Implementing Innovative CSR Practices to Improve the Company’s Perceived Value and Market Share in the context of Aviation Industry in the UAE

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Abstract – Purpose The UAE government has taken effective actions to enhance Corporate Social Responsibility (CSR) in the different business sectors. Empirical studies indicated that implementing innovative CSR practices could affect the organizational sustainable performance positively (Munir, Blount & Upadhaya 2018). Additionally, aviation industry sector is one of the major influential sectors. In the UAE context, this study aims to analyze some major areas of aviation industry in the UAE to explore implementing effective innovative CSR practices into the organizational system aiming to increase the customers’ loyalty and market share in the light of Kelley’s Attribution Theory (1973) and Carroll’s Triple Bottom Line Model (1991).

Methodology- Secondary data in this research was gathered from reviewing the available literature. It helped in understanding the gaps and providing an overview of the existing information on the topic. Literature critical appraisal and comparative analysis was used to analyze the best practices related to implementing CSR effective practices into aviation industry aiming to increase the companies’ perceived values and market share.

Findings- It was found that implementing incremental innovation smoothly in the context of UAE aviation industry aiming to improve CSR practices could lead to improving sustainable development and increase the perceived value. Also, it could be indicated that the sustainable development happens through improving CSR work environment and CSR organizational culture.

Implications- The findings will aid the UAE aviation companies in gaining knowledge regarding implementing effective CSR practices and procedures which could lead to improving the firm’s perceived value and market share.

Keywords – CSR Practices, CSR Organizational Culture, Work Environment, CSR Environmental Communication

1. Introduction

1.1 Background

Corporate Social Responsibility (CSR) is identified as activities that cover “business performance in social and environmental areas that contain areas of diversity, philanthropy, social responsible investment, environment, human rights related to work place subjects, business ethics, sustainability community development and corporate governance” (Sheehy & Farneti 2021). Many empirical studies indicated that engaging in CSR practices enabled firms to maintain the value creation by expanding gains, fostering reputation and establishing legitimacy in society (Caroll &Archie 2021;El Akremi et al. 2018). Legitimacy
includes the firm’s perception including norms, values, beliefs and actions that are accepted by societies (Carrol & Shabana 2010, Kishimbo 2016). Recently, Corporate Social Responsibility (CSR) has become an interesting area for many organizations internationally and locally (Jamali et al. 2017). The United Arab Emirates is one of the first nations to commit to the International Civil Aviation Organization’s CORSIA, and it has been actively involved in reducing greenhouse emissions and other climate change concerns ever since (ICAO, 2021).

Internationally, the Global Reporting Initiative (GRI) established guidelines for voluntary reporting about the economic, environmental and social impacts of organizations’ activities. The purpose of these guidelines is to foster awareness, transparency and accountability of firms’ social conduct toward their stakeholders. Therefore, companies should comply with high ethical standards in order to compete successfully in the global market. In the same context, the international organization for standardization, the World Bank, Organization Economic Cooperation and Development OECD have formed specific guidelines to enhance CSR practices in different business sectors (KPMG 2017). According to OECD reports (2017), adopting CSR practices would enable firms to sustain growth and development. In the UAE context, his highness Sheikh Mohamed bin Rashid Al Maktoum aims to establish the UAE as a global leader in Corporate Social Responsibility (CSR). Moreover, his highness Sheikh Mohamed bin Rashid launched the “UAE CSR Smart Platform“ in 2019. This platform motivates the different business sectors to get effectively involved in socially responsible practices in order to achieve positive economic, social and environmental effects. These CSR practices should be aligned with the UAE’s priorities and national sustainable development goals. According to the platform, the CSR companies’ programs intend to boost social cohesion between the society’s members and its establishment. Therefore, companies’ CSR programs should balance between achieving material profit, community service and environmental safety.

1.2. Research Problem and Gaps

In the same context, UAE CSR Fund is the responsible federal authority for managing and regulating the Corporate Social Responsibility within the business entities. In line with this, the UAE government has taken many actions to infuse innovation aiming to enhance business opportunities. According to the UAE National Strategy vision 2021, innovation strategies and practices cover the transportation sector. In this regard, transportation plays a vital role in building the economy (Bose 2018). Massive government investment in the aviation industry and the UAE’s strategic location between Europe and Asia have contributed to the country’s rapid tourism and travel boom, as well as its overall economic position (Bose 2018). Concerning the aviation context, the UAE airways carry out its operations through 75 international destinations. The aviation sector in the UAE economy is predicted to double in size by 2030, bringing with it the need to explore and evaluate more effective sustainable techniques aiming to increase the companies’ perceived value and market share (Alameeri et al. 2017). However, there is a lack of a unified method for evaluating the airlines’ long-term sustainability (Alameeri et al. 2017). Despite the fact that the aviation industry in the UAE has expanded at an unprecedented rate in the recent years, there is a dearth of research which explores the aviation companies’ efforts concerning implementing effective sustainable practices (Stanojevic 2020). In other words, there is relatively little known about effective implementation of CSR practices in the context of aviation companies which operate in the UAE. Concern over climate change is on the rise across the world, placing the aviation sector at
the forefront due to the release of greenhouse gases (GHGs) at high levels (Stanojevic 2020). Nearly five percent of all global greenhouse gas emissions come from the aviation sector at present and it will increase the global warming in the near future (Grewe et al. 2021). Furthermore, it is predicted that international passenger miles flown would increase by 4-5% between 2019 and 2038 (Mazareanu, 2019). This suggests that, lacking the development of more sustainable and efficient greenhouse gas (GHG) emission solutions, commercial aviation will have a substantially higher climatic harmful effect in the future than it does at present (Mazareanu, 2019). According to Bose (2018), the aviation market in the United Arab Emirates is one of the world's largest and fastest-growing. The travel and tourism sector's share of the UAE's GDP than tripled between 1995 and 2018 (World Bank, 2019). Therefore, there is a growing pressure on governments to establish emission reduction objectives which represent environmental CSR concerning the aviation sector (Stanojevic 2020). This study tackles the CSR levels including ethical and philanthropic responsibilities in the context of the aviation companies in the UAE. This study aims to explore innovative solutions and practices which could lead to successful CSR implementation in the organizational system aiming to increase the companies’ perceived value and market share of aviation companies. In other words, this study suggests incremental innovation practices to improve the implementation of CSR practices in the context of aviation companies in the UAE. Furthermore, it suggests effective procedures to implement and evaluate the successful CSR practices in the organizational system aiming to improve the companies’ perceived value and international market share.

1.3 Research Questions:

1. What are the factors that affect implementing innovative CSR practices within the organizational system in the context of aviation companies?
2. What are the innovative effective practices which could improve CSR implementation and process in the context of aviation companies?

2. Theoretical Framework

In this study, Kelley's covariation attribution theory (1973) could explain the problem of determining how consumers assess the credibility of CSR claims in different contexts (Fiske, 2017). Attribution theory examines how individuals develop judgments about causes based on data collected over time and in different settings (Fiske, 2017; Kelley, 1973). Causal inferences, according to Heider (2015), are made using "common sense." Observing the actions of others, both those who succeed and those who fail, leads people to infer "causation" (Heider, 2015). In the context of CSR views, "symbolic attribution" is relevant for explaining CSR practices if they are carried out to accomplish competitive results and acquire market share (Moehl & Friedman, 2022; Hewett et al., 2018). However, substantive attribution is considered when it is believed that CSR efforts are real, honest, internally driven, and prompted only by a genuine concern for society and the external environment. These findings are supported by other research (Afsar, 2020; De Roeck & Maon, 2018). In this study, Kelly’s attribution could explain the perceived CSR that contributes to the company’s perceived value and market’s share in the context of UAE aviation companies.

Several empirical studies are cited by Alhaddi (2015) and El Akremi et al. (2018) in support of the premise that CSR has a triple bottom line (economic, social, and environmental). Examples of economic objectives include making a profit and growing the business, whereas examples of social
goals include aiding those in need, advancing human rights, and making sure employees have a safe place to work. Environmental issues include limiting the effects of climate change and protecting our natural resources (Alhaddi, 2015). The purpose of this research is to demonstrate effective implementation of CSR practices which lead to improving the consumer’s perceived CSR about the UAE aviation companies in the global market. Carroll (1991) identified four CSR indicators: ethics, law, economics, and philanthropy. Having established and maintained ethical values and conducting performance adequately according to what is legally required is at the heart of the ethical indicator, while being a good corporate citizen is at the heart of the philanthropic indicator (Lee et al., 2012). Corporate social responsibility refers to a company's duty to meet the social, ethical, legal, and financial expectations of its community (Carroll, 1991). Several scholars have noted that CSR improves business, economic, and legal demands despite the fact that shareholders aim to maximize profits (Carroll 1991). To be a good corporate citizen, a company must meet both the ethical and philanthropic indicators (Lee et al., 2012), with the former relating to the company’s commitment to establishing and upholding ethical values and the latter to its ability to conduct performance adequately in light of legal requirements. This study focuses on the Carroll’s CSR dimensions to analyze the effective implementation of CSR practices in the context of UAE aviation companies.

3. Methodology

In this research, secondary data has been collected from reviewing the available literature. This technique has helped in understanding the gaps and providing an overview of the existing information on the topic. Literature critical appraisal and comparative analysis was used to analyze the problems related to implementing CSR effective practices into aviation industry aiming to increase the customers’ loyalty and market share. This study aims to use a semi systematic review aiming to follow scientific procedures that reduce bias through the systematic assembling, critical evaluation, and synthesis of all the research that’s been done on a certain subject (Jesson et al. 2011). This study followed clear steps for semi-systematic literature review, such as: searching, filtering, data extraction, and analysis to reduce the likelihood of bias. This study followed clear steps for semi-systematic literature review aiming to identify the literature gaps and problems concerning implementing CSR effective practices in the studied contexts and to summarize a large amount of literature aiming to conclude effective practices concerning improving CSR social and environmental activities, the communication of CSR organizational culture and the work environment.

Formulating a primary research topic is the first stage in conducting a semi systematic review. Fifty articles have been used to facilitate the creation of review questions and procedures prior to literature review in order to reduce bias. This study has followed specific inclusion and exclusion criteria set up. Decisions on which papers to include or exclude have been made when data extraction is complete. The researcher has utilized the guidelines for doing a semi-systematic review, such as: a thorough search, a quality assessment, data extraction, analysis, and reporting (Jesson et al. 2011). Firstly, the researcher incorporated research questions, keywords, and inclusion/exclusion criteria into a study strategy. Hence, the research questions and the research purpose have guided all the research process. Secondly, the researcher has used the research engines as; Google Scholar, ScienceDirect, Scopus, Springer, and IEEE Explorer. Thirdly, the researcher has used the main terms as research key words (“CSR practices, “the communication of CSR and organizational culture ”). (“the
communication of CSR and the work environment”), and (“environmental and social CSR aviation practices “. Thirdly, criteria for inclusion have included works published between 2011 and the present, peer review, and an English language version. Articles that cover the main themes, such as: improving the communication of CSR organizational culture and the work environment. On the other hand, languages other than English, works published before( 2010).

4. Findings based on Literature Review

4.1. Factors affect implementing CSR practices within the organizational system

Reviewing the recent literature indicated that there are many factors that affect implementing CSR practices in the organizational system. (Alizadeh 2022 & Engert et al .2016). These factors are globalization’s pressure, cost benefit analysis, competitive advantage, enhancing reputation, risk management, and stakeholders demands (Munir et al. 2018). A growing number of studies indicated that the significant effects of the CSR practices rely on the way the companies implement the CSR. Additionally, companies can increase the value of their shareholders and contribute to the firm’s sustainability through the strategic implementation of the CSR (Dubravská et al. 2020). According to Kelley’s (1973) attribution theory, customers place a high value on CSR consistency because consumers focus on distinctiveness, consensus, and consistency when determining whether to attribute a behavior internally or externally.

![Figure 1: Sustainability and Business Source : Sheehy & Farneti 2021](image)

This diagram helps to comprehend the significant relationships between business and sustainability on different levels. It demonstrates the policy focus concerning sustainability and business. In this regard, the broad concept of sustainability is illustrated from the international public policy, across national level to the organizational level. Recently, there is a significant international interest in achieving the Global Sustainable Development Goals (SDG). In line with the international sustainable goals, the UAE leadership established the CSR National Platform that aims to foster the implementation of effective CSR practices in the different business organizations (2019). However, the implementation of Corporate Social Responsibility is weak and ineffective on the organizational level for many business organizations (Sheehy &Farneti 2021). In other words, the CSR is a term that has a strong public- oriented concept, but it is a weak
private-oriented concept on the organizational levels (Sánchez et al. 2021). According to the recent empirical research, the organizations are more effective, when the business operations impact the environment and the social life positively (Sánchez et al. 2021). CSR effective practices do not only improve the organizational profit and public image, but they also improve the resource management that could lead to positive effects on the economic, social and environmental levels (Sánchez et al. 2021).

In the context of the aviation companies, the organization should align the CSR practices with the organizational vision, mission and goals. This UAE aviation companies’ have many practices that sustain the different levels of CSR economically, environmentally and socially (FlyGreen 2020). In the context of environmental sustainability, the firms launched the green airline that reduces the CO2 emissions in order to protect the environment (FlyGreen 2020). On the other hand, the organizational CSR practices should reach significantly to the different international communities in order to form a good public image and gain a bigger market share (Borges 2018). Consequently, the aviation firms improve the implementation of the CSR practices focusing on the areas of the social services and environmental sustainability. Concentrating on the providing sustainable social services and sustainable environmental practices would lead to gaining profits and more market shares that are necessary for business growth when profits are reinvested back into the business.

4.2 Implementing innovative CSR Practices in the context of UAE aviation companies

4. 2. Implementing the Environmental Communication

The environmental communication represents the interaction between the human activities and the environmental natural resources (Yasir 2022). The UAE aviation firms have implemented positive CSR practices that reflect the environmental sustainability. According to Sustainability in Operations (2020), the UAE aviation companies have established a green line using special bio-fuel aiming to reduce the CO2 emissions. This practice is aligned the global sustainable goals that aim to mitigate the effects of global warming problems. Emirates is able to save thousands of gallons of water with every wash because of the companies’ engine-washing processes and consistent use of the water-saving "dry wash" to clean their planes. According to Sustainability in Operations (2020), having a spotless plane's skin is a great way to cut down on pollutants and gas use. This sustainable technique creates a more fuel-efficient and less heavy airplane. This CSR environmental practice has responded to the international and the local demands. Environmental communication activities tackle spreading awareness, convincing stakeholders, contributing in education, mobilizing and participating in mitigating the environmental problems (Dubravská 2020). The environmental communication requires the collaboration between the stakeholders to utilize the communication principles, techniques, methods and strategies in managing and protecting the environment (Yasir 2022). Environmental communication includes spreading awareness, convincing people, educating people, mobilizing in order to mitigate the environmental issues. One of the most effective ways to demonstrate environmental responsibility is to engage most of the stakeholders in community based environmental communication (Yasir 2022). While implementing CSR activities the aviation company should consider the needs of the local and international communities to achieve sustainable development.

There are some proposed environmental communication activities targeting the biggest number of the international customers (Sheehy & Farneti 2021). This means that, implementing these environmental communication activities will help in overcoming some environmental issues and enhancing the international perceived value of the company. The first activity is establishing strong
partnerships and agreements with international companies that implement sustainable environmental activities (Global 2020). For instance, the company can have an agreement with other companies that produce friendly degradable packaging and bio-product to avoid using plastic (Firmansyah et al. 2020). These activities will come in the context of enhancing the zero-plastic initiative. This can be done by replacing the company’s used plastic items with environment-friendly materials. The second suggested activity will be depending on the digital communication tools in order to stop the paper-based activities aiming to save trees (Global 2020). Also, the employees should be motivated to participate in planting more trees and playing an effective role in the International Environment Day (Munir et al. 2018). The third sustainable action aims to foster commercializing the sustainable environmental activities on the international level. For instance, the company’s marketing team must organize regular formal meetings with different countries ambassadors to present the successful CSR practices of the aviation company (Munir et al. 2018). In the same context of commercializing the company’s CSR activities, the company should integrate the sustainability website aiming to achieve effective communication channels tools to reach the widest range of stakeholders including the international customers (Siano et al. 2016). The Sustainability Website will facilitate clear orientation of CSR implemented practices achieved by the company (Siano et al. 2016). Additionally, it will promote the stakeholders CSR engagement tools. In other words, it will represent the powerful media channel to announce the CSR activities to the world. Moreover, the website demonstrates a platform that spread the CSR materials to raise awareness about the importance of environmental sustainability globally (Siano et al. 2016). In the context of CSR evaluation process, the sustainability website can provide effective tools of CSR evaluation. This sustainability website can provide an E-platform for multi-way dialogues through including forum, workshops, and blogs related to CSR (Siano et al. 2016). All these online activities will represent effective channels between the companies’ stakeholders and shareholders locally and internationally. The website will increase the company’s profit through improving the perceived value and reputation in order to attract more customers.

On the other hand, there are some disadvantages that could happen while establishing CSR Website. The CSR Website might include Green washing signs (Siano et al. 2016). CSR activities have a considerable impact on how consumers see a company or brand (Firmansyah et al., 2020). E-commerce firms that implement CSR initiatives have reputational gains (Varma et al., 2020). What this means is that customers who aren’t accustomed to buying and selling online are more likely to patronize a company with a solid reputation (Varma et al., 2020). However, CSR trust could be affected negatively while establishing CSR Website through forbidden signs. These forbidden signs include statements about sustainability without appropriate credible resources, signs of irrelevance that attract the customers’ attention without a strong impact in terms of sustainability, and existing of sustainability labels not based on recognized certifications (Siano et al. 2016). Also, the sustainability website must avoid vagueness of information about sustainability.

4.2.2 Communicating the CSR Organizational Culture

In order to implement effective, the CSR strategies within the organizational system, the shareholders including the top management should build positive perspectives about implementing CSR strategies within the organizational system (Hsu & Bui, 2022). This means that, top management should take the responsibility for investing in social and environmentally sustainable behavior even though it may reduce their immediate profit. Additionally, top management is responsible for building and communicating strong CSR culture (Munir et al. 2018). The CSR communication discourse is defined as communication formed and disseminated by the company itself about its CSR efforts. Many empirical studies have asserted that building strong CSR organizational culture and
engaging the employees in CSR practices had led to improving the CSR implementation process aiming to improve the company’s international reputation (Abdul-Rashid et al. 2022 & Munir et al. 2018).

Top management could clarify that the more the company implements CSR activities, the more international market share will grow (Dubravská et al. 2020). All the employees must receive specialized training workshops and courses about the effective implementation of CSR procedures and activities that could enable the company to increase revenue and create long term value for stakeholders and shareholders (Munir et al. 2018; Hsu & Bui 2022). In order to enhance CSR organizational culture, employees must be motivated to share in international organization’s volunteer programs, such as providing medical services to the poor communities in Africa, blood donation, providing free educational programs to the Asian communities in the developing countries (Munir et al. 2018). All the company’s employees could be given appropriate training courses that qualify them to practice CSR activities in different communities.

Additionally, top management can build strong CSR culture through utilizing the UAE culture, values and religious beliefs behind the concept of giving back to the society (Van Aaken & Buchner 2020). Some empirical studies indicated that employees get effectively engaged in social responsibility and giving back to the society according to their traditional values and religious beliefs (Munir et al. 2018). Hence, linking the social responsibility to the employee’s religious beliefs will lead to more effective CSR practices (Van Aaken & Buchner 2020). For example, staff members could be motivated to donate their skills, money and time for CSR issues. Also, the staff members could be given the freedom to select their own social project to serve the different communities internationally. They might provide mentorship and social support to school students in the developing countries (Ukessays.com 2020). Moreover, staff members could participate in social initiatives and raising awareness campaigns that enhance CSR. The employees might participate in providing humanitarian aids to the war refugees in the Middle East (Ukessays.com 2020). Furthermore, the airline company’s employees could support sport activities in the local context. In the different department’s professional staff members could participate in making feasibility assessment, monitoring, and evaluating the CSR initiatives and projects that target the developing countries (Kramer & Pfitzer 2016).

4.2.3 Suggestions for Improving the Work Environment

In order to achieve CSR effective practice, regulatory procedures should focus on preserving the natural environment and providing a healthy work environment for the employees (Sheehy 2017). This means that, the airline company should implement procedures to reduce contact with harmful work environments and practices (Bui 2017). The suggested solutions could be improving the work environment by simultaneous reduction of the negative effects of CO2 emissions on the natural environment (Sheehy 2017). Safety procedures might include providing advanced face masks to protect aviation labors from the harmful effects of CO2 emissions while working (Emirates 2018). Additionally, special air filters can be fixed to improve the air quality inside the company’s building (Emirates 2018). Improving the quality of work environment will have positive impact on the employees’ health conditions. Improving people’s life represents the highest level of CSR according to Carroll Pyramid for Corporate Social Responsibility as follows: 
5. Conclusion and Recommendations:

All the mentioned suggestions and solutions reflect the incremental innovation that could be implemented gradually and smoothly in the organizational system. According to many recent studies, customers’ perspectives on corporate social responsibility (CSR) are shaped by the sociocultural context in which a firm works (Huang, Cheng, & Chen, 2017; Afzali & Kim, 2021). Both domestic and international CSR initiatives should be undertaken in accordance with the demands of the home country (Schafer, Terlutter, & Diehl, 2020; Du et al., 2022). The adopted CSR solutions should consider the international and the local consumers’ demands as a result, the suggested solutions are effective in improving the CSR practices concerning social responsibility and environmental responsibility (Carroll & Archie, 2021; Schafer, Terlutter, & Diehl, 2020; Du et al., 2022). Similarly, Choi and Ng (2011) indicated that the "social component" of a business is its dedication to social causes and participation in local concerns. Therefore, consumer involvement in CSR initiatives is influenced by how well a firm shares its CSR activities (Lim & Greenwood, 2017).

Moreover, this study asserts that consumers perceive the companies’ CSR authenticity according to the demonstrated commitment to economic, social and environment (Chow & Chen, 2012). This finding could be consistent with Kelly’s attribution theory (1973). Companies’ corporate social responsibility (CSR) programs have been shown to have a favorable impact on customer brand attitudes and consumer engagement (Ramesh et al., 2019; Lee et al., 2020). This study has focused on implementing CSR innovative practices in the context of aviation industry. Therefore, future studies should shed more light on the impact of implementing CSR initiatives on the consumer’s attitudes and brand’s value in different UAE industries. Additionally, these suggested solutions have considered the requirements of the UAE CSR Platform standards aiming to achieve the National Sustainable Goals. Integrating Sustainability E-Platform and Website can be considered as the most effective solution to commercialize CSR practices aiming to enhance the aviation company’s reputation and international perceived value. Establishing Sustainability E-Platform and Website could be considered as feasible and affordable according to the company’s budget. Also, it can be described as an open innovation that represents a combination between the service, product, and customers to converge the achievement of the different stakeholders (Siano, 2016). However, the website must avoid all the actions and the signs of Green-washing. The suggested website should demonstrate credibility, transparency and sustainability. All these suggested sustainable practices will enhance the international market share of the aviation company.

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