The Role of Higher Education Institutions in Propagating Corporate Social Responsibility
Case Study: Universities in the Middle East

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Abstract

The recent decades have seen a proliferation of private and for-profit entities into the "business of development" as well as an unveiling of unintended social, environmental and development consequences – both good and bad – resulting from corporate activities. The acknowledgment of such impact has led many to put forth that corporations have a duty to embrace accountability, responsibility and transparency, collectively dubbed Corporate Social Responsibility (CSR). Fueled by the notion of employing CSR as a competitive differentiator, many businesses have undertaken such measures with favorable outcomes, reinforcing the notion that CSR can be both profitable and beneficial.

In response, institutions of higher education have expanded CSR in their curricula, seeking to inform future generations of leaders of the benefits of socially responsible activities. This study outlines the CSR premise, discusses factors driving the expansion of CSR in the curricula of higher education institutions, and aims to provide case study evidence on how CSR is being implemented in universities in the Middle East.

Hypotheses Statement: In response to the ever-growing social problems facing the Middle East, societies and governments need to re-invent themselves and find new ways to solve their problems. Creating awareness about societal problems and ways to solve them among youth is considered one of the main initiators to a better future for the Middle East Region. Therefore, the role of higher education institutes in introducing and promoting corporate social responsibility among youth is the first step on the path of a better future.

Research Questions:
1. How important are the youth in the Middle East Region as catalyst of change?
2 Why is it important to create awareness concerning the main social issues affecting the region?
3. Can Corporate Social Responsibility be the needed technique to solve social issues?
4. What is the role of Higher Education in creating awareness?

Keywords: Corporate social responsibility, higher education, competitive advantage, sustainable development, Middle East.
Methodology: This paper is an analytical, comparative case study using secondary and primary data.

I. Introduction

Corporate social responsibility (CSR) is defined through the ethical relationship and level of transparency a company maintains not only with its shareholders but also with its stakeholders. CSR is exhibited through the establishment of corporate goals compatible with (i) the sustainable development of society, (ii) preserving environmental and cultural resources for future generations, (iii) respecting diversity and (iv) promoting the reduction of social problems (Filho et al. 2010).

While CSR outlines a framework for companies to contribute to the well being of society, it also presents opportunities to create competitive advantages among companies and a positive reputation for the business world (Smith 2007, Porter and Kramer 2006). Uniquely positioned to influence generations of future leaders, institutions of higher education are increasingly undertaking CSR as part of their curricula. Although elements of CSR have always been a part of the educational mission of higher education institutions, through implementing CSR strategies, higher education institutions are now using this approach as a part of their own competitive strategies, shifting focus beyond the classroom into their own institutional operations. Many of these institutions are discovering the importance of corporate image, corporate identity, corporate reputation and chiefly CSR as reputation building strategies (Atakan and Eker 2007, Stensaker 2007, Porter and Kramer 2006, Melewar and Akel 2005).

This study outlines the CSR premises, discusses factors driving the expansion of CSR in the curricula of higher education institutions, and aims to provide case study evidence on how CSR is being implemented in universities in the Middle East.

Corporate Social Responsibility as a Value Proposition

CSR is defined as the economic, legal, ethical, and discretionary expectancies that society has of organizations at a given point in time (Valentine and Fleischman 2008). This definition is based on Carroll's study (1979) where he defined four components of social responsibility and broadened the scope of its understanding (Maignan 2001, Popa 2010). Carroll suggested that businesses must fulfill economic, legal, ethical, and philanthropic responsibilities in order to address their entire obligations to society.

- Economic responsibilities designate the obligations for businesses to be productive and profitable (Maignan 2001)
- While legal responsibilities refer to the framework of legal requirements businesses need to meet while practicing economic duties (Carroll 1979).
- Ethical responsibilities are the defined appropriate behavior by established norms that businesses should follow,
- And philanthropic responsibilities reflect the common desire to see businesses get actively involved in the betterment of society (Maignan 2001).

In the current global market environment, social pressures on businesses have increased: The concern for CSR is expressed not only among academics but also by the public and shareholders (Popa 2010). Unfortunately, many companies awoke to the importance of CSR only after being surprised by unfavorable public responses to issues they had not previously thought were part of their business responsibilities (Porter and Kramer 2006). Particularly following negative public responses and global boycotts, there has been a trend toward promoting corporate change and emphasizing CSR within corporate business strategies (Filho et al. 2010). Moreover, in

the implementation process, companies realized that, if used properly, CSR strategies could be profitable and create value such as through competitive advantages and improvements in corporate reputations (Smith 2007, Porter and Kramer 2006, Husted and Allen 2001).

In general, competitive advantage can be achieved through internal resources and obtained by implementing valuable, inimitable and non-substitutable actions (Barney 1991). Consequently, when CSR actions are implemented properly and internalized within the company, the actions can create a competitive advantage for the company. Furthermore, if a company manages to develop CSR projects connected to its core business, it can also create rare CSR actions and, thereby, a strong and unique competitive advantage (Filho et al. 2010). Thus, when companies incorporate CSR into their strategy, in the long run, CSR can produce a sustainable and inimitable competitive advantage since it will be reinforced over time as the result of a consistent strategy (Smith 2007).

Identity, image and reputation are central to an organization's agenda and to its corporate communication activities, addressing key questions of what distinctive attributes will be assigned to an organization (Mohamad et al. 2007). In terms of corporate reputation, many companies employ CSR initiatives on that basis that these efforts will improve the company's image, strengthen its brand, enliven morale, and even raise the value of its stock (Porter and Kramer 2006). Reputation is formed over time by repeated impressions of the corporate image whether positive or negative (Gray and Balmer 1998). Therefore, it is suggested that reputation must also be based on accomplishments or worthwhile efforts to gain the public's goodwill, more than mere publicity efforts (Mohamad et al. 2007). It is commonly accepted that a good reputation can create a strong competitive advantage (Filho et al. 2010, Smith 2007), and CSR has emerged as a valuable and necessary strategy to the competitive business environment of today. Further, besides creating a good reputation and a competitive advantage, CSR can help the business world to contribute to the well being of the society – and successful corporations depend upon a healthy society (Porter and Kramer 2006).

II. The Role of Higher Education Institutions in Propagating CSR

Although defining the role of higher education institutions is a topic to be separately studied and further discussed, the responsibility of higher education institutions can be summarized as transferring knowledge to new generations by teaching, training and conducting research; determining a balance between basic and applied research and between professional training and general education; and meeting the priority needs of their respective societies (UNESCO 1991). Moreover, higher education institutions are expected to function actively as social institutions for (i) the development of individual learning and human capital, (ii) the socialization and cultivation of citizens and political loyalties, (iii) the preservation of knowledge, and (iv) the fostering of other legitimate pursuits for the nation-state (Gumport 2000). Thus, the behavior and actions of the higher education institution reflects directly back to the society through alumni and through daily operations, exhibiting a direct and immediate impact on society.

While many would agree on the role of higher education institutions, much debate exists on the content and conclusions put forth by these institutions in fulfilling these roles. For example, one Harvard Business School professor postulates that increasing CSR curricula are to blame for declining competitiveness among U.S. companies, a position neatly debated by one of Harvard's own university presidents (Simons 2013). The essence of this argument is that business schools no longer emphasize how to win amidst growing global competition but rather blur this focus with

unrelated matters ranging from not-for-profit management and public policy advocacy to sustainability.

Despite opposition from capitalists and business purists, expansion of CSR curricula is rapidly increasing, bolstered by programs led by institutions such as the United Nations and the Association for the Advancement of Sustainability in Higher Education.

III. International Compliance and Standards: The United Nations Principles for Responsible Management Education

The Principles for Responsible Management Education (PRME) is the first organized relationship between the United Nations and management-related academic institutions, business schools, and universities. Since its official launch in 2007 by UN Secretary-General Ban Ki-Moon, the initiative has grown to more than 500 leading business schools and management-related academic institutions from over 80 countries across the world. More than a third of the Financial Times' top 100 business schools are signatories to PRME, which provides a global network for academic institutions to advance corporate sustainability and social responsibility, and an engagement framework for the incorporation of universal values into curricula and research (www.unprme.org).

Universities in the Middle East and around the world today participants in PRME and are applying the principles of responsible management in education. When applying these principles, educational institutions will be able to provide their students with quality education that enables them to compete in the workforce. Institutions of higher learning involved in the education of current and future managers voluntarily commit to engaging in a continuous process of improvement surrounding the following principles and their application, reporting on progress to all stakeholders and exchanging effective practices with other academic institutions:

- **Principle 1 - Purpose:** We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.
- **Principle 2 - Values:** We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.
- **Principle 3 - Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.
- **Principle 4 - Research:** We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.
- **Principle 5 - Partnership:** We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.
- **Principle 6 - Dialogue:** We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability. (www.unprme.org)

Adopting PRME implies that a participant is willing to regularly share information to all stakeholders on progress made in implementing and supporting the principles with public reporting the best way to ensure the credibility of the initiative. As a collection of good practices, a reporting database facilitates the exchange of good practices among the PRME network, which includes many signatories from the Middle East, including: Ain Shams University in Egypt; British and German universities in Egypt; the American University of Sharjah in the UAE, and the British University of Dubai.

IV. Sustainability Ratings in Education: The Association for the Advancement of Sustainability in Higher Education

The Association for the Advancement of Sustainability in Higher Education (AASHE) aims to create a brighter future of opportunity for all by advancing sustainability in higher education. By creating a diverse community engaged in sharing ideas and promising practices, AASHE provides administrators, faculty, staff and students, as well as the businesses that serve them, with (i) thought leadership and essential knowledge resources, (ii) outstanding opportunities for professional development, and (iii) a unique framework for demonstrating the value and competitive edge created by sustainability initiatives.

AASHE defines sustainability in an inclusive way, encompassing human and ecological health, social justice, secure livelihoods, and a better world for all generations with activities designed to:

- Make sustainable practices the norm within higher education;
- Facilitate institutional efforts to integrate sustainability into teaching, research, operations, and public engagement;
- Disseminate knowledge and best practices and promote resource sharing;
- Support all sectors of campus in achieving sustainability goals;
- Increase collaboration among individuals, institutions, and external partners to speed the adoption of sustainability practices; and
- Influence education policy so that sustainability is a focus at local, state and national levels.

To aid colleges and universities in measuring their sustainability performance, AASHE developed the Sustainability Tracking, Assessment & Rating System™ (STARS). This transparent, self-reporting framework is designed to:

- Provide a framework for understanding sustainability in all sectors of higher education;
- Enable meaningful comparisons over time and across institutions using a common set of measurements;
- Create incentives for continual improvement toward sustainability;
- Facilitate information sharing about higher education sustainability practices and performance; and
- Build a stronger, more diverse campus sustainability community. (www.aashe.org)

V. Case Study: Universities in the Middle East

CSR education is budding in the Middle East as universities begin to recognize the importance of including the concept in their curricula. The spectrum of integration of CSR in business school programs in Lebanese, Egyptian and UAE universities ranges from including elements of social and environmental sustainability in select courses to offering a multi-faceted approach geared toward ingraining the concepts in the thought processes of business students. Presently, much of the accepted view surrounding CSR is based on experiences of American and European corporations with an emerging demand for research on how CSR applies to corporations operating within a Middle Eastern context.

Lebanon

American University in Beirut's (AUB) Dr. Jamali explains the University's position stating, "AUB is one of the few universities in the Middle East that has engaged in systematic academic regional research pertaining to CSR, which has translated into a number of pioneering publications to the dynamics and changing practice of CSR in our region." In addition to research, the University has plans to establish a Center of Excellence committed to the expansion and institutionalization of CSR education in Lebanon and throughout the region. Also under development is the Lebanese Center for Societal Research by Notre Dame University, home to the Water Energy and Environment Research Center. The Center aims to better understand the social and environmental issues strongly impacting Lebanon. The research from both centers can then be applied in the classroom to stimulate CSR strategy development. The intellectual, social, and physical resources a university can offer its local surroundings have the potential of engaging students in an area where most of their day is spent (Hasrouni 2012). Thus, a campus-wide CSR policy is important added dimension to teaching CSR in universities.

AUB has two main centers that fulfill their commitment to maintaining a healthy relationship with their environment: the Neighborhood Initiative and the Center for Civic Engagement and Community Service (CCECS). Activities fall under three main categories: (i) urban environment, (ii) community and well-being, and (iii) preserving the diversity of Ras Beirut. Consulting firms in Lebanon are working to design a sustainable campus; some changes already in place include solar powered water heaters in dormitory buildings, a campus-wide water filtration system, and initiatives to reduce pollution.

In 2010, the Université Saint-Esprit De Kaslik launched the "Let's Go Green for a Sustainable Future! Towards a Carbon Neutral University," aimed at becoming the first carbon-neutral, resource efficient, zero emissions, internationally certified educational institution in Lebanon, an effort yet underway and targeted for attainment by 2025 (Atakan and Eker 2007).

More than institutional contrivance, Professor at L'Université Saint-Joseph de Beyrouth, Leonel Mattar, indicates how personal motivations toward introducing sustainable business practices are deeply affective. "I am very sensitive to the environment, to social responsibility, to human beings, to all our problems," he explains, "I teach sustainable development in general and for Lebanon. I try to discuss with my students about CSR and about how they can improve their way of doing business…" (Hasrouni 2012)

Egypt

Other universities are also playing lead roles spreading CSR knowledge in the Middle East region. In 2012, Cairo University's Faculty of Economics and Political Science launched two graduate courses in Corporate Social Responsibility and Social Entrepreneurship with several other Egyptian universities following suit: Suez Canal University and Port Said University as well as other private universities such as Heliopolis University and Nile University.

Egypt is striving to become a regional hub for Corporate Social Responsibility and Social Entrepreneurship. Working collaboratively with universities in the region and around the world, the nation's universities are seeking to develop the CSR Consortium, a case study center for information gathering. The consortium is to serve as a catalyst (i) to transfer and sustain CSR knowledge regionally and (ii) to provide a framework for benchmarking and regular monitoring. The primary focus will be on presenting and sharing best practices, as well as on curriculum development, exchange programs, field studies, and on-line/distance learning. With active execution through training and curriculum development, and with its universities working in partnerships globally – such as Cairo University working with George Washington University to initiate a Partnership Program – Egypt expects to become a beacon in this area.

Another example of partnership and collaboration with universities around the world is the Notre Dame University (NDU) Sustainability Project 2012-2015: Since 2010, NDU, along with European partners (University of Crete and the University of Athens in Greece, Dublin City University in Ireland, Stockholm University in Sweden, University of Padova in Italy, and the University of Bordeaux in France), has engaged as a partner in the Arab region in the Tempus project to Reorient University Curricula to Address Sustainability (RUCAS). Other partners from the Arab region involved in RUCAS include Université La Sagesse – Lebanon; Suez Canal University and Heliopolis University for Sustainable Development – Egypt; and the University of Jordan and the Hashemite University in Jordan.

Four areas of study (social sciences, natural & applied sciences, engineering, and education) have already received revised curricula to fulfill the following project's objectives:

- Support the development of Education for Sustainable Development (ESD) and CSR in the higher education sector in Egypt, Jordan and Lebanon;
- Build capacity amongst university staff to embed ESD, CSR in curricula and pedagogy;
- Review and revise undergraduate curricula to address ESD, CSR in line with Bologna and Lisbon processes; and
- Assist the coordination and dissemination of ESD, CSR policy, research, curriculum reform and practice relating to ESD in the partner institutions that are expected to function as role models in the region. (Hasrouni 2012)

United Arab Emirates

Following the global recession and its particular impact on the United Arab Emirates (UAE), business students in the UAE are likely to encounter CSR concepts in their programs. In fact, the role of CSR influencing post-graduate degrees is now evidenced as a result of the economic difficulties over the past five years.

The University of Dubai (UD) is another Middle East university leading the CSR agenda in the region. The University, established in 1997 by the Dubai Chamber of Commerce and Industry to

encourage entrepreneurship and raise job skills among the Emirate's youth, is housed in a "green building" and incorporates sustainability into its curricula in order to better prepare students for employment today.

In April 2008, the University signed on to the UN Principals for Responsible Management, the first in the Middle East to do so. As part of this program, UD has integrated CSR into all core courses in the College of Business Administration and the College of Information Technology, and all business students are required to take a course on "Business & Society," underscoring the value of sound ethics in corporate decision making affecting any part of the community.

VI. Conclusion

Universities, as centers of knowledge generation and sharing, perform a critical role in addressing the world's socio-economic and environmental issues by promoting sustainable solutions. Higher education institutions in the Middle East and around the world have exhibited strong success incorporating CSR into their curricula, some with dedicated CSR courses and others with elements of CSR permeating all disciplines. While the presence of CSR in the curricula will remain a hotly debated topic, developing a positive reputation and differentiating oneself from one's competition remain important building blocks of success in any competitive environment. Setting and implementing a corporate social responsibility strategy are powerful steps toward achieving these goals – for corporations and universities alike.

Most universities tend to focus only on teaching social responsibility and do not go beyond this by attempting to improve their own communities. Yet, in order to compete in the changing education industry and to fulfill their missions in a world in perpetual transformation, higher education institutions must recognize that their own actions should reflect the values and norms they espouse. This means deepening their commitment to CSR at the operational level as well as at the academic level, living the actions they advise of the world's corporate citizens.

Development institutions and organizations such as the UN and AASHE have sought to further universities' own embrace of CSR and to bolster healthy propagation of its ideals through institutionalized standards and the creation of networks for information sharing, accountability, and idea exchange. The economic crisis, too, has influenced the trend for business schools to include teaching on corporate and social responsibility, community development, social entrepreneurship and socially responsible investment. University programs are increasingly exploring means to promote sustainable enterprises based on a business model that covers social, cultural and environmental responsibility, in addition to profitability.

The role of CSR as a subject in higher education programs is rapidly evolving, although one factor remains the same: Jointly and separately, universities, corporations, and development organizations will continue to alternately challenge and reinforce their mission and activities, in turn shaping the educational, business and development landscapes of the future.

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