support the development of CSR being seen as a rational step for organisations in Saudi Arabia. This example suggests that in Saudi Arabia, CSR can take an altruistic form and it is widely accepted that giving should try to match taking. The success of using Islamic tenets and dominant cultural approach is reflected in the Savola company case where the philanthropic ethos of the founders/owners dictates CSR activities. Applying Woods (1991), Savola’s CSR can be seen as discretionary view of CSR practice and whilst implemented still largely unregulated.

Other examples of CSR in Saudi Arabia include Saudi Aramco, the Saudi Basic Industries Corporation (SABIC), and Abdul Latif Jameel Company. The Saudi Arabian Oil Company, known as Saudi Aramco or Aramco, is a Saudi national oil and natural gas company with world leading crude oil reserves and oil production (Petroff, 2016). Aramco is among the largest companies in the world with an estimated value of at least $2 trillion and a reported daily revenue of $1 billion per day (Agnihotri, 2015; Petroff, 2016). The company established a CSR division within the Public Relations Operations Department in early 2009. According to Aramco, the main objectives of this division are to streamline and enhance the current CSR activities; align them with business priorities and stakeholder needs; increase their impact and visibility and ensure their impact sustainability. The company has identified four main clusters of CSR activities focusing on the economy, the community, knowledge and...
the environment (Aramco, 2014). Prior to establishing their CSR division, Aramco conducted their CSR activities through their Community Outreach Programs Unit, which conducted philanthropic, educational and awareness programs. The company views CSR as a transparent and ethical behaviour that is sustainable and stakeholder driven (Gravem, 2010).

The main focus of Aramco’s CSR activities is aimed at the local community level as well as at the national level of Saudi Arabia. Examples of Aramco’s CSR initiatives include the development of a number of major infrastructure projects such as the Eastern Province electrical power grid and the building of 135 schools across Saudi Arabia (Gravem, 2010; Abro et al., 2016). Other initiatives include numerous community programs involving donations and fund raising events, developing health campaigns and participating in different awareness programs on traffic and fire safety (Gravem, 2010; Abro et al., 2016). The company emphasises the importance of giving back to local communities and to maintaining a positive and friendly relationship with them. It recognises local communities, the government and the company’s employees and their families as the main stakeholder groups for its CSR initiatives (Gravem, 2010, Aramco, 2014).

It could be argued that most of the CSR programmes at Saudi Aramco are aimed at developing Saudi human and social capital. The company claims to dedicate “tremendous efforts and resources” to service Saudi Arabia as a whole (Gravem, 2010; Aramco, 2014). To this effect, the company has extensive educational programmes for its employees and for the wider Saudi society including exhibitions and mobile libraries. To date, the company has eight mobile libraries, each holding approximately 10,000 books covering a wide range of subjects including arts, history,
science and fiction. Between them, the libraries visited over 3000 schools and loaned 1.5 million books in the Kingdom (Gravem, 2010). In addition to education, other CSR programmes at Aramco focus on the environment including air and water quality, waste management and oil spill measures.

**Saudi Basic Industries Corporation (SABIC)** is ranked among the world’s largest petrochemicals companies and is the largest listed company in the Middle East (Forbes, 2017). It is 70% owned by the Saudi government, with the remaining 30% publicly traded on the Saudi stock exchange market. The company was established in 1976 and now has operations in over 50 countries and a global workforce of over 35,000 employees (SABIC, 2018). The company recognises that progress requires that they invest in the regions and locations where they operate through building healthy, resilient communities. In this context, the company states that they provide financial and societal benefit to their communities through employment, direct and indirect economic stimulation from their business activities as well as charitable giving and social responsibility initiatives (SABIC-CSR, 2018).

In 2015, SABIC launched its global CSR strategy (RAISE), which serves as a framework and process for guiding and organising its corporate’s contributions and employee voluntary activities (SABIC, 2016). SABIC states that their investment in CSR is inspired by their strong culture of giving and volunteerism and aims to create lasting, positive impacts for societies and environments throughout its global communities. The company states that the RAISE criteria are used to evaluate the company’s CSR initiatives as follows (SABIC-CSR, 2018):
• R (Reputation): raises SABIC’s overall visibility and reflects positively on corporate identity
• A (Audience): addresses key community needs and engages key stakeholders
• I (Innovation): includes a novel approach or new technology that distinguishes SABIC’s leadership
• S (Strategy): complements business interests and aligns with company values
• E (Endurance): promotes a socially responsible culture and generates a positive and lasting impact

The SABIC CSR strategy has four priority focus areas which include health and wellness, science and technology education, water and sustainable agriculture and environment protection (SABIC, 2016). Key achievements reported by the company under these focus areas include:

• Health and Wellness: Reached over 15,000 schoolchildren in Gurgaon, India through the “They See, They Learn” program for eye care
• Science and Technology Education: Reached 64,720 underprivileged students in eight countries through their expanded Back to School program
• Water and Sustainable Agriculture: Engaged with 4,140 farmers, students, and government officials through SABIC’s Agricultural Awareness Caravan
• Environmental Protection: Doubled participation in the “Lights of Our Future” Program since its establishment with 2,100 new students joining the program in China and Singapore

In addition, the company provided housing for 1,650 low-income families (many of which include widows, orphans and divorcees) in Al-Madinah, Saudi Arabia, through the Yanbu endowment (SABIC, 2016).
Abdul Latif Jameel Company (ALJ Co.) is a major Saudi company with diversified businesses in the Middle East, North Africa and Turkey (AJL, 2018). It was established in 1945 as a general trading company and has been the sole distributor of Toyota cars in Saudi Arabia since 1955. The company’s business portfolio includes real estates, consumer finance and general trading, and it has a workforce of about 10,000 employees (Gravem, 2010; AJL, 2018). The company has a long history in philanthropic activities in Saudi Arabia, which were developed into a comprehensive community support programme in the 1990s. In 2003, ALJ co. created and funded a sustainable social enterprise under the name of “Community Jameel” to continue the Jameel family’s tradition of supporting the community in the fields of education, healthcare and improving livelihood. Community Jameel is dedicated to supporting social and economic sustainability through a range of key initiatives focusing on job creation, education, health and society, arts and culture and global development (ALJ-CSR, 2018).

For example, the job creation initiative of Community Jameel has a number of substantial programmes including “Bab Rizq Jameel”, which is Arabic for “Beautiful Gateway to Prosperity”. The programme is designed to help and support young men and women in Saudi Arabia and the wider region to get good jobs. According to Community Jameel, the programme has created more than eight hundred thousand jobs globally, including more than five hundred thousand jobs in Saudi Arabia since it was established in 2003 (ALJ-CSR, 2018). Examples of the job creating activities include training leading to employment opportunities, direct employment programmes linking potential employees with job seekers, small business finance programmes, and a taxi and trucks ownership programme (ALJ-CSR, 2018). This range of
examples suggests that some of these programmes support the company’s own business goals, while others go beyond the company aims and provide broader help and support to the beneficiaries.

In summary, the CSR practices in Saudi Arabia appear to cover a wide range of activities with a major emphasis on the development of human and social capital in the Kingdom. This is perhaps related to the social and political challenges facing Saudi society. It also appears that many of the Saudi companies consider their social responsibility to be mostly limited to their local communities (where they operate) first and to the wider national level second (Gravem, 2010). Although religious beliefs and values remain a major driver for CSR in Saudi Arabia, there is some evidence that some of the initiatives are extending beyond a simple act of philanthropy to being more strategically aligned with the business interest of companies such as the examples given for the ALJ Co, which also extends beyond Saudi Arabia to reach regional and global beneficiaries.

3.5 Comparison between CSR practice in Saudi Arabia and Western Countries

It is clear that one of the main differences in the practice of CSR in Saudi Arabia and Western countries is in the way religious concepts and values dominate the motivation and understanding of CSR in Saudi Arabia. Although this is not manifested in the practice of CSR, Islamic concepts such as Zakat (giving) and Sadaqa\(^5\) (charity) form the foundational values of CSR practice. It is common for companies to regard

\[^5\] Sadqa is a voluntary donation towards good causes. It is different from Zakat, which is mandatory and is one of the pillars of Islam.
Sadaqa as a form of CSR, feeling no need to take any further steps for the implementation of a wider concept of CSR. On the other hand, CSR in its connotation in Western countries involves the minimisation of the need for charity, where charity is not the sole aim of CSR. The International Labor Organization’s declaration on Fundamental Principles and Rights at Work imply that businesses should adhere to set standards and guidelines. CSR is seen as part of ethical standards for businesses operating in a given location. However, these are not mandatory in the same way as Zakat in Islamic traditions.

The CSR models in the American and European context are very different to those described in Saudi Arabia. In Western countries, free market capitalism is dominant and approaches to some types of corporate activities, which are integrated, into business models require businesses to ensure that their principles adhere to the law, ethical standards, and international social norms and will be inclusive of the business accepting its responsibilities regarding the impact of its activities (Al-Hussain, 2009). This is done in terms of the environment, consumers, employees, communities, stakeholders and other relevant members of the public sphere. In Western countries, CSR approaches range from corporations defining their level of contribution in regards to societal development and formal institutions agreement, to public interests that are transformed to mandatory requirements of the businesses. As discussed in chapter one, the form of capitalism practiced in Saudi Arabia and the relationship between government and the private sector is characterised by a more involved government role in business operation and direction. This could potentially influence CSR implementation in a way that is not comparable to the American and European context given the different roles played government.
The other difference that exists between the western corporations and the Saudi corporation in regards to CSR is the matter of maturity (Al-Hussain, 2009). As already discussed, the Saudi CSR emphasis is on charity and is based on religious traditions of the business owners making it mostly limited to corporate philanthropy, while CSR in Western countries is motivated by a wider range of drivers and is being practised in a more strategic manner connecting it to the objectives of the business itself. The main similarity between Saudi and Western practices of CSR is that they both aim to uphold ethical standards in society, and attempt to improve the livelihood of people. In these two different contexts, CSR is beneficial to the giver. For Muslims, they believe there is success and blessings from Allah, while for Westerners; although there are examples of companies influenced by religious concepts in their practice of social responsibility, CSR is often much wider than a religious or charitable duty and is becoming more integrated with the business aims and strategies and motivated by drivers of market, society, government and global competition as proposed by Moon (2007) and discussed in chapter two. It is important not to overstate, however, the extent to which CSR in Saudi Arabia is motivated by religion, just as it would be wrong to say that CSR in the West is motivated by money alone. Indeed, there are examples of companies in the West where religion is still considered a driver for their CSR work. On the other hand, there are signs, albeit limited, that some Saudi companies are starting to gain a wider understanding of CSR and its link to their businesses. This will be discussed in more detail in the findings and conclusions of this current work.
3.6. Could CSR be part of the answer to addressing socio-economic challenges in Saudi Arabia?

Despite being very wealthy, Saudi Arabia is currently facing a number of social and economic challenges. The rapid economic development of the country, combined with its ability to attract and import knowledge have been a mixed blessing (Ali & Al-Ali, 2012). A blessing in that the country has been making rapid transition from an agricultural to an industrialised economy with the help of skilled expatriate workers. However, the high dependence of the private sector on expatriate works has resulted in a significant unemployment problem among Saudi citizens due to a lack of the skills required by the private job market. This unemployment problem may in turn leading be associated with further social problems such as crime, depression, drugs, domestic violence and poverty (Al-Ghamdi, 2014). In an attempt to deal with this complicated dilemma, the Saudi government introduced the Saudisation programme encouraging national and international companies to employ Saudi nationals (Fakeeh, 2009). However, the skills shortage of Saudi citizens prevents successful implementation of this programme. The introduction of the Technical and Vocational Education and Training centres (TVET) in Saudi Arabia was an attempt to address this problem, but Calvert & Al-Shetaiwi (2002) concluded that a perceived lack of collaboration between the public and private sectors limited its success. This suggests that there is a clear need for a new strategy of dealing with this problem in a more effective way that involves the Saudi government, the private sector and local Saudi communities. This represents a case for the Saudi government to look towards the private sector in order to help deal with issues such as unemployment, training and skills (Hertog, 2006; Tamkeen 2010; CSR Saudi Arabai, 2014).
In this context, an appropriate form of CSR could offer a viable solution for the way forward. As Jamali and Mirshak (2007) rightly pointed out, CSR occurs in a globalised economy dominated by increasingly complex businesses; arguing that this changed environment now demands greater transparency and responsible corporate citizenship. This has changed the old tradition and expectation of governments alone being liable for the welfare of citizens, which is still largely the case in Saudi Arabia being an example of a rentier economy state as discussed in chapter one. This is due to the fact that the requirements of citizens have outstripped the capacity of governments to meet demands, and led to increased government expectations for help from the private sector with a focus on preparing Saudi citizens for the requirement of the private job market and offering them employment opportunities as have already been attempted in the Saudisation programme.

In this context, this work will investigate the possibility of developing the current practice of CSR in Saudi Arabia from being mostly acts of charitable giving to more strategic and sustainable practices offering sufficient capacity building initiatives for Saudi citizens in the form of training and preparation to suit the needs of the private sector. Although CSR practice in Saudi Arabia is clearly in its early stages and not currently considered as part of a sustained, long-term, strategic planning, the research will examine whether it has the potential to be developed in a way that suits the context of the country and be an effective strategy to help the government in dealing with socio-economic challenges, and the private sector in fulfilling their social responsibility role. This demonstrates the need for targeted research in this area, with the aim of defining an appropriate framework for CSR implementation in Saudi Arabia that takes into consideration the unique characteristics of the country and its
population including aspects of religion, culture, economy and government. These characteristics suggest that it might not be advisable for Saudi Arabia to simply “import” a Western CSR model of practice for direct implementation in a Saudi context. Instead, the role of religion, culture as well as the relationship between the government and the private sector need to all be carefully considered and factored in the design of a Saudi-compatible framework of CSR implementation. The adherence of Saudi companies to Islamic business principles and to Saudi culture provides strong foundations for strategic CSR implementation based on a well-established driver for contribution. What might be required is an approach incorporating strategic CSR, which provides a long-term view and offers the opportunity for sustained development and incentive for businesses to remain engaged in CSR implementation. Importantly though, the presence of international corporations in Saudi Arabia might necessitate the new approach to be more inclusive of other cultures and religious or non-religious beliefs.

For CSR to be embedded in developing countries there is the need for organised and efficient planning and a private sector, which is motivated and committed to implementing CSR. This has been suggested to require a concentrated collaboration between the private and public sectors (Jamali and Mirshak, 2007). Therefore, the new framework being considered in this research should consider a close collaboration between the private and public sectors. In this regard, the Social Development Centres (SDCs) of the Saudi Ministry of Labour and Social Development and their network of Non-Governmental Organisations (NGOs) might potentially work as a bridge linking the government, the private sector and local communities in order to deliver a programme tailored to provide capacity building.
through training and skills enhancement for Saudi citizens. As discussed in chapter one, SDC’s are vital community resources and this research will investigate if they could be developed and employed to potentially play a major role in CSR implementation in Saudi Arabia. They are ideally placed to play an important role linking businesses to communities given that they have the knowledge and expertise.

3.7. Conclusion

This chapter provided an assessment of the current implementation and understanding of CSR in Saudi Arabia through an investigation and discussion of the factors that influence current practice of CSR compared to the way it is understood and implemented in the Western world. Furthermore, it presented a comprehensive evaluation of the need for a new approach for the implementation of CSR in Saudi Arabia and introduced a new framework connecting government, private sector and local communities.

Saudi Arabia is a country with distinct political, religious and socio-economic structures. The practices and understanding of Islam have a substantial influence on the current implementation of CSR in Saudi Arabia, stemming from mandatory requirement of giving Zakat to help the poor, which forms a major driver for Saudi corporations to contribute to society. As a result, CSR initiatives by both private and public corporations in Saudi Arabia are mainly governed by the religious doctrines of Islam. In addition, implementation of CSR should take into consideration the diverse cultural expectations of diverse stakeholders within specific national cultures, meaning that the cultural context of a business has an impact on the way in which CSR is understood and implemented, and can be a reason for a particular type of
implementation. The culture in Saudi Arabia is fairly homogeneous and has a strong influence on business and legal environments.

The concept of CSR in Saudi Arabia is still in its early stages of development, and it is mostly viewed as a discretionary act and regarded as philanthropic rather than having strategic direction. Saudi managers have a good level of awareness of and attitude towards the concept of CSR, but are less enthusiastic about the lack of clear organisational policies and coordinated efforts for the implementation of CSR. There is strong evidence that CSR practice is positively related to the size and profit of the Saudi companies. One of the main differences in the practice of CSR in Saudi Arabia and Western countries is in the way religious concepts and values dominates the motivation and understanding of CSR in Saudi Arabia, whilst it is seen in Western countries as part of ethical standards for businesses operating in a given location. Furthermore, free market capitalism is dominant in Western countries with government interference in business is generally limited. The other difference that exists between the western corporations and the Saudi corporation in regards to CSR is the matter of maturity.

The high dependence of the Saudi private sector on expatriate workers has been attributed to a preference of Saudi citizens for public sector jobs, combined with their questionably low levels of skills needed for private sector employment. This has resulted in a significant unemployment problem among Saudi citizens presenting a clear need for a new strategy of dealing with this problem in a more effective way that involves the Saudi government, the private sector and local Saudi communities. It is proposed that CSR might potentially provide this strategy with a focus on preparing Saudi citizens for the requirement of the private job market and offering them
employment opportunities. Targeted research in this area is urgently required in order to define an appropriate framework for CSR implementation in Saudi Arabia that takes into consideration the unique characteristics of the country and its population including aspects of religion, culture, economy and government. This work will investigate the need for new approach to CSR implementation in Saudi Arabia. The research will consider the potential for a direct government role in CSR through partnerships between the private and public sectors. In addition, the work will consider the possibility of using the Social Development Centres (SDCs) of the Saudi Ministry of Labour and Social Development as a bridge linking the government, the private sector and local communities in order to deliver a programme tailored to provide capacity building through training and skills enhancement for Saudi citizens.
Chapter Four: Methodology
4.1. Introduction

This chapter aims to describe and discuss the research methodology adopted in this work. An important part of this research was related to understanding the perspectives and experiences of diverse stakeholder groups, which required their direct participation in the study. The selected participants were involved in and influenced by CSR on several different levels, including: understanding of CSR, involvement in the implementation of CSR programmes, financial commitment to CSR and ability to influence decision making processes related to CSR programmes. For these reasons it was appropriate to use qualitative interviews to provide not only quality data, but also an opportunity for participants to provide their own personal perspectives on CSR experience, knowledge, meaning, expectations in addition to any concerns they might have on the implementation of CSR programmes within a Saudi Arabian context.

The chapter starts with a discussion of the epistemological framework and methodological approach this work is based on, followed by a description and discussion of the adopted research methods including the data collection instruments and sampling methodology. A discussion is then provided of the employed thematic analytical framework to enable findings to be established in order for this research to achieve its aims. Ethical considerations of the research are discussed followed by a general reflexivity section before ending the chapter with conclusions.

4.2. Epistemological Framework

The aim of the study was to gather data surrounding the perspectives, knowledge and ideas regarding CSR from those directly involved in its implementation and outcomes. Therefore, an approach was required which was capable of capturing meaning from
a broad range of social actors (stakeholders) who were either involved in or influenced by CSR practices in Saudi Arabia. Since the participants were involved in CSR at often very different points of entry, they were expected to have very different perspectives and expectations about CSR and the ensuing programmes. Data collected needed to reflect the different standpoints of participants; their realities, knowledge and views about CSR. For this reason, the study used an interpretive approach as the sample included participants from diverse backgrounds who understood and interpreted CSR, in their own ways. The interpretive approach adopted in this study offered a scope to interpret data with the recognition and understanding that each participant’s view could be different; thus allowing to capture a wide range of experiences and interpretations about the same topic, including views from a broad range of social actors (stakeholders) who were either involved in or influenced by CSR in Saudi Arabia.

Interpretivism has been described as a belief that people create meaning as they interact with the world around them and that meaning is highly subjective depending on what individuals place upon it (Orlikowski and Baroudi, 1991). In other words, whilst interpretivism is a way for meaning to be found, it is not independent of awareness of individual location and circumstances (Collins, 2010). In this context, interpretivism is regarded as being able to acknowledge multiple realities rendering interpretation of ‘fixed realities’ extremely difficult (Lincoln and Guba, 1985; Hudson and Ozanne, 1988). It has been argued that an interpretivist approach has no objective reality, and any data gathered is subjective and socially constructed because of the different perspectives, experiences, understandings and world views of study participants (Carson et al., 2001 and Hirschman, 1995 in Hudson and
Ozanne, 1988). From an ontological perspective, Berger and Luckmann (1966) described reality as a social construct, where perceptions and realities change as circumstances constantly change. They argued that there are multiple truths and therefore multiple realities which are dependent upon a social actor’s construction of their reality. Interpretivist ontology ultimately argues that since we all construct our own reality there is no probability of the construction of ‘objective’ knowledge; we all undergo the same events in different ways and interpret that event differently to others. Therefore, it is the task of researchers to try to comprehend phenomena by understanding the meanings people have given to it. Consequently, the role an interpretivist researcher has been described as to be able to understand and interpret motives, meanings, reasons and other subjective experiences occurring within specific times and contexts, rather than predicting causes and effects (Neuman, 2000; Hudson and Ozanne, 1988).

It is recognised that qualitative researchers and interviewees experience mutual interaction and dependence; researchers hold prior insight of the research setting, but do not normally expect a fixed research design as they know research can be unpredictable since all participants have diverse perceptions of reality (Hudson and Ozanne, 1988). On the other hand, interpretivist ontology provides informants the opportunity to understand their own world (Walsham, 1995). It is perhaps reasonable to accept that it is impossible to disconnect ourselves from our experiences, and in turn they influence how we understand and interpret events and create our own realities. Therefore, the ontology of interpretivism is important to this research since it could explain how people included in the sample understood their own world, and more specifically understood CSR meaning and practices. The intention of the
research is to understand meanings held by groups influenced by CSR practices and an interpretative approach provides the opportunity for the recognition, expression and interpretation of meaning.

4.3. Research Methodology

As discussed in the introduction and concluded in chapter three of this work, the aim of this research is to understand the role of CSR in the context of Saudi Arabia with a view to explore a possible CSR implementation approach, where Social Development Centres (SDCs) could potentially act as a bridge between the government and the private business sector. There is currently very limited research available in this area, therefore the research problem is to discover what stakeholders influenced by the proposed idea think and understand about CSR practices in Saudi Arabia. Whilst this did not necessarily require a qualitative approach, a quantitative approach would have probably not captured meaning as a tick box questionnaire would not provide the opportunity to sufficiently examine stakeholder perspectives. On the other hand, qualitative methods are often employed when little is known about a topic (Stauss and Corbin, 1990); which was seemingly the case for current and potential future practices of CSR in Saudi Arabia.

For most researchers there is always a decision to be made regarding which methodology to use in order to obtain appropriate data to help fulfil their aims and objectives. Research design often involves deliberation of four main aspects or questions; the epistemological approach, theoretical perspective, methodology and the methods of inquiry (Crotty, 1998). It has been suggested that research design is largely influenced by three questions: what knowledge claims are the researcher
making?; what are the plans for inquiry? and what are the intended methods of data collection and analysis? (Creswell, 2003). Ultimately a researcher has to decide which paradigm (quantitative, qualitative or mixed) to employ in order to achieve robust results. A brief explanation of these approaches is necessary in order to explain why this study has selected a qualitative approach.

The quantitative approach is based upon empirical research, where all occurrences can be summarised by observed, pragmatic indicators; these specify the ‘truth’ and that other researchers can reproduce the same results at any time under the exact conditions. It has been argued that, from an ontological position, quantitative research results in only one truth; and that it provides an objective reality, which is independent of human insight (Guba and Lincoln, 1994). From an epistemological stance, those being researched and the researcher are separate, independent objects and observation of a phenomenon is possible without the observer exerting any impact or being affected. In this context, it has been argued that quantitative research seeks to measure and evaluate causal relationships between variables within a situation in a value-free way (Denzin and Lincoln, 1994). There are specific techniques used within a quantitative paradigm to achieve value-free results; these include randomisation, highly structured protocols, and written or oral questionnaires, which are designed to offer a narrow choice of predetermined answers. These techniques often deal with larger sample sizes than those used in qualitative research; large samples intended to represent a specific population and lend themselves to statistical methods (Carey, 1993).

Qualitative research methods, on the other hand, are based on interpretivism and constructivism; how social actors interpret and construct their ideas about truth and
reality (Guba and Lincoln, 1994). Further to the discussion provided in the previous section on epistemology, interpretivism uses flexible research parameters to provide opportunities to capture minute meanings produced through human interaction (Carson et al., 2001). A qualitative approach implies there can be no reality independent of human experience, nor interpretation without external references to which we can compare claims of the truth (Smith, 1983). Indeed the qualitative paradigm accepts that researchers and the researched are inextricably linked, with the line of inquiry and results are created jointly within the specific context of the research situation (Guba and Lincoln, 1994 and Denzin and Lincoln, 1994). Qualitative research emphasises the processes and meanings, which lead to the reality of social actors within specific contexts, and the qualitative approach has been described as one where researchers conduct around constructivist perspectives; taking into account meanings placed on individual experiences as well as meanings created socially and historically with the aim to develop theories and patterns and identify and progress themes from data (Creswell, 2003). It has been suggested that qualitative research gathers information in a natural setting which allows observation of people in their context or world. Researchers can be regarded as an instrument for data collection since they assemble information through observation and interviewing; this facilitates the collection of several forms of data through different sources. Analysis is often inductive as researchers develop patterns, themes and categories; there is also the opportunity to cooperate with participants so they can contribute to the development of the themes which emerge (Creswell, 2009, Bogdan and Biklen, 1992; Hatch, 2002; LeCompte and Schensul, 1999; Marshall and Rossman, 2006).
The research methods used in qualitative research include in-depth interviews, focus groups and participant observation. Qualitative samples are not meant to represent large populations, but they are used with the aim of representing small, focused samples of participants who can provide important information within specific contexts and settings (Reid, 1996). Therefore, this methodological approach appears to best suit the purposes of this current research, especially as data was based on language rather than numbers (Polkinghorne, 1983). The gathering of multiple perspectives, factors and realities provided a broad view of an issue and a holistic interpretation for one specific issue; in the case of this study this was important in order evaluate current understanding and practices of CSR in Saudi Arabian and investigate the potential way to improve its implementation, while considering relevant stakeholders.

4.4. Research Methods

This section discusses the use of interviews as an instrument to collect primary data for this research (Saunders et al., 2007). An evaluation of different forms of interviews is provided with a description of the form selected for this research. A discussion of the sampling strategy, profiles of the interviewees, types of questions and topics for discussion and conduction of the interviews are also included.

4.4.1. Data collection instruments

The forms of interviews can vary between structured or unstructured, where the structured regarded as ‘closed’ questionnaires and the unstructured being considered as ‘observation’ (Newton, 2010). Semi-structured interviews, on the other hand, are regarded as a ‘managed verbal exchange’, which relies greatly on the effective communication skills of the interviewer (Ritchie and Lewis, 2003; Gillham, 2000;
Clough and Nutbrown, 2007). Interviewers must be able to structure questions clearly, use effective listening, break proceedings, enquire, prompt where necessary, and create an environment where interviewees are able to talk freely (Cohen et al, 2007). It has been suggested that establishing a rapport is essential, and that humour and humility are important aspects of the relationship and trust required between interviewer and interviewee (Opie, 2004). It was suggested that prior to an interview, an interview guide should be compiled consisting of topics and questions to be covered in the order that they will be asked. The interviewer can use the guide and digress as appropriate. Furthermore, it was argued that the use of an interview guide as a clear set of instructions used by interviewers, results would be reliable and comparable qualitative data (Bernard, 1988). This provides a chance for mutual interaction where the participant makes extensive enquiries during the interview and they may be direct or reserved at various points; here the interviewer needs to observe and listen carefully in order to really interpret what is being said.

The form of interviews chosen for this study was semi-structured with the use of an interview schedule, which incorporated an interview guide (Patton, 2002a; Bernard, 1988). This ensured that particular areas were covered through specific questions, while also there was opportunity for unplanned questions resulting from the discussion to be asked in order to clarify related points. This choice of method is consistent with the Bernard (1988) who recommends the use of semi-structured interviews when there is only one opportunity to conduct an interview. It has been suggested that semi-structured interviews are suitable when depth of meaning is important (Gillham, 2000; Ritchie and Lewis, 2003). The selection of semi-structured form of interviews for this research was based on several factors including: an
opportunity to generate rich dataset; understanding by participants was essential to gaining insight into their perceptions, values, expectations and knowledge surrounding CSR and SDCs; potential to focus on contextual and relational aspects, which were vital when trying to understand perceptions of other stakeholders; and data collected could be analysed in several ways.

4.4.2. Sampling strategy

Interviews have been conducted with a cross-section of stakeholders regarded by the researcher to be directly relevant to the aims and objectives of this research through influencing or being influenced by CSR practices in Saudi Arabia. A total of 25 out of 30 persons accepted the invitation to be interviewed and to take part in this research. Whilst this was a relatively small sample size, I consider those selected represented the population of the various government, non-government and private sectors involved in CSR implementation and practices in Saudi Arabia. As discussed in the methodology section, unlike quantitative research, qualitative samples do not necessarily represent large populations, but can be used with the aim of representing small, focused samples of respondents who can provide important information within specific contexts and settings (Reid, 1996). This research was not meant to provide a generalised conclusion about all people working in all sectors related to CSR in Saudi Arabia; instead the focus was on hearing a variety of views representative of each of the sectors. A full list of the participants and the reasons for their selection to be interviewed and the questions directed to them are included in Appendix 2 of this thesis. The participants were chosen for reasons related to their CSR knowledge, influence, delivery of CSR within local communities, geographical location and knowledge of the SDCs work. Interviews varied in duration and ranged from about 60
to 90 minutes each. The reminder of this subsection provides details on the sectors
and personnel included in the interviews and the rational for including them.

The Ministry of Social Affairs (known as Ministry of Labour and Social Development
since May 2016) is responsible for all Social Development Centres (SDCs). It liaises
with other government departments as required in order to promote and execute
social development programmes, and it holds a great deal of influence over any
potential government role in CSR. Therefore, it only seemed fitting that three of the
participants selected were representatives of The Ministry. The Minister for Social
Affairs offered an insight into ongoing and new plans for CSR and was able to provide
information about the SDCs. I also interviewed the deputy Minister of the social
development department and a previous Deputy Minister of the social development
department; whom offered insight into past, current and planned strategies for CSR
and Social Development. Two further participants were selected from the Riyadh
Chamber of Commerce and Industry; this organisation is a powerful stakeholder,
which plays a primary role in participating in the drafting of regulations and decisions
governing the private business sector in Saudi Arabia via membership of various
committees. The two participants are actively working in the private sector and meet
regularly to discuss problems faced by the private sector; they were particularly
informative as one was the manager of a CSR department and the other a deputy
manager of a CSR department. They are in a position to understand the problems the
private sector faces with regard to CSR and working with the government. Another
participant was a founder of an SDC who is now retired, but was chosen because of
the power and influence she wielded through her previous involvement in the
establishment and development of SDCs as well as her relevant knowledge and insight.

It was vital to interview managers from the SDCs because these centres now supervise charities; many of which have more experience in community work than the SDC managers, which is important when trying to assess and understand the capabilities of the SDCs. Each SDC supervises domestic policy and has to consider the demands of several committees, which meet to decide on their needs to government decision makers. I interviewed five SDC managers because they work with local community demands, supervise domestic policy on the ground and are aware of the difficulties faced by both the communities they serve and government limitations. This allowed me to capture data on the diverse views, ideas, realities and perspectives of centre managers. The centre managers provided information about current programmes, community needs, failure and successes. The managers interviewed were selected due to their awareness of the decision making processes and influence on surrounding programmes within the SDCs. In addition, I interviewed three managers from non-profit making organisations (NGOs), as they are involved in local capacity building in addition to having links to the work of the SDCs.

It was also important to include charities that are part of the capacity building within local communities. One manager had worked for charities for twenty-five years and was able to provide information regarding how SDC supervision affected charity work and working in terms of government legislation. A further manager had worked with the SDCs and had also carried out a large piece of research, which had not been acted upon. In addition, I interviewed a manager of a not-for-profit organisation whose organisation was actively undertaking CSR. Finally, and in order to ensure
representation of the private sector, I interviewed seven CSR managers. They were chosen from companies, which were already engaged in CSR projects and CSR was part of their strategic planning. They were also affected by government employment plans and had strong links with other stakeholders. It is for this reason that I also interviewed three bank managers\(^6\), as they could be influential with regard to investment and funding for CSR activities within the private business sector and the SDCs.

4.4.3 Topics of discussion and conducting the interviews

In constructing the interview questions, it was recognised that participants: a) did not have the same levels of decision making, b) had different levels of knowledge about CSR and the SDCs and c) were influenced by CSR in different ways. In this context, the benefit and value of qualitative interviewing were most relevant. The wide range of starting points required the researcher not to stick to a rigid set of questions and, whilst the researcher had to adhere to a research protocol, questions presented to each interviewee differed depending upon factors such as context, setting of each interview and decision making power of the interviewee (Yin, 2014). It has been recommended that qualitative interviews should be conducted at a conversational level and described as a ‘social relationship’, where researchers should be nondirective and let participants speak, express their views and give them the space to describe their ‘world’ (Yin, 2014).

\(^6\) In this work, banks have been treated in a similar way to other private sector companies, beyond their views on investment and funding of CSR activities. This is because these banks are owned and run by the private sector and they conduct various CSR programmes in Saudi Arabia.
The interview content was based on the five types of exploratory questioning identified by Elliot (2000); which are definitional, descriptive, interpretive, critical/action and deconstruction. In the case of this study the research problem and question is:

**Definitional** – what is the nature of CSR, what are its defining features and what does it mean for stakeholders? **Descriptive** – what are the varieties of CSR in Saudi Arabia and how is it understood by stakeholders? **Interpretive** – how did CSR develop over time? what is the relevance of CSR for stakeholders? **Critical/Action** – what are the problems of Saudi Arabian CSR?, how can it be improved? what are stakeholders’ concerns? **Deconstruction** – does the research make any assumptions?, what are the socio-political interests served by CSR and how do stakeholders influence and benefit from CSR?. This approach best suited the chosen methodology because it allowed stakeholders to describe and explain the meanings, knowledge, experience and expectations they associate with CSR and SDCs in Saudi Arabia. This level of in-depth, descriptive meaning ascribed to personal experiences may not be collectable in a quantitative research approach where responses by participants answer closed questions; particularly in an area which has little research at the present time.

### 4.5. Analytical Framework

It is recognised that the completion of research requires more than just data analysis, as successful analysis requires the interpretation of findings and an attempt to arrive at a general conclusion (Yin, 2014). Researchers have a transition phase where they move from ‘reassembling’ to actual interpreting, with the task of connecting ideas, patterns and themes from mixed and sequenced interview data. Prior to the interpreting phase, it is recommended that researchers establish data groupings and
consider how they will empirically interpret this data; they should also consider how
their data can be interpreted by others to provide different interpretations (Yin, 2014).
In the concluding stage, it is recommended that researchers should have a concrete
account of their interpretation so that the study is cohesive (Yin, 2014; Stake, 1995).

The analysis for this current research took an inductive approach, which was
composed of observation, findings and interpretation (Bryman, 2012). Qualitative
research analysis, in this case Interpretivism, needed to be ordered and logical in
order to ensure the reliability of the study. The inductive approach has been described
as an analysis, which requires exhaustive and comprehensive reading of raw data to
extract concepts, themes and models through the researcher's interpretation (Strauss
and Corbin, 1998). This was found to be a suitable approach for the present research
and data analysis because it allowed for a systematic reading and re-reading of the
interview transcripts and the identification of recurring themes.

This study has opted for thematic analysis since it allowed for the classification of
patterns of meaning through the collected data set, which offered answers to the
research question being asked. It has been suggested that it is the role of a researcher
to identify a restricted number of themes which sufficiently represent their recorded
data (Guest et al., 2011). Pattern identification could be achieved using a vigorous
process where researchers become familiar with the data, data coding and theme
development as well as continual revision (Braun and Clarke, 2006). It is argued that
thematic analysis is able to identify, report and analyse data gained from people,
situations and events (Patton, 2002b; Strauss and Corbin, 1998; and Boyatzis, 1998
in Jebreen (2012). A theme is a commonly recurrent subject of meaning identifiable
within a dataset, which has the likelihood of being able to reliably characterise the
reality, meanings and experience of participants who are part of society (Boyatzis, 1998; Fossey et al., 2002). It is also necessary to remember that theoretical frameworks often carry assumptions about ‘reality’ found in raw data and researchers need to be candid and transparent about this. There are several stages to thematic analysis which Braun and Clarke (2006) describe as: familiarity with the data through transcription, reading, re-reading, identifying and noting initial themes. Generating initial codes; coding interesting features of the data in a systematic way and collating data related to each code. Searching for themes; collate codes into potential themes and collect all relevant data for each theme. Reviewing themes – ensuring themes work relative to coded extracts (Level 1) and the entire data set (Level 2), producing a thematic ‘map’ of analysis. Defining and naming themes; continuing the analysis to improve the specifics of each theme, and so tell the whole ‘story’ found in the analysis; creating clear definitions and names for each theme. Producing the report; the final opportunity for analysis, selection of rich, persuasive examples, final analysis of selected extracts, linking the analysis back to the research question and literature, generates an academic report of the analysis.

There are several advantages and disadvantages to using thematic analysis. The advantages include it acting as a tool to organise and summarise findings from a large, often diverse and immense pool of data (Pawson et al., 2005; Popay et al., 2004). Furthermore, since it can be used in both quantitative and qualitative data analysis it can be applied in nearly all situations. Burns and Clarke (2006) add to this list saying thematic analysis can be applied inductively using existing literature, can be used deductively through new interviews, it provides consistent and accurate results and the final results can be displayed in a uncomplicated way allowing easy
decoding. Code sets can be found by all levels and abilities of researchers is appropriate for research questions outside a person’s experience and is appropriate for large sets of data.

There are of course limitations, these include the possibility of different findings if; a different theoretical perspective had been used, the themes were identified at a different stage, or the frequency of themes was identified in a different manner, i.e. inductively, deductively, by quantitative or qualitative methods (Pawson et al., 2005; Popay et al., 2004). Other disadvantages are that procedures are not clear; users have to work out for them how to identify themes, if the wrong themes are identified data may not be maximised. Emotion is omitted and the researcher needs the ability to capture this; the method relies on an individual, and reliability may be questioned because different researchers can offer a variety of interpretations (Burns and Clarke, 2006).

4.6. The Data Analysis Process

The preliminary procedures of the data analysis conducted in this research started with the verbatim transcription of all interviews by the researcher soon after the interviews were completed. Although this was a time-consuming process, it allowed the researcher to re-experience all interviews and capture the mode and meaning of each interview. The early transcription was particularly helpful in remembering particular impressions or observations during the interview. Before starting with the actual analysis process, the researcher read and re-read the transcripts of each interview as recommended (Streubert-Speziale and Carpenter, 2003; Braun and Clarke 2006). This enabled the researcher to become immersed in the data and to
get a general sense of the experience of each of the participants. This preliminary stage allowed for a process of transcripts’ review and served as a strategy to search through the data to look for similarities and potential connections of ideas.

Initial analysis of the collected data was performed loosely according to base analysis as described by Braun and Clarke (2006), by reading and re-reading the data in order to help with data coding. This was open coding focused on capturing key ideas and meanings. Open coding is a process of “breaking down, examining, comparing, conceptualising and categorising of data” (Strauss and Corbin, 1990). According to Glaser, it is a process of breaking down data into codes allowing the analyst to identify a tentative direction of development of the study before a more specific focus is pursued (Glaser, 1998). A manual method of coding was used to highlight specific ideas and thoughts. Initial codes were mostly descriptive and occasionally included participants’ own words. Examples of open coding and theme development can be seen in appendix 5. Braun and Clarke (2006) have recommended coding for large volumes of data, however my research is quite small (twenty five participants) and it has been possible to analyse data and identify themes through highlighting ideas and careful consideration of what has been said. This method allowed me to develop my own themes and sub-themes through comparing emerging codes and interview transcripts. Themes have been identified across the data by familiarising myself with the data transcripts and continually reviewing and refining codes and grouping them into appropriate themes while being guided by the research questions.

Research supervisors audited the research process and asked questions and motivated discussions throughout the analysis and interpretation process. Regular meetings were held with the supervisors during the data analysis process, which
provided invaluable opportunities to reflect on and revise the developing work. The supervisors played an important role in enhancing the credibility of the data analysis through revision of data coding and help with the development of categories leading to themes and sub-themes.

4.7. Quality in qualitative research

The establishment of rigour in qualitative research is paramount particularly since the 1980s when the reliability and validity of qualitative inquiry were questioned (Morse et al., 2002). It was argued that emphasis on strategies employed during the research had been replaced by a concern for evaluating the trustworthiness and value of completed studies. Referring to Guba and Lincoln (1994), Morse (2002) stated that trustworthiness in qualitative research comprised of credibility, transferability, dependability and conformability and it was comparable to internal validity, external validity, reliability and objectivity used in quantitative research; arguing that the criteria had not changed, but strategies for meeting these criteria had altered with time. Morse compared the strategies suggested by Guba and Lincoln (1994): Credibility (internal validity) – requires prolonged observation, resolute observation, and triangulation, peer debriefing (working with colleagues who are impartial to the study), negative case analysis (the process of refining analysis through constant evaluation of data which differs from the researchers expectations, these can strengthen findings), referential adequacy (part of the data is archived, but not analysed; analysis takes place after development of preliminary findings – the archived data is used to test validity of findings) and member checks (a procedure used by researchers to help improve the accuracy, credibility, validity and transferability). Transferability (external
validity/generalisability) – researchers should obtain thick rich descriptions so they can transfer original findings and use them in a different location, with different participants or different environments. Dependability (reliability) the use of several research methods to study the same phenomena (triangulation) and cross-verification from two or more sources, splitting data between two teams and repeating the analysis – the teams must communicate on a regular basis at specific points in the research process – an audit trail, and finally conformability (objectivity) using strategies such as triangulation and an audit trail. Morse also endorsed the use of a reflective journal in order to address the criteria set out above. Although the work by Morse and Guba and Lincoln remained unclear as to whether or not all of these strategies should be used in every study; Creswell (2012) suggested that qualitative researchers should use at least two of the criteria in any study undertaken while leaving the choice open.

For my research I ensured credibility by meeting participants, where possible, prior to the start of the interview in order to ensure that they were fully aware of the aims and objectives of the research and that the interview process and details were as clear as possible. This ensured that the data I received was directly relevant to the aims of the research; a meeting prior to the actual interview helped develop rapport and trust which encouraged participants to offer information, and it also provided an opportunity for the participants to ask questions and to be fully aware of the study aims and provide transparency. I was able to meet the SDC managers prior to my interviews with them; meeting with private sector managers and Ministry officials proved more difficult.
4.8. Ethical Considerations

Ethical considerations of research cover several aspects including voluntary participation of participants, questions not being degrading or offensive, questions being formulated in a way that collects data related directly to the research topic without including personal/private questions (Kimmel, 2007). Furthermore, it was necessary to ensure that privacy was maintained and participants were informed about the aims and objectives of the proposed research prior to data collection. Other ethical aspects of the research includes that the work of other authors have been acknowledged and referenced.

Ten principles of ethical consideration have been devised through the examination of the ethical guidelines of nine professional social sciences research associations (Bell and Bryman, 2007). These principles are as follows; research participants should be protected and not harmed in any way, Participants must be respected and their dignity is paramount, full consent from participants must be acquired before the study, the privacy of participants must be protected and guaranteed, confidentiality must be maintained and anonymity of those taking part in the research must be guaranteed, there can be no intentional dishonesty or amplification about research aims and objectives, affiliations in any form, sources of funding, as well as any possible conflicts of interests have to be declared, communication connected to the research must be honest and transparent and any information or representation regarding data findings should not be biased.

These principles clearly indicate the utmost consideration is not for the research, but rather for the safety and care of the participants. Based upon these principles, the ethical considerations of this particular study were based on the recognition of the
concerns and rights of the participants, which had to be considered at all times. There was also the issue of ensuring anonymity for those participants whose ideas or opinions may impact upon their jobs or people who did not wish to be recorded. In these instances recordings, notes, transcriptions location and personal information have been stored in a secure environment. In addition, it was ensured that the research questions did not include personal questions (see appendix 2). The researcher maintained honesty about the purpose of the research and transparency at all stages of the research, interview and findings. Transparency required information letters about the purpose of the study and informed consent forms; with the written promise that participants could leave the study at any time (see appendices 3 and 4).

Participants were asked to firstly read the information sheet and then indicate consent by signing the informed consent form. The informed consent form explained that participants were not required to complete the interview and could withdraw at any time. The form also asked for confirmation that participants understood what was expected of them during the study and how the data were going to be used. All participants were offered the option of having a chaperone during the interviews. Prior to the commencement of the interview, participants were given the opportunity to ask any questions and the researcher verbally answered them and explained the purpose of the study. Participants were provided with a code in order to protect their identities and to ensure that all information remained anonymous and confidential. Data obtained during this study have been stored, managed and shared in accordance to the Data Protection Act (1998) with the relevant individuals during the course of the project. Electronically stored data have a password protection, and all data collected...
have been made anonymous and coded. The data collected will be stored and achieved for a minimum of three years.

4.9. Reflexivity

Reflexivity is key to recognising researcher bias and it is, therefore, an important element of the effort to prevent biased findings caused by the asymmetrical power relations between interviewer and interviewee (Kvale, 2002). Being reflective allows the interviewer to be aware of this asymmetrical relationship by considering aspects such as race, age, gender, location, culture. Reflexivity, of course, goes beyond reflection in the sense that the researcher changes during the journey of conducting the research. It has been suggested that there are five ways to achieve reflexivity – introspection, intersubjective reflection, mutual collaboration, social critique and discursive deconstruction (Finlay, 2002). The use of these practices clarify the impact of the interviewer’s role in an interview setting, and offer indications on how to use this awareness to strengthen trustworthiness, transparency and accountability with regards to their own research. This awareness should be a useful tool to help an interviewer to design questions which help interviewers to comprehend outcomes.

The use of a reflective journal has been advocated and recommended in qualitative research in order to acknowledge and document how interviewers may have a subjective impact on interviews. A journal, which successfully and honestly records actual instances of influence and presumptions of the interviewer supports the credibility of research outcomes and can be regarded as a primary tool for the analysis of the research data (Finlay, 2002; Morse, 2002). It has also been argued that a reflective journal can also provide a context for the study from a persona perspective,
identify the bias of the researcher, help researchers to consider transparency throughout the research process, provide the platform for self-reflection and criticism of research design and consider the validity of research work (Ortlipp, 2008).

While conducting this research, it is acknowledged that reality is a social construction by people, which incorporates human actions and ideas including those of the researcher. In this instance, it is important to recognise that it would not be possible to recreate the exact same findings of this qualitative research with a different researcher and sample. The use of an interpretative approach allows the study of people in a very different way to that of a scientific or quantitative approach (Walsham, 1993; Popay et al., 2004; Pawson et al., 2005). Whilst this emphasise the need for qualitative researchers to make every effort to not impose their own meanings to an interview and to establish meaning from what a researcher learns from participants, it is recognised that this is a very difficult task to fully achieve as interpretation made by qualitative researchers is often influenced by their own specific history, context, and background and prior understandings (Creswell, 2009). A personal reflection on this research is discussed in the final chapter.

4.10. Conclusion

This chapter described and discussed the research methodology adopted in this work. An important part of this research is related to understanding the perspectives and experiences of diverse stakeholder groups involved in current CSR practices in Saudi Arabia, which requires their direct participation in the study. The participants selected to take part in this research are involved in and influenced by CSR on several different levels, including: understanding of CSR, involvement in the implementation of CSR
programmes, financial commitment to CSR and ability to influence decision making processes related to CSR programmes. For these reasons it was appropriate to use qualitative interviews to provide not only quality data, but also an opportunity for participants to provide their own personal perspectives on CSR experience, knowledge, meaning, expectations in addition to any concerns they might have on the implementation of CSR programmes within a Saudi Arabian context. Therefore, an approach was required which was capable of capturing meaning from a broad range of stakeholders. Data collected needed to reflect the different standpoints of informants; their realities, knowledge and views about CSR. For this reason, the study used an interpretive approach as the sample included participants from diverse backgrounds who understood and interpreted CSR, in their own ways. The interpretive approach adopted in this study offered a scope to interpret data with the recognition and understanding that each participant’s view could be different; thus allowing to capture a wide range of experiences and interpretations about the same topic, including views from a broad range of stakeholders.

The methodology approach selected for this study is based on qualitative in-depth interviews, which suit the purposes of the intended research, especially as data is based on linguistics and not statistics. Qualitative samples are not meant to represent large populations, but they are used with the aim of representing small, focused samples of respondents who can provide important information within specific contexts and settings. The form of interviews chosen for this study is semi-structured with the use of an interview schedule, which incorporates an interview guide. This ensured that particular areas were covered through specific questions, while also there was opportunity for unplanned questions resulting from the discussion to be
asked in order to clarify related points. Interviews have been conducted with a cross-
section of stakeholders regarded by the researcher to be directly relevant to the aims
and objectives of this research through influencing or being influenced by CSR
practices in Saudi Arabia. A total of 25 persons (informants) have been interviewed.
Whilst this was a relatively small sample size, I consider those selected represented
the population of the various governmental, non-governmental and private sectors
involved in CSR implementation and practices in Saudi Arabia.

In constructing the interview questions, it was recognised that participants: a) did not
have the same levels of decision making, b) had variable level of knowledge about
CSR and the SDCs and c) were influenced by CSR in different ways. The wide range
of starting points required the researcher not to stick to a rigid set of questions and,
whilst the researcher had to adhere to research protocol, questions presented to each
interviewee differed depending upon factors such as context, setting of each interview
and decision making power of the interviewee.

The analysis for this study intends to take an inductive approach, which is composed
of observation, findings and theory. Qualitative research analysis, in this case
interpretivism, needs to be ordered and logical so there is reliability in the study. The
inductive approach requires exhaustive and comprehensive reading of raw data to
extract concepts, themes and models through the researcher’s interpretation. This is
a suitable approach for the present research and data analysis because it allows a
systematic reading and re-reading of the interview transcripts and the identification of
recurring themes. The work will be based on thematic analysis since it can be used
to classify patterns of meaning through a data set, which can offer answers to the
research question being asked.
The ethical considerations of this study are related to the recognition of the concerns and rights of the participants and to ensuring anonymity for those participants whose ideas or opinions may impact upon their jobs or people who do not wish to be recorded. In these instances recordings, notes, transcriptions location and personal information will be stored in a secure environment. In addition, it was ensured that the research questions did not include personal questions.

Reflexivity is an important aspect of the research which helps in recognising researcher bias and it is, therefore, an important element of the effort to prevent biased findings. Being reflective allows the interviewer to be aware of the relationship with the interviewee by considering aspects such as race, age, gender, location, culture. The facts that I am a Saudi national, Arabic speaker, woman and work for the Ministry of Labour and Social Development all must have had an influence on this work and on the way the research has been conducted. These factors affected communication with participants, access to individuals either males or females and might have, to some extent, influenced the content of the interviews and the type of information obtained. These factors might have had both positive and negative effects on the research. For example, they might have given me an “insider” status, encouraging participants to provide more detailed answers, but could also resulted in participants making assumptions about how much details I have already had.
Chapter Five: Findings and Analysis

The Current State of CSR in Saudi Arabia
5.1. Introduction

This chapter is the first of two findings and analysis chapters dealing with the current state of CSR understanding and practices and with a potential role for government in CSR implementation in Saudi Arabia, respectively. The current chapter presents the main findings of part of the interviews undertaken in this research and described in the methodology chapter. The analysis focuses on understanding and capturing the meaning of the views expressed by participants and on linking them together using thematic analysis. In order to address the aims of this work related to the evaluation of current CSR understanding and practices in Saudi Arabia, the interviews were designed to investigate topics such as understanding and implementation of CSR in Saudi Arabia, the Saudisation programme and capacity building and training. As discussed in the methods chapter, participants were asked what their understanding of CSR was and how would they evaluate CSR practices in Saudi Arabia. They were also asked about their views on the Saudisation programme and its main challenges and limitations. Finally, they were asked about the types of capacity building and training programmes needed to improve the skills of Saudi citizens and enhance employment figures in the Kingdom. The findings are presented thematically under the following headings:

- Understanding and evaluation of current CSR practice in Saudi Arabia
- The Saudisation programme
- Capacity building and training needs in Saudi Arabia
- Improvements and recommendations

The codes used to refer to individual participants in this work are composed of letters denoting the group they represent and a number of the individual within each group.
The letters are “PR” for Private Sector, “CHAM” for Chamber of Commerce, “NGO” for Non-Governmental Organisations, “MIN” for the Ministry of Labour and Social Development and “SDC” for Social Development Centres. A table describing the main characteristics of the private sector companies which participated in this work is included in appendix 8. It provides details such as size, sector, region of operation, ownership, type of CSR activities and value of each company.

5.2. Understanding and evaluation of current CSR practice in Saudi Arabia

In their responses to questions related to the current state of CSR understanding in Saudi Arabia, participants representing both government and non-government sectors offered a wide range of views and ideas on topics related to CSR concept, purpose, practice and beneficiaries. These views reflected the participants’ own understanding of CSR as well as their evaluation of the way CSR was currently being practiced in Saudi Arabia.

5.2.1. The concept of CSR

A clear view emerged among both government and non-government participants emphasising the opinion that the concept of CSR was not agreed upon in Saudi Arabia. Participants argued that there is a lack of clear understanding among Saudi companies of what CSR is and that it is often mixed with other practices of charity and public relations. Starting with the non-governmental groups, around half of the private sector participants agreed that “the concept of CSR is not well defined” (PR10) and “there is a lack of understanding of CSR” (PR05). Participant PR04 argued that the concept of CSR varied widely among Saudi companies and stated that:
“In reality, CSR has many definitions and understanding of the concept varies from company to company. Unfortunately, CSR, for many Saudi companies, is writing a cheque to provide financial support to a particular social programme.”

Several participants stated that the concept of CSR was often confused with that of charity and “charitable work” (PR02 and PR03) making a direct connection between CSR initiatives and religious practices encouraging the culture of giving. For example, it was claimed that the concept of CSR is underlined by a religious driver as argued by participant PR03:

“In my opinion, CSR -for us Saudis- is deeply rooted in Islam. The concept itself has been practiced for a long time, but perhaps what is new now is the process of managing and organising CSR activities. I believe there is a very thin line between CSR and charitable work and the two have often been mixed up in Saudi Arabia.”

Other participants were also not completely clear about CSR, describing it as “financial donations” (PR04) and voluntary charity (unlike the mandatory Zakat) as elaborated upon by participant PR08:

“Some companies treat CSR as a voluntary, charitable act despite the fact that CSR is not charity. On the contrary, I believe that charitable work is part of CSR.”

These views are perhaps not surprising given the short history of CSR in Saudi Arabia and the view of charity and culture of giving outlined in the role of religion in current CSR practice in Saudi Arabia in Chapter three. Participant PR02 assessed the situation of CSR and charity in Saudi Arabia as follows:

“For most companies, the concept of CSR has been linked to their charitable contributions (despite the fact that CSR is not the same as charity). Nowadays, there is more demand and pressure from the public as well as from government for the success of social responsibility programmes. Therefore, some companies are participating in CSR to establish their presence and enhance their role in the community. Over the past ten years or so, companies have become more aware that CSR is not only about charitable donations to the community, but a fundamental part of the work of the company as it supports its business in one way or another.”
Participants’ views revealed that the concept of CSR, in Saudi Arabia, was also often similarly confused with the concepts of public relations and marketing. For example, participants stated that CSR was often used as a “marketing tool” (PR08), “marketing and PR tool” (PR05) or to “enhance company reputation” (PR04). One participant described the concept of CSR as being “hijacked as a PR tool” (PR10). For example, participants stated that:

“In my view, there is a misunderstanding of the meaning of CSR in Saudi Arabia. Several Saudi companies consider CSR as a marketing tool for their products. In fact, the organisational structures of many companies include CSR in the marketing department.” (PR04)

“In my own opinion, Saudi companies are not clear about the meaning of CSR. Some large companies consider CSR as part of its marketing strategy and manage it through its marketing department, which limits the ability of such programmes to achieve its goals.” (PR08)

These views were consistent with those expressed by the two participants representing the Riyadh chamber of commerce, who also stated that although CSR should not be considered as acts of charity or public relations, these concepts were often confused in practice. Participant CHAM01 explained this idea by saying that “some companies still think of CSR as direct financial aid to charities without any consideration for strategies or social development” (CHAM01). The participant went on and explained his own understanding of CSR as follows:

“CSR is a mutually beneficial partnership between business and society, where companies have a duty towards society. Importantly, companies need to understand that [in this partnership] profit does not have to be quick, but a long term CSR strategy leads to profit.”

In this context, the participants linked their understanding of CSR to the concept of good corporate citizenship and the duty of businesses towards society. They stated that “good corporate citizenship applies to companies who exercise their duties
towards society in the form of contribution and help even if they make profit in the process”.

Participants representing the non-governmental organisations (NGOs) sector made similar points that there was a lack of clear understanding of CSR among Saudi companies and that the concept of CSR was not very well defined among them. One participant from this sector suggested that “most of the small and medium companies are still not clear about their CSR role” (NGO02). This statement was made in the context of the participant’s praise of the CSR efforts of a couple of very large Saudi companies, the implicit suggestion being that there was a difference in the understanding and implementation of CSR in the private sector depending on the size of the company. This group of participants expressed similar views to those expressed by the other two groups that the concept of CSR was widely confused with that of charity and PR practices. According to participant NGO02:

“Many companies still manage their CSR as part of their PR strategy. These companies need to understand that CSR is much more than improving their public image and it should be part of their strategy.”

On the other hand, Government participants expressed their own understanding of the concept of CSR in several ways. The Ministry participants stated that “CSR is the responsible practice of social, environmental and economic activities”, and “companies should not cause any damage to communities through their commercial activities” (MIN02). A broader understanding was expressed by participant MIN03 as “CSR is an ethical commitment towards society and it is broader than charity”. The SDC participants, on the other hand, appeared to have much more expectations from the private sector when stating their understanding of the concept of CSR. In doing so they stated that:
“CSR is a duty not a gift and it should not be limited to financial donations but should rather be about long term projects” (SDC01), and

“CSR is a national duty and should be part and parcel of development work” (SDC06).

Similar to views expressed above by non-government participants, both sets of government participants agreed that in the current practice of CSR in Saudi Arabia, there was a clear lack of understanding of CSR concept among Saudi companies, where it was often confused with practices of charity and public relations. For example, it was stated that “CSR activities appear to be more about PR” (MIN02).

Along the same lines, participant SDC02 stated:

“The private sector confuses the concept of CSR with acts of charity or public relations. I believe that some companies are not really doing CSR and limiting their activities to sponsorships and festivals.”

5.2.2. The Purpose of CSR

Another sub-theme emerged in this analysis related to the participants’ views of the purpose of CSR, where around half of the ten private sector participants considered it to be a help to community stating that it was “part of social development” (PR01) and “helping community” (PR07 and PR09). Other participants thought of CSR purpose as being a help to business as it “supports the business” (PR02) and should be part of “company strategy” (PR04). Two participants thought the purpose of CSR was partly to support the government by “helping the government address societal challenges” (PR04) through the provision of “parallel help to governmental and non-governmental organisations” (PR03). It was further stated that:

“Each company has a duty towards the society it operates in and should help members of society as well as government institutions in the overall development of society.” (PR03), and

“The private sector is becoming more aware of their CSR role because the government is not able to do everything alone. Companies have a duty to
support the society they operate in. Furthermore, companies with successful CSR programmes naturally benefit from an improved image and reputation.” (PR04)

Interestingly, only one private sector participant showed an understanding of the definition of strategic CSR (discussed in Chapter two) recognising that CSR should result in a direct benefit to businesses as well as to society and expressed the view that CSR should provide a “mutual benefit to community and company” (PR02). This implies that the understanding of strategic CSR appears to be very limited and in its infancy in Saudi Arabia. Similarly, only one other participant limited the purpose of CSR to its ethical aspect, stating that “CSR is about not harming the environment” (PR05). Overall, half of the private sector participants shared the view that CSR should focus on community challenges. They stated that CSR should “focus on society, economy and environment” (PR05) and “provide direct help to communities and individuals” (PR09). This idea was elaborated upon through the suggestion that CSR initiatives should be “part of social development” (PR01) through the provision of “social service programmes” (PR09) that show “interest in community and its problems” (PR04) and “involves employees, community and the environment” (PR08). One of the chamber of commerce participants supported the view that CSR “should be a long term strategy to help both society and business” (CHAM01).

Participants from the NGOs agreed that the purpose of CSR should be to help the business as well as the community. In support of this view, participant NGO04 stated that “CSR should be about mutual benefit for the companies and the communities they operate in”. On the other hand, participant NGO02 expressed a view on this matter as “The purpose of CSR is to improve the standard of living of Saudi citizens”. 
Government participants agreed that the purpose of CSR was primarily considered as mechanism to help communities as part of a “duty of companies to pay back into communities” (MIN01). In this context, CSR was seen by government participants as one of the ways to address and focus on community challenges including “improving society and environment and participating in community development” (MIN01), and to deliver sustainable development through “offering sustainable benefit to society” (MIN03). Similarly, an SDC participant explicitly stated that the concept of CSR was part of “a responsibility of the private sector to serve and support the community” (SDC05).

5.2.3. Current CSR practice in Saudi Arabia

As for the practicality of what CSR actually does, a large majority of the private sector participants agreed that it is used to provide training, education and building of human capacity. A couple of participants emphasised the view that CSR work should be about the provision of training and education programmes and should not take the form of direct financial aid. For example, it was stated that CSR should place an “emphasis on training and development rather than direct financial payments” (PR04), and should be provided in the form of “programmes rather than direct financial payments” (PR08). Examples of CSR programmes run by the private sector included research and vocational training such as:

“For over 20 years, our company has been supporting a programme of post-doctoral research in collaboration with the British Council, Saudi Universities and British Universities. The programme helps Saudi academics conduct research at UK universities in a wide range of fields not necessarily linked to our company’s immediate interests.” (PR04)

It could be debated whether this type of activity should be regarded as CSR or not. While there are some benefits to those individuals who get selected by the scheme
on offer, this provides direct benefit to the firm. The wider benefits to society might be debatable, but it could be envisaged that training of academics benefits the universities they work for and the students they work with. Another example of research and vocational training include:

“Another example of our CSR work is related to the support of vocational education, where we provide opportunities to young graduates to undertake three to six months training to provide them with experience and prepare them to the labour market.” (PR04)

Other examples focused on education and direct community services:

“As part of our CSR work, we have a long-running not-for-profit project based on private schools, which provide excellent level of education using advanced and sophisticated curricula producing highly qualified students many of them are now in leading positions in Saudi organisations.” (PR05) and

“The aim of our CSR initiatives is to provide sustainable services to communities with tangible results. Our CSR work include projects for health development (charitable transport and home care programmes), social initiatives (agricultural and craft training programmes and small and medium business support projects), environmental development and cultural projects.” (PR09)

The private schools mentioned by participant PR05 in the example above invest all of the profit generated back into the schools in order to ensure that they offer the highest possible quality of education with the aim of helping society in the long term. In addition, some of the profit generated by these schools is used to offer bursaries for distinguished students who cannot afford the cost of education, and the schools therefore offer direct help to members of the society. While it could be debated whether or not this should be considered as CSR, it demonstrates the diverse way private sector participants interpret what CSR is. Moreover, the CSR examples provided in the quotation by participant PR09 demonstrate their substantial CSR activities across a wide and diverse range of initiatives. Given that participant PR09
represents a bank, as stated in Appendix 8, this specific example shows that CSR activities are not necessarily aligned with the company’s own activities or direct interest, which suggests that the distinction between charitable and strategic CSR is not always taken into consideration.

Reflecting on the private sector participants’ evaluation of the current state of CSR understanding and practices of CSR in Saudi Arabia, it is interesting to note their clear statement of their own companies understanding and practices of CSR. They see their own work as being related to training, education and capacity building in the community as part of their role in addressing community challenges. Interestingly, only one participant explicitly mentioned religion as a driver for his company’s CSR work, and one associated CSR work with enhancing their company’s reputation. However, contrary to this clearly expressed understanding of the meaning of CSR for their companies, participants provided a much less conclusive assessment of what they thought CSR meant for Saudi companies in general stating that practices were often actually charity, PR and marketing. It is interesting to note that only one participant thought that CSR for Saudi companies meant training graduates to meet market needs. This is interesting because it implies that the CSR activities, which are focused on training, are not widely noticed by others in the private sector. These findings reveal an interesting contrast between the Saudi companies relatively well defined understanding of their own CSR work being focused on training and education and helping the community and their assessment of the lack of clear understanding of CSR amongst other Saudi companies.

The Chamber of Commerce participants claimed that their organisation was among the first to introduce and encourage the practice of CSR in Saudi Arabia starting in
the year 2000, and established the Social Responsibility Council in 2009 with the aim of promoting social responsibility to companies and organisations. It was stated that the Council supports the practice of CSR by “holding meetings, training courses and exhibitions to introduce and encourage CSR culture among Saudi companies” (CHAM02). In their evaluation of the current CSR practices, the chamber of commerce participants agreed that CSR growth was initially slow and suffered from a clear lack of organisation and legislation. However, they emphasised that a considerable progress in CSR practice in the Saudi private sector is taking place. For example, there is a clear, strategic move within the private sector to establish dedicated CSR departments run by suitably qualified staff with the responsibility of planning and executing CSR programmes. Importantly, participants highlighted a significant change in the way CSR is being practiced through realising that CSR training programmes needed to be linked to or leading to employment opportunities, entrepreneurship and innovation. This was expressed by participant CHAM01 as follow:

“Early strategic programmes were focused mostly on training, but these are becoming less important due to increased number of trained people without sufficient number of jobs. New programmes are now starting to focus on specific training leading to employment, while other programmes support entrepreneurship and promote the culture of innovations.”

The views of participants from the NGOs on current CSR practice in Saudi Arabia were largely focused on the idea that it provided training, education and capacity building programmes. They indicated that they worked in partnership with businesses and other NGOs in order to offer grants, equipment and training programmes to specific groups of society in need of help. The emphasis of these programmes is on sustainable development as stated by participant NGO02 “Our aim is to help beneficiaries become less dependent on aid by becoming self-supported, which is
line with current government plans”. An example of one of the specific groups targeted within these programmes is given by participant NGO01 as follow:

“We liaise to help young people start up their business ventures though providing them with initial funds to support their technology-based ideas. We continue to support them by organising exhibitions to facilitate contact between investors and these young people.”

As for their evaluation of the current practice of CSR within the wider Saudi business sector, one of the NGOs participants suggested that CSR in Saudi Arabia was improving (NGO02), while another participant thought that companies were not doing enough (NGO04). However, they both held the view that some of the large Saudi companies such as SABIC and ARAMCO were leading the way in CSR understanding and implementation. According to participant NGO04:

“ARAMCO is a clear exception as it has been involved in a large number of projects helping and supporting communities by building healthcare centres, schools and supporting NGOs and farmers”.

In their evaluation of the current CSR practice in Saudi Arabia, government participants appeared to be not very satisfied with the overall scale and impact of existing efforts. For example, it was stated that “some companies are doing good CSR work but more is still needed from the wider sector” (SDC05) and “overall the CSR work of Saudi companies is very weak” (SDC04). Participant MIN02 agreed with these views stating:

“The concept of CSR in Saudi Arabia is not widely practiced. CSR initiatives need to be a lot more effective and the private sector do not appear to be clear about their role in this context. Current CSR Activities are scattered and not long-term and they are mostly ineffective and not related to social development.”

A participant from the Ministry argued that there was a need for a change of mind-set in the way CSR is understood and practiced adopting a more positive attitude and thinking of CSR as being “social contribution instead of responsibility” (MIN01).
5.2.4. Beneficiaries of CSR

As for who should benefit from CSR programmes, a number of the private sector participants expressed the view that CSR beneficiaries should include specific target groups such as youth, women, orphans or a company’s own employees. Almost half of the participants stated that training should target young graduates and should be tailored to suit market needs in order to prepare young people for the labour market. For example, it was stated that CSR should provide “training of graduates to meet market needs” (PR04), and “training to suit the needs of the labour market” (PR06).

Importantly, only two private sector participants made an explicit link between CSR and sustainable development and only one participant mentioned partnerships in the context of CSR implementation. However, five other participants demonstrated awareness of the presence of a range of stakeholders that should be considered when planning CSR initiatives including, for example, employees, communities and suppliers. Participant PR06 elaborated on the types of CSR programmes provided by their company stating:

“As part of our CSR projects, we work hard on ensuring that our training is suitable for the needs of the labour market. We carry out a large amount of work with people with special needs (e.g. deaf, Autism), and we run a great program to train future leaders of social work in the Kingdom. Our programmes are focused on building human capacity. As for small family businesses (cottage industries), we provide them with a wide range of training programs and offer them loans to help them with their business.”

Interestingly, unlike the non-government participants, the vast majority of the government participants have not considered a potential benefit to business or a mutual business-community benefit as part of the purpose of CSR and only discussed this idea from a community benefit point of view. The only exception to this was part of the discussion of the beneficiaries of CSR, when one participant stated that “CSR
should benefit both community and business” (SDC06). Other participants provided
more specific definition of beneficiaries such as “it should involve benefits to the
community where a business operates” (MIN02) and “CSR includes a responsibility
towards the companies’ own employees as well as the wider society” (SDC01). More
specifically, a couple of participants expressed the view that CSR beneficiaries should
include specific groups and activities. For example, “CSR should involve training and
development of staff in the NGO sector” (SDC01), and “some companies supported
a project to promote the work of families involved in cottage industries” (SDC02).

5.3. The Saudisation programme

As already mentioned in chapter 3, the Saudi government in collaboration with the
private sector introduced the Saudisation programme as a policy to give priority of
employment to Saudi nationals in response to increasing concerns over the shortage
of skills and employment of Saudi citizens (Hamdan, 2005; Fakeeh, 2009). In this
section, the views of the non-governmental groups, in particular the private sector, on
the Saudisation programme will be analysed and discussed. The focus on the private
sector here is due to the fact that they are the group of participants who are directly
involved in the implementation of this policy. It is important to start by emphasising
that the Saudisation programme is not linked to or considered as part of CSR
activities, nor it is seen to be by participants, as made clear by participant PR01 who
stated that “the Saudisation programme is not part of CSR”. However, the reason for
discussing it in this work is related to the existing overlap between its main aim of
enhancing the skills and employment of Saudi citizens with the vision proposed in this
work for using CSR as a vehicle to help achieve the same aim. In other words, through
the understanding of the challenges and limitations of the Saudisation programme, it is hoped that more could be learned to help better plan and implement CSR initiatives linking the Saudi private and public sectors.

Participants were asked about what the private sector requires from the government in order to implement the Saudisation programme more efficiently. In this context, it is critical to note a comment made by a participant stating that “the Saudisation programme is about employing qualified Saudi citizens, not just Saudi citizens” (PR02). This understanding is vital in the way it implies that Saudi citizens need to be trained and qualified to be eligible for employment in the private sector. However, it must be recognised that this understanding is not necessarily widely shared among the government and the private sector, which makes it possible for non-suitably qualified citizens to be considered for employment within the Saudisation programme. Nonetheless, the Saudi government appears to continue to put much effort in support of this policy. For example, it was stated that “the government is already doing a lot to encourage and incentivise the private sector to employ Saudi citizens” (PR05), and “the government is already helping by paying part of the salaries and also for the training of Saudis working in the private sector” (PR03).

Despite the government effort, the private sector appears to remain very critical of the programme citing a number of challenges and limitations to this policy. These include the higher cost of employing Saudi citizens compared to non-Saudi employees, in addition to a recognised difference in skills and work culture in favour of the latter. For example, it is stated that “one of the main problems facing the Saudisation programme is the high cost of employing Saudi citizens compared to foreign workers (PR03), “the private sector is partly responsible for the lack of success
of the programme as they are not willing to pay higher salaries for Saudi citizens” (PR08) and “the private sector is motivated by profit and prefer to employ non-Saudis at lower cost” (PR09). Other reasons to the stated limited success of this policy include the typically long working hours in the private sector, which is not preferred by Saudi citizens as stated by Participant PR06:

“One issue for retail employers is the long working hours (about 12 hours a day). This is more suitable for non-Saudi workers than Saudis who prefer to work shorter shifts in order to accommodate their family and other life commitments. As a result, there have been demands for the shorter working hours in the retail sector as an incentive for Saudi youth.”

Interestingly, it appears that some private sector employers offer low level and non-critical employment opportunities to Saudi citizens to enable them to access government incentives leading to the Saudisation programme becoming limited to low level jobs. For example, it was stated that “the private sector employs Saudis at low level jobs as a way of meeting official requirements in order to qualify for incentives” (PR08), and “the programme is mostly focused on low level jobs” (PR07). This is interesting as it shows that private sector employers are interested in the benefits and incentives of the Saudisation programme but not in the actual intended purpose of it, which is to create and enhance capacity and skill of Saudi citizens. It also illustrates how government targets are not best achieved through this mechanism. It, therefore, presents an opportunity for CSR to be thought of and considered as a potential mechanism to help improve the skills and employability of Saudi citizens.

5.4. Capacity building and training needs in Saudi Arabia

When asked about the types of capacity building and training programmes needed in Saudi Arabia, participants from the private sector expressed very clear views on
training requirements emphasising that training should be targeted and tailored to specific needs. It was stated that there was a need for “specialised and targeted training programmes” (PR03), and “programmes should be suitable for the specific needs of the community” (PR06). Moreover, it was suggested that training programmes should be linked to defined employment opportunities as a way of ensuring that training programmes were being taken seriously by Saudi citizens. This idea was described as “training leading to employment” (PR10) and was seen as one of the ways to ensure that Saudi citizens received professional training to help them develop their skills and be prepared to apply these skills directly to their jobs. Clearly, this suggestion is motivated by the need to improve the skills as well as reduce unemployment among Saudi citizens.

Similarly, participants from the chamber of commerce expressed consistent views with those of the private sector’s emphasising the need for novel, creative and sustainable capacity building and training programmes supported by a strategy and vision. It was stated that “creativity should be encouraged in order to introduce programmes with direct benefit to society” (CHAM01). It was further suggested, by the same participant, that these programmes should focus on skills related to current and future society needs:

“The government is encouraging an economy that is not dependant on the oil industry and the private sector is invited to play a key role in this new direction, where a knowledge-based economy is encouraged. In this context, society needs should be assessed and understood and training programmes should be planned accordingly.”

Similarly, participants from the NGOs sector emphasised the need for tailored training programmes according to specific requirements of the labour market and of the individuals. For example, it was stated that “There is a need for more focused and
specialised training for men and women” (NGO01) and “Women need to improve their self-confidence and learn how to deal with others especially with men and know their rights in the workplace” (NGO02).

A number of specific examples of basic skills and training needs were suggested by the non-government participants. These included IT skills, personal development, time management, CV writing, planning, team work, leadership, work culture and work ethics skills. For example, participant CHAM02 suggested that “personal development programmes such as time management, personal and financial planning and freelance culture” were needed. On the strategic needs and directions of training, skills and capacity building in Saudi Arabia, participants expressed the need for expanding the industrial sector in Saudi Arabia and for the private sector to organise and run more training courses to help develop the Saudi workforce. They stated that there was “a need for a national strategy to create a knowledge-based society” (PR09), and “a need for research on social development” (PR07). It was highlighted that there was “a gap between education and training of young people” (PR09).

On the other hand, when asked about the types of capacity building and training programmes needed in Saudi Arabia in order to improve employability of Saudi citizens, government participants expressed very clear views on the need to have a broader strategic view on this matter, where steps should be taken to evaluate and assess training needs and requirements. It was suggested that such needs should be determined based on “comprehensive surveys” (MIN03) and should involve “human resource management directorates” (MIN02) with the aim of developing “professional
development programmes for targeted community groups” (MIN02). Participant SDC06 provided a comprehensive view on these matters stating:

“There is a need to update and modernise the content of education curricula in Saudi Arabia and to evaluate society needs on a national scale. Strategic thinking is required to ensure that training is part of development projects and that government is considering the impact of various programmes on each other.”

More specifically, government participants expressed views on training needs emphasising that Saudis needed to “learn from the experience of other countries” (SDC01) and that stronger emphasis needed to be placed on “work culture and ethics” and on “evaluating and measuring the impact of training programmes on employees” (SDC04). In addition, training programmes needed to “take into consideration both individual and institutional needs” (SDC06). Similar to what has been suggested by the non-government participants above, a number of specific examples of basic skills and training needs were suggested by the government participants. These included IT skills, personal and professional development, leadership, social volunteering, work culture and work ethics skills. For example, a number of participants suggested that “skills related to improving discipline and productivity” should be considered. Participant SDC03 provided a detailed list of skills that could be included in future training programmes including: communication, technical, administrative and finance skills in addition to personal capabilities such as leadership, self-confidence, loyalty and belonging could all be part of training programmes.

5.5. Improvements and recommendations

5.5.1. CSR practices in Saudi Arabia

Participants offered a wide range of views on the **requirements needed to improve current CSR practices in Saudi Arabia**. It was generally agreed amongst government participants that “current practices of CSR in Saudi Arabia could be improved” (MIN01), and Saudis “should learn from the experience of other countries” (SDC06). Importantly, it was recognised that “the Ministry should do more to encourage and support CSR initiatives” (MIN01). Similarly, non-government participants had a number of clear and strong opinions on the need to improve current CSR practices in Saudi Arabia. Potential areas where improvements could be implemented included national and business strategies, legislation of CSR, types of CSR programmes and public-private partnerships. It was generally agreed amongst participants that there was no clear overall CSR strategy in Saudi Arabia. This included both national as well as business strategies. In this context, the chamber of commerce participants emphasised the need for CSR to be more firmly integrated into the long term business strategy of Saudi companies. In addition participant PR10 stressed the need for a “**national strategy for CSR**” and Participant SDC06 suggested that:

> “CSR should be part of business strategies of Saudi companies. CSR initiatives of companies should then be aligned with an overall government national strategy and development plans.”

One of the key suggestions for improving CSR practice in Saudi Arabia included the idea of **legislation and regulation of CSR** work making it much more defined and clear. Controversially, a couple of participants called for CSR to become a mandatory practice in Saudi Arabia stating “although CSR is optional in most countries, it should
be made mandatory in Saudi Arabia through legislation” (SDC06) and “CSR work is needed to be better regulated through mandatory legislations” (MIN03). These statements were made in the context of the fact that the private sector in Saudi Arabia has long benefited from government support and subsidies and it is now the time for them to contribute to social development and pay back through helping society.

The need for a national CSR coordination and implementation body was raised by a number of private sector participants. According to participant PR06, “an independent body is needed to organise and regulate CSR work and help establish more coordination among companies”. Similarly, participant PR10 stated that there was a “need for an authority to manage and organise CSR work”. This requirement was discussed by a chamber of commerce participant who stated that “government should organise and legislate CSR practices and take advantage of the increased public awareness of the concept” (CHAM01). On this point, it was revealed that “there are discussions to establish a national CSR council to coordinate and manage CSR initiatives in Saudi Arabia” (CHAM02). The need for coordination and integration of programmes was stated very clearly by participant PR06 in the following:

“My opinion is that companies in all sectors are doing well with regards to their CSR work. However, society is not satisfied by the companies’ CSR work, mostly because of the lack of an independent body or organisation that regulates all of these scattered activities. Each company or bank contributes as much as possible but this work is being done in isolation and without organisation or integration among programs or activities.”

As for the CSR projects, participants suggested that they needed to be tailored to suit the needs of the Saudi society and they “should be varied over a broad scope of activities to avoid overlap amongst companies especially in large cities”, and should also be “extended to include rural and remote areas” (SDC01). Crucially, Ministry participants emphasised a number of requirements that need to be considered in
supporting the private sector to adopt sustainable CSR as part of their strategic planning. These include a new framework of culture and values that aim to “establish credibility”, “emphasise institutional not individual culture” and “encourage transparency and clarity of partnerships” (MIN01). Participants also agreed that “incentives and rewards should be offered to companies with good CSR activities” (MIN02). It was suggested that the Ministry needed to do more in order to “promote CSR in the private sector through seminars and workshops” (MIN03).

It was clear that partnership between the public and private sectors is an area where many participants agreed that more needed to be done. It was recognised that “current government and SDCs programmes lack partnerships with the private sector” (SDC06) and that “CSR should be used to forge partnerships between public, private and civil sectors” (SDC06). This is an area where the Ministry of Labour and Social Development is expected to do more as expressed by participant SDC04:

“The Ministry of Social Affairs is not doing enough in this regard and should play a stronger role in forging partnerships with the private sector”.

Other requirements for improving CSR practices, according to private sector participants, include “transparency and disclosure” (PR09) and “government support” and “more policy input from the private sector” (PR10). The chamber of commerce participants stated that CSR reporting and evaluation was currently voluntary and there was still no clear and agreed upon method to measure the success and impact of CSR programmes. In this context, participant CHAM01 stated:

“An idea was considered to introduce a measure of CSR performance under the name “The Indicator”. Companies were, however, not ready for evaluation, which resulted in the idea being postponed, while the details of the plan are being reviewed and developed. Meanwhile, there is a proposal for the government to issue national certificate to acknowledge and motivate companies with outstanding CSR work.”
5.5.2. Education and Training

As stated earlier, the aim of any discussion of the Saudisation programme in this work is to emphasise the existing overlap between its main aim of enhancing the skills and employment of Saudi citizens with the vision proposed in this work for using CSR as a vehicle to help in the training and capacity building of Saudi citizens. In this context, the recommendations and improvements of the education and training aspects of the Saudisation programme could potentially be relevant to CSR implementation. In this context, a number of suggestions have been made by the non-government participants in order to improve the implementation and outcomes of the Saudisation programme. These included placing much more emphasis on the education and training of Saudi citizens to help them prepare for and meet the demands of the job market, introducing stricter government regulations to enforce the programme, improving the work conditions to help attract Saudi citizens and offering more incentives to employers. With regards to education and training, the private sector participants offered a number of interesting views and suggestions including:

“There is a need to evaluate and improve the quality of national training programmes, and to match market employment requirements with these training and education programmes.” (PR10)

“The government should pay more attention to the quality of the education system and offer more training opportunities to Saudi graduates to suit market needs.” (PR08)

These views were echoed by participants from the NGOs. For example, participant NGO01 stated:

“Education, education, education! Our education system is very weak and we need more research and researchers [to improve it]. Our education system should focus on preparing graduates for the job market.”

More specific suggestions in this regard included that:
“The government should offer loans to training institutions to help them offer more training opportunities to Saudi citizens and should also contribute to the cost of employment and training in the private sector.” (PR09)

In relation to the introduction of stricter government regulations to improve the quality of the Saudisation programme, it was suggested that:

“The government should change some of the rules controlling its public contracts to ensure that bidding companies employ Saudis as a certain fraction of its workforce.” (PR03)

Additionally, it was proposed that the work and employment conditions should become more comparable between the private and public sectors to help encourage Saudi citizens to move towards the private sector. The following quotation represents an interesting, recent development in the government’s direction to help improve the implementation of the Saudisation policy:

“One of the reasons of unemployment [of Saudi citizens] is the educational outputs are not compatible with the private sector requirements so the government now is investing in training through The Human Resources Fund (Hadaf) and The public Institution For Training and Technical Education to encourage companies to get into a partnership with Hadaf to achieve Saudisation.” (PR10)

5.6. Summary of Findings

The chapter reflected the views of all government and non-government participants on the current state of CSR practices and aspects of social development in Saudi Arabia. Findings were presented thematically focusing on the understanding and evaluation of current CSR practice in Saudi Arabia, the Saudisation programme and capacity building and training needs in Saudi Arabia.

In relation to the current state of **CSR understanding** in Saudi Arabia, participants offered a wide range of views and ideas on topics related to CSR concept, purpose, practice and beneficiaries. These views reflected the participants’ own understanding
of CSR as well as their evaluation of the way CSR was currently being practiced. Participants emphasised that the concept of CSR was not agreed upon, and argued that there was a lack of clear understanding among Saudi companies of what CSR was. They thought that the concept of CSR was often mixed and confused with other practices such as charity, public relations and marketing. Interestingly though, it was clear that these views, in the private sector, were not applicable to their own understanding of CSR and were mostly limited to their evaluation of “other” companies’ understanding of CSR. They stated that their own CSR work was not confused with charity or PR practices and was mostly related to training, education and capacity building in the community as part of their role in addressing community challenges. In relation to the purpose of CSR, participants’ views ranged from it being mainly a help to communities to being a mutual help to communities and business or a way of supporting the government address societal challenges.

On the current practice of CSR and what it actually does, participants agreed that it mostly focused on community challenges and contributed to social development by helping individuals and communities through the provision of training, education and building of human capacity. It was recognised that there was a clear, strategic move within the private sector to establish dedicated CSR departments run by suitably qualified staff with the responsibility of planning and executing CSR programmes. Importantly, participants highlighted a significant change in the way CSR is being practiced through realising that CSR training programmes needed to be linked to or leading to employment opportunities, entrepreneurship and innovation. Participants also expressed the view that CSR beneficiaries should include specific target groups such as youth, women and orphans with tailored training programmes to suite market
needs. Interestingly, the findings revealed a contrast between the Saudi companies’ relatively well defined understanding of their own CSR work being focused on training and education and helping the community and their assessment of the lack of clear understanding of CSR amongst other Saudi companies.

Although it was recognised that the *Saudisation programme* was not directly related to CSR, it was included in this analysis due to the overlap between its main aim of enhancing the skills and employment of Saudi citizens and the vision proposed in this work for using CSR as a vehicle to help improve training and skills of Saudi Citizens. In other words, through the understanding of the challenges and limitations of the Saudisation programme, it is hoped that more could be learned to help better plan and implement CSR initiatives linking the Saudi private and public sectors. It became clear, based on views expressed by non-government participants that Saudi citizens needed to be better trained and qualified to be eligible for employment in the private sector. Despite continuing government efforts, the private sector appeared to remain very critical of the programme citing a number of challenges and limitations to this policy. These included the higher cost of employing Saudi citizens compared to non-Saudis, as well as a recognised difference in skills and work culture in favour of the latter. Interestingly, it appeared that some private sector employers offered low level and non-critical employment opportunities to Saudi citizens to enable them [the employers] to access government incentives leading to the Saudisation programme becoming limited to low level jobs.

Participants expressed very clear views on the types of *capacity building and training programmes* needed in Saudi Arabia by emphasising that training should be targeted and tailored to the specific needs of the labour market, with strong
emphasis on training programmes that were linked to defined employment opportunities. They also emphasised the need for novel, creative and sustainable capacity building and training programmes supported by a strategy and vision. A number of specific examples of basic skills and training needs were suggested and included IT skills, personal development, time management, CV writing, planning, team work, leadership, work culture and work ethics skills. On the strategic needs and directions of training, skills and capacity building in Saudi Arabia, participants expressed the need for expanding the industrial sector in Saudi Arabia and for the private sector to organise and run more training courses to help develop the Saudi workforce.

Participants offered a wide range of views and recommendations related to the topics presented in this chapter. On the requirements needed to improve current CSR practices in Saudi Arabia, government participants accepted that the Ministry should do more to encourage and support CSR work. The non-government participants highlighted a number of potential areas where improvements could be implemented including national and business strategies, legislation of CSR, types of CSR programmes and public-private partnerships. It was generally agreed amongst participants that there was no clear overall CSR strategy in Saudi Arabia. This included both national as well as business strategies. A need for CSR to be more firmly integrated into the long term business strategy of Saudi companies was expressed. One of the key suggestions for improving CSR practice in Saudi Arabia included the idea of legislation and regulation of CSR work making it much more defined and clear. In this regard, some participants called for CSR to become a mandatory practice. Most notably, a national CSR coordination and implementation
body was stated to be needed to help organise, coordinate and regulate CSR work among companies. As for the CSR projects, participants suggested that they needed to be tailored to suit the needs of the Saudi society and ensure that overlap between projects is avoided. It was clear that partnership between the public and private sectors was an area where many participants agreed that more needed to be done. In this context, participants often referred to the difference between “short term” and often “one off” charitable and PR activities being a dominant form of current CSR practices. They contrasted this with the need for more “strategic” and “long term” types of activities, which would need to be more structured and organised. Details of the types of such activities were not provided, but the concept was explored. The only exception perhaps was the frequent mention of “training and education” as a long term idea which was often linked to job creation.

In relation to the education and training aspects of the Saudisation programme, which could potentially be relevant to CSR implementation, suggestions included placing much more emphasis on the education and training of Saudi citizens to help them prepare for and meet the demands of the job market, introducing stricter government regulations to enforce the programme, improving the work conditions to help attract Saudi citizens and offering more incentives to employers.
Chapter Six: Findings and Analysis

Social Development Centres and a Potential Role for Government in CSR implementation
6.1. Introduction

As discussed in chapter three, in order to address current social development, skills and employment challenges in the Kingdom, a new strategy involving the Saudi government, the private sector and local Saudi communities is needed. In this context, an appropriate form of CSR could potentially offer a viable solution to these challenges. The old tradition and expectation of governments alone being responsible for the welfare of citizens, which is still largely the case in Saudi Arabia being an example of a rentier economy state, is changing due to increasing demands on government budgets. This has resulted in increased government expectations for help from the private sector through public-private partnerships. In this context, this chapter presents findings and analysis related to the idea of a government role in CSR implementation in Saudi Arabia, with a focus on preparing Saudi citizens for the requirement of the private job market and offering them employment opportunities. This is presented through a detailed investigation of the current role of the government run social development centres (SDCs) and the views of all participants towards a potential role for government in CSR implementation.

One of the main aims of this research was to assess the suitability of the SDCs for a potential role in CSR implementation through an evaluation of their current role and capacity before seeking participants' views on the idea of public-private partnerships and in the implementation of CSR. It is important to note, however, that this chapter does not discuss SDC’s actual CSR work, as they have not, to date, been directly involved in any CSR work in Saudi Arabia. Rather, the focus is on evaluating the current state of SDCs and assessing their potential to be involved in future partnerships to deliver CSR initiatives in Saudi Arabia. As discussed in the methods
chapter, participants were asked what they knew about the SDCs and how they perceived them. They were also asked to evaluate the current role of the SDCs and how to improve it. In addition, participants were asked about their experiences with public-private partnerships. Finally, they were asked to provide their thoughts on a potential role for government and SDCs in CSR implementation and how best to utilise it. The findings are presented thematically under the following headings:

1. Awareness of the SDCs and evaluation of their current role
2. Public-private partnerships in social development
3. A potential role for the government and SDCs in CSR implementation

6.2. Awareness of the SDCs and evaluation of their current role

This section presents findings describing and evaluating the current activities undertaken by the social development centres (SDCs) from the point of view of government participants representing the Ministry of Labour and Social Development and the SDCs themselves. It also examines the degree of awareness of non-government participants of the SDCs and their current role in Saudi society. As introduced in chapter one, the SDCs are social institutions working within the structure of the Ministry of Labour and Social Development tasked with the social development of local communities through partnerships with community members as well as with other governmental and non-governmental organisations. They provide support and resources for the implementation of social development programmes as well as community programmes related to a wide range of areas including culture, health, sports and environment (Ministry of Labour and Social Development, 2014). The SDCs have recently been given the task of supervising and regulating the work of
charitable and non-governmental organisations working in Saudi Arabia. The findings presented in this section are relevant for assessing the potential role of SDCs and the feasibility of a government-led implementation of CSR in Saudi Arabia proposed as part of this research and discussed later in this chapter.

6.2.1. Current perception and awareness of the SDCs

Participants from the Ministry of Labour and Social Development emphasised the wide range of projects being carried out in coordination between the SDCs and the local social development committees, which are formed by community members on a voluntary basis to help identify and implement social programmes. It was stated that these programmes “were not used to be considered as part of a government strategic plan but this is changing” (MIN02), and they are often now linked to government strategy on social development and that the Ministry has “an administration responsible for developing its strategies and plans, and SDCs projects are part of these strategies” (MIN01). It was further stated that there has been an increasing emphasis on social development in Saudi Arabia and that “the government intends to encourage more social development projects rather than direct aid ones” (MIN02).

Elaborating on this point, participant MIN01 stated:

“The Ministry has more than 145 social development and welfare projects being conducted in coordination between the SDCs, the social development committees and NGOs. The Ministry is increasingly focusing on social development programmes and our intention is to give most of the social care projects to specialised NGOs leaving the Ministry employees [including SDCs staff] to focus on social development work and making social development a core task of the Ministry work.”

However, non-government participants had a clearly different perception and view of the SDCs. When asked about their awareness and evaluation of the SDCs and their current role, the participants from the Chamber of Commerce stated that they
had never heard of the SDCs or of any of their work. Therefore, they have not offered any views related to the SDCs or to their potential role in future CSR implementation in Saudi Arabia. However, the private sector participants appeared to have different levels of knowledge of SDCs. On the one hand, around half of the participants were aware of the SDCs and of their basic role in helping families in need of social support and their links to charities. A couple of the participants were aware of the SDCs but felt they did not know enough about their role or purpose. For example, it was stated that “their work is mostly related to families in need of social support” (PR03), “I am aware of their work on social development and links to charities” (PR07) and “I am aware of some their work but do not know them well” (PR09). The remaining participants, on the other hand, were not aware of the SDCs at all. In this regard, participant PR04 stated “I have never heard of them!”, while participants (PR06 and PR08) stated that the SDCs were “unknown” to them. It was suggested by a couple of participants that the current role of the SDCs was not clear and needed to be clearly defined (PR02 and PR10). The views of the NGO participants on this matter were largely consistent with those of the private sector. For example, participant NGO01 mentioned:

“I was not aware of the SDCs or of their role in the community until we were asked by the Ministry to conduct a study about this role!”

It is clear from these responses that the level of awareness of the SDCs among non-government participants is mixed with a substantial number of participants not clear about the SDCs or their current role. This reflects the limited current role of SDCs in the wider Saudi society and that, as a resource, they could potentially be utilised in a more effective way. This chapter focuses on evaluating and understanding the current state of SDCs in order to understand the potential role in CSR implementation. A more
detailed discussion of what would be needed for SDCs to play a role in CSR implementation will be presented in the next chapter.

There was a generally negative assessment of the current role and performance of the SDCs by the **private sector** describing them as “Timid and ineffective” (PR01), “Unclear role and ineffective” (PR08) and “Have no clear impact in the society” (PR-10). Importantly one participant stated that:

“There is a clear gap between government strategies and work of SDCs. These centres have a negative public image and are viewed as places for pensioners and old people to socialise.” (PR05)

This participant went on to suggest that:

“There is a clear gap between government strategies and work of SDCs”

In their response to the follow up question about possible reasons for the current state of SDCs, participants highlighted the lack of expertise and of appropriately qualified and trained staff as one of the main challenges followed by bureaucracy in governmental organisation being a constant obstacle hindering collaboration between the public and private sectors. In addition, the types of programmes being offered by SDCs and a lack of planning were seen as a contributing factor to the current state of SDCs. For example, the issue of staff qualifications and expertise was highlighted by participant PR07 as follows:

“The SDCs lack expertise. Most of their staff are not qualified as social workers and therefore, do not have the appropriate experience to fulfil their role. The centres have some excellent projects. However, the staff are often unable to carry them out properly due to their lack of understanding of the details.”

On the types of current programmes offered by the SDCs, participant (PR08) stated:

“In my opinion, they do not offer sustainable programmes, which can make tangible social impact. The private sector is looking for programmes with clear positive influence on society and the SDCs need to establish a better
understanding of society’s needs and deliver programmes accordingly. We think the SDCs lack the appropriate expertise in this regard. It is not that their staff are not working hard, it is more that they need better training, planning and funding.”

The views of the NGO participants on the SDCs were very similar to those of the private sector. For example, a very clear view was expressed by participant (NGO02) as follows:

“SDCs are not clear about their own role or purpose. They suffer from a lack of recognition and from being deemed unimportant. They lack the authority to take decision and only implement programmes set by the Ministry. Most of these programmes are run on a short-term basis and lack a clear strategy. SDCs do not have highly skilled and qualified staff.”

Another participant (NGO01) emphasised and expanded upon these views by stating that:

“SDCs do not have long term social programmes. I suspect that their programmes are not good enough and therefore they have no social impact. I think the decision makers in these organisations do not have the right vision.”

Similarly, participant (NGO03) stated that “The SDCs’ role is weak and they are in need of development”. This was consistent with the view expressed by participant (NGO04) that “SDCs are generally weak and have no authority in planning or implementing social programmes”.

Participants compared SDCs to Saudi charities and the wider Non-Governmental Organisations (NGOs) sector and thought that NGOs had a much better defined role and programmes. It was also suggested by private sector participants that NGOs had a higher overall quality compared to SDCs when it came to their resources, programmes and overall delivery. For example it was stated that “Unlike SDCs, charities have a clear and well defined role” (PR03), “Programmes run by SDCs lack credibility and need to be more transparent” (PR06), “NGOs appear to have many more initiatives compared to the SDCs” (PR07) and “NGOs have much more quality
than SDCs in terms of their resources and programmes” (PR05). The positive views of the current state of the Saudi NGOs were attributed to factors such as planning, better trained staff, organisation and access to good quality databases containing information on people with social needs. In the context of this discussion, it is perhaps not surprising that two participants have explicitly stated that NGOs have much more visibility and connections in the Saudi society and among the Saudi private sector, while SDCs remain largely unknown. In this context, it was stated that “Unlike SDCs, NGOs are well known in society and to the private sector” (PR05). One of the reasons for this contrasting view of the NGOs and SDCs is perhaps the negative influence of government bureaucracy on the general perception of SDCs as suggested by two participants from the private sector. Other suggested reasons include the lower resources of SDCs compared to those available to NGOs. Governmental bureaucracies in the Arab World in general have long been thought to have serious administrative problems and are generally perceived to have a negative influence on government operations. Common problems associated with government bureaucracies include a lack of worker motivation or commitment, overconcentration of authority at the top of administrative hierarchies, excessive political interference, mismatches between position requirements and training, a lack of trust between administrators and the public and extreme over or understaffing (Chackerian & Shadukhi, 1983; Weber, 1997; Lipsky, 2010). It must be emphasised, however, that the Saudi government has been working hard to shake up its bureaucracy and simplify regulation in order to modernise its operations and achieve efficiency gains (Vision 2030).
On the relationship between SDCs and NGOs, a view was expressed that NGOs perceived the new regulatory role of SDCs to hinder their work, which suggests that further development is needed if they are to partner with companies to play an effective role in CSR. However, the views of the NGOs are not all positive, as a number of participants emphasised that the quality of NGOs and their work was highly variable with a small number of excellent organisations. Other highlighted issues include the preference of some NGOs for direct financial support instead of specific projects or programmes, as well as complaints about alleged cases of corruption and extravagant behaviour. In this regard, it was recommended that the Ministry of Labour and Social Development needed to play a stronger role in regulating the work of NGOs through the setting of standards to further regulate their work.

6.2.2. An overview of the selection and implementation of SDC projects

Details on the mechanisms of selecting SDC projects were provided by SDC participants who also offered views on the evaluation of these projects and on measuring their social impact. Participants shared the view that the main mechanism for the selection of SDCs project was through a range of programmes set by the Ministry. According to participant SDC01:

"The Ministry sets a number of programmes and initiatives for all SDCs to select from. Each centre draws their annual plan based on a combination of the most suitable available programmes and sends it to the Ministry for approval and funding."

Elaborating on the types of government-set programmes, participant SDC02 added:

"Examples of these programmes include projects to support divorced women and productive families (cottage industries), child care for children with special needs, family guidance and support. In addition, some projects focus on conducting social surveys to identify families in need of help and to then explain to them how to access social welfare. Other programmes are designed to train young women in things such as hair dressing and sewing."
However, a number of participants argued that different communities have different needs and this should be reflected in the types of programmes being offered. In this context, participant SDC06 stated that “communities have specific needs and this should be reflected in development programmes”. In addition, it was stated that “community needs differ from an area to another” (SDC03), and “the choice of programmes depends partly on community needs but the freedom of choice is not absolute” (SDC01). Consequently, the SDCs use a number of methods to establish the specific needs of their local communities. These methods include the use of surveys conducted by the Ministry, surveys conducted by the centres, direct consultation with local communities and NGOs. For example, in their responses to a question about their methods of selecting social programmes, participants stated “surveys are a recent development in collecting primary data and we are still in the early stages” (SDC03), “we try to respond to public opinions and offer relevant programmes based on surveys and questionnaires conducted by the centre” (SDC04) and “we use questionnaires to establish community needs” (SDC02). It is clear that some of the SDCs are beginning to take a pro-active approach to determining the areas of support needed for their local communities and to help them select appropriate support programmes. For example, participant SDC05 stated:

“We conduct our own surveys to help establish community needs. In one survey in the city of Dammam, we learnt that members of community were not aware of the SDCs or of the services provided by the Ministry of Social Affairs. We are looking to conduct more research to help identify community needs and issues. We hope to do this on the basis of academic research and we are in discussions with local universities to help us design and conduct social surveys.”

According to SDC participants, the majority of projects and programmes currently conducted by the SDCs focus on “social development” (SDC05) and their main target audience are “young women, families and children” (SDC01). Examples of such
programmes include “an annual summer festival focusing on community and family activities” and “mother and child educational programmes” (SDC02). Other programmes are designed to “strengthen neighbourhood relations” and “raise awareness about domestic violence problems” (SDC03). Funding initiatives are also included in some of the SDCs programmes. For example, participant SDC03 mentioned that they were involved in a programme to “support cottage industries (productive families)”. As for the typical duration of these programmes, participant SDC05 stated that “the nature of the programme and the beneficiaries determine its duration”, and participant SDC01 explained:

“Some of these programmes such as recreational and entertainment based ones are typically run on short-term basis, while others such as our child care programme, which include about 190 nurseries, are run on a long-term basis.”

As for the implementation of SDC programmes, participants stated that they try to avoid duplication of projects and activities by ensuring to coordinate with other stakeholders such as local social development committees. In addition, participant SDC03 mentioned that “programmes are often mixed to include popular and less popular but important elements” (SDC03). It was agreed that successful projects and programmes are rolled out and shared with all other SDCs. It is important to note that in addition to their role in planning, coordinating and running these programmes, the SDCs have additional supervisory and regulatory roles. These roles include “regulating and licensing children’s nurseries and family rehabilitation centres”, as well as “supervising the charities and other non-governmental organisations (NGOs) and the national development committees” (SDC05). In this context, some participants expressed an opinion that “with the newly added task of supervising NGOs, SDCs are starting to do more supervision and less implementation of projects” (SDC04).

Overall, participants do not appear to be very satisfied with the success of their
programmes. For example, it was stated that “programmes are somewhat successful but there is a need for more” (SDC01), “some of these projects are successful but others do not attract participants” (SDC02), and “programmes are partly successful” (SDC04).

6.2.3. Measuring the social impact of SDCs projects

Very importantly, all government participants agreed that the social impact of SDC projects and programmes is not systematically measured, and that the SDCS do not have an agreed measure of success or failure of their programmes. In this regard, it was stated that “social development programmes are not being measured” (MIN01), “we do not have a clear way of measuring and evaluating the success and social impact of our projects” (SDC01) and “there is no evaluation process or measure of social impact of SDCs projects, and we have requested [from the Ministry] periodical expert evaluations for our programmes” (SDC03). It was further emphasised by participant SDC04 that:

“There is no central process to evaluate SDCs projects. There is no central measure of the social impact of SDCs projects. There is no recognition or reward from the Ministry for successful projects”.

It is worth mentioning that a number of SDCs conduct their own surveys in order to assess their programmes and to gain some idea about their social impact. However, this is currently done on a voluntary basis and not part of a systematic wider process. For example, it was stated that “we collect feedback from participants of our programmes but this feedback is not shared with the Ministry” (SDC03) and “SDCs evaluate their own projects and report to the Ministry” (SDC04). Other centres appear to invest more efforts in this regards as explained by participant SDC05:
“We carry our own evaluation with the help of expert organisations in order to measure the social impact of our programmes. This is our own effort and not required by the Ministry.”

6.2.4. Evaluation and training of SDC staff

The SDC participants provided an evaluation of the qualifications and training of the current SDCs staff. As for their qualifications, it was stated that staff qualifications included Saudi equivalent A-level, diplomas and university degrees in accountancy, social work and child care. On the training and development programmes currently on offer to SDCs staff, several participants mentioned that “training is offered by the Ministry through its training institutes” (SDC02, SDC03, SDC04). However, a number of participants stated that they offered their staff additional training opportunities. For example, participants stated “we offer staff specialised technical course in their areas of work in addition to a number of diplomas” (SDC01), and “we have started a year-long training programme to improve the skills of the staff involved in the supervision of NGOs” (SDC04). Furthermore, participant SDC05 stated:

“We offer our staff training through partnerships with government and private organisations. We also invite local experts to provide training workshops for our staff”.

In their evaluation of these current training programmes, participants stated the programmes offered by the Ministry are not sufficient and “repetitive, out of date and do not benefit the SDCs staff or community” (SDC06). One participant commented on the lack of quality of these programme by claiming that “they are partly responsible for the current weakness of SDCs staff” (SDC04). Comments were also made about the difficulty of accessing such programmes by SDCs staff. For example, it was stated that “some SDCs staff receive one or two courses per year but others wait for more than three years to receive any training” (SDC02, SDC03).
The views expressed by the participants from the Ministry of Labour and Social Development were largely in agreement with those of the SDC staff and emphasised the current lack of qualified expertise among SDC staff and the need for their professional development. Participants from the Ministry elaborated on these points by stating “there is a lack of expertise in the SDCs, and we are working on a development plan to deal with this” (MIN01), and “SDCs have some experienced staff but they need more training and development” (MIN02). These views imply that training and development of SDC staff would be an important requirement should they be involved in any future CSR roles. Details of this are discussed further in the next chapter of this work.

6.2.5. Challenges and limitations

Participants reflected on the current state of SDCs and offered their opinions on the reasons why they had a generally negative assessment of their current role and performance. On the challenges and limitations facing the SDCs including the types of barriers limiting the success of their current programmes, participant SDC01 suggested that these included “lack of planning, lack of appropriately qualified staff and lack of measure of social impact”. Moreover, several participants agreed that insufficient funding was one of the main barriers to the success of SDC projects and was regarded as a fundamental obstacle. Other challenges included that “the private sector was not keen on working with SDCs due to them being a public body funded by the government” (SDC04). This is perhaps related to the well-known problem of government bureaucracy common in many countries. Other challenges associated with the performance of the SDCs themselves include “programmes and initiatives fail if they do not suit community needs” (SDC05), and “repetition of a programme
could also lead to its failure” (SDC05). Participants provided a wide range of views on the requirements needed for the SDCs to overcome these challenges. For example, participant SDC06 stated:

“SDCs have management structure and organisation problems and they are in need of strategic changes in order to improve their work and role. There is a gap between planning and implementation of development work in Saudi Arabia and there is a need to keep up to date with the rest of the world. Training needs and programmes should be part of the strategic planning of the government. SDCs work should not be about supervising development work but they should be involved in designing and implementing initiatives. There is a serious lack of partnerships between SDCs and other sectors.”

Several other participants emphasised the important point about the need for partnerships between sectors in Saudi Arabia. For example, it was stated that “there is a need for more support from the private sector for SDC projects through partnerships” (SDC02), “partnerships with the private sector is key to the success of SDC projects” (SDC04), “the government should do more to forge partnerships with the private sector” (SDC04) and “there is a need for support from the private sector through partnerships” (SDC03). Other requirements for improving the quality of the SDCs work include better staff training and skills and “suitable venues for SDC programmes and activities are needed to ensure efficient delivery of programmes” (SDC05). Finally, most participants agreed that good planning, relevance to community needs, sufficient budgets and long term nature are keys to the success of SDCs projects.

6.2.6. Improvements and recommendations for the SDCs

It is clearly necessary for SDCs to improve their role and performance, if they are to play a role in CSR implementation. In this regard, there was a strong feeling among the private sector participants that SDCs needed to engage more with the media.
to publicise and promote their role and activities to the wider community including to
the private sector. Participants also recommended that more emphasis was needed
to be placed on sustainable programmes with direct relevance to societal needs.
Importantly, SDCs were encouraged to engage in government supported
partnerships involving public and private sectors. For example, it was recommended
that SDCs “should be driving initiatives in partnership with the private sector” (PR07).
In this regard, it was stated that there was a “need for partnerships among the private
sector, government institutions and the third sector” (PR10) and a “need for national
strategy for social development connecting public and private sectors” (PR09). Other
recommendations for improving the work of SDCs included a need for better planning,
more information databases to help planning, a system of governance and
accountability and more assessment of community needs. Importantly, the private
sector participants emphasised the need for improving the skills and quality of SDCs’
staff and to widen the scope of their programmes. In addition, it was mentioned that
SDCs need to have more authority and decision making powers to enable their
progress. Similarly, the NGOs’ participants agreed that SDCs “are in need of a
comprehensive development” (NGO02). Participant NGO03 elaborated:

“SDCs should improve the quality of their projects and find methods to
measure their social impact. There is a clear need for technical training of
SDCs staff to help them run projects and a need for a change of culture in the
way the SDCs currently work. SDCS need to develop themselves and to have
more partnerships with other sectors.”

Participants made it very clear that there was a strong need for improved training
programmes for SDCs staff. For example, it was stated that “we still have a long
way to go in training and developing SDCs staff” (SDC01). In this context, it was
suggested that “professional and technical training courses were needed for SDCs
staff” (SDC02, SDC03), “training courses should be linked to tasks for employees to
ensure that they take them seriously” (SDC03) and “it would be good for SDCs staff to have access to training in the private sector” (SDC02). Examples of the types of training requirements include “training programmes on report writing, public relations and preparation of social initiatives and programmes” (SDC05). Moreover, several participants emphasised the urgent need for additional training of SDCs staff following their newly assigned role of supervising NGOs. In this regard, it was stated that “SDCs are now in charge of supervising NGOs and there is a need for further training of SDCs staff to prepare them for this role” (SDC01), and “following the decision for SDCs to supervise NGOs, there is a clear need for further training and development of SDCs staff (SDC02).

6.3. Public-private partnerships in social development

In the context of commenting on the role of the private sector as responsible corporate citizens, participants from the Ministry of Labour and Social Development indicated that “the private sector is expected to support the country” (MIN03). Elaborating on this idea, participant MIN02 stated:

“The private sector has a very important role to play in supporting the community. The government supported the society for a long time on its own and now the private sector is expected to contribute.”

Participants went on to discuss the idea of partnership and cooperation between the public and private sectors in support of social development work in Saudi Arabia. They confirmed the presence of “several initiatives and programmes involving public and private sectors” (MIN01). However, it was stated that “they were mostly on
a small scale” (MIN02), and that “partnership with the private sector was a key goal of these programmes” (MIN01). Ministry participants emphasised that such programmes were certainly seen as an important part of the future direction of social development work in the Kingdom and “they were encouraged by the government and are expected to increase” (MIN02). One example of such cooperation was suggested to involve a contribution from the private sector to social development efforts “through training programmes and the creation of jobs” (MIN02).

**Participants from the SDCs** evaluated the state of their current partnerships with the NGOs and with the private sector. With regards to the former, it was mentioned that “SDCs have well-established links with a number of NGOs” (SDC01). However, these links were not regarded to be “strong enough to be considered partnerships” (SDC02). This view was consistent with the evaluation provided by participant SDC03 who stated “we have collaboration with some NGOs but no partnerships”. As for their relations with the private sector, the views of participants included: “there are no partnerships between SDCs and the private sector” (SDC01), “companies do not respond to requests from SDCs to support social projects” (SDC02), “the private sector responds positively to our requests but the level of partnership is not adequate” (SDC03) and “existing support or collaboration with the private sector is mostly based on personal links and relationships but not through formal partnerships” (SDC03). In this regard, participant SDC04 provided an example of these partnerships stating:

“Examples of successful projects included support and training from the private sector for productive families (cottage industries) in the region. These types of partnerships are often run on short term and on a project by project basis.”

Participants held the view that current partnerships between SDCs and the private sector are not working sufficiently well, as “the private sector is not aware of the SDCs
and their role” (SDC03), and that “the private sector focus on charity work and hence they tend to establish more links with charitable organisations” (SDC01). Other reasons stated by one of the participants appeared to blame a wider issue “lack of vision is one of the reasons for the lack of partnership between SDCs and the private sector” (SDC01). Despite the somewhat negative evaluation and apparent lack of satisfaction with the current level of cooperation between the public and private sectors, participants emphasised the importance of such partnerships and called for more efforts to improve them. In this context, participant SDC05 stated:

“I believe strategic partnerships between SDCs, the private sector and NGOs are very important for social development. We are working on forging partnerships with several bodies including the private sector, universities and health organisations.”

6.4. A potential role for the government and SDCs in CSR implementation

Under this theme, the views of all participants towards a potential government role in a CSR implementation involving the private sector, SDCs and local communities will be presented. Findings will be discussed in sub-themes focusing on the attitude amongst participants towards the idea, vision and key factors for its success, types and expectations of CSR projects and, finally, potential barriers and challenges to this potential role.

6.4.1. Attitude amongst participants

In general, non-government participants praised the government support and encouragement for the private sector and emphasised its contribution towards salaries of employees as part of the Saudisation programme as well as the range of benefits provided to businesses to help them succeed. On the other hand,
government bureaucracy was mentioned as a general obstacle hindering more collaboration between the private and public sectors. The interviews revealed a very positive attitude among the private sector and NGOs towards the idea of government involvement in CSR implementation and for it to lead a CSR initiative involving SDCs. A majority of the private sector participants were open to a role for government in CSR implementation and expressed their willingness to be part of such an initiative. Furthermore, the private sector participants did not, in general, object to the potential involvement of SDCs in government-led CSR implementation. For example, it was stated that “we welcome a role for the SDCs in coordinating CSR work without bureaucracy” (PR05), and “we welcome working with SDCs as they will save us time and effort in planning activities” (PR08). It is important to note here that this position to welcome a potential role of the SDCs in CSR was stated while taking into consideration the recommendations mentioned by participants for the SDCs to improve their current role and their ability to deliver development programmes in Saudi Arabia as discussed in sections 6.2.5 and 6.2.6 above. Further discussion of the potential role of SDCs in CSR and public-private partnerships is provided in chapter 7.

Similarly, the interviews revealed a very positive attitude among government participants towards the idea of government and SDCs involvement in CSR implementation. The Ministry appeared to be highly motivated to play a major role in the implementation of CSR initiatives aiming to contribute to social development. Participants representing leading figures in the Ministry confirmed that it was prepared to play a leading role in initiating and promoting CSR projects. In this regard, it was stated that “the Ministry considers itself a key player in the implementation of CSR in Saudi Arabia” (MIN02), “the Ministry should design suitable projects and promote
them widely to the private sector” (MIN01) and “the Ministry should initiate CSR projects and motivate companies to do them” (MIN03). Moreover, participants from the SDCs expressed very positive views and attitude towards potential future partnerships with the private sector within a CSR framework. For example, it was stated that “we of course welcome partnerships with the private sector” (SDC01), and “we are interested in forging partnerships with the private sector” (SDC03).

6.4.2. Vision and key factors for success

It was suggested by Ministry participants that partnerships and engagement with the private sector were key to the success of a potential framework linking between the government and the private sector. Therefore, the Ministry understands that it is part of its role and responsibility to “encourage partnerships with private sector” (MIN01) and to “actively engage with the public sector” (MIN03) as a “partner in the implementation of CSR” (MIN02). In doing so, the Ministry identified a number of ways through which it could help the private sector such as providing it with “information to help identify and facilitate access to specific target groups for their CSR projects” (MIN02). Importantly, Ministry participants recognised that the development sector in the Ministry needed to be more resourced and more prepared in order to be able to forge and lead such partnerships. Participants recognised that one of the ways to do this was through attracting and recruiting highly qualified experts to help steer this process. It was emphasised that this was part of an ongoing process of transformation within the Ministry of Labour and Social Development as expressed by participant (MIN02):

“The Ministry is not currently an attractive environment for highly qualified experts but this is changing. The Ministry is going through a process of
evolution and the social development sector is an important part of it. As a result the sector is becoming more attractive to such experts.”

Moreover, Ministry participants suggested a number of measures to help attract and encourage the private sector to participate in government-supported CSR initiatives. These included an active campaign by the Ministry to “promote development programmes to the private sector and link them to CSR policies” (MIN02). The measure of whether or not incentives were needed to encourage the private sector to engage in government-supported CSR work was subject to debate among Ministry participants. On one hand, it was questioned whether incentives were really needed given the existing government support to the private sector and the latter’s willingness and motivation to contribute to social development. On the other hand, it was argued that incentives would encourage more organisations to participate and it was a way of demonstrating “appreciation and credibility” (MIN01). One suggestion on the possible types of incentives included “recognition through a scheme of annual ranking of companies involved in CSR initiatives” (MIN02). This was consistent with the opinion expressed by a number of private sector participants, who suggested that there might be a need for a system of incentives and rewards from the government to encourage the private sector to become more involved in the proposed government-led CSR framework and in CSR initiatives in general. For example, it was stated that “The government should encourage and reward companies involved in CSR work” (PR03) and “There should be government incentives and rewards for companies involved in CSR” (PR05). This idea was echoed by a participant from the NGOs sector stating “The government should introduce incentives to encourage CSR initiatives and should also punish companies that do not do CSR” (NGO02).
Expressing their expectations and vision of the idea of government involvement in CSR implementation, **SDC participants** stated that “we aspire for partnerships based on professional understanding of CSR that leads to important development programmes” (SDC02), and “partnerships must be based on coordination and be informed by research to design and implement social projects” (SDC05). Furthermore, participant SDC01 emphasised the wider benefits of such idea stating:

“A partnership with the private sector will improve development programmes and will bring a new perspective and freedom to the implementation of social programmes, and will enable the private sector to support civil society.”

Elaborating on their vision and views of the envisaged partnerships and the roles of partners within them, SDC participants further emphasised that “evaluation and assessment of programmes should be part of any partnerships” (SDC05) and such partnerships should focus on training and skill development of Saudi citizens. In this context, it was stated that:

“Partnerships should provide comprehensive community support for all groups of the population, where the private sector supports activities focused on specific aims through training and the SDCs provide supervision with accountability and transparency” (SDC04); and

“Training needs and programmes should be part of the strategic planning of the government and should be part of CSR work to benefit Saudi citizens in all public and private sectors. Collaboration with international organisations to help with training programmes” (SDC06).

There was a strong agreement among the **private sector participants** about a need for a national body or agency to coordinate, supervise and manage CSR work in Saudi Arabia. They thought such organisation would help “prevent duplication of efforts and projects” (PR02, PR03 and PR06) and “regulate CSR work in a Saudi context” (PR02). Furthermore, it was stated that:
“A national CSR body would help unite all CSR efforts to create an alliance with large funds, while allowing companies to also run their own individual projects if they wish to do so” (PR03).

Suggestions about the nature and role of this organisation included that:

“The ministries of commerce and social affairs should lead this organisation with substantial participation from the private sector” (PR07), and

“It should take the form of an agency or an umbrella of CSR connecting private and public sectors.” (PR08)

These suggestions imply that there appears to be an expectation among the private sector that the government should be involved in this CSR body. One of the participants predicted that “A national agency would encourage companies to participate more in CSR” (PR08). In this context, a demand for “a national strategy for CSR” (PR09) was also made. Furthermore, a participant from the NGOs sector called for CSR to be made mandatory:

“CSR should be made mandatory and it is the responsibility of the Ministry to come up with ideas and initiatives and encourage the private sector and the NGOs to participate.” (NGO02)

6.4.3. Types and expectations of CSR projects

As for the types of projects and CSR initiatives with government involvement, it was strongly suggested by government participants that emphasis needed to be placed on job creation. In other words, the focus of any potential partnerships with the private sector needed to not only ensure that beneficiaries were provided with the appropriate level of training and development to prepare them for the labour market, but also to ensure that suitable jobs were being created in the process to offer them employment. In addition, a range of examples of potential CSR initiatives and their beneficiaries were suggested by participants. These included the provision of support to specific
groups such as youth, people with special needs and families working in the cottage industry. For example, it was suggested that projects could involve:

“Supporting the cottage industry through the provision of permanent exhibitions for their products” (SDC02), and
“Early intervention programmes to help people with special needs.” (SDC06)

Other suggested projects were based on helping the SDCs improve their delivery of social development programmes through “funding to construct SDCs venues that meet safety and security standards as suitable locations for the delivery of development programmes including training halls” (SDC03). Smaller scale projects were also suggested by a number of participants with the aim of providing recreational community activities.

As for the private sector’s views on and expectations of CSR projects and initiatives involving a role for government, there was a clear emphasis that projects needed to be sustainable, transparent, subject to monitoring and without exaggeration of costs. Importantly, there was a clear preference for projects with tangible objectives and outcomes over projects limited only to direct financial support. In addition, the private sector participants stated the need for setting priorities for defined target groups, with a strong emphasis on delivering projects that have clear targets of training and capacity building of young people. For example it was stated that “CSR programmes need to focus on target groups and training” (PR4), “initiatives should focus on building capacity to achieve social development” (PR05) and “projects should focus on building capacity for young people” (PR05). It is worth noting that only two participants emphasised the need for CSR activities to be linked to the companies’ own activities and to be part of their strategies. In this context, it was stated that there
was a need for “legislations for CSR to be part of strategies of companies” (PR05). Moreover, it was stated that:

“CSR activities should be part of a company’s strategy and should ideally involve training and capacity building work, which is directly connected to the company’s main business activities.” (PR10)

The views and expectations of the NGO participants of the CSR projects and initiatives included an emphasis on the importance of strategic partnerships and support for small and medium businesses as well as on helping young men and women. Importantly, the need for taking the interest of companies into consideration was explicitly mentioned by participant NGO02 as they stated: “Companies should engage in CSR activities directly related to their field of business”. This view reflects a level of awareness for the need to CSR to be implemented in a strategic manner, where benefits to both business and community can be achieved as discussed in CSR definition in chapter two.

6.4.4. Potential barriers and challenges

The Ministry participants provided some insights into potential barriers that could challenge the implementation of a CSR projects involving public and private sectors. These included issues related to the structure and objectives of the potential public-private partnerships. For example, clarity of vision, objectives and recognition of partnerships were deemed essential components for the success of such framework. For example, it was stated that:

“The desire of companies to engage in short term programmes focusing on publicity rather than strategic social development is a potential barrier to the success of the proposed CSR framework” (MIN02), and

“Misunderstanding of the difference between CSR and charity is the biggest barrier to the success of this potential CSR implementation framework.” (MIN03)
A private sector participant highlighted the possibility that government bureaucracy often lead to private sector organisations preferring to work with non-governmental partners and this could represent an obstacle to a potential role for government in CSR implementation.

Crucially, limitations related to the role of SDCs were recognised and emphasised by participant MIN02 stating that “lack of maturity and expertise within the SDCs is one of the main barriers for the proposed CSR model” (MIN02). This was further emphasised and elaborated on by several private sector participants highlighting a number of fundamental requirements related to the current performance and resources of SDCs, which would influence the expected role of SDCs in such arrangement. These include:

“Work should start with developing the skills of SDCs staff before moving on to wider projects” (PR05), and

“There is a need for an efficient system of communication and coordination among SDCs, charities and the private sector.” (PR07)

Furthermore, it was stated that:

“SDCs need to have sufficient information to support the planning and execution of projects (i.e. databases, statistics)” (PR09) and

“The private sector would need details of the proposed programmes and their potential continuity and sustainability” (PR03).

Participants have also detailed a number of expectations related to the role of SDCs in planning CSR initiatives. These included that SDCs should “highlight areas of needs in society” (PR02), “need to define programmes with clear goals” (PR09), “have annual CSR initiatives and plan” (PR07) and “have a good knowledge of community development needs” (PR07). Similarly, participants from the NGO sector were generally in agreement with the idea of SDCs involvement in government-led CSR
implementation provided that they improve their professional standards and broaden their circle of contacts in order to place themselves in a better position to take on such responsibility. For example, participant NGO02 mentioned that “SDCs need to develop and improve their abilities and skillset in order to be ready to work with other sectors”. Furthermore, participant NGO04 suggested that:

“Given that a large majority of people are not aware of the SDCs or of their role and services, the government should launch a media campaign to introduce the SDCs to the public and to the private sector to help define their role and raise awareness of the services they are able to offer.”

6.5. Summary of Findings

This chapter examined the views of all government and non-government participants in relation to a potential new framework for CSR implementation involving a role for the government through the social development centres. Findings were presented thematically focusing on a detailed evaluation of the current non-CSR role of SDCs and on the requirements for them to be able to fulfil their new proposed role in CSR implementation. Other themes included evaluation of public-private partnerships in social development and the new government-led framework for CSR implementation.

On current awareness and perception of the SDCs, government participants emphasised the wide range of projects being carried out by the SDCs as part of government strategy on social development. However, non-government participants had a clearly different perception and view of the SDCs. They appeared to have different levels of knowledge of SDCs ranging from being aware of the SDCs and of their basic role to awareness of the SDCs but without any knowledge of their role or purpose. Other participants had no awareness of the SDCs at all. There was a generally negative assessment of the current role and performance of the SDCs...
amongst the non-government participants describing them as timid and ineffective and without a clear impact on society. They attributed these views to lack of expertise and of appropriately qualified and trained staff at the SDCs as well as by bureaucracy in governmental organisation being a constant obstacle hindering collaboration between the public and private sectors. Participants also felt that the types of programmes being offered by SDCs and a lack of planning were seen as a contributing factor to their current state. Improvements are therefore clearly necessary, if the SDCs are to play a role in CSR implementation. Indeed, participants felt that Saudi NGOs had a much better defined role and programmes and better overall quality compared to the SDCs.

Government participants offered a detailed evaluation of the current non-CSR activities undertaken by the SDCs. Participants shared the view that the main mechanism for the selection of SDCs project was through a range of social development programmes set by the Ministry. However, some participants argued that different communities had different needs and this needed to be reflected in the types of programmes being offered. As for the implementation of SDCs programmes, participants stated that they tried to avoid duplication of projects and activities by ensuring to coordinate with other stakeholders such as local social development committees. Very importantly, all government participants agreed that the social impact of SDCs projects and programmes was not systematically measured, and that the SDCS did not have an agreed measure of success or failure of their programmes. In addition, the SDCs participants provided an evaluation of the qualifications and training of the current SDCs staff. It was stated that staff qualifications included A-level, diplomas and university degrees in accountancy, social work and child care.
The main training and development programmes currently on offer to SDCs staff were those provided by the Ministry. However, a number of participants stated that they offered their staff additional training opportunities. Participants felt that the programmes offered by the Ministry lacked quality and questioned their value. Thus, there are again areas where SDCs will need to improve in order to play a role in CSR implementation.

A number of suggestions were provided by participants as ways for SDCs to improve their work. These included the need for SDCs to engage more with the media to publicise and promote their role and activities to the wider community. Participants also recommended that more emphasis was needed to be placed on sustainable programmes with direct relevance to societal needs. Importantly, SDCs were encouraged to engage in government supported partnerships involving public and private sectors. Other recommendations for improving the work of SDCs included a need for better planning, more information databases to help planning, a system of governance and accountability and more assessment of community needs. Importantly, participants emphasised the need for improving the skills and quality of SDCs’ staff through improved training and to widen the scope of their programmes.

In addition, it was mentioned that SDCs need to have more authority and decision making powers to enable their progress.

In relation to the idea of partnership and cooperation between the public and private sectors in support of social development work in Saudi Arabia, participants confirmed the presence of a number of initiatives and programmes, but stated that they were mostly on a small scale and needed to be improved. Government
participants emphasised that such programmes were certainly seen as an important part of the future direction of social development work in Saudi Arabia.

The analysis revealed a very positive attitude among government participants towards the idea of government and SDCs involvement in CSR implementation. The Ministry appeared to be highly motivated to play a major role in the implementation of CSR initiatives aiming to contribute to social development. Government participants emphasised that partnerships and engagement with the private sector were key to the success of this idea. Importantly, they recognised that the development sector in the Ministry needed to be more resourced and more prepared in order to be able to forge and lead such partnerships. Similarly, non-government participants expressed a very positive attitude towards the idea of government involvement in CSR implementation and for it to lead a CSR initiative. A majority of the participants welcomed the idea and expressed their willingness to be part such an initiative. There was a strong agreement among participants about a need for a national body or agency to coordinate, supervise and manage CSR work in Saudi Arabia. Moreover, participants generally welcomed the potential involvement of SDCs in government-led CSR implementation. However, they highlighted a number of fundamental requirements related to the current performance and resources of SDCs, which would influence the expected role of SDCs in such arrangement. These included a clear need for improving the skills and training of SDCs’ staff and for a more efficient system of communication and coordination among SDCs, charities and the private sector. In addition, it was stated that SDCs needed to improve their professional standards and broaden their circle of contacts in order to place themselves in a better position to take on such responsibility.
On the expectations of CSR projects and initiatives involving a role for government and SDCs, government participants placed a strong emphasis on job creation and not only training. Non-government participants emphasised that projects needed to be sustainable, transparent, subject to monitoring and without exaggeration of costs. Importantly, there was a clear preference for projects with tangible objectives and outcomes over projects limited only to direct financial support. In addition, participants stated the need for setting priorities for defined target groups, with a strong emphasis on delivering projects that have clear targets of training and capacity building of young people. They also stressed the need for CSR projects and initiatives to emphasise the importance of strategic partnerships and support for small and medium businesses as well as on helping young men and women.
Chapter Seven

Conclusions and Recommendations
7.1. Introduction

Having presented the detailed findings of this research in the previous two chapters, this chapter aims to summarise and bring together the key findings of the work in order to fulfil the research aims discussed in chapter one. The chapter starts with a section providing a summary and discussion of the key findings of the research placed within the wider context of relevant literature. It focuses on areas related to the current state of CSR understanding and practice in Saudi Arabia, the role of government in CSR implementation and the current and future role of SDCs in the development of Saudi society. The section is concluded by a discussion of future direction of CSR implementation within a framework, where it could potentially be linked to capacity and human development. The second section of this chapter provides a concise summary of the contribution to knowledge made by this research. The following section presents key recommendations aiming to improve the general practices of CSR in Saudi Arabia, and more importantly to pave the way and enable the realisation of the mentioned framework. These recommendations include the establishment of a national CSR agency, the development of a national CSR strategy, enabling the SDCs to play a more central role in the delivery of development and CSR programmes and defining development priorities for CSR partnerships. The chapter ends with discussions of the limitations of this work, a dissemination plan, future research and a personal reflection on the research’s own experience.

7.2. Summary of Findings and Discussion

This work aimed to evaluate the current understanding and practices of CSR in Saudi Arabia and to explore the potential for CSR to be used as vehicle for social
development. In order to do this, the work investigated the potential for a government role in CSR implementation within a framework based on partnerships between public and private sectors. The stated objectives of this work (as introduced in chapter one of this thesis) are:

- To establish a clear understanding of the theoretical and practical aspects of CSR based on existing literature and place this understanding in a Saudi context.
- To examine attitudes, perceptions and experiences of CSR among key government and business stakeholders in Saudi Arabia.
- To determine and evaluate the factors influencing the implementation of CSR in Saudi Arabia.
- To explore the attitude amongst key CSR stakeholders towards a potential role for government in CSR implementation.
- To examine the current role of Social Development Centres (SDCs) and evaluate their potential to play a future role in CSR implementation within a framework linking the government and the private sector with local communities.

In order to meet these objectives, the research was guided by the following research questions:

1. How has the concept of CSR been adopted in Saudi Arabia?
2. How do key stakeholders in Saudi Arabia interpret and understand CSR?
3. What are the key factors influencing the implementation of CSR in Saudi Arabia?
4. How can CSR be developed and implemented in Saudi Arabia?
In the following sub-sections, these research questions and objectives will be addressed based on the main findings of this work discussed thematically within a broader context of relevant literature. Objective 1 has already been addressed in introductory three chapters, while objectives 2 and 3 together with research questions 1 to 3 will be discussed in the following sub-section. The remaining sub-sections will address objective 4 and the corresponding research question.

7.2.1. The current state of CSR understanding and practice in Saudi Arabia

This sub-section aims to evaluate the current state of CSR understanding and practices from the perspective of senior leaders and decision makers in government and non-government Saudi organisations dealing with CSR and social development. This discussion builds on the key findings presented in chapter five and on the wider context of relevant literature. Both government and non-government participants shared a clear view that the concept of CSR was not agreed upon in Saudi Arabia. They argued that there was a lack of clear understanding among Saudi companies of what CSR was and that it was often mixed with other practices of charity and public relations. The confusion between CSR practices and charitable work in Saudi Arabia is perhaps not surprising given the direct connection made within the Saudi society between CSR initiatives and religious practices encouraging the culture of giving in the form of Zakat (a mandatory charity in Islam) and Sadaqa (a voluntary charity) as discussed in chapter three within the context of the role of religion in current CSR practice in Saudi Arabia.

As discussed in chapter two, CSR could be defined on three levels: basic (good corporate citizenship that does not harm society), philanthropic or charitable (helping communities without necessarily expecting a return) and strategic (helping
communities while benefiting the business). Several studies suggested that the understanding and practice of CSR in developed countries was clearly changing and shifting its focus away from philanthropic towards basic and strategic CSR (Porter and Kramer, 2011; CSR Saudi Arabia, 2014). It is becoming increasingly recognised that there is a lot more to CSR than just corporate philanthropy in that it is not just about making a contribution towards good causes but more about achieving a mutual benefit to the business and society through the creation of shared value (Tamkeen, 2010; Porter and Kramer, 2011; CSR Saudi Arabia, 2014). Examining the current understanding and practices in Saudi Arabia in this context reveal that while some progress is being made (as will be detailed later in this section), most of the current practices are fairly basic philanthropic activities, which lack strategic and long term planning.

These findings are consistent with earlier work which concluded that most of the organisations and charities working to improve living standards of local communities were reliant on one-off initiatives and donations from individuals and from the private sector (Fadaak, 2010; Montagu, 2010). Other studies suggested that the concept and practice of CSR in Saudi Arabia were still in their early stages of developments, and it was mostly viewed as short term philanthropic activities motivated by religious beliefs rather than having strategic direction (Tamkeen, 2010; Mandurah et al., 2012; Ali and Al-Ali, 2012). This is similar to a study that reported a strong ambiguity in the definition of CSR in Saudi Arabia, were over 60% of participants confirmed that there was a vague understanding of the concept in general, and 70% agreed that it was commonly confused with corporate philanthropy (CSR Saudi Arabia, 2014). A more recent study stated that the popularity of CSR was growing in Saudi Arabia. However,
the strict religious laws and cultural values of the country meant that the CSR projects were required to be tailor made accordingly and were expected to promote its religious, social and cultural values (Alharthey, 2016). This suggests that while religion provides a strong driver for CSR initiatives through its emphasis on “giving”, it could potentially restrict wider implementation of CSR activities, especially those related to strategic CSR. It is important to emphasise here that there should be no contradiction between religion and a broad implementation of CSR activities. However, limiting CSR to charitable gestures within the context of “giving” may represent a barrier for the spread of strategic CSR implementation.

It is clear, based on these findings, that one of the main differences in the practice of CSR in Saudi Arabia compared to countries with more established CSR practices is in the way religious concepts and values dominate the motivation and understanding of CSR in Saudi Arabia. It is common for companies to regard Sadaqa as a form of CSR, feeling no need to take any further steps for the implementation of a wider concept of CSR.

The findings of this work also highlighted that the concept of CSR, in Saudi Arabia, was similarly often confused with the concepts and practices of public relations and marketing or perhaps being deliberately used as a PR or marketing tool to enhance the reputation of companies involved. These findings are in agreement with earlier work, which reported a common use of philanthropic CSR activities as a way to enhance business reputation through their PR departments (Tamkeen, 2007; Mandurah et al., 2012; Ali and Al-Ali, 2012). As discussed and concluded in chapter two, while CSR should not be regarded by businesses as a PR strategy to solely enhance a their reputation or worse to fix or cover up a problem, it is probably...
acceptable for corporations who embrace the concepts of CSR in their practices to use PR as a way of sharing with the world the progress they are making, and in the process gain potential benefits. The findings of this work showed limited appreciation of the difference between these practices and of the understanding that PR should ideally be a vehicle to promote CSR activities, but CSR should not be a PR strategy to help companies deal with problems.

Furthermore, the findings implied that there was a mismatch in the evaluation of the private sector participants’ of their own state of CSR understanding and practices to that of other Saudi companies. They saw their own work as being related to training, education and capacity building in the community as part of their role in addressing community challenges. At the same time, and in contrast to their clearly expressed understanding of the meaning of CSR for their companies, participants provided a much less conclusive assessment of what they thought CSR meant for Saudi companies in general stating that practices were often actually charity, PR and marketing. It was not clear from the findings what the cause of this contrast was, but it could be indicative of poor publicity or communication of CSR projects. More importantly, this might be a sign that the impact of the current CSR projects is not strong enough to be widely noticed. This particular finding is unique to this work and has not been reported by other studies. On the one hand, it appears that there may be contradictions with government aspirations to expand CSR, and it is certainly the case that the impact of CSR needs to increase if it is to make a meaningful contribution to social and economic development in Saudi Arabia. However, an increased government role can help to overcome these issues and increase the impact of CSR. More specifically, a government role in CSR has the potential to bring
substantial changes to the way CSR is implemented leading to a more effective and impactful CSR activities that could be aligned with the government strategy of creating jobs and providing training.

It is important to emphasise that while these findings provide a fairly general description of the current state of CSR understanding and practice in Saudi Arabia, there is clear evidence in the findings of this work that the situation is not as simple as suggested and that a deeper understanding of CSR is starting to emerge in Saudi Arabia. This includes appreciation of basic, ethical CSR as well as strategic CSR leading to mutual benefit to society and business. The most important finding in this regard is the strong emphasis placed by several private sector participants on the provision of training and education to young Saudi citizens as part of their CSR programmes, and on the purpose of CSR as a mechanism for supporting communities and addressing the challenges facing them. In addition, government participants clearly emphasised the ethical aspect of CSR and a clear appreciation of the fact that it should be much broader than charity. Other findings also confirmed that a considerable progress in CSR practice in the Saudi private sector was taking place including a clear, strategic move to establish dedicated CSR departments run by suitably qualified staff with the responsibility of planning and executing CSR programmes. In addition, a significant change in the way CSR is being practiced appears to be taking place through the realisation that CSR training programmes need to be linked to or leading to employment opportunities, entrepreneurship and innovation. Importantly, there was some evidence, albeit limited to a couple of participants, that an understanding was starting to emerge of the value of a longer
term, strategic implementation of CSR as a way of providing mutual help to business and society.

These findings are broadly consistent with Ali and Al-Ali (2012) who reported that while most of the research on CSR in the Arab world and other developing countries indicated that CSR was not well-developed and that the emphasis was primarily on charitable and philanthropic activities, a broader understanding of CSR that went beyond charitable involvement was starting to emerge in Saudi Arabia and argued that this development was a step toward better integration of CSR in business conduct, a goal that was sought by the government. The findings are also consistent with the results of a study, which concluded that although CSR had traditionally been seen as a philanthropic practice, most companies in Saudi Arabia were starting to appreciate the value it added to their businesses (CSR Saudi Arabia, 2014). The study confirmed that several Saudi companies were starting to adopt international practices of CSR through the introduction of strategic approaches with increasing focus on addressing economic and social challenges faced by the community. The study stated that CSR was increasingly being viewed as a tool to enhance competiveness and had the potential to eventually contribute to the future development of Saudi Arabia. Moreover, the strong focus of CSR activities on training and education of young Saudi citizens is consistent with the findings of a study, which reported that the top focus areas of CSR activities for Saudi companies included education (87%), employment (49%), youth development (46%) and gender diversity (21%) (CSR Saudi Arabia, 2014). The study concluded that companies were starting to realise that education was the most important sector and should be centre of their CSR approach. This conclusion was based on the notion that the outcomes of
investing in education would reflect on society, business, entrepreneurship and youth. In addition, the focus on youth development through training and education was regarded as a top priority as it would contribute to the future development of the whole society. These ideas are consistent with the views expressed in the findings of the current work, where education and training of young Saudi citizens was regarded as a key focus of CSR activities by the Saudi private sector.

As discussed in Chapter two, Secchi (2007) classified CSR theories based on how they defined the relations between corporations and society and, more specifically, where responsibility was allocated. Accordingly, CSR theories were placed in three main categories including: (1) Utilitarian, in which the corporation is intended as maximising entity (i.e. expanding and profit making organisations) where problems of social costs and externalities arise; (2) managerial, where responsibility is dealt with from the internal perspective of a corporation; (3) relational, where the type of relationship between corporations and society is emphasised; meaning that the firm loses its central role and become part of an interactive economic system. Placing the findings of this thesis in the context of these groups of theories, it could be argued that most of the current practices of CSR in Saudi Arabia could be categorised under relational and to a lesser extent managerial theories. This is supported by views of private sector participants emphasising their interest in contributing to social development through addressing training needs, which illustrate a consideration for the society in which they operate. There was no indication from any of the private sector participants that they were only concerned with maximising profit regardless of the practices and activities of the corporation, while only focusing on well-being people involved in their operations. These findings suggest that the Utilitarian group
of theories is not considered as one of the underlying principles of CSR implementation in Saudi Arabia. On the contrary, most participants appeared to open to consider the relationship between their corporations and other major partners in order to achieve effective CSR implementation. This is consistent with Secchi’s analysis that relational theory was a way of considering four categories; business and society, stakeholder approach, corporate citizenship and a theory of social contract. These concepts along with recognition that business influence and affect the livelihood of the local communities they operate in were emphasised throughout the findings of this work.

Examining the findings of this work in relation to the wider literature should provide an opportunity to scrutinise the current state of CSR understanding and practice in Saudi Arabia within a wider context. As a reminder, the following understanding and definition of CSR was proposed in chapter two: *CSR is a continuous responsibility of corporations to serve and develop the community, its business and other stakeholders through the integration of corporate and social values and cultures in their strategies with the aim of achieving future corporate and social sustainability*. The definition emphasised the continuous nature of CSR as opposed to it being a short term gestures. This is an aspect that is clearly yet to be achieved in Saudi Arabia, where there is still a lack of long term CSR initiatives and programmes. However, the focus on community development in the definition is clearly evident in current practices of CSR in Saudi Arabia based on the findings of this work, where training of Saudi citizens and community support appeared to be dominant themes of current CSR programmes. The definition recognised the need for CSR to include benefits for the business itself as well as for relevant stakeholders in reference to the concept of
strategic CSR and the creation of shared value. The emphasis here is on the aim of achieving economic sustainability and long term benefit through ensuring that CSR activities can add value to all those involved. The findings indicated a limited appreciation of this concept in Saudi Arabia at the current time. To summarise, it could be stated that although most CSR initiatives in Saudi Arabia are driven by strong sociocultural factors promoting religious and cultural values and practices, there is clear evidence that Saudi companies are starting to understand and embrace a broader definition and practice of CSR with a strong focus on education and training with the aim of addressing societal challenges.

7.2.2. A government role in CSR implementation

The findings of this work suggested that partnerships between public and private sectors in support of social development work in Saudi Arabia were limited and mostly conducted on a small scale. However, government participants emphasised the importance of such partnerships and that they were seen as an important part of the future direction of social development work in the Kingdom. Similarly, the SDCs had no established partnerships with the private sector and the extent of relationship between them was very limited and based mostly on personal links and connections. However, despite the somewhat negative evaluation and apparent lack of satisfaction with the current level of cooperation between the public and private sectors, there was a clear emphasis in the findings on the importance of such partnerships and for more efforts to improve them.

In a more specific CSR context, the findings of this work revealed a very positive attitude among government and non-government participants towards the idea of government involvement in CSR implementation. Government participants appeared
to be highly motivated to play a major role in the implementation of CSR initiatives aiming to contribute to social development, confirming that the Ministry of Labour and Social Development was prepared to play a leading role in initiating and promoting CSR projects. Similarly, non-government participants were very welcoming of government involvement in CSR implementation. As discussed in chapter one, the scope of this work is focused on exploring a potential role for CSR as a strategy and mechanism to contribute to the capacity building goals set by the Saudi government. It is becoming increasingly recognised that the traditional role of governments as the main body responsible for improving the living conditions of the society has become less viable with the increased demands on public resources, placing more emphasis on the role of business in society and increasing the role of CSR (Hertog, 2006; Jamali and Mirshak, 2007; Ali and Al-Ali, 2012; Abdull Razak, 2015). In this context, a purposeful engagement of corporations in societal affairs through an active contribution to capacity building has been argued to be crucial for the progress of developing nations (BPD, 2002; UN Global Compact, 2010; Ali and Al-Ali, 2012; Maqbool, 2015).

However, the role of government in CSR and social development should perhaps be framed within the context of two important factors. The first factor is the rentier nature of the Saudi economy (discussed in chapter one), where the Saudi government has generally driven economic development through the support of its oil resources (Niblock & Malik 2007; Hertog, 2013). This concept is important to understanding the political economy in Saudi Arabia, and results in a blurred line between public and private sectors despite the increased importance of the role of private sector in Saudi economy. The second factor is the recent government plans to develop the country’s
human resources and diversify the economy, while increasing the private-sector participation in the development process and expanding the basic services offered to citizens (Vision 2030). These plans have a strong focus on capacity building with the aim of enhancing the skills of its citizens and enabling them to participate in economic opportunities (Hertog, 2006; Ali and Al-Alli, 2012). In addition to these factors, it has been suggested that the private sector can create economic growth and so has a moral duty to undertake practices which increase both opportunity and economic growth in a fair and sustainable manner (Jamali and Mirshak, 2007).

In this context, it could be argued that expanding a direct role for government in CSR implementation is plausible and perhaps to be expected. Such role is supported through the suggestion that a partnership between corporations and governments can make a vital contribution to developing innovative solutions to developmental challenges (UNIDO, 2007). These findings are consistent with a report that governments in developing countries promoted CSR in order to enhance national competitiveness and to help deliver public-policy goals (United Nations, 2007). In fact, several published studies and reports supported the notion that governments should play a role to encourage and promote the social responsibility of business (Bichta, 2003; Singhal, 2014; Fox et al., 2002; Albareda et al., 2007; Albareda et al., 2008; UN Global Compact, 2010; Steurer, 2010). In this context, the World Bank has identified four principal public sector roles in relation to CSR, which include mandating, facilitating, partnering and endorsing roles (Fox et al., 2002). To date, the role of Saudi government in CSR implementation has been limited to steps taken to develop sustainable competitiveness and to encourage Saudi corporations to embrace social responsibility as part of their strategies through the introduction of the Saudi
Responsible Competitive Index (SARCI) in 2008. This was an initiative by the Saudi Arabian General Investment Authority (SAQIA) in collaboration with Accountability and Tamkeen Consulting (Ali & Al-Ali, 2012; Abdull Razak, 2015). However, there has been no clear government effort to play a direct role in the implementation of CSR programmes.

The findings of this work provided a broad idea of the main vision for a government role in CSR and of the key factors for the success of such a role. As for the government’s point of view, the role must be based on strong partnerships with the private sector. Such partnerships would involve provision of information from the government to the private sector to help maximise the benefit of CSR projects. Moreover, it was suggested that the government needed to promote such projects to help attract and encourage the private sector to participate in CSR initiatives. On the other hand, the private sector’s vision of a government role in CSR focused mostly on the need for a national body or agency to coordinate, supervise and manage CSR work in Saudi Arabia. It was envisaged that such organisation would help prevent duplication of efforts, regulate the practices of CSR in a Saudi context and provide an “umbrella” for CSR activities in the Kingdom. Moreover, the private sector’s vision included the development of a national CSR strategy. These findings indicate that both government and non-government participants have a positive attitude towards a government role in CSR implementation in Saudi Arabia and are willing to work closely together to improve the delivery of CSR programmes. It is clear that the private sector is expecting the government to play a role in coordinating and regulating CSR activities.
The vision and expectations provided by both of the government and private sectors for a potential government role in CSR implementation in Saudi Arabia appear to be consistent with the broader literature and international examples of government role in CSR. The idea of partnership is becoming increasingly accepted as a way of addressing societal challenges. This is supported by a growing awareness that these challenges are often too large and complex for any one sector to solve on its own (Davidsdottir, 2016). As a result, corporations have been increasingly broadening their agenda to address social and environmental issues, and cross-sector partnerships are gaining momentum. Such partnerships are regarded as a pivotal part of reaching society at large in order to achieve a more effective change (BPD, 2002; Bodruzic, 2015; Davidsdottir, 2016). Similarly, the private sector’s demand for a national body or agency to coordinate, supervise and manage CSR work in Saudi Arabia is consistent with a number of examples where governments have been reported to use soft and hard tools to promote and manage CSR initiatives around the world. For example, Fox et al. (2002) argued that public sector roles adopted by governments to enable an environment for CSR could include: mandatory (legislative); facilitating (guidelines on content); partnering (engagement with multi-stakeholder processes); and, endorsing tools (publicity). These roles are consistent with the findings of a UN report concluding that the main public policy options for governments in promoting corporate responsibility and business engagement in development include i) awareness-raising efforts to create a shared understanding of corporate responsibility among companies and the broader public, ii) partnerships designed to create win-win situations in which various stakeholders work collectively toward a shared goal, iii) soft law approaches that promote and incentivise voluntary action by business as a complement to state regulation and iv) mandating instruments
that allow governments to monitor and enforce corporate accountability (UN Global Compact, 2010). Moreover, a number of governments have decided to establish dedicated CSR agencies with a specific mission to promote CSR practices. For example, Thailand established the CSR Institute (CSRI) in 2007 to promote CSR practices among its listed public company members (Singhal, 2014).

Controversially, there was limited demand in the findings of this study for CSR to be made mandatory and for the government to come up with ideas and initiatives for the public sector to deliver. This view appears to be isolated and not representative of the wider future direction of CSR in Saudi Arabia or in most other countries. In fact, a recent report found that the idea of making CSR mandatory by the government was not agreed with in Saudi Arabia or in the wider region of the Arabian Gulf (CSR Saudi Arabia, 2014). Arguments against making CSR mandatory include that it risks that companies adhere to solely compliance-based initiatives, which would not necessarily benefit businesses or society. Instead, a government role should encourage partnerships and create a supportive environment for productive and beneficial CSR programmes through purposeful engagement between the public and private sectors.

This consistent with policies used around the world with the exception of India, where CSR has recently been made mandatory for a certain category of companies (with a set threshold profit) to spend two percent of their average net profit over the previous three years on CSR activities (Kapoor & Dhamija, 2017). The Indian policy has been criticised for its timing and inflexible nature, which could hamper the long term ability of businesses to sustain CSR initiatives (Radhakrishnan et al., 2014).

On the types and expectations of CSR projects with a government role, the findings revealed a clear emphasis by the government on job creation. The provision of
training was not seen to be sufficient unless it was linked to employment or to the needs of the labour market in Saudi Arabia. Unlike this very specifically defined view by the government, the private sector view and expectation of CSR projects was focused on the need for projects to be sustainable, transparent, subject to monitoring and without exaggeration of costs. Moreover, the private sector emphasised their preference for projects with tangible objectives and outcomes over projects limited only to direct financial support. These views suggest that the government has a strong interest in using CSR as a vehicle for enhancing the skills of Saudi citizens in order to prepare them for employment. This is less clear in the case of the private sector, as they implied that they were already providing training to Saudi citizens through their CSR activities. The findings also revealed that there was an agreement amongst all participants that CSR projects needed to prioritise and benefit defined target groups in society such as youth, people with special needs and families working in the cottage industry. Overall, there appears to be an agreement in the findings that CSR initiatives should add value and contribute to the development of Saudi citizens and enhance their skills and competence. This is consistent with studies linking CSR to development whether it is human or economic (Bodruzic, 2015). Although this approach might be criticised for appearing to be asking the private sector to play a role typically expected of governments, a strategic implementation of CSR where shared value is created should be beneficial to all parties involved. Moreover, in the specific case of Saudi Arabia’s rentier economy, there is an expectation on the private sector to contribute to the country’s development given the benefits they enjoy from the government.
The findings revealed a number of important potential barriers and challenges to the idea of government role in CSR. Crucially, it was recognised by government participants that development sector in the Ministry of Labour and Social Development needed to be more resourced and more prepared in order to be able to forge and lead partnerships with the private sector and to contribute to CSR implementation. It was suggested that one way to tackle this limitation was through attracting and recruiting highly qualified experts to help steer this process. Other barriers included issues related to the structure and objectives of the envisaged partnerships. For example, clarity of vision, objectives and recognition of partnerships were deemed essential components for the success of such efforts. Both government and private sector participants raised specific concerns about a potential partnership. On the one hand, government participants were mindful of the desire of companies to focus on short term activities focusing on charity or publicity rather than strategic social development. On the other hand, the private sector participants highlighted government bureaucracy as a potential obstacle to partnerships and to the role for government in CSR implementation.

7.2.3. The Social Development Centres (SDCs): current and future roles

It is clear from the findings that the SDCs do not have sufficient visibility in Saudi society and that their programmes lack measurable impact. This was evident from the different levels of knowledge and awareness of SDCs among participants, where a substantial number of participants were not clear about the SDCs or their current role. These findings suggest that the current role of SDCs is limited in the wider Saudi society and that, as a resource, they could potentially be utilised in a more effective way. As discussed in chapter one, there are currently thirty eight social development
centres distributed throughout Saudi Arabia. The apparent lack of impact of these centres implies that such a resource is not well employed to support the development of Saudi society. This is supported by the generally negative assessment of the current role and performance of the SDCs by most the non-government participants describing them as ineffective and have no clear impact in the society. There are several strong criticisms of the current role of the SDCs in the context of social development. These include a lack of clear alignment with government development strategies and a negative public image stemming from a view that they are mostly places for old people to socialise. In addition, it was suggested that the SDCs lack clarity of role or purpose. It must be emphasised that, to my knowledge, this is the first piece of academic work to investigate the role of the SDCs in Saudi Arabia and therefore, the discussion is based mostly on the findings of this work and the information made available in the public domain about them by the Ministry.

Several factors have been suggested to contribute to the current status of SDCs. These include lack of expertise and of appropriately qualified and trained staff in areas of social development. This was confirmed in the findings, where most SDCs staff were stated to have basic education qualifications or University degrees not necessarily in fields related to social development. Another contributing factor to the current status of SDCs is bureaucracy in governmental organisation, which is a constant obstacle hindering the implementation of programmes and potential collaboration between the public and private sectors. Furthermore, the types of programmes currently offered by the SDCs and the lack of long term or strategic planning were highlighted as key contributing factors to the public perception of the SDCs and their role. For example, most programmes offered by the SDCs appear to

be of a short term nature and of recreational or education nature with very limited focus on development and training needs of the society. Crucially, the SDCs have no clear mechanism of measuring the impact of their programmes. Therefore, they have very limited scope of obtaining systematic feedback on the efficacy of their activities and ways to improve them.

As stated in the findings, the SDCs lack the authority to plan and execute programmes of their choice and have very limited resource to conduct their own surveys, in order to help identify specific societal needs in their areas of operation. Instead, the vast majority of SDCs select programmes from a pre-determined list distributed by the Ministry. These programmes are viewed by non-government participants as not sustainable and without tangible social impact. It should be emphasised that these findings are somewhat surprising given the government guidelines for the regulation of SDCs, which states that the centres should participate, along with community members, in identifying the needs of the local community and provide material and moral support as well as human resources in the execution of various social development programmes (The Council of Ministers, 2007). The emphasis on the participation of SDCs in identifying community needs is clearly not being implemented properly given that most SDCs are asked to select activities from a pre-determined list of programmes set by the Ministry. Furthermore, the SDCs appear to have very limited funding and have no authority to develop their own partnership with the private sector and therefore have a restricted scope of planning large scale development programmes. They have no clear mechanism of approaching the private sector or handling financial matters within such collaboration.
Given all of the factors discussed above, it is perhaps not surprising that the SDCs appear to be struggling to make a clear impact in the Saudi society and for non-government participants to have a generally negative view of their current role. In this context, a number of suggestions were made in order to help the SDCs improve their role and performance. These included the need for the SDCs to engage more with the media to publicise and promote their role and activities to the wider community including to the private sector. Importantly, it was strongly emphasised that the SDCs needed to carry out programmes that are both sustainable and more directly relevant to the needs of the Saudi citizens. Such programmes were preferred to be conducted through engagement in government supported partnerships with the private sector. There appeared to be expectation in the private sector for the SDCs to initiate and drive such partnerships in order to contribute to the development of the Saudi society.

There are several fundamental requirements in order for these suggestions to be realised successfully by the SDCs. These include the need to improve the skills and quality of their staff and to be able to conduct better planning and execution of broader range of programmes. This would require the development of comprehensive training programmes of SDC staff, information databases, a system of governance and accountability and more assessment of community needs. Moreover, the SDCs would require more authority and power to make decisions. These are clearly substantial tasks and require a strong political will both inside the SDCs and within the Ministry to initiate and implement. Only then the SDCs would perhaps begin to fulfil their potential as an important and valuable resource in the context of social development in Saudi Arabia.
This would not only improve the ability of the SDCs to perform and deliver in their current role, but also prepare them to play a wider future role in the delivery of development programmes within a potential CSR context. The findings of this work revealed that the private sector were prepared to work closely with the SDCs in the planning and delivery of their CSR programmes provided that the SDCs improve their standard and adopt the fundamental changes discussed above. The private sector demonstrated a positive attitude towards a potential CSR future role for the SDCs and considered it as welcomed help, which would save them time and effort. Similarly, both government and SDCs participants welcomed the idea and showed a strong interest in forging partnerships with the private sector in a CSR context as a way to contribute to the development of the Saudi society. However, it was clearly recognised by both government and private sectors that none of this would be possible prior to the SDCs undergoing the substantial changes discussed above. In other words, the development of the SDCs and their staff would be a prerequisite to any potential future role for them in CSR implementation.

7.2.4. Towards a new framework for the role of CSR in Saudi Arabia

The critical importance of enhancing the skills of Saudi citizens in order to improve their chances of employment and build national capacity has been emphasised several times in the findings of this work. There is a unanimous agreement amongst participants from all sectors that this is a fundamental requirement for the development of the wider Saudi society. According to the World Bank, human capital is defined as "the knowledge, skills, and experience of people that make them economically productive" (Fox et al., 2002; BPD, 2002). The concept of human capital has long been studied in economics and development and was made popular by the
early works of Jacob Mincer (Mincer, 1958) and Gary Becker (Becker, 1962; Becker, 1993). In this context, human capital was considered as a means of production similar to other physical means of production such as factories and machines and investment in human capital could be made through education, training and medical care. Becker argues that additional investment into human capital yielded additional output. The concept of developing human capital as both a driver of competitiveness and national development more generally is regarded as one of the key priorities in Saudi Arabia (SAQIA, 2008; Ali & Al-Ali, 2012). It is increasingly recognised that this is a key aspect of any current and future Saudi development plans and is one of the core principles of the Saudi national vision agenda (Vision 2030). The findings of this work revealed that the shortage of skilled Saudi workforce was one of the key factors in limiting the success of the Saudisation programme, which illustrates the point about the wider need for putting in place more effective plans and programmes for human development in Saudi Arabia. Therefore, this is a potential area, where the private sector could strategically contribute to in order to support its own business interest as well as the Saudi government vision and national goals.

Although it is generally recognised that the overall responsibility for developing a nation’s human capital belongs to government, it is becoming increasingly accepted that the task is too large and a role for the private sector is expected. This is consistent with the findings of this work, which emphasised an expectation on the private sector to “pay back” into society and to help support the government in its role. It is also consistent with the general direction of the Saudi government strategic vision of diversifying the economy and reducing country’s dependence on oil as the main economic driver through giving a bigger role to the private sector (Vision 2030). There
are several examples around the world of illustrating the involvement of corporations in development practices through their CSR policies and also via multi-stakeholder partnerships with government and non-government organisations. For example, in countries such as the United States, Japan, China, India, South Korea and members of the European Union, major corporations contribute to national development by improving the quality of education, training and workforce (SAQIA, 2008; Albareda et al., 2007; Albareda et al., 2008; UN Global Compact, 2010; Fox et al., 2002). In this context, the launch of the UN Global Compact in 1999 represented a key moment in the promotion of these types of contributions and in promoting the idea that business should play a role in development (UN Global Compact, 2010).

It is important to emphasise that the term development, in this context and for the purpose of this thesis, is focused on human development which is defined by the United Nations as “[the] process of enlarging people’s choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living” (UNDP, 1990). The wider concept of development is subject to debate and there is no single definition for the term that is widely accepted. However, the terms human and sustainable developments have been commonly used in recent years (Bodruzic, 2015). In this context, it has been argued that CSR provides a strategic and competitive opportunity for development (Singhal, 2014). Although there is still insufficient research on assessing the impact of CSR on local communities (Hamann, 2006; Visser, 2008; Bodruzic, 2015), the link between CSR and development is increasingly being made. This is especially true in developing countries (Bodruzic, 2015; UN Global Compact, 2010; Fox et al., 2002; BPD, 2002).
The idea of linking CSR to human development represents an exciting opportunity for Saudi Arabia given the government’s strategic direction and the clear emphasis in the findings of this work on the need to improve the way CSR is being practiced and implemented in Saudi Arabia. It is evident from the views expressed in the findings that a more strategic approach to CSR focusing on building capacity and improving the skills of Saudi citizens would be greatly supported by the government and the private sector. This clearly requires a change in the way CSR is currently practiced and implemented in the Kingdom from individual programmes and initiatives lacking strategic objectives and direction to a more coordinated implementation supported by a strategic vision focusing on dealing with the socio-economic challenges while helping businesses achieve their goals. Given the mutual interest and potential benefit for both of the government and the private sector in such change, a future CSR implementation framework based on their partnership would represent an appropriate choice. This is supported by the fact that the idea of cross-sector partnership was positively received and emphasised by representatives of both sectors in the findings of this work. In this context, CSR is seen to express a new relationship between private capital and the public interest. The notion of partnerships is based on the belief in common interests and ‘win–win solutions’ (Hamann & Acutt, 2003). There are several examples of such partnerships with similar goals around the world (Singhal, 2014; UN Global Compact, 2010). In Canada, this is exemplified by a public-private partnership between the Canadian government, three Canadian mining companies and international NGOs to deliver development projects through the companies’ CSR initiatives (Bodruzic, 2015). In other examples, these types of partnerships have been extended to include civil society in order to form tri-sector relationship, where the
strengths of corporations were combined with those of civil society and government (BPD, 2002; Fox et al., 2002; Park and Wilding, 2014).

It is important to emphasise that there are several types of partnerships in terms of both objectives and organisational form, and these will be largely determined by mutual agreement depending on the opportunities and challenges in question (BPD, 2002). Successful partnerships are usually built on common understanding of what different sectors could offer each other and how much they are willing to modify or improve certain practices in order to ensure mutual benefits are achieved (BPD, 2002). The term ‘critical cooperation’ has been proposed to argue that ‘the possibilities of productive engagement between civil society and business are greatly expanded as we learn more about how to manage not just cooperation or conflict, but cooperation and conflict in the same relationship’ (Covey & Brown, 2001). This concept could be expanded to include a tri-sector partnership involving the private sector, civil society and government. Such partnerships would be more likely to succeed when all parties have significant converging interests. It could be, therefore, argued that this model have a substantial potential for success in Saudi Arabia given the mutual interest between government, civil society and the private sector in developing human capital and improving skills and employability of Saudi citizens. These aims are all consistent with the government’s 2030 vision and could be implemented in a way that ensure benefit to the private sector by ensuring that the appropriate forms of strategic CSR are followed. There are already a number of examples, which illustrate that collective initiatives and partnership within a CSR context can be successful in Saudi Arabia (SAQIA, 2008). They include programmes such as:
• The Saudi Japanese High Automobile Institute, an initiative designed to support a market-led program to develop the technical and leadership skills of young Saudi mechanics. This programme involves a number of Japanese car distributors working with each other and with the Saudi and Japanese governments.

• The Centennial Fund, a programme by leading companies designed to support youth enterprise through helping young people to create their own small businesses.

• Microsoft’s Unlimited Potential program and Cisco’s Networking Academies are two examples of corporations building partnerships in the education sector in the wider Gulf region in order to improve information and communication technology (ICT) related skills and training of young people and prepare them for knowledge based economy.

Setting up a framework for CSR implementation in Saudi Arabia based on tri-sector partnerships involving government, private sector and society offers a valuable opportunity for all involved parties to discuss and define their mutual goals and priorities within the context of Saudi Arabia. This allows for aspects such as religion, culture, national priorities and the nature of the Saudi rentier economy to be taken into consideration. The adherence of Saudi companies to Islamic business principles and to Saudi culture provides strong and well-established drivers for contribution. The key consideration here is setting up the foundations for strategic CSR implementation, which provide a long-term partnership and offers the opportunity for development and incentive for businesses to remain engaged in CSR implementation. This would change current CSR practices from being mostly focused on traditional philanthropy
to more a combination of core business operations and more strategic CSR and social investment. A successful implementation of the new framework requires organised and efficient planning on the government part and a private sector, which is motivated and committed to CSR. It important to emphasise that the proposed framework is not meant to prevent companies getting involved in CSR through their own individual business practices, philanthropy and other community programmes. Instead, the framework offers a serious opportunity to increase the impact of CSR programmes and to address societal challenges through a more coordinated and systematic approach involving the government and the wider society.

Furthermore, it is important to emphasise that Islamic principles and the nature of the Saudi state do not constitute barriers to the proposed framework working. There is nothing in the concept of the framework and the idea of multi-sector partnerships that contradicts Islamic principles or the nature of the Saudi State. On the contrary, the recent changes and developments in the Saudi state within the context of the Vision 2030 programme place much emphasis on ideas such as partnerships with the private sector, diversification of the economy to reduce dependence on oil through training and development of skills in a wide range of areas and on encouraging Saudi citizens to embrace opportunities. In addition, as discussed in a number of places throughout the thesis, Islamic principles around charity and the culture of giving constitute a major driver of CSR in Saudi Arabia. These drivers would still be valid in the context of the proposed framework and should not represent a barrier. The key change there would be in the way CSR is understood and practiced as the framework places a strong emphasis on the operation of CSR being strategic with benefits to everyone involved rather than being a simple act of charity.
The findings of this work revealed that there were four key requirements needed to enable such framework to be realised. Most importantly, there is an immediate need for establishing a national agency to coordinate and oversee CSR partnerships and to link them to national development goals. Secondly, a national CSR strategy needs to be discussed and developed in consultation with key stakeholders. Thirdly, the SDCs should be playing a more substantial role in delivering development programmes and significant effort needs to be dedicated to enabling them to fulfil this role. Finally, development priorities for CSR partnerships need to be discussed and defined in order to help determine the types of CSR programmes for the proposed partnerships. These requirements are discussed in more detail in the recommendations section of this chapter.

7.3. Contribution to knowledge

This thesis has evaluated the current understanding and practices of CSR in Saudi Arabia and explored the potential for improving them in order to help address societal challenges while benefiting the private sector. Contrary to previous studies focusing mostly on the Saudi private sector, this study is the first piece of academic work related to CSR in Saudi Arabia to adopt an approach that involves key leading public, private and policy stakeholders. It is anticipated that this study design could be used in further future related work as well as in other areas of policy development. The involvement of different stakeholders across multiple sectors helps facilitate ownership of emerging ideas and plans.

In light of this, the findings presented in this thesis provide an original contribution to knowledge by providing evidence for a changing attitude towards and understanding
of CSR practices. The study found clear evidence, in agreement with existing literature on CSR in Saudi Arabia, that the forms of CSR practiced by companies are limited mostly to philanthropy, lack long-term strategic vision and are motivated mostly by religious beliefs and public relations practices. However, the current study provides clear evidence that the situation is not as simple as suggested and that a deeper understanding of CSR is starting to emerge in Saudi Arabia. This includes appreciation of basic, ethical CSR as well as strategic CSR leading to mutual benefit to society and business.

In addition, this work provides clear evidence that a government role in CSR implementation within a framework based on multi-sector partnership has the potential to improve future practices of CSR in the Saudi context. Furthermore, the work provides evidence that it is potentially possible for a strategic implementation of CSR to contribute to the development of the Saudi society while creating value for corporations. The work advocates the use of CSR as a strategy and mechanism to contribute to the development of the Saudi society and in particular to its human capital. Although this idea has been explored in an international context, the current study evaluated its implementation within the Saudi context by proposing a framework connecting government, public sector and local communities.

There has been no prior research that examines the role of the social development centres in the delivery of development programmes. This study is the first piece of academic work to investigate their current role and assess the requirements needed for them to play a more effective and impactful future role in the social development. This work argues that the SDCs are an under-utilised and under studied resource in terms of their work with local communities, and subject to a number of strategic
changes, they have the potential to be an important part of a framework for the implementation of CSR linking the private and public sectors.

The present research is notable and timely given the Saud government’s vision 2030 emphasis on provision of training and capacity building of Saudi citizens as a means of boosting the diversifying the Saudi economy. This work identifies a possible mechanism to help achieve part of this strategic goal through the use of CSR in linking the public and private sectors with local communities. This is a new way of looking at CSR in the context of Saudi Arabia and can inform policy makers, business leaders and local communities about possible way to forge mutually beneficial partnerships.

7.4. Recommendations

This work resulted in a number of recommendations, which could be used to improve practices of CSR in Saudi Arabia in general. More specifically, they could also help in the development and implementation of the framework discussed in the previous section, which aimed at using CSR as a vehicle for social and human development. Key recommendations include strategic steps such as the establishment of a national CSR agency, the development of a national CSR strategy, enabling the SDCs to play a more central role in the delivery of development and CSR programmes and defining development priorities for CSR partnerships.

7.4.1. Establishing a national CSR agency

One of the key suggestions for improving CSR practices in Saudi Arabia included the idea of the coordination and regulation of CSR work making it much more defined and clear. In this context, it is recommended that a national CSR agency should be
established in order to support, coordinate and regulate CSR initiatives in the Kingdom. The idea for this national agency is to serve as an umbrella, which would provide an opportunity for more efficient coordination between companies, government, NGOs and any other stakeholders involved in CSR implementation. This would help minimise duplication of programmes and potentially increase the impact of CSR activities though maximising the opportunities for collaboration and sharing of information. This recommendation is consistent with the findings of a report of the first leadership dialogue on CSR practices, challenges and opportunities in Saudi Arabia, which was hosted by the Saudi Arabian General Investment Authority, Harvard Kennedy School CSR Initiative and King Khalid Foundation (SAQIA, 2008). The report concluded that greater coordination among CSR players such as foundations, chambers of commerce, government agencies and businesses would result in less duplication, decreased confusion and potentially much greater leverage and impact (SAQIA, 2008). Furthermore, the report argued that by participating in advocacy activities and forming coalitions, public and private enterprises could work together to maximise the opportunities and benefits of pursing CSR programs. Importantly, the report stated that there was an enormous opportunity for great collaboration between Saudi foundations and companies to support capacity building and skills development for the non-profit sector, and especially community organisations. These recommendations are very much in line with the findings of this current work and support the proposed framework idea based on partnership between the public and private sectors.

It is recommended that the agency should be established as part of the Ministry of Labour and Social Development, as this would give it the authority to set policies and
ability to access information. This is consistent with the findings and recommendations of Albareda et al. (2007; 2008) that government departments should assume responsibilities for CSR policies. It should be emphasised that a mechanism for ensuring that the views and interest of all relevant sectors and stakeholders are taken into consideration must be discussed and developed. For example, the SAQIA (2008) report recommended the creation of a national Saudi Corporate Responsibility Council with members representing all sectors to serve as a network to improve the implementation of CSR in the Kingdom. The exact details of role and remit of the recommended CSR agency should be determined through a wider consultation of all relevant stakeholders. However, it is envisaged that in addition to supporting and encouraging CSR initiatives, the agency could play a leading role in developing and promoting public policies, incentives and interventions at a national level. Furthermore, it could develop mechanisms to improve the transparency, disclosure and measuring the impact of CSR activities.

While thinking about the role and remit of a national CSR agency, it is important to take into consideration the findings of a relevant study on the government and civil society roles in CSR, which focused on Poland as a case study (Faracik, 2008). The study discussed the idea of the development of a CSR institutional framework based on cooperation between public administration institutions, the private sector and civil society and suggested the creation of a Commission for CSR as part of a multi-sectoral platform for CSR implementation. While it was argued that the public expected authorities to play the role of a guarantor of CSR initiatives, the work warned that the State should be aware not to overshadow or worse, undermine the role of the civil society. In addition, it was suggested that:
“The State should foster CSR friendly climate, endorse CSR initiatives and act as a partner in specific cases, but foremost it should use this opportunity to boost the role and activity of the civil society groups and thus contribute to developing a social network and conscious citizenship.”

7.4.2. Development of a national CSR strategy

It was clearly evident in the findings of this work that there was no clear overall CSR strategy in Saudi Arabia for either the private or public sectors. As a result, the need for CSR to be more firmly integrated into the long term business strategy of Saudi companies we strongly emphasised. Furthermore, it was agreed that partnerships between the public and private sectors were considered key for improving the delivery of CSR programmes. Consequently, it is recommended that a national CSR strategy should be developed to help determine the overall direction of CSR work in the Kingdom and to ensure that it is integrated into the broader interest of the government, the private sector and the society. It is argued that the establishment of a national CSR agency would ensure a stable environment for the proposed framework of tri-sector partnership and would lead to the development of a national CSR policy. Such policy should take into account the interests of the private sector as well as government social development goals and priorities. It is suggested that a national CSR policy should have clear vision, mission and objectives, which must be based on a wide consultation of all relevant stakeholders through a mechanism that allows significant input from the private sector and local communities. In the context of this work, it is argued that a national CSR policy should be considered a multi-sector issue, with a broad remit and agenda related to the country’s development needs.

It is important to emphasise that the recommended national CSR strategy and the proposed government role in CSR do not necessarily mean that CSR should be made mandatory. The findings of this work emphasised the wider international view that
voluntary CSR is the preferred choice in Saudi Arabia. Nonetheless, a government role would provide a much needed help and support in creating the right environment for more effective CSR programmes though supported partnerships. Strongly regulated CSR programmes may well risk conflicts with business plans and preferences. Therefore, the government should support CSR mainly in non-regulatory way, while ensuring that legislative measures could be used to help facilitate and accelerate the implementation of programmes.

7.4.3. Enabling SDCs to play a more central role in CSR implementation

As discussed in the tri-sector partnership framework for CSR implementation, the SDCs have the potential to serve as a bridge linking the government, the private sector and local communities in order to deliver programmes tailored to provide capacity building and human development through training and skills enhancement for Saudi citizens. This argument was based on the observation that the SDCs were an under-utilised resource, which could be used more effectively in the development of Saudi society. Crucially, the findings of this work revealed that the SDCs, in their current state, are in need for substantial development themselves in order to be able to fulfil this new suggested role. Therefore, a number of recommendations have been made in order to enable the SDCs to play a more central role in the implementation of development related CSR programmes. These recommendations are mostly all centred around the need for the SDCs to raise their professional standards, broaden their circle of contacts and improve their visibility in order to place themselves in a better position to take on such responsibility. Importantly, the steps needed for the SDCs to fulfil their newly suggested role require government will and support due to implications on human and financial resources. The recommendations for the SDCs
to improve their role and performance require a change in the mind set and culture currently present within the SDCs and include:

1. There is a strong need for improved training programmes for SDCs staff. This includes personal development and technical training aspects with the aim of preparing staff to be able to assess and define development needs of local communities and develop and communicate plans to address them. Additional, more specific training is needed to support relevant SDC staff in their role of supervising NGOs. It is crucial that the skills and overall quality of SDC staff are enhanced. This could require promoting and empowering some of the existing staff or, if needed, attracting new highly skilled individuals to help steer and implement required changes.

2. There is a clear requirement for SDCs to widen the scope of their programmes and place more emphasis on development programmes with direct relevance to societal needs. They are strongly encouraged to engage in partnerships involving public and private sectors focusing on community development. This would be directly applicable to the discussed CSR implementation framework. To enable this, there is strong need for more systematic surveys and community research in order to facilitate the data and information needed to support the scoping and planning of programmes.

3. The SDCs need to substantially improve their communication and coordination systems through public relations and media engagements. This is needed to both raise awareness of their activities and profile and, more importantly, enable them to establish the contacts and networks across sectors needed for their envisaged role within the discussed CSR implementation framework.
4. The SDCs need to have more authority and decision making powers to enable their progress and development.

7.4.4. Defining development priorities for CSR partnerships

In order to facilitate the idea of using CSR as a vehicle for development and allow its implementation in an effective manner, it is recommended that development priorities for Saudi society in general and those for local communities are defined and shared widely across the private sector. To enable this, the Ministry should seek to develop mechanisms to assess local and national priorities related to development, which could be linked to CSR. This could be achieved by mapping existing needs, opportunities and constraints in the local and national context. It is recognised that this is a substantial task and require combined efforts and resources. The findings of this work revealed a strong emphasis on the need for a broad range of programmes covering rural and remote areas of the Kingdom. There was also a clear demand for programmes focusing on linking training of young Saudi citizens to employment. In addition, programmes are expected to focus on specific target groups such as youth, women and people with special needs. Developing appropriate programmes require consultation with all relevant CSR stakeholders in order to ensure that mutual benefits are achieved. In particular, interests of the private sector should be central to such discussions and consultations in order to promote and support strategic CSR implementation, where shared value is created for the benefit of everyone involved.

7.5. Limitations of the study

It could be suggested that this work could be seen as taking a top-down perspective as all participants were senior and managerial level staff of all government and non-
government organisations. Considering the experiences of people intended as beneficiaries of CSR in local communities would have added another angle that might have produced very different results. A similar argument could also be made for more front-line workers in the chosen government and non-government organisations. However, the thesis took a more strategic approach, which attempted to understand those who have been involved in decision making. It could be argued this was a more appropriate approach given the level of understanding and development of CSR practices in Saudi Arabia at the moment and the need to improve them. I believe the study has rigour because those being interviewed are stakeholders directly relevant to the CSR partnership discussed in this work. They represented the different sectors envisaged to be involved in CSR projects and it was important to use this study to ‘know’ their individual perspectives and expectations. I offered the opportunity to all interviewees to check their interview transcripts. This provided an opportunity for participants to provide further information or alter data they gave previously. External auditing has been in the form of supervisory meetings and readings of the findings; this has helped to examine the procedures used for conceptualisation and re-examination of findings.

Other limitations include lack of repeat interviews over time, which might have allowed the research to capture any possible change in experiences, practices or views. In addition, a quantitative approach might have allowed for a greater breadth of participants, and a more sustained review of existing CSR projects may have provided a more grounded approach to understanding extant CSR in Saudi Arabia. However, the chosen qualitative methodology allowed for a deeper investigation of the research topic as discussed in detail in chapter four. Including more participants working in
rural and remote locations was not possible during this study due to logistical constraints and could be considered as a further limitation as their experiences are likely to be different to those based in major cities. Despite these limitations, the work has provided valuable findings, including a multi-perspective assessment of the current state of CSR practices in Saudi Arabia and stimulated a serious consideration for CSR to be employed as a tool for capacity building and development, which would support the Kingdom’s strategic vision.

7.6. **Dissemination Plan**

The key findings and recommendations of this work will be disseminated to relevant stakeholders in the Saudi public and private sectors to ensure that they are made aware of outcomes of this research and to encourage key policy and decision makers to consider direction of CSR implementation in the Kingdom. A briefing document will be shared with key personnel at the Ministry of Labour and Social Development, SDCs, Chamber of Commerce, NGOs and the private sector. It is intended that senior representatives from these organisations will then be invited to a workshop aiming at providing an opportunity for dialogue about the future direction of CSR implementation in Saudi Arabia in the light of the findings and recommendations of this work. This workshop would be possible through the researcher’s role in the Ministry.

Findings related to the private sector’s views of the discussed government role in CSR and the proposed tri-sector partnership have been presented at The 5th International Conference on Social Responsibility, Ethics and Sustainable Business held in Milan, Italy on the 6th and 7th October 2016. Similarly, findings related to the current state of SDCs and their potential role in CSR implementation have been presented at The 6th
International Conference on Social Responsibility, Ethics and Sustainable Business held in Berlin, Germany 28th and 29th September 2017. It is planned that these and other key findings of this research will be submitted for publication at peer-reviewed international journals focused on CSR and social development such as Journal of Business Ethics, Social Responsibility Journal and Journal of Management Studies. The results of this work will also be presented at academic seminars at leading Saudi Universities including King Saud and Princess Nora bint Abdul Rahman University in Riyadh.

7.7. Areas for future research

In order to develop the discussed CSR implementation framework, further research is needed to define the roles of key players in the public and private sectors and to determine policy requirements and key development priorities to be considered within the framework. The experiences and views of intended beneficiaries in local communities as well as front-line workers in government and private sectors should be investigated and used to inform the development of the framework. The use of quantitative research methods should be considered to maximise the number of those participants and ensure a comprehensive geographical representation throughout the Kingdom is obtained. To my knowledge, this is the first piece of academic work to study the SDCs and examine their development role in Saudi Arabia. Further research on maximising this role is needed.
7.8. Personal Reflection

The facts that I am a Saudi national, Arabic speaker, woman and work for the Ministry of Labour and Social Development all have an influence on this work and on the way the research has been conducted. These factors affect communication with participants, access to individuals either males or females and might have, to some extent, influenced the content of the interviews and the type of information obtained. These factors might have had both positive and negative effects on the research. For example, they might have given me an “insider” status, encouraging participants to provide more detailed answers, but could also resulted in participants making assumptions about how much details I have already had. Having already been involved in social work close to the area of CSR during my employment at the Ministry might have introduced an element of bias to my research, but I consider the knowledge and expertise I brought to this research as an asset to the work being conducted. This is consistent with the view that motives and assumptions for carrying out a particular research provide insight into differing world views and underpin how someone knows what they know and how research is expected to reach findings and conclusions (Yin, 2014). My affiliation with the Ministry and the government sponsorship of my research work have both enabled a large degree of accessibility to organisations such as the SDCs and the Riyadh Chamber of commerce and the private sector; and to individuals such as the Minister for Social Affairs and representatives from the Ministry. In addition, access to stakeholders was gained through a written permission from the Minister of Social Affairs and through contacts made in my previous employment.
As discussed in the reflexivity section in chapter four, while conducting this research, it is acknowledged that reality is a social construction by people, which incorporates human actions and ideas including those of the researcher. In this instance, it is important to recognise that it would not be possible to recreate the exact same findings of this qualitative research with a different researcher and sample. Whilst this emphasise the need for qualitative researchers to make every effort to not impose their own meanings to an interview and to establish meaning from what a researcher learns from participants, it is recognised that this is a very difficult task to fully achieve as interpretation made by qualitative researchers is often influenced by their own specific history, context, and background and prior understandings (Creswell, 2009).

On a personal level, I have found the experience of studying abroad using a foreign language to challenging, exciting and rewarding. Initially, the UK weather and culture represented a significant change to what I was used to and the process of adaptation was a little slow. However, having my husband and three sons with me in the UK provided me with much needed support and motivation. The fact that my husband was studying for his master degree during the early part of my PhD added a bit of extra pressure on us both, but also provided us with the experience to appreciate each other responsibilities and to treasure the shared family time we had together. It was great to see my sons learn and master the English language and for my eldest son to graduate with a degree in Civil Engineering from the University of Leeds. Our collective experience, as a family, has been very fulfilling and rewarding.
References


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Appendices
## Appendix (1): Training and development

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Title</th>
<th>Place</th>
<th>Key learning aim</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/04/2015</td>
<td>Conference attendance</td>
<td>Academic conference</td>
<td>Hull University</td>
<td>Workshops; posters</td>
</tr>
<tr>
<td>20/10/2015 to 22/10/2015</td>
<td>Conference attendance</td>
<td>International Conference on Islamic Economics and Finance (IJCIEF)</td>
<td>Turkey-Sakarya University</td>
<td>CSR Islamic economic-Poverty Social development</td>
</tr>
<tr>
<td>06/11/2015</td>
<td>Participating (Poster) Training</td>
<td>Celebration day of postgraduate student Qualitative research methods</td>
<td>Salford University</td>
<td>Present poster about my research in the first year</td>
</tr>
<tr>
<td>22/01/2016 to 28/01/2016</td>
<td>Training</td>
<td></td>
<td>Salford University</td>
<td>Interpretivism; Interviews</td>
</tr>
<tr>
<td>7 - 9/02/2016</td>
<td>Training</td>
<td>Philosophy &amp; Epistemology</td>
<td>Salford University</td>
<td>Ontology- Interpretivism</td>
</tr>
<tr>
<td>20/02/2016</td>
<td>Training course</td>
<td>How can you write academic paper?</td>
<td>Saudi club in Manchester</td>
<td>Kind of Journals- abstract- published work</td>
</tr>
<tr>
<td>08/03/2016</td>
<td>Workshop</td>
<td>Measuring social impact</td>
<td>Leeds</td>
<td>Developing your ‘Theory of Change Social impact measurement tools Best practice measure well-being grant-making organisations-develop new income streams-major donors-philanthropists and corporate funders</td>
</tr>
<tr>
<td>11/03/2016</td>
<td>Workshop</td>
<td>Sources of funding</td>
<td>London</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Activity</td>
<td>Title</td>
<td>Place</td>
<td>Key learning aim</td>
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<td>--------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>23/03/2016</td>
<td>Workshop</td>
<td>Working with corporate</td>
<td>London</td>
<td>Social enterprises – Non-profit Organisations-CSR</td>
</tr>
<tr>
<td>14/04/2016</td>
<td>Workshop</td>
<td>Unlocking social investment</td>
<td>London</td>
<td>Social investment- new forms of income-make informed decisions about how to finance your organisation</td>
</tr>
<tr>
<td>19/04/2016</td>
<td>Workshop</td>
<td>Internal Evaluation</td>
<td>Salford University</td>
<td>Develop report Viva Questions</td>
</tr>
<tr>
<td>06/05/2016</td>
<td>Participating (Oral presentation)</td>
<td>Celebration day of postgraduate student</td>
<td>Salford University</td>
<td>Present poster about my research in the first year</td>
</tr>
<tr>
<td>18/05/2016</td>
<td>Workshop</td>
<td>Critical thinking at PhD Level</td>
<td>Salford University</td>
<td>Self-critical Reflexivity</td>
</tr>
<tr>
<td>09/06/2016</td>
<td>Participate in PhD Poster Exhibition</td>
<td>Social Enterprise Mark annual conference 2016</td>
<td>Media city campus, Manchester Business school</td>
<td>Social enterprise-social context (health, homelessness, education, nutrition)</td>
</tr>
<tr>
<td>14,15,16/06/2016</td>
<td>Participate in SPARC conference 2016</td>
<td>Salford postgraduate annual research conference</td>
<td>Salford University</td>
<td>Actively engage with Salford’s PGR community-developing confidence and presentation skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5th International conference on social</td>
<td>Bocconi University, Milan, Italy</td>
<td>Presented a paper on the private sector’s view of the proposed government and SDC</td>
</tr>
<tr>
<td>Date</td>
<td>Event Type</td>
<td>Title</td>
<td>Location</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6-7/10/2016</td>
<td>Conference</td>
<td>responsibility, ethics and sustainable business</td>
<td></td>
<td>role in CSR based on the findings presented in this work</td>
</tr>
<tr>
<td>28/10/2016</td>
<td>Workshop</td>
<td>Developing a Fundraising Strategy</td>
<td>London</td>
<td>Charities and social enterprises/ critical strategic decisions/ trustees / diversify and innovate</td>
</tr>
<tr>
<td>28-29/09/2017</td>
<td>Conference</td>
<td>6th International conference on social responsibility, ethics and sustainable business</td>
<td>Berlin, Germany</td>
<td>Presented a paper on SDCs based on the findings presented in chapter 6 of this work</td>
</tr>
</tbody>
</table>
### Appendix (2): Interview Guide and Questions

<table>
<thead>
<tr>
<th>Participants</th>
<th>Reasons for selection</th>
</tr>
</thead>
</table>
| **Government (Ministry of Labour and Social Development)** | 1. Ultimately responsible for all Social Development Centres.  
2. Capable of liaising with other government Ministries.  
3. Able to grant permission for projects held in the SDC’s/Decision Makers |
| Minister for Labour and Social Development (Male) | |
|  + Previous-Deputy Minister of Social Development (Male) | |
|  + Current-Deputy Minister of Social Development (Male) | |

**Interview Questions**

- What does the Ministry understand about CSR?
- What do they regard as potential barriers to the proposed CSR model?
- How does the Ministry see its role in a CSR model?
- To understand their perceptions and understanding of CSR.
- Need to understand what the perception of SDC’s is, purpose, future development and how this ties in with the Saudisation and long term planning from government.
- What does the Ministry want from SDC’s in the future; how would they like to see their development and use?
- What types of projects are currently run, their success rates, how success/failure is measured – do these link to government strategies?
- Are projects long-term and sustainable?
- What does the Ministry regard the role of the private sector to be when acting as responsible corporate citizens?
- Are there any co-operative plans or strategies between various ministries which can support social development and the SDC’s?
- How can barriers be overcome in order to support and encourage the private sector to undertake sustained CSR as a part of their strategic planning?
- What types of capacity building/up-skilling programmes are needed to improve employment figures and society as a whole?
Social Development Centres:

Five of SDC Managers (All Females)

These have been chosen in order to capture the diverse views, ideas, perspectives and realities of centre managers and to account for regional needs, differences and operations.

SDC managers are aware of the local community and of their needs; they work with and impact upon local NGO’s. The work of NGO’s is directed and dictated to by government via the SDC’s – so managers are aware of NGO work and projects. Managers are also aware of barriers, constraints and why projects succeed or fail.

- What do managers know or understand about CSR?
- How are SDC projects decided upon and by who?
- What are the current projects?
- Are the projects short/long term and why?
- Are the projects successful, why/ why not?
- What are the barriers to success?
- Is there an assessment/audit process to support development, best practice, recommendations; is this process ongoing?
- If there is no audit process how is success measured?
- Currently how do SDC’s work in partnership with NGO’s and private sector?
- What is your understanding about CSR?
- How do managers see future partnerships operating in a CSR context?
- How is work distributed amongst centre staff?
- What training or skills development is offered to staff?
- What are staff qualifications and planned courses?
- How do you ascertain local community needs, is there any research/discussion undertaken?
- How is the local community benefitting from SDC community projects?
- How is project success measured?
- What do you think are the reasons for success or failure?
- Is there any assessment or critique of individual projects and their contents?
- What type of project do you envisage would work in a CSR model that is supported by the private sector?
- What kind of research has been carried out by academics/students/government representatives with regards to the SDC’s?
- If there has been research what was this about?
- What types of capacity building/up-skilling programmes are needed to improve employment figures and society as a whole?
<table>
<thead>
<tr>
<th>Participants</th>
<th>Reasons for selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>A retired founder of SDCs (Female)</td>
<td>Founder is lady with influence; had a vision for the SDC’s and worked vigorously to establish and develop the centres. The founder supervised managers and was responsible for the SDC’s nationwide. She is able to explain the original purpose and history of SDC’s; what the role was in the past, how that takes place currently and development of the SDC’s in the future.</td>
</tr>
</tbody>
</table>
|                              | • What was the role of SDC’s?  
• How did they plan and implement development?  
• What do they understand CSR to be?  
• Do they envisage SDC’s as having the capacity to implement CSR projects as the bridge between government and the private sector?  
• Do they consider the SDC’s to have continued success; if not why have the SDC’s deteriorated?  
• What do they feel are the barriers at the present?  
• What types of capacity building/up-skilling programmes are needed to improve employment figures and society as a whole? |

<table>
<thead>
<tr>
<th>Participants</th>
<th>Reasons for selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Governmental Organisations (NGOs)</td>
<td>It was also important to include charities that are part of the capacity building within local communities. They able to provide information regarding how SDC supervision affected charity work and working in terms of government legislation. And they were actively undertaking CSR.</td>
</tr>
</tbody>
</table>
|                              | • What is CSR for your organisation?  
• What is CSR for Saudi Arabia?  
• What would your organisation want from a government led initiative?  
• What do you know about SDC’s and how do you regard them?  
• What would you say were the differences between NGO’s and SDC’s?  
• What do Non-Government Organisations need from government in order to use the Saudisation project effectively?  
• How do you think the NGOs could work with SDC’s in a government led initiative? |

Participants: A retired founder of SDCs (Female)  
Non-Governmental Organisations (NGOs)  
Four Managers  
Including Managers of Charity (1 Male and 1 Female)  
Manager of NGO (Female)  
Manager of CSR Charity (Male)
<table>
<thead>
<tr>
<th>Participant</th>
<th>Reasons for selection</th>
</tr>
</thead>
</table>
| Riyadh chamber of commerce & industry          | This organisation plays a strategic role for investment and commerce in Saudi Arabia; currently they require CSR to be part of long-term business strategy in order to be able to establish or invest in businesses within Saudi Arabia.  
This organisation has the primary role in participating in the drafting of regulations and decisions governing and serving the Saudi private sector through its membership in various committees. |
| 1 Manager of CSR (Male)                         | • What is their understanding of CSR?  
• What is good corporate citizenship?  
• What do they regard the role of the private sector to be with regards to CSR?  
• What do they know about the work of the SDC's?  
• What types of businesses do they want to see investing in Saudi Arabia?  
• What are the types of CSR that have already been incorporated into the long term strategic planning?  
• How is the success of CSR projects measured?  
• How is performance audited to provide critique/feedback in order to develop and improve performance?  
• What types of capacity building/up-skilling programmes are needed to improve employment figures and society as a whole? |
| 1 Manager of Social projects (Male)             | In Riyadh chamber of commerce & industry.                                                                                                                                                            |
| Private Sector:                                 | Managers from companies who have CSR projects have been interviewed. They included managers of CSR and Public relations departments They have been chosen because they were parts of companies that had ongoing CSR projects and CSR was considered to be part of their strategic planning and had links with other stakeholders. |
| 10 Managers of CSR (9 Males and 1 Female) | - What is CSR for your company?  
- What is CSR for Saudi Arabia?  
- What would your company want from a government led initiative?  
- What do you know about SDC’s and how do you regard them?  
- What would you say were the differences between NGO’s and SDC’s?  
- What does the private sector need from government in order to use the Saudisation project effectively?  
- How do you think the private sector could work with SDC’s in a government led initiative?  
- What types of capacity building/up-skilling programmes are needed to improve employment figures locally and in society as a whole? |
Appendix (3): Participants’ Information Sheet

An Examination of the Role of Corporate Social Responsibility (CSR) in Saudi Arabia

Information Sheet

I am intending to carry out research as part of my PhD and am currently a PhD student at the University of Salford. I would like to invite you to take part in a study focusing the potential role of CSR in providing training and skills to reduce unemployment in Saudi Arabia. Before you decide if you would like to participate, I would like to give you some information about why the study is being conducted and what your role will be. Please take the time to read the following information carefully so that you can make an informed decision. If any of the information is unclear, please do not hesitate to ask any questions. If you require more information about the research, you can contact me on my institutional e-mail address which is: j.a.ebnmahna@edu.salford.ac.uk

I will be conducting face to face interviews with government officials, private sector managers and Social Development Managers who are working either with CSR or local communities who may benefit from CSR. The research locations have been selected because CSR has been identified as a way for businesses to help the communities they are based in; as well as a way to support government initiatives to reduce unemployment. I will be conducting face to face interviews from the 16th of December 2015 – 30th December 2015.

Purpose of the Research:

The study involves an examination of the experiences of people connected or interested in CSR and who are currently working in the field of CSR within Saudi Arabia. A related aim is to gain knowledge of the kinds of meanings and understandings stakeholders have about CSR; particularly related to their specific context, level of decision making power and information regarding the work of Social Development Centres. The study is interested in knowledge about Social Development Centres because there is a significant gap in research regarding the role of Social Development Centres, how they measure success, serve local communities and how they are seen as developing in the future.

Why am I being invited to take part?

You have been invited to take part in this study because you currently working in a CSR role, are able to offer insight in to CSR development or are working with local communities to improve and progress community skills.
Do I have to take part?

The decision to participate is completely up to you; you are under no obligation to take part. Prior to the interview, if you agree to participate, I will describe the study and go through this information sheet with you so that you fully understand what the research consists of. I will then ask you to sign a consent form which will demonstrate that you have agreed to take part in the research. You are free to withdraw from this study at any time without giving a reason.

What will happen if I take part?

If you decide to participate, you will be asked to undertake a face to face interview with Jawhar Ebnmhana. I will conduct the interview at a time and place to suit you. The interview should take approximately one hour and will be semi-structured, meaning I will have a set of questions which act as initial conversational starters.

With your agreement, I will record the interview so that it can be transcribed later. You will not be identified and the interview will be confidential. Please also refer to the confidentially section below.

What are the possible disadvantages and risks of taking part?

If you decide that you wish to take part in the study, the interview will be arranged at a time and place of your convenience, sometime during the week commencing 14th December 2015.

It is highly unlikely that sensitive topics will be addressed throughout the course of the interview. However, if you feel uncomfortable with any of the questions or conversation topics then you do not need to answer and the researcher will not probe for any more information on that particular topic. If you decide that you want to stop the interview at any time then you have the right to do so.

What are the possible benefits of taking part?

While I cannot promise that the study will help you directly, your participation will help us fill a gap in knowledge about CSR in Saudi Arabia.

What if there is a problem?

If you have a particular concern about any aspect of the study, you should speak to the researcher who will do their best to answer your questions: j.a.ebnmhana@edu.salford.ac.uk, you can also contact: Dr. Anya Ahmed, Senior Lecturer in Social Policy, University of Salford, +44 (0)161 295 2185.
All the information collected about you in the research will be kept strictly confidential. At all
times, procedures for handling, processing, storage and destruction of data will be in accordance
with the Data Protection Act 1998 and will follow the British Sociological Association’s and the
Social Policy Association’s statement of Ethics. It is important that you are aware of the following:

Individual participant research data taken during interviews will be made anonymous by
changing your name and any other details that may compromise your confidentiality or
anonymity. Furthermore, you data will be allocated a code. This will only be known to me. All
identifying markers which could infer identity will be removed or changed and if it is necessary
information will not be published in order to protect confidentiality and anonymity. In all cases
I will check with interview participants if they are happy to allow the information they have
disclosed to be used or if they wish to omit certain parts.

A list identifying participants will be kept on a password protected computer accessed only be
myself. All recorded data will be stored in a locked cabinet, within a locked office, accessed only
by myself. Electronic data will be stored on a password protected computer known only by
myself. The data collected will be used to write a paper for publication and to support a UK
research council bid to undertake a wider study. The only people able to access the data collected
in the research will be myself and my supervisors.

In accordance with Saudi Arabian custom if an interviewee requires a chaperone to be present
during the interview this will be arranged by myself, and in agreement with my supervisor. The
chaperone will be required to observe and will also agree to complete confidentiality and
anonymity at all times. Please note the attendance of a chaperone is optional and entirely at the
discretion of the interviewee.

**What will happen if I don’t want to continue with the study?**

If you wish to withdraw from the study, all information and data collected about you, to date,
will be destroyed and your name will be removed from all study files.

**Who is organising or sponsoring the research?**

The research is being conducted by Jawhar Ebnmhana from the University of Salford, UK.
Ibrahim Albargash my contact in Saudi Arabia is very kindly helping us set up the interviews.

Please feel free to contact me if you have any queries: j.a.ebnmhana@edu.salford.ac.uk

**Who do I contact if I wish to complain about any aspect of this study?**

Dr. Anya Ahmed, Senior Lecturer in Social Policy, University of Salford, +44 (0)161 295 2185.

Anish Kurien, Research Centres Manager, University of Salford: t: +44 (0) 161 295 5276  | e:
a.kurien@salford.ac.uk

Jawhar Ebnmohana – PhD Thesis: *CSR in A Saudi Arabian Context*
Appendix (4): Participant Consent Form

Research Participant Consent Form

Title of Project: An Examination of the Role of Corporate Social Responsibility in Saudi Arabia

Ethics Ref No: ETHICS APPLICATION HSCR 15-134

Name of Researcher: Jawhar Ebnmhana

<table>
<thead>
<tr>
<th></th>
<th>Delete as appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>I confirm that I have read and understood the information sheet for the above study (version 3-4/12/2015) and what my contribution will be.</td>
<td>YES NO</td>
</tr>
<tr>
<td>I have been given the opportunity to ask questions (face to face, via telephone and e-mail).</td>
<td>YES NO</td>
</tr>
<tr>
<td>I agree to my interview for this research being audio recorded.</td>
<td>YES NO</td>
</tr>
<tr>
<td>I understand that my participation is voluntary and that I can withdraw from the research at any time <strong>without giving any reason and without</strong> negative repercussions.</td>
<td>YES NO</td>
</tr>
<tr>
<td>I understand how the researcher will use my responses, who will see them and how the data will be stored anonymously.</td>
<td>YES NO</td>
</tr>
<tr>
<td>I agree to the presence of a chaperone if this is required.</td>
<td>YES NO</td>
</tr>
<tr>
<td>I agree to take part in the above study</td>
<td>YES NO</td>
</tr>
</tbody>
</table>

Name of participant  ……………………………………………………………

Signature  ……………………………………………

Date  …………………………………

Name of researcher taking consent  Jawhar Ebnmhana

Researcher’s e-mail address  j.a.ebnmhana@edu.salford.ac.uk
Appendix (5): An example of open coding and theme development

Question: What does CSR mean for your company?

Step 1: Generating initial codes based on extracting meaning from answers given by participants to each question

<table>
<thead>
<tr>
<th>Participant #</th>
<th>Answer Segments</th>
<th>Initial Codes</th>
</tr>
</thead>
</table>
| PR03 (a private sector participant) | • CSR is originated in our religion but its organisation and management is the new thing in the Kingdom  
• There was a confusion between charitable work and social responsibility  
• Resources for social responsibility programmes are usually a percentage of the company’s profit as it provides amounts of money for funding and supporting society and contributes to the development of different community aspects such as social, health and environment.  
• It also work as a parallel helping factor for the civil society associations and governmental associations that contributes to developing the society  
• The social responsibility of a company includes its responsibility towards its employees as well as the society at large.  
• Companies also have a role towards their suppliers and partners. | • Religious driver  
• The concept of CSR is often confused with that of charitable work  
• Funding for CSR comes from company profit (again this is corporate philanthropy not strategic CSR)  
• Parallel help to governmental and non-governmental organisation  
• Stakeholders include suppliers and other business partners |

Step 2: Grouping of similar initial codes under broad themes and sub-themese based on answers of participants for each group

Theme 1.1 – The concept of CSR

• Mutual benefit to community and company (PR02)  
• Originated in religion (PR03)
- The concept of CSR is often confused with that of charitable work (PR03)
- Enhances company reputation (PR) (PR04)
- It is about not harming the environment (Ethical CSR) (PR05)
- Partnerships (PR07)

**Theme 1.2 - What does CSR do?**

**Sub-theme 1.2.1 – Focus on Community challenges**
- Part of Social development (JE-PR01)
- Interest in community and its problems (PR04)
- Focus on society, economy and environment (PR05)
- Involves employees, community and the environment (PR08)
- Social service programmes (PR09)
- Direct help to communities and individuals (PR09)

**Sub-theme 1.2.2 – Training, education and building capacity**
- Education and Training (PR02)
- Interest in training young graduates (PR02)
- Emphasis on training and development rather than direct financial payments (PR04)
- Quality education (PR05)Programmes of training and rehabilitation (PR06)
- Training and loans for family businesses (PR06)
- Building human capacity (PR06)
- Training to suit the needs of the labour market (PR06)
- Training and education (PR07)
- Development and training of young people (PR08)
- Training (PR08)
- Programmes rather than direct financial payments (PR08)
- Training (PR09)
- Building human capacity (PR10)

**Sub-theme 1.2.3 – Helping the government**
- Parallel help to governmental and non-governmental organisation (PR03)
- Helping the government address societal challenges (PR04)

**Sub-theme 1.2.4 – Sustainable Development**
- Evolved CSR into Sustainable development (PR05)
- Sustainable development (PR06)

**Theme 1.3 – Who are the beneficiaries of CSR?**

**Sub-theme 1.3.1 – Specific target groups [3]**
- Local communities and target groups (PR04)
- Youth (PR06)
- Target groups (PR06)
- Focus on own employees (PR10)
Sub-theme 1.3.2 – Knowledge of stakeholders

- Stakeholders include suppliers and other business partners (PR03)
- Involving all stakeholders (PR08)
- Stakeholders include suppliers and other business partners (PR03)
- Includes employees and community (PR05)
- Includes employees and community (PR07)
- Involves a wide range of stakeholders (PR09)

Step 3: Development of broad themes based on the analysis carried out in step 2 for all participants

Understanding and evaluation of current CSR practice in Saudi Arabia

- The concept of CSR
  A lack of clear understanding of CSR among Saudi companies
    The CSR concept is not well defined
    Confusion between CSR and Charity
    Confusion with PR and marketing

- The Purpose of CSR
  Help to Community
  Help to business
  Parallel help to governmental and non-governmental organisations

- What does CSR do?
  Focus on Community challenges
  Training, education and building capacity
  Helping the government
  Sustainable Development

- Beneficiaries of CSR
  Specific target groups
  Knowledge of stakeholders

- What is needed to improve CSR work in Saudi Arabia?
  The need for a CSR coordination body
  Other requirements to improve CSR work in Saudi Arabia
Appendix (6): A letter of permission from the Ministry of Social Affairs for interviews to be conducted with SDC members (in Arabic)
Appendix (7): A copy of the ethical approval letter

10 December 2015

Dear Jawhar,

RE: ETHICS APPLICATION HSCR 15-134 – An Examination of the Role of Corporate Social Responsibility in Saudi Arabia

Based on the information you provided, I am pleased to inform you that application HSCR15-134 has been approved.

If there are any changes to the project and/or its methodology, please inform the Panel as soon as possible by contacting Health-ResearchEthics@salford.ac.uk

Yours sincerely,

[Signature]

Sue McAndrew
Chair of the Research Ethics Panel
### Appendix (8): Characteristics of the private sector companies included in this work

<table>
<thead>
<tr>
<th>Company</th>
<th>Size (number of employees)</th>
<th>Activity</th>
<th>Ownership</th>
<th>Region of operation</th>
<th>Dedicated CSR department</th>
<th>Current CSR initiatives</th>
<th>Value (Sales in SAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR01</td>
<td>26000</td>
<td>Electrical manufacturing &amp; construction industry</td>
<td>Saudi Arabia</td>
<td>National, Regional(^8) and International</td>
<td>No</td>
<td>Training and environment protection</td>
<td>9Billion</td>
</tr>
<tr>
<td>PR02</td>
<td>36000</td>
<td>Food, beverages and dairy products</td>
<td>Saudi Arabia</td>
<td>National and Regional</td>
<td>No</td>
<td>Education and training linked to employment</td>
<td>13.8Billion</td>
</tr>
<tr>
<td>PR03</td>
<td>60000</td>
<td>Financial services, investment, real estate development, construction materials and health services</td>
<td>Saudi Arabia</td>
<td>National and Regional</td>
<td>Yes</td>
<td>Training and support for small projects</td>
<td>26Billion</td>
</tr>
<tr>
<td>PR04</td>
<td>83000 (Worldwide including 5800 in SA)</td>
<td>Arms and defence</td>
<td>British</td>
<td>International</td>
<td>Yes</td>
<td>Academic research scholarships</td>
<td>17.9Million</td>
</tr>
</tbody>
</table>

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\(^7\) 1 SAR is worth approximately £0.19 (16 March 2018)
\(^8\) The term “Regional” refers to company operations in neighbouring countries in the Middle East Region
<table>
<thead>
<tr>
<th>PR05</th>
<th>21000</th>
<th>Building materials, infrastructure, information and communication technology and oil field services</th>
<th>Saudi Arabia</th>
<th>National</th>
<th>Yes</th>
<th>Education and training</th>
<th>Human development</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR06</td>
<td>2000</td>
<td>A leading Shari'ah compliant (Islamic law) financial services provider</td>
<td>Saudi Arabia</td>
<td>National</td>
<td>Yes</td>
<td>Education and training</td>
<td>Human development</td>
<td>5.2Billion</td>
</tr>
<tr>
<td>PR07</td>
<td>&lt;20</td>
<td>A development advisory group specialised in social responsibility and sustainable development</td>
<td>Saudi Arabia</td>
<td>National</td>
<td>Yes</td>
<td>Education and training</td>
<td></td>
<td>Unknown</td>
</tr>
<tr>
<td>PR08</td>
<td>8000</td>
<td>One of Saudi Arabia’s largest financial institutions</td>
<td>Saudi Arabia</td>
<td>National</td>
<td>Yes</td>
<td>Empowering Women (Productive Families Program).</td>
<td>Empowering Youth (Entrepreneurship Program).</td>
<td>445Billion (Total assets)</td>
</tr>
</tbody>
</table>
| PR09  | 4800  | One of Saudi Arabia’s largest financial institutions | Saudi Arabia | National | No | • Empowering Children (Orphan Program).  
• Run a voluntary programme which provides the staff with a chance to get involved in social initiatives and charity work. |
<table>
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<tr>
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<tbody>
<tr>
<td>PR010</td>
<td>&lt;30</td>
<td>The first Saudi company to specialise in CSR and sustainable solutions consultancy to both private and public sectors.</td>
<td>Saudi Arabia</td>
<td>National</td>
<td>Yes</td>
<td>Training Programs</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Unknown</td>
</tr>
</tbody>
</table>

Saudi Arabia National No

218 Million (Total assets)