The Relationship between Corporate Strategy & Corporate Social Responsibility; a case study on Zarqa University*

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ABSTRACT

Corporate strategy and Corporate social responsibility are important issues for the contemporary discussion on corporations in society when taking into account social and environmental impacts. Empirically, we can see that Corporate strategy is associated with Corporate social responsibility, such as attracting valuable employees as well as enhancing the company image and reputation. This research presents a theoretical and practical review that demonstrates the association between social strategy and Corporate social responsibility Based on the literature and a case study of Zarqa university through the seeks to enrich the discussion on the strategic management of social responsibility and contribute to the literature on Corporate Social Responsibility as well as Strategy

This article will explore the concept and the nature of corporate social responsibility (CSR) with an eye toward understanding its component parts by a pyramid of corporate social responsibility . Next, we plan to relate this component parts to adoption of CSR practices by Zarqa university. Finally, we present our conclusions to Stimulate Zarqa university leaders to take care and consider the importance of these issues in the future and propos some expected issues for further researches to stimulate other researchers to prepare researches on this important subject.

Key words: corporate strategy; corporate social responsibility(CSR).

Introduction

It's a spiny task to give a definition of (CSR)(The European Commission Directorate-General for Employment and Social Affairs, 2002), so Hopkins has commented that 'without a common language we don't really know that our dialogue with companies is being heard and interpreted in a consistent way' (Hopkins 2003, p. 125).

It is therefore important to explore the language of CSR if we are to understand and debate the concepts involved. Carroll, in 1979, defined CSR as "incorporating the economic, legal, ethical and discretionary expectations that a society has for organizations in a given period of time." (Carroll, 1979: 500).

According to the European Union (2001: 4) corporate social responsibility is "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment *A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"*." Being socially responsible means not only compliance with all legal obligations, going beyond through increased investment in human capital, environment, and relations with stakeholders and local community (EU, 2001:7).

Perhaps the final comment should rest with Blyth, who has suggested that 'There is no one definition of what it takes to be a responsible corporate. The key is to have a rigorous process for identifying those responsibilities and fulfilling them. (Blyth 2005, p. 30)

2- THE STRATEGIC DIMENSION OF CSR

(Blyth, 2005) consider (CSR) as " the hot business issue of the naughtiest' (Blyth 2005, p. 30). (Ryan ,2002) referred that (CSR) has variously been described as a 'motherhood issue' (Ryan 2002, p. 302) .

Consortium(2010)determines that CSR is one of the best tools available to combine private and public interests, to help companies be more competitive and more sustainable, contributing toward a better society and a better world.

Porter and Kramer (2006) defended that CSR has tendencies to be a strategic philanthropy, as it do not seem to ever be truly strategic or have effective philanthropy. Some empirical studies carried out in some countries proved that CSR is a substantive strategic activity for the corporation Social responsibility has become a strong and irreversible part of corporate actions. When managed effectively, CSR programs and projects can create significant benefits in terms of reputation and returns as well as the motivation and loyalty of employees. CSR can also contribute toward strengthening valuable partnerships (Pearce & Doh, 2005).

Recent studies (Sharp, Zaidman, 2010) defend that organizations must act strategically regarding CSR activities in order to make CSR a source of competitive advantage.

Husted and Allen (2001) state that CSR strategies can create competitive advantages if used properly, pointing out that there is a positive association between strategic social responsibility actions and competitive advantage. Consequently the corporate strategy should be integrated into the CSR strategy of the company, other wise failure will be guaranteed. The relationship between tow strategies of the organizations has been widely discussed among practitioners and academics and has emerged as inescapable primary for business leaders in every organization Once CSR becomes part of corporate culture and values, it is an internal resource that can generate competitive advantage (Castelo Branco, & Rodrigues, 2006).

3-Research question

The proposed research tries to answer the following questions:
- Do Corporate strategy and Corporate social responsibility are important issues for the Zarqa university leadership?
-To what extent is Corporate strategy associated with Corporate social responsibility in Zarqa university?

In the context of considering these questions, The Relationship between Corporate Strategy & Corporate Social Responsibility is explored.

4- Statement of the research objectives

According to (Beck, 1999)) we live in a risk society and have an the increasing need to innovate and differentiate their products / services . So (Consortium 2010) argue that, in the present context, companies must move from a paradigm of management that "secrecy is the soul of business," to one that "soul is the secret of business." This research aim at identify several objectives, there are:

1- The proposed research aim at identifying the concept and the nature of corporate social responsibility (CSR) .

2- Explore the component parts of (CSR) by a pyramid of corporate social responsibility .

3-Relate this component parts to adoption of CSR practices by Zarqa university.

4-Stimulate Zarqa university leaders to take care and consider the importance of these issues in the future.

5- Stimulate other researchers to prepare researches on this important subject.

5- The pyramid of corporate social responsibility

(Carroll 1979)used a " a four-part " conceptualization approach to depicting CSR,

included the idea that the corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) responsibilities as well. To be socially responsible, companies must meet different types of responsibilities identified in the figure 1. The most basic responsibilities, financial, are shown at the bottom because organizations got out of business if they failed to meet their financial responsibilities.
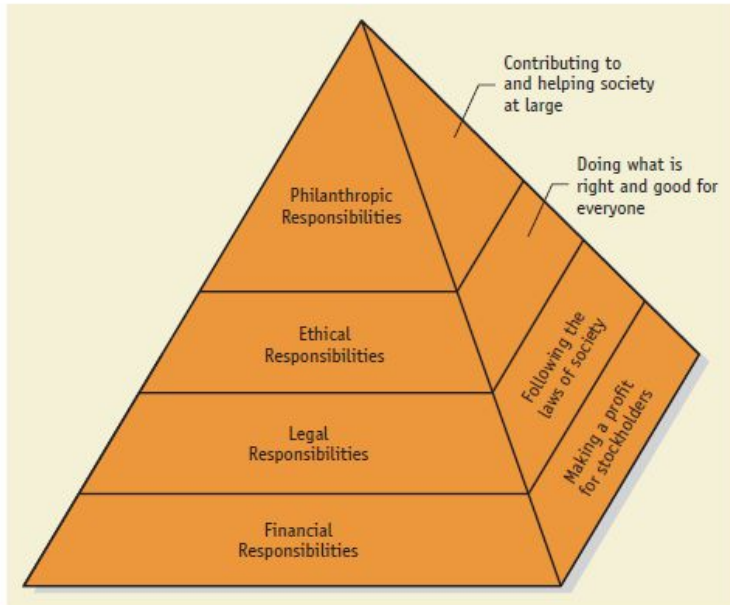
figure 1
The pyramid of corporate social responsibility

The pyramid of corporate social responsibility is depicted in Figure 3. It portrays the four components of CSR, beginning with the basic building block notion that economic performance undergirds all else. At the same time, business is expected to obey the law because the law is society's codification of acceptable and unacceptable behavior. Next is business's responsibility to be ethical. At its most fundamental level, this is the obligation to do what is right, just, and fair, and to avoid or minimize harm to stakeholders (employees, consumers, the environment, and others). Finally, business is expected to be a good corporate citizen. This is captured in the philanthropic responsibility, wherein business is expected to contribute financial and human resources to the community and to improve the quality of life.

Table (1)

The four-part " conceptualization approach to depicting CSR,

Economic Responsibilities	Legal Responsibilities	Ethical Responsibilities	Philanthropic Responsibilities
It is important to perform in a manner consistent with maximizing earnings per Share	It is important to perform in a manner consistent with expectations of government and law.	It is important to perform in a manner consistent with expectations of societal mores and ethical norms.	is important to perform in a manner consistent with the philanthropic and charitable expectations of society.
It is important to be committed to being as profitable as possible.	It is important to comply with various federal, state, and local regulations.	It is important to recognize and respect new or evolving ethical moral norms adopted by society.	It is important to assist the fine and performing arts.
It is important to maintain a strong competitive position.	It is important to be a law-abiding corporate citizen.	It is important to prevent ethical norms from being compromised in order to achieve corporate goals.	It is important that managers and employees participate in voluntary and charitable activities within their local communities.
It is important to maintain a high level of operating efficiency.	It is important that a successful firm be defined as one that fulfills its legal obligations.	It is important that good corporate citizenship be defined as doing what is expected morally or ethically.	It is important to provide assistance to private and public educational institutions.
It is important that a successful firm be defined as one that is consistently profitable.	It is important to provide goods and services that at least meet minimal legal requirements.	It is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations.	It is important to assist voluntarily those projects that enhance a community's "quality of life."

Source: (Carroll, 1991)

This implies that it is important to note that corporate social responsibility is not merely a collection of isolated practices or occasional gestures, nor does it involve initiatives motivated by marketing or public relations benefits.

Instead, corporate social responsibility is a comprehensive set of policies, practices, and programs that are integrated throughout business operations, and decision-making processes that are supported and rewarded by top management. Importantly, social responsibility involves more than simply making a few charitable donations. It must be a commitment to doing what's best for people and the community

6-Analyzing the strategic factors of CSR; Case study methodology

We have selected Zarqa university(*) case that highlight their CSR strategies This article focuses on Zarqa university case, , which we consider being most clear in terms of CSR evolution and provided enough information for our research. We use the case to develop our framework and illustrate it with examples. In other wards this section intended to identify what (CSR) efforts was used in Zarqa University.

> **(*)Zarqa University works under the umbrella of Zarqa Company for Investment and Learning, a medium-sized specialist company in Jordan operating on the commercial basis. For more details about this company you can visit the following site: www.zu.edu.jo**

First. Strategic Vision and Mission. *Zarqa University* Strategic Vision emphasize the CSR role, this role is one element of the three basic elements of the strategic vision "Distinction in the rendering of education, research and community services on the local, regional and international levels". The mission also present this role" The training and graduation of highly qualified manpower compatible with the needs of the local, regional and international markets, as well as conducting applied academic research for the development of local community".

Second. Posture strategic factors involved in driving CSR change.
Beyond the analysis of CSR evolution in the form of postures, as suggested by(Basu and Palazzo ,2008), the analysis of *Zarqa University* case provides us with several conclusions related to the factors involved in driving CSR

change. Table (2) summarizes the strategic factors that characterize each CSR stage.

Table (2)
The strategic factors that characterize each CSR stage on *Zarqa University* case

CSR posture/strategic factor	Integrated	Citizenship
Vision statements, mission statements		Introduction of CSR values in vision, mission
Leadership	Top management leads internal change	
Authority structure	First CSR departments	
Differentiation strategy	CSR is used as a differentiation strategy but not necessary core to all operations	
Span and depth	Span: Starting with first Suppliers Depth: more processes, especially in core production	
Technology	CSR standards and cross organization measures	
Collaboration and partnership	Collaboration and dialogue with stakeholders	

Third. Establish department to deal with corporate social responsibility. *Zarqa University* formed a "Continues Learning and Social Service Unit in 1997. The remit of the Unit has been to participate in achieving the university's mission about serving of society and strengthen it's relations with the local community. Recently, *Zarqa University* also established what named "Local Community Development Department" to enhance the CSR efforts through direct contacts with the local community.

Fourth. CSR is also being introduced as a subject of teaching. There are many teaching courses in the Economic & Administrative Sciences Faculty Celebes intended to provide students with CSR related knowledge and supporting them to deal with other aspects of economic activity in the

future. As in the contemporary world it is increasingly difficult to imagine an economist or manager having no idea about problems in this field.

Fifth. Just as *Zarqa University* must respond to quality assurance conditions of Higher education ministry in Jordan, so reporting is one of the main tools for implementing corporate social responsibility. A report is usually annual reviews of those issues which has been done and are of greatest importance for the university and stakeholders based on agreed scales in the field of CSR. (SES, 2012)

Sixth. The four-part " conceptualization approach to depicting CSR

The following analysis allows the assessment of the adoption of CSR practices by *Zarqa University* depending on the works of (Maignam, Ferrel and Hult1999). and is based on a set of questions regarding 4 different areas of CSR: Economical, legal, ethical, and altruistic.

Economic Component – First of all, *Zarqa University* is one of many economic basic units especially in Zarqa society and in Jordan society at all. As such, they have a responsibility to :

1-produce services that society needs, try to continuously improve the quality levels of services, *Zarqa University* leaders realize the need to focus on their customers' needs, There are well defined procedures to use to address customer's complaints . So Keeping up with the importance competition with other private universities in Jordan Quality's importance as a consumer issue and Greater focus on customer relationship management (CRM) has grown, consequently customer's satisfaction became one of the critical organizational performance indicator. And;

2- Then making a profit. *Zarqa University* have been successful in the making an acceptable profit in the process. It have managed in a way that can be economically sustainable. It have to fulfill their contracts with suppliers in time, to pay their employees properly, concentrated in reducing operating costs, control employees' productivity levels ,etc, which can be difficult when they are dealing with financial problems.**(See Appendix 1)**

Legal Component – Legal responsibilities reflect a view of "codified ethics" in the sense that they embody basic notions of fair operations as established by lawmakers. Compliance with legal requirements is the minimum acceptable in CSR. To pursue their economic missions within the framework of the law Zarqa University obey the laws and regulations promulgated by federal, state, and local governments, employers' associations , academic centers, high education institutions as the ground rules by which It work.. represent the attempt of *Zarqa University* to specify the type or nature of the responsibilities that go beyond compliance with the law. Top management strategies are clearly long term oriented, . Managers are well informed about relevant environmental laws, All of services comply with legal requirements, contractual obligations are always honored, managers strive to uphold the law and do the best to act in accordance with the laws governing the hiring and employee benefits.

Ethical Component - Ethics represents a whole set of moral principles written and unwritten, by which the company operates its nuclear level. It is the soul of the company and its constituent parts embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights*. Zarqa University* recognized as a trustworthy organization, examples of the actions that reflect this component includes:

1-*Zarqa University* have programs that promote diversity in workforce (in terms of age, gender and ethnicity). *Zarqa University* actions show efforts to effectively manage diversity. Diversity management is the planning and instituting of systems and practices that maximize the potential of employees to contribute to organizational goals and develop employee capabilities unhindered by group identities. It is arguable that managers should effectively manage diversity because it is socially responsible.

2-At the other end of the scale of social concern for employees, *Zarqa University* works to help employees balance family and work pressures. For example, over three years it spent 20000 JD to build and renovate child-care

centre within university campus. ***Zarqa University*** also has a generous leave policy for birth, adoption or family illness. Employees have six weeks on full pay and up to six months of unpaid leave with full benefits (Regulations & Instructions,1,2003). There is support for workers who want to improve their personal education inside and outside of the university, in the same direction there is discount for worker's suns who want to study at ***Zarqa University(50% from study fees***), It also gives what called "profit dividend for each employee yearly.. Employees follow procedures and professional standards (their task or mission is to build among employees the sense and culture of responsibility for the university and the style of its presence in, and relationships with, the external world)

3-The public relationship unit and contact employees have to provide complete and accurate information to all customers. A recent trend in ***Zarqa University*** is the publication of more information on the university's performance in the social area which could be seen as a strategy to regain public confidence in the university.

4-There are internal policies to attract, develop and retain talented people, representing relations with employees; and to prevent discrimination between employees with regard to salaries and promotions, the salaries oared are similar to the industry average and There is a congenital procedure for employees reporting misconduct (such as stealing or harassment)

Discretionary(Philanthropic) Component These specific activities are guided by the desire of businesses to achieve social roles not required by law and not expected in an ethical sense, but yet are increasingly strategic, actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. However, the needs of most communities extend beyond the resources available; businesses are often asked for more assistance than they can give, requiring priorities to be set. Accordingly, ***Zarqa University*** encourage Workers to participate in surrounding community civic organizations, There are exible policies that allow workers to coordinate their work with their personal life, There is an

internal program to reduce energy consumption and material waste, ***Zarqa University*** also encourage the development of partnerships with local and international universities and education institutions, support local sports clubs and cultural activities. In recent years, ***Zarqa University*** tried to have been going out of their way to behave in a variety of socially responsible ways. Our examples make it clear that corporate social responsibility takes many different forms. For a summary of some of The major ones are as follows, see Table 3.

Table 3.
Forms of Socially Responsible Behavior

Local Community partners	Social Responsibility Activity	Year
Zarqa Community	Free medical day	30/12/ annually
Jordan Community	Best Book Award	31/1/ annually
Jordan Community	Career Day (your chance at your fingertips)	21-22/4/ annually
Zarqa Community	Graduation of police Friends (Zarqa Governorate Police Directorate)	9-13/5/ annually
Zarqa Community	Five Football League for females at Zarqa Governorate	16-17/5/ annually
Zarqa Community	Zarqa Award for promising leaders for Zarqa Governorate schools	18/5/ annually
Jordan Community	University youth meeting (University violence)	15/11/2010
Jordan Community	A traffic safety conference for university students in Jordan in cooperation with the Directorate of Public Security and the Central Traffic Department.	15-16/12/2010
Jordan Community	Poetry meeting (Zarqa events, the City of Culture).	19/12/2010
	Allow the use of university facilities (gym, playgrounds) for the local community	27-28/4/ annually
Zarqa Community	Allow the use of university facilities (gym, playgrounds) for the local community	Open

Jordan Community	Astronomical observations Workshop in collaboration with JAS	30/10/ annually
Zarqa Community	Training community college students	Annually
Jordan Community	Construction of a pedestrian bridge on the Highway of Amman – Zarqa	Total cost 32000 JD
Jordan Community	Conference on the Environment (Friends of the Environment)	1-5/1/2012
Zarqa Province	Establishing Computer Center	Total cost 8000 JD
Alhawoz Governmental Hospital	Establishing lecturer Room	Total cost 12000 JD
Zarqa Community	Contribute to the creation of gardens for the local community	Total cost 30000 JD
Passengers Community	Equipping and furnishing the university mosque	Total cost 70000 JD
Zarqa Directorate for Education	Furnishing offices	Total cost 25000 JD
Zarqa Governmental Schools	Computer Equipment	Total cost 20000 JD
Zarqa Governmental Schools	Training school teachers in coordination with the Ministry of Education	annually

8- Findings and conclusions:

Previous analysis reveals many important conclusions, thus Zarqa **University** must work more to improve their (CSR) performance by expanding their (CSR) efforts integrating (CSR) into corporate strategy by insuring the following subjects:

1-In order to spread the CSR concept throughout the university, it is important for it to become a stated corporate value and, there are many tools to be applied in order to reinforce such statements and foster continuous implementation, like seminars, conferences, presentations in general, also using folders and social reports, intranet, internal communication and the Internet.

2- Practices conscious capitalism to demonstrates a balance between profit and social welfare and environmental issues, taking into account all stakeholders, creating value for
them, and using creative models of management to do it..

 3-However, ***Zarqa university*** do not carry out regular and comprehensive reporting on CSR, as this entails many more benefits than just a message addressed to the general public aimed at improving the company's image. Thus, if a company intends to seriously transform its organizational behavior and culture towards CSR it should necessarily prepare regular reports without being concerned with their small direct marketing effect.

4- All types of conferences contribute to the dissemination of knowledge on CSR, ***Zarqa university*** do not carry out any Conferences concerned with CRS till now, We suggest ***Zarqa university*** carry out Conferences aimed at the discuss theoretical problems, important documents or focus on the exchange of experience and best practices, develop new concepts and implementation programmers, and finally transfer of knowledge and dissemination of new ideas amongst groups not yet familiar with them.

5- There is no Awards, regarding CSR in Jordan in general in order to gain recognition and with the intention of being mirrored for benchmarking, thereby influencing other businesses to adopt responsible behavior. "Awards are more like an attempt to stimulate other companies to do the same.

6- We suggest also researchers develop more studies in corporate social responsibility.

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