

# Newspaper hits rise but CSR not not yet defined

**A new study released by Tamkeen Sustainability Advisers proves the spread of corporate social responsibility (CSR) in width and not in depth in spite of the growing number of companies adopting “CSR”, more news covering CSR, and the hundreds of millions of riyals invested in the community.**

The study assesses CSR impact on 4 different levels: Whether CSR programs are aligned with national priorities, the internal business drivers, external business drivers, and the absence of assessment tools, which all leads to a less impactful CSR agenda. Yet, and as Asya Al-Ashaikh (CEO of Tamkeen) states in her message in the study, “with the fast pace evolution of the term today, the future is very promising”...

Corporate social responsibility as a topic is presently enjoying the limelight in the business world, government policies, industry events, advertising space, and other arenas throughout Saudi Arabia. Saudi corporations are under pressure to respond to this movement, although questions of what to do and how to do it for maximum benefit remain. There is also great hesitance in accepting CSR because it is largely viewed as a Western concept.

Tamkeen Sustainability Advisers, the first local group to take up the beacon of CSR in the Kingdom has the answer to not all but most of the corporate questions surrounding CSR. They, through their recently launched study on the evolution of CSR in Saudi Arabia have managed to bring to light the way companies address CSR and how the corporate perception has changed over the past two years since their first published study in 2007. The study examines the growth of CSR in the Kingdom from different perspectives such as focus on national development priorities, strength of external CSR drivers, clarity of internal CSR drivers and availability of CSR assessment tools.

For the purpose of the study, Tamkeen selected 45 Saudi companies from the top corporate performers in the country including family-owned, publicly-listed, and privately-owned companies. Response from the companies along with collaborative evidence from other publicly available resources helped the researchers reach the conclusion that CSR is gaining a lot of momentum in the Kingdom but the overall impact of the phenomenon is very superficial. The study emphasizes the need to link the CSR strategy setting with the national development priorities outlined in the Eighth Development Plan (1425/26 — 1429/30 A.H. 2005 — 2009 AD) issued by the Ministry of Economy and Planning.

Some of the key findings from the study are:

1. While only 10 percent of the companies attempt to align their philanthropic programs with the national priority needs, 28 percent acknowledge the need but do not act on it. This leaves us with 62 percent of the companies that do not consider aligning their contributions to national priorities a primary need.
2. Sixty percent of the respondents feel that the general public and average consumer is largely unaware of the significance and far-reaching impact of CSR.
3. When attempting to define the obstacles facing the adoption of responsible practices, 85 percent of business leaders have identified the government/regulatory framework as the main challenge.
4. A search in the archives of the top 5 Saudi newspapers on corporate social responsibilities and

variations of the term shows an increase by more than 12-folds from 2005 to 2009 reaching 6,481 hits.

5. Only 5 percent of respondents measure the effectiveness of their CSR/philanthropic activities. When asked if they acknowledge the need for an external assessment tool, 25 percent of the business leaders support a generic tool, while 70 percent stressed the need to have this tool ownership, culture and industry sensitive. This leaves us with 5 percent of business leaders not seeing any merit in an external assessment tool.

The study recognizes the need to have a more active role from the governmental authorities in terms of encouraging CSR and gives important recommendations in this regard. The role of media has also been addressed as one of the key driving forces in the growth of CSR and a better understanding and appreciation of the CSR concepts by the media is recommended. There are also some very insightful recommendations on the spread of CSR in the Kingdom that can be triggered to address and accomplish national development priorities.

The study draws attention to the lack of available assessment tools to help companies monitor and better plan their CSR initiatives and provide recommendations in this regard.

Perhaps the most resounding recommendation from the study is the need to define the roles of all players in the CSR context and that all the key players support the CSR wave by engaging with universities and business schools to promote multidisciplinary research and education on CSR.