

## **Csr Satisfaction: Employees' Perspective In Oil Field In Uae**

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### **Abstract**

Mangers were trustees and were responsible not just to shareholders but to the public as a whole. This reasoning became the intellectual basis for the assertion that firms have a corporate social responsibility. Perhaps the most important CSR is that socially responsible activity is to enhance the bottom line. The corollary is that most, if not all, economic decisions should also be screened for their social impact. Economic returns and social returns should not remain quarantined in isolated units. Firms that successfully pursue a strategy of seeking profits while solving social needs may well earn better reputations with their employees, customers, governments, media, et cetera. This can, in turn, lead to higher profits for the firms' shareholders. CSR is mainly based on the support of the management as well as the employees' involvement. The two major players in Middle East were considered and their perception about various dimensions of CSR and their influence on satisfaction relating to CSR activity based satisfaction. Employees' of ADNOC AND ENOC were considered for the study. A sample of 424 employees was involved in this study and their perception about CSR practices of these companies was studied and its prediction about their satisfaction was also computed.

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### **INTRODUCTION**

Professor Dodd contended that mangers were trustees and were responsible not just to shareholders but to the public as a whole (Todd, 2015). This became the intellectual basis for the assertion that firms have corporate social responsibility. CSR concept is that socially responsible activities can and should be used to enhance the bottom line. In other words,, economic decisions should be screened for their social impact. IN UAE, CSR is sometimes mistaken for 'Zakat,' which is a mandatory alms-giving in which a Muslim is encouraged to donate quietly rather than trumpet his generosity. So the real solution may be to separate Zakat from CSR by placing the former in the spiritual redemption arena and the latter in the corporate PR toolkit. That means that while CSR would still take on an altruistic dimension, the brand building quid pro quo would be intact. In the Dubai Chamber, CSR Label is developed by Dubai Chamber Centre for Responsible Business to bring together international best practices in CSR with local

context to assist companies in identifying and communicating their CSR practices to their stakeholders. The idea behind the Label is to allow the companies to grow internally and to take their CSR practices to the next level through self-evaluation and then as the next step, to provide evidence and receive third party verification. Muller and Kolk (2009) stated that CSR is externally or internally driven. In general, the main focus has been on the external drivers on a corporation's social behaviour. External pressures are due to confrontation among stakeholder groups relating to regulation, competitive pressure or public concern. But, MNCs are active in emerging markets; the roots of the responsibility often seem to arise from "western" influences in general (Werther et al., 2006).

### **PROBLEM STATEMENT**

At present all CSR reporting is only voluntary and not a mandate by UAE government. The report is highly subjective and it is dependent on the goals of the company. The companies that CSR of a financial year are not specified as CSR; but, as public relations. The awareness about CSR is low among shareholders. For business resources are generated from society and so it is responsibility in the part of the organisation to contribute back to the society.

### **SCOPE OF THE STUDY**

This study is to understand the perception of employees towards the CSR initiatives relating to four aspects such as: workplace, marketplace, community and environment by the oil and gas sector in the United Arab Emirates. The oil and gas industry in the Gulf is the major sector with high profit and CSR is an emerging area in the region. Hence, CSR in this industry is the focus of this study.

### **NEED FOR THE STUDY**

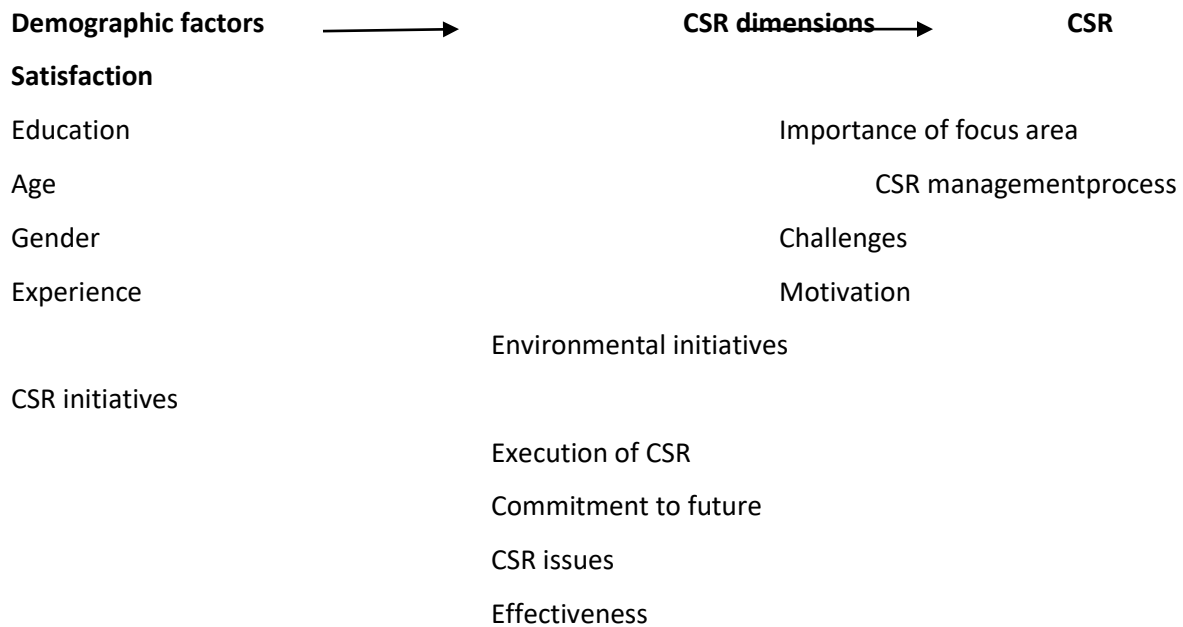
The main reason for the study is based on the desire to build on a small but relevant body of existing research on CSR in UAE as stated by Belaid Rattab et al., 2009; Uwafiokun Idemudia, 2011. A second consideration was that social and environmental issues, typically linked to CSR, figured prominently in management strategies and as such managers may be expected to address such issues. Yet another reason is stakeholders are the primary motivation for any organization to consider CSR issues. Finally, the oil and gas industry in the Middle East has been the target of considerable academic interest, although primarily from a global supply chain perspective (Jamali Dima, 2004). On these platforms this research is planned. ENOC is established in 199, Dubai Government owned diversified energy group. ENOC is a multi-interest oil and gas group and has operations in Dubai and Northern Emirates in UAE, although it does not have operations in Abu Dhabi, the largest of the emirates. ADNOC was established

in 1971, to operate in all areas of the oil and gas industry and since then has steadily broadened its activity establishing companies and subsidiaries and creating an integrated oil and gas industry in Abu Dhabi. These two companies are in the top list of the world oil companies as per forbes.com

### RESEARCH GAP

The variables of earlier studies were not covering four focus areas of CSR such as workplace, marketplace, community, ecological environment. Also, CSR components were wider compared to earlier studies; such as: drivers and challenges of CSR, effectiveness of current CSR programs, CSR management process, CSR execution and suggestions to take CSR to the next level in the UAE. Studies on CSR in the oil and gas sector focused on negative impact on environments due to oil spill. There has been no such study conducted in the UAE considering employees' perception in a specific industry.

### CONCEPTUAL FRAME WORK



### OBJECTIVES

This paper aims to focus on understanding:

- The perception of employees about the CSR practices of the two companies and compare their perception;
- To verify whether the perception about the dimensions of CSR differ based on the demographic factors of the employees; and

- Check the influence of CSR dimensions in predicting the satisfaction CSR practices.

### **HYPOTHESES**

There is no difference between the two oil companies employees with regard to their perception of CSR dimensions.

There is no significant influence of these dimensions on CSR satisfaction of employees.

### **REVIEW OF LITERATURE**

Saeidi et al., (2015) studied the relationship between CSR and firm's performance. The findings of the study of 205 Iranian firms showed that there present a relationship between CSR and firm performance through enhancing reputation and competitive advantage while improving the level of customer satisfaction. CSR in Dubai was studied by Bayt.com (2013). The study revealed that while 95.3 per cent of Middle East and North Africa (MENA) respondents wanted to do more community service work, 41 per cent say that they did not know where to start. Respondents across the MENA region were eager to dedicate themselves to CSR work, with 73 per cent preferred to give time and effort towards charitable causes rather than merely donating money; mostly because 62.2 per cent cannot afford to contribute financially, while a fifth i.e. 22.6 per cent of respondents believed that donated money may not be used correctly. He et al (2015) suggested that CSR improved employee loyalty, motivation, satisfaction and commitment; little research examined the impact of CSR on employee creativity. In addition, considerable scepticism remained regarding the significance of CSR in relation to employee attitudes and behaviours and of the potential contingencies that intervened in these relationships.

### **METHODOLOGY**

This is a description and cross sectional study because it explains the influence of CSR dimensions on CSR satisfaction of employees. Based on the reviews the identified CSR dimensions are: CSR management process, Challenges, Motivation, Environmental initiatives, CSR initiatives, Execution of CSR, Commitment to future, CSR issues and Effectiveness. The independent variable was CSR satisfaction. The statements covering these dimensions were prepared and Likert's scale was used. Pilot study was conducted by collecting data from 50 employees of ENOC. The reliability and validity of the tool was tested. The reliability values ranged between 0.79 and 0.89. The Cronbach alpha values were greater than 0.75 ensuring the reliability of the tool. Nine experts were chosen for validity test taking five teaching and 4 from the top management of the oil company. Their opinion about relevancy and importance were asked and it was put for validity test using CVR ratio for all statements were calculated

and the values were either 0.70 or 1.0. For statements below 0.7 were removed. This ensured the validity. It was found from the pilot study that 42.16 per cent of the respondents have expressed moderate and higher level of satisfaction about the CSR activities of the company. To determine the sample size, sampling proportion method was used using the formula

$$n = \frac{\left(Z - \frac{\alpha}{2}\right)^2 (1 - p)(p)}{\Sigma^2}$$

The justifiable sample size was found to 403.

Stratified random sampling is adopted and it is presented below:

Categories	ADNOC	ENOC
High Level	220	160
Middle Level	308	240
First-Line	480	320
<b>Total</b>	<b>1008</b>	<b>720</b>

Each companies 75 questionnaire were distributed at high level, 100 each in both the middle and first-line managers. The filled questionnaires received were 216 and 208 respectively from ADNOC and ENOC.

## FINDINGS

The CSR dimensions perceived by the employees about the various aspects of CSR dimensions were measured for the companies and Z-test was applied to test the differences between the two companies.

**Table – 1: Comparison of Customers’ Perception of CSR**

CSR Factors	Company	N	Mean	Std. Deviation	Z	Sig.
Business objectives	ADNOC	14	15.0000	1.83973	1.79	0.087
	ENOC	10	16.2000	1.22927		

Interpretation of CSR	ADNOC	14	22.8571	1.74784	2.431	0.024
	ENOC	10	21.4000	.84327		
CSR focus areas	ADNOC	14	18.8571	1.51186	2.424	0.024
	ENOC	10	17.5000	1.08012		
Challenges	ADNOC	14	30.4286	3.47993	0.020	0.985
	ENOC	10	30.4000	3.56526		
Motivation	ADNOC	14	31.2857	1.68379	0.711	0.484
	ENOC	10	31.9000	2.55821		
Workplace initiatives	ADNOC	14	19.4286	2.97979	1.246	0.226
	ENOC	10	20.7000	1.41814		
Community initiatives	ADNOC	14	15.3571	2.81772	1.556	0.134
	ENOC	10	16.9000	1.59513		
Environmental initiatives	ADNOC	14	17.2857	1.38278	4.041	0.001
	ENOC	10	14.0000	2.58199		
Marketplace initiatives	ADNOC	14	22.7857	3.35533	1.349	0.191
	ENOC	10	24.9000	4.33205		
Consumer behaviour	ADNOC	14	20.6429	1.98483	0.215	0.832
	ENOC	10	20.8000	1.39841		
Commitment for future activities	ADNOC	14	20.1429	2.53763	0.833	0.414
	ENOC	10	19.4000	1.42984		

It is observed from the table that the CSR factors that differ significantly are interpretation of CSR, CSR focus area and environmental initiatives. The difference of interpretation of CSR and CSR focus area were at five per cent level and relating to environmental initiative the difference was at one per cent. In

both these factors ADNOC employees' perception was higher compared to ENOC employees. Relating to all other factors, there were no significance differences between these two companies.

**Table 2 Correlation between CSR Dimension and CSR satisfaction**

CSR SAT	BO	INP	FOC	CHL	MOT	WPI	CI	EI	MPI	CB	COM
1.00	0.113*	0.28*	0.36**	0.32**	0.40**	0.069	0.093*	0.38**	0.35**	0.088	0.093

Verifying the correlation between the CSR dimensions and CSR satisfaction level, it was observed that the correlation of workplace initiative, consumer behaviour and commitment for future action were not significantly correlated. Among the correlated factors, the highest level of correlations was for the factors focus area, challenges in CSR, motivation and environmental initiatives. The maximum r-value is 0.4 relating to motivation.

The prediction was also computed using step-wise multiple regression analysis and the result of chi-square value was significant at one per cent level. The model was found to be fit. The adjusted R-square value was 0.480, indicating the dimensions predicted the CSR satisfaction level by 48 per cent.

**Table 3 Prediction of CSR Satisfaction by the CSR Dimensions**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	p	d.f.
MOT	.377 <sup>a</sup>	.143	.140	1.54885	70.132	0.001	1,422
EI	.530 <sup>b</sup>	.281	.278	1.41998	82.26	0.001	2,421
FOC	.617 <sup>c</sup>	.380	.376	1.31998	85.86	0.001	3,420
CHL	.650 <sup>d</sup>	.422	.417	1.27572	76.61	0.001	4,419
MPI	.678 <sup>e</sup>	.459	.453	1.23603	70.95	0.001	5,418

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	p	d.f.
INP	.685 <sup>f</sup>	.469	.461	1.22620	61.37	0.001	6,417
BO	.693 <sup>g</sup>	.480	.471	1.21514	54.79	0.001	7,416

There are nine dimensions that were significantly contributing in predicting the CSR satisfaction. Commitment, consumer behaviour and workplace initiative did not contributed towards CSR satisfaction. It was found that the motivation towards CRM predicted the highest level of CSR satisfaction. The prediction level was 14 per cent. Motivation along with environmental initiative predicted to an extent of

Environmental initiative predicted to an extent of 27.8%. Other contributing factors were CSR focus area, challenges in CSR, market place initiative, interpretation of CSR and objectives, in the decreasing order of contribution.

### CONCLUSION

It is suggested to motivate employees towards CSR initiatives and that will enable them to experience higher level of satisfaction. The prediction is only around 40 per cent indicated the need for choosing various other dimensions of CSR.

### MANAGERIAL IMPLICATIONS

This enables management how to create drive for CSR among employees and build corporate image.

### SCOPE OF FUTURE RESEARCH

The scope is wide as there are various initiatives for CSR to contribute to the society because the need of the society never ends and so CSR will always exists.

### LIMITATIONS

Data collection has been restricted to two major government owned oil and gas companies in the United Arab Emirates. So results do not have universal acceptance. The survey has been restricted to first line, middle level and top level managers and not to employees in the non-managerial cadre due to the complexity of the topic. Among stakeholders, only employees, customers and suppliers have been considered for the survey due to time constraint. The research is not a standard for all time period



because respondents' expectation and perception can change at any time. Only respondents familiar with English language could answer the questionnaire and all the information given by the respondents are presumed to be true.

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