# THE INFLUENCE OF INSTITUTIONAL POLICIES, ORGANIZATIONAL CULTURE AND UNIVERSITY LEADERSHIP ON CORPORATE SOCIAL RESPONSIBILITIES PRACTICES AMONG PUBLIC UNIVERSITIES IN SAUDI ARABIA

# ALSHARARI FAHAD SAAD S

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by

# ALSHARARI FAHAD SAAD S

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## **DEDICATION**

I would like to dedicate this research project to my parents more especially my late mother may Allah forgive her and reward her with Jannatul-Firdaus. There is no doubt in my mind that without their continued support and counsel I could not have completed this process.

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# PENGARUH POLISI INSTITUSI, BUDAYA ORGANISASI DAN KEPIMPINAN UNIVERSITI TERHADAP AMALAN TANGGUNGJAWAB SOSIAL KORPORAT PADA KALANGAN UNIVERSITI AWAM DI ARAB SAUDI

### ABSTRAK

Peranan universiti telah berkembang daripada hanya berfungsi sebagai institusi akademik tetapi juga sebagai institusi yang mengamalkan tanggungjawab sosial korporat. Kajian ini mengkaji pengaruh polisi institusi, budaya organisasi dan kepimpinan universiti terhadap amalan tanggungjawab sosial korporat pada kalangan universiti awam di Arab Saudi. Kajian ini mengguna pakai reka bentuk penyelidikan kuantitatif sepenuhnya di mana satu set soal selidik telah digunakan sebagai instrumen bagi pengumpulan data. Sejumlah 375 pensyarah universiti dari lapan universiti awam di Arab Saudi mengambil bahagian sebagai responden kajian. Pemilihan sampel kajian adalah berdasarkan teknik persampelan rawak berstrata. Data dianalisis dengan menggunakan analisis deskriptif dan analisis inferensi iaitu regresi pelbagai. Berdasarkan tinjauan literatur, budaya organisasi dan kepimpinan universiti telah dikenal pasti sebagai pemboleh ubah penengah dalam kajian ini. Dapatan kajian menunjukkan bahawa polisi institusi dan dan kepimpinan universiti memberikan pengaruh yang signifikan terhadap amalan tanggungjawab sosial korporate. Analisis lanjut menunjukkan pengaruh polisi institusi terhadap amalan tanggungjawab sosial korporat adalah pada tahap sederhana. Budaya organisasi (melalui domain persepsi dan jangkaan dan amalan organisasi) dan kepimpinan universiti (melalui domain pengaruh, hubungan, binaan dan pelaksanaan) pula memberi pengaruh sebagai penengah kepada hubungan antara dasar institusi dan amalan tanggungjawab sosial korporat. Hasil kajian ini menandakan sumbangan dasar institusi terhadap amalan tanggungjawab sosial korporat di Arab Saudi. Cadangan penambahbaikan terhadap amalan tanggungjawab sosial korporat turut dibentangkan.

# THE INFLUENCE OF INSTITUTIONAL POLICIES, ORGANIZATIONAL CULTURE AND UNIVERSITY LEADERSHIP ON CORPORATE SOCIAL RESPONSIBILITIES PRACTICES AMONG PUBLIC UNIVERSITIES IN SAUDI ARABIA

### **ABSTRACT**

The role of university has expanded from merely functioning as an academic institution to an institution that practices corporate social responsibility. This study investigates the influence of institutional policies, organizational culture and university leadership on corporate social responsibilities practices among public universities in Saudi Arabia. This study employs a fully quantitative research design in which a set of questionnaire is used as instrument for data collection. A number of 375 university lecturers from eight public universities in Saudi Arabia participated as respondents in this study. These respondents were selected using stratified random sampling technique. Data were analysed using descriptive analysis and inferential analysis; multiple regression. Organizational culture and university leadership are identified as mediator through literature reviews. Findings show that there is a significant influence of institutional polices and university leadership on the practice of corporate social responsibility among Saudi Arabian public universities. Findings also indicate that the influence of institutional polices on corporate social responsibility is moderate. Further analysis shows that organizational culture through the domain of perceptions and expectations and organizational practices, and university leadership through the domain of influencing, relationship, building and implementing have the effects of mediators on the relationship between institutional polices and corporate social responsibility. Findings of this study illustrate the contribution of institutional polices towards the practice of corporate social responsibility in Saudi Arabia. A suggestion on further improvement of the practice is therefore presented.

### **CHAPTER ONE**

### INTRODUCTION

### 1.0 Introduction

This study investigated the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian. This is carried out by investigating the involvement of some selected public universities in Saudi Arabia in the practice of university social responsibility (USR). The study was, therefore, both investigative and exploratory in nature. This study is aimed at attempting to gain an understanding of the nature, type, the drive and philosophical bases of the universities' involvement in USR practice (Oberseder et, al 2011). This study examined the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian

The universities social responsibility (USR) has begun to receive attention in the first decade of 21st century. In fact, regarding the final declaration of the World Conference on Higher Education of UNESCO (1998), some aspects in relating to the social mission of higher education universities inclusive have been identified issue as to 'educate highly qualified skilful graduates and responsible citizens by giving every students the opportunity to develop his or her own full potentials abilities with a sense of social responsibility to increase his/her their contribution to the development of the entire educational system and other actions.

Some aspects in relation to the social mission of higher education universities inclusive have been identified issue as to 'educate highly qualified skilful graduates and responsible citizens by giving every students the opportunity to develop his or

her own full abilities with a sense of social responsibility to increase their contribution to the development of the entire educational system, other actions by developing curricula and educational research (Wanyama, 2009). In the final declaration of UNESCO (2009) conference again reaffirmed the duty of higher education at providing the skills, as well as contributing to the development of the students as good citizens endowed with standard ethical principles, committed to peace building defending on human rights and democratic values (UNESCO, 2009).

The concept of USR within the context of this study has to do with the activities of the universities towards improving the socio-economic development of the people, environmental preservation of their host communities, the nation and possibly the international community (Carroll, 1999). USR has been a common practice for the universities since Twenty first century particularly, in Europe, the United States (Gond & Crane, 2010; Gray et. al, 2001) and some countries of the far East. Thus, the issue of USR is widely established in academic and management-related literatures (Gond & Crane, 2010). However, not much is done in exploring the involvement of educational institutions of higher learning in USR practice.

A consideration of the significant role of education and its ultimate goal on sustainable development that is needed to empower citizens with the perspectives, knowledge, and skills that will help them live peacefully and sustainable societies alongside the critical interdependent relationship between man and the environment (UNESCO, 2001). In view of this, a number of questions ready come to mind: what is the understanding of the lecturers of university regarding USR? Are universities in Saudi Arabia as well as others involved in USR? If the universities are involved in USR practice, what is the Philosophy behind their involvement? What are the

responsibilities of universities under USR? These questions were the driving force that informed why this present study was embarked on. This study is therefore intended to examine the nature and type of USR practice in the selected universities from the data to be collected for the study. In this study, an attempt is made at finding precisely what the selected universities do in respect to USR? Investigating the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian on the implementation of USR projects and the possible influence of such activities on the people and university community development was the main goal of this study.

### 1.1 Background of the Study

Globally, universities exist on a common base, to develop knowledge, skills and values (education) through research and teaching character development through moral, civil and citizenship education (Althof, Berkowitz, 2006) also, to prepare learners for real life and career development (Bourner & Flowers, 1997). The university community is a role model of knowledge base society where the use of knowledge provides the support of practice (Atakan & Eker, 2007). Thus, the fundamental function of universities is, therefore, the production of knowledge (Boulton & Lucas, 2011). This fundamental educational function has for a long time aids and promotes man's understanding of the natural and social environments thus providing the basis for scientific, socio-cultural, technological and heritage developments that man has continued to enjoy over time (Grizans, 2009). The rise and fall of civilizations in the human world was a result (Huntington, 1996).

Human and societal developments have contribution to knowledge (education) of as manifested from the re-naissance era has made human society to recognized education as a viable instrument for the attainment of meaningful development (Howells, 2007). This recognition has led to an increase of public interest in the university enterprise as well as increase in the establishment of universities around the world (Currie, 2004; Trani & Holsworth, 2010). Though, despite the universal basis of their existence and operations, universities differ in their specific goals and missions. Each of the universities has unique social and educational purposes, entry requirements and varying academic standards as considered much appropriate to their defined purpose and goals (Clark, 1986; Johnson& Bell, 1995; Sommerlad & McDonald, 1998).

Diversities of universities are naturally influenced by the stage and level of development in the host community; the socio-economic and political values of the host society (Combarnous & Rougier, 2011; Wanyama, 2009). Other factors influencing the philosophical and operational practice of the universities include: The university's organizational culture, university leadership of top management officers, organizational culture and institutional policies (Wanyama,2009). These factors influence on the universities differ from society to the corporation. Though, every university functions in line with the universal goal of knowledge production (Buchbinder, 1993). The functions and operations of every university need to be directed at their philosophy as guided by the overall philosophy of society (Miller, 1998). This consideration is a bench mark for the establishment of university's social responsibilities to their immediate community; the host society; and the international community (Banaccorsi, 1992).

As recognized by many scholars, observers, and organizations, organizational culture has a powerful effect on the performance and long-term effectiveness of organizations (Rabaai, 2009). By implication, therefore, organizational culture has a powerful effect on the university social responsibility practice among the public universities in Saudi Arabian. An impressive array of findings demonstrating the significant of culture at enhancing organizational performance has been produced by many empirical researchers (Cameron, Ettington, 1988; Denison, 1989; Trice &Beyer, 1993).

Collier, Esteban (2007) in his work, identified two types of factors that impact on employee motivation and commitment to USR 'buy-in'. First, is the contextual whereby employee attitudes and behaviors are affected by organizational culture and climate, by whether USR policies are couched in terms of compliance with values. Moreover, by whether such policies are integrated into business processes or simply an 'add-on' that serves as window dressing. Second is perceptuality: Despite the enormous amount of theoretical research connections between the University Social Responsibility, organizational cultures are relatively few empirical studies on the relationships between facets of USR - the firm performance concerning practical social issues and the company respects the interests of agents and organizational culture types (Übius & Alas, 2009). Also, a few empirical studies on the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian.

Universities as organizations are institutions of higher learning with focus on teaching, researches and innovations in all sphere of human endeavors (Edquist,

211). Such a focus is directed at the development of ideas, knowledge-based skills and values for the overall development of individuals and society (Godard & Chatterton, 1999). In view of this focus, the universities are expected to provide individuals with the desired knowledge, skills and values needed for becoming productive members of the society (Cortese, 2003). The universities also engage in innovative researches for short and long terms with results meant for the development of all sectors of the society. The universities are expected to be involved in problem-solving researchers aimed at addressing current and unforeseen problems for sustainable development (Brandon, Brandon & Lombardi, 2010).

On account of their focuses and tasks to the societies, every sector as well as member of the community is directly or indirectly influenced by the university as a societal institution and vice versa (Mudefi, 2011). Thus, the social responsibilities of universities extend to members of the society in all sectors (Rudy, 2007). Recognizing the significant role of universities and education in the overall development of individuals and society, societal investment in universities is always accorded to a deserving priority; particularly, in knowledge driven societies (Rhoten & Calhoun, 2011). As such the universities are being funded from endowments from the society as a result much is expected from the universities (Rhoads & Torres, 2006).

The "styles" of leadership has become a primary concern among the behavior investigations in the late 1960s, as mentioned by Zainal (2002). On the other hand, Sinha (1995) defined the word "style" as a pattern of regularities in the act of leading. However, in the past several decades from the early twentieth century, researchers tend to expand their studies by examining all the traits of styles that

leaders should possess (Bass & Bass, 2009). Transformational leaders are those who develop a positive relationship with their subordinates to strengthen the performance of the employees' tasks the performance of the organization. Transformational leader's help their subordinates look beyond their needs (Alkahtani, 2011). They let them focus on the interest of the group as a whole. Transformational leaders may achieve their goals in one of the following ways: First, they may stimulate their employees intellectually. Second, they may be charismatic to their followers and serve as role models. Third, they may persuade their employees to believe in the mission and its attainability. Fourth, they may meet the emotional needs of their employees (Bass, 1985; Avolio & Bass, 1988; Bass & Avolio, 1999 all in Alkahtani, 2011).

Corporations around the world universities inclusive are struggling with new role, which is to meet the need of the present generation with or without compromising the ability of the next generations to meet their own needs (D'Amato, Henderson & Florence, 2009). Organizations like Saudi Arabian Public Universities are being called upon to take responsibility in the ways their operations impact upon societies and the natural environment (D'Amato et al., 2009). They are also being asked to apply sustainability principles to the ways in which they conduct their business and official duties. Sustainability refers to an organization's daily activities, typically considered voluntary, that demonstrate the inclusion of social environment that are concerns in business interactions operations and with stakeholders (Babalola, 2012).

It is no longer acceptable to the corporation, institution or an organization to experience economic empowerment in isolation from agents that are impacted by its

actions. A firm is now focusing its attention on increasing its bottom line and being a vital corporate citizen. Keeping abreast with the global trends of remaining committed to necessary financial obligations to deliver both private, and public benefits that forced organizations, institutions and cooperation to reshape their frameworks, rules, administrative and business models. To understand and help current efforts, the most socially responsible organizations continue to revise short-and long-term plan agendas, to stay ahead of rapid changes and challenges (Jackson, & Tinkler, 2001).

Martin et, al (2008) proposed the following classification of an institutional policy system; they maintained that an institutional policy is a system comprised of an administration set or policy manual (i.e., institutional policies that make up computer usage, purchasing, tenure, and hiring. Policy resources that will facilitate working policy within the system (e.g., policy approval process flowchart, policy office of personnel, policy template and policy guide); moreover, policy users (i.e., individuals or entities for using, writing, reviewing, or approving policies). The focus of the study is primarily on policies that existed within the context of an institutional policy system of Saudi Arabian public universities.

Writing about institutional policy, Steneck (2006) further maintained that research institutions universities, private research companies, and hospitals, are required by rules to have policies that cover different aspects of their study programs if they accept Federal funds. They must have committees that review human and animal research. They must have procedures for investigating and reporting research misconduct and conflicts of interest. They must manage and approve all research

budgets, ensure that laboratory safety rules are followed, and follow established a practice for the responsible use of hazardous substances in research Steneck (2006).

To help manage their responsibilities, most of the research institutions have research offices and institutional research policies for officers. Both provide excellent sources of procedures for responsible conduct of research since both are the products of the institution's efforts to justify its responsibilities (Steneck, 2006). Also, policies institution are often more comprehensive than state and Federal policies since they must encompass the full panoply of institution responsibilities. For example, some research institutions have more standard definitions of research misconduct than in the Federal Government to support other practice that can undermine the dignity and integrity of research. For the deliberate violation of research procedures, abuses of confidentiality, which lead failure to report misconduct, most of the required institutional review for human subjects study than is required by Federal law (Steneck, 2006).

Culture has distinctive effects on how people work and what they prioritize and value (Borrego and Johnson 2011; Hofstede 2001, 2007; House et al. 2004; Inglehart 1998). Both research and practice are increasingly interested in whether cross-cultural differences affect management such as through decisions about the use of performance strategies, judgments about the top management officers and their needs, evaluation of competing priorities, awareness of different challenges, and the selection of implementation strategies. While studies in other areas, such as policy, show cultural differences affecting values and practice (e.g., a 'UK' or 'Dutch' way of defining public value), research in public administration has made little headway

in systematically investigating the role of societal culture in management practice (Berman E et, al, 2013)

However, the role of universities are now extended and redefined; the social responsibility aspect of universities is now making them corporate entities that are characterized as organizations formed under the state governmental laws and approval. Universities being the public good are the responsibility of all stakeholders, especially the governments (UNESCO, 2009). Likewise, universities as an institution were faced with the complexity of present and future global challenges, universities have the social responsibility to advance our understanding of comprehensive issues, which involve economic, social, scientific and cultural dimensions and people ability to respond to them. Universities should lead society in generating global knowledge to address global challenges, food security, water management, climate change, intercultural dialog, renewable energy and public health (Rhoten, & Calhoun, 2011). Universities through their core functions which implies research, teaching and service to the community that are being carried out in the institutional context of autonomy and academic freedom, should increase their interdisciplinary view to promote critical thinking and active citizenship. This would contribute to sustainable development, peace, well-being and the realization of human rights, including gender equity, child right, and another human right. Universities must not only provide concrete skills but provide and contribute to education for the citizens of any background (Wanyama, 2009).

University social responsibility (USR) can be used interchangeably which include other terms responsible competitiveness, corporate citizenship on the triple bottom line of others. It has existed as part of the business strategy for years.

However, has increasingly come to encompass what companies do with their profits along, but also making the profit (Hediger, 2010; Jane Nelson, 2008). It goes beyond philanthropy compliance to address the ways in which companies manage economic, social and environmental influence and their stakeholders' relationship in all their crucial spheres of influence: the marketplace, the workplace, the supply chain and the society for the public policy realm (Hediger, 2010; Jane Nelson, 2008).

University social responsibility encompasses not only what universities do with their profits, but also how they make them. As such, it goes far beyond philanthropy to include issues of corporate risk management and competitiveness (Nelson, 2008). At the same time, what companies, institutions, organizations universities inclusive do through their philanthropic programs can make a meaningful contribution to achieving community and national development goals, in developed as well as developing countries." (Jane Nelson, 2008)

This study is meant to investigate the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian, with a particular focus on eight universities across the nation. Currently, the focus universities are conventional universities running conventional courses in faculties of the Arabic language, Higher Education, Medicine and Medical Sciences, Engineering home economics, social sciences and researchers. However, at inception the Islamic University of Madina was established as a specialist university with the focus mainly on Islamic education and propagation. All the universities are public universities fully funded by the Saudi Arabian government for relevant services to the people of Saudi Arabia. Being public universities, naturally much is expected

from the universities by both the government and people of Saudi Arabia (Borg & Alshumaimeri, 2011).

### 1.1.1 Cooperate Social Responsibility in Saudi Arabia and Golf Countries

Corporate Social Responsibility (CSR) has recently assumed strategic significance in the industrial world for companies and governments alike. In emerging countries that seek to build vital economies, CSR has taken on an added value. Increasingly, there is the understanding that national development and CSR are characteristically intertwined. Indeed, it has become clear that developing nations will not be able to move forward without the purposeful engagement of corporations in societal affairs and their active contribution to capacity building (Abbas & Abdulrahman 2012). The underlying reasoning is that the competitive position and the national standing of a country and the well being of its citizens are inextricably linked to environmental, technological and competency challenges. These mounting challenges can only be managed through corporate initiatives in partnership with government (Abbas & Abdulrahman 2012).

The United Nations Industrial Development Organization<sup>1</sup> has reported that corporations in partnership with governments can make a vital contribution to developing innovative solutions to developmental challenges. Furthermore, in its study, "CSR and Developing Countries," the UN's Division for Sustainable Development<sup>2</sup> has argued that governments across the globe have promoted CSR to enhance national competitiveness and to help deliver public-policy goals and priorities (Abbas & Abdulrahman 2012)..

The Arab countries are no exception. Governments in the Arab world have in recent decades espoused certain tenets of CSR. In particular, there has been increasing emphasis on environmental sustainability, water conservation and healthy living. The Arab Forum for Environment and Development (AFED) has underscored the major challenges that Arab countries face. In a 2011 report, it concluded that, given mounting challenges, "transitioning to the Green Economy is not only an option for the Arab region; rather it is an obligation to secure a proper path to sustainable development." The report identified Saudi Arabia as one of the pioneering countries on issues related to urban planning, organic agriculture and water conservation, among others (Abbas & Abdulrahman 2012)...

Reverte (2009) had aptly discussed that in the last many years there has been an increase in public awareness about the significance of corporate social responsibility (CSR). The importance of CSR arose due to the growth in communication between various stakeholder groups and business organizations in society. The growing communication reflects the accountability of corporations in meeting their stakeholders" needs (Gray, Kouhy, & Lavers, 1995). CSR is one of the vital success factors for business organizations in society who seek good image, sustained profitability and consistent corporate growth along with conducting socially responsible activities. This means that an organization should be held responsible for any of its activities that have an effect on citizens, communities, society at large, and the environment (Gustafson, 2002). Companies use CSR as a strategic weapon for competition in the era of globalization (Will, 2007). In a way, the concept of CSR is that companies have greater responsibilities than only to achieve a high profit for their shareholders. They should care about the society and act in a responsible way (Carroll & Shabana, 2010). From the beginning of the

twenty-first century it has become even more significant for companies to perform and act in a responsible manner according to the guidelines of CSR (Adams and Zutshi, 2004). In today's dynamic world, Corporate Social Responsibility (CSR), is gaining immense importance for the various stakeholders of the society. CSR has taken strategic importance in the corporate world as well as other interest groups today. There is a deep relationship between the nation's growth and development and the CSR activities today. In the last few years Saudi Arabia had shown a meteoric economic rise. Initial plans of the kingdom emphasized on the gross domestic product (GDP) and its growth along with the development of the human resources and becoming less reliant on the non-oil sector. Nevertheless, research shows that the organizations in the Middle East are way behind. They seem to be incorporating CSR activities to illustrate their base in the market. The mind -set of the middle eastern organizations have made them only consider CSR programs in charitable events, donations without essentially implementing it as a core business strategy (Lu, Wang and Lee, 2013). Ironically, organizations are still considering it as a tool to achieve a competitive edge over the other organizations in the domain of brand loyalty of the customers (Bondy, et al, 2012).

### 1.1.2 Corporate Social Responsibility in Universities

While there is done much research on CSR in the context of private businesses (Aguinis & Glavas, 2010; Smith, 2003), Idowu (2008) identifies a lack of research on the CSR of not-for-profit organisations such as educational establishments. Due to their societal leadership role universities are in a central position to influence the practice and acceptance of CSR in society through their research and teaching (Idowu, 2008). Therefore, investigating universities'

involvement with CSR is of crucial interest to both science and the broader society. In the past universities "have performed basic functions which result from the particular combination of cultural and ideological, social and economic, education and scientific roles that have been assigned to them" (Enders, 2004, p. 362). However, recent developments implicate extensive changes of universities' role within society. As argued by Scherer and Palazzo (2011) increasing globalization diminishes nations' capacity to regulate the market and therefore widens a regulatory gap. As a reaction both public and private actors try to compensate for this diminished governmental power by creating governance initiatives that take over governments' former tasks. This in turn leads to blurred boundaries concerning government's, private and public actors' responsibilities and redefines their role within society. These developments impact the social contract between higher education and society (Benneworth & Jongbloed, 2010). Barnett (2000) discusses this concept and explains that it "is a matter of higher education offering services on the one hand and receiving goods (such as resources and respect) on the other hand" (Barnett, 2000, p. 23). He further cites the Dearing Report of the National Committee of Inquiry into Higher Education (1997) which declares that We think in terms of a compact between higher education and society which reflects their strong bond of mutual interdependence: a compact which in certain respects could with advantage be made explicit. A compact which is based on an interpretation of the needs of both sides at national, regional and local level requires continuing dialogue and a framework within which it takes place. (NCHIE, 1997, 127) Benneworth and Jongbloed (2010) explain that the discourse on universities' role in society has shifted to a more market-oriented stance redefining this social contract by emphasising commercialisation and universities' responsibilities towards a broader

stakeholders. Despite these impacts globalization range of of and internationalisation, national culture still is strongly influential on the universities' policy making (Teichler, 2004). Vaira (2004) converges these two contradictory forces - with homogenization processes based on internationalisation on the one hand and divergence processes based on the influence of national culture on the other hand – into the concept of organizational allomorphism. He argues that higher education institutions are neither becoming strictly homogeneous and isomorphic at a global level, nor are highly differentiated and polymorphic at the localorganizational level, but rather they could be conceived as local variants (not different forms) of the same institutional archetype. (Vaira, 2004, p. 503) The discussion above illustrates the shifting role of universities in society and makes clear that although internationalisation has a strong influence on the universities, national culture also is an important determinant in this context.

Based on the previous the Influence of Institutional Policies, Organizational Culture and University Leadership on Corporate Social Responsibilities Practices among Public Universities Saudi Arabian was not explored intensively enough in Saudi Arabian universities. Even though, there are Saudi companies writing about their social responsibilities on their homepage and in their books, and there are organizations that have written booklets and reports about different USR initiatives, but there is not much literature written on the subject of USR in relation to universities in the Kingdom (Gravem, 2010). In collaboration with the USR Initiative at Harvard Kennedy School and the King Khalid Foundation (KKF) Saudi Arabian General Investment Authority (SAGIA) has released a report named "University Social Responsibility (USR) in Saudi Arabia and Globally. Key Challenges Opportunities and Best Practice". This is a report from the First

Leadership Dialogue in Saudi Arabia, which is a reproduction of the arguments and ideas from this forum (Gravem, 2010).

### 1.1.3 Universities' Corporate Social Responsibility

Considering the described current developments within the 21st century one can say that universities' role in the society is evolving. "They are no longer just institutions of higher education and research, but rather they are turning into institutions, which train responsible humans, create cutting-edge knowledge to solve the issues and problems at a global scale and share the knowledge so that it can benefit the community" (Nejati, Shafaei, Salamzadeh & Daraei, 2011). Jongbloed, Enders and Salerno (2008) further argue that in the continuous process of deregulation universities were put more away from the state, what had severe consequences for these institutions' legitimacy. With the government's decreasing role concerning funding and regulation, universities need to legitimise their existence and actions in terms of quality and commitment with their increasing set of varied stakeholders, what in turn leads to an increased relevance of CSR in the context of higher education systems. In his research on UK universities' perception on their CSR, Idowu (2008) found that many universities recognise their changing role and take issues of CSR and sustainable development serious by providing non-sensitive information to the public. Examples of the recognised responsibilities are contributing to national and international systems of university education, managing the economic, social and environmental impacts of their activities, taking into account the interests of all stakeholders, responding to social needs or joining business in the community. Moreover, Nejati et al. (2011) investigated the websites

of the top ten world universities in order to examine in which way these institutions are involved in CSR.

Their study reveals that all universities' websites cover the topics organisational governance, human rights, labour practices, environment, fair operating practices and consumer (student) issues. An additional analysis of the universities' mission statements showed that the involved universities incorporate CSR also into these and therefore verified the universities' seriousness in approaching such issues (Nejati et al., 2011). All in all it can be said that due to their changing role within society next to their traditional obligations of research, teaching and transfer "a greater weight is placed upon [universities'] commitment to community service in terms of providing training and research, investigation and advice, as well as such services as consultancies, technology transfer, lifelong learning and continuing education" (Jongbloed et al., 2008, p. 312). This rising complexity of obligations asks for a stronger legitimation of the universities' actions within society.

The discussed developments reveal that due to governments' decreasing role concerning funding and regulation, universities need to legitimise their existence and actions in terms of quality and commitment with their increasing set of varied stakeholders (Jongbloed et al., 2008). Benneworth and Jongbloed (2010, p. 569) argue that "as recipients of public funding, universities must account for their activities and achievements to government and wider society". The success of the universities' goal achievement – the generation of useful knowledge – is assessed by their main stakeholders which are the international scientific community, industry, politics, the public sector and the general public (Benneworth and Jongbloed, 2010). Generally, stakeholders can be defined as "any group or individual who can affect or

is affected by the achievement of the organization's objectives" (Mitchell, Agle & Wood, 1997) while in the specific case of universities, stakeholder groups "include those potentially positioned to benefit from universities' social impact" (Benneworth & Jongbloed, 2010).

### 1.1.4 Brief Background of the Study Area

Saudi Arabia is the largest Arab state in Western Asia by land area (approximately 2,150,000 km² (830,000 qs m), constituting the bulk of the Arabian Peninsula) as the second-largest Arab world (after Algeria). It is bordered by Jordan with Iraq on the north, Kuwait by the northeast, Qatar, Bahrain and the east is United Arab Emirates, Oman to the southeast, Yemen in the south and the Red Sea to the west. Its population is estimated around 16 million citizens, and an additional 9 million registered foreign expatriates and 2 million illegal immigrants. Saudi Arabia traces its roots early back to the civilizations of the Arabian Peninsula (Al-Zarah, 2008). Over the centuries, the Arabian Peninsula has played a crucial role in history as an ancient center of trade and the origin of Islam, one of the world's monotheistic religions. Since King Abdulaziz Al-Saud originated the modern Kingdom of Saudi Arabia Empire in 1932, its ruling transformation was been astonishing. In a few past decades, the Kingdom had transformed itself to a modern, sophisticated state from a desert nation and became a major player on the international stage (Al-Zarah (2008).

The Kingdom of Saudi Arabia was established in 1932. It was a poor country then, and there was a small number of the educational program make up 12 schools with 700 students. Thus situation changed dramatically after Saudi Arabia oil was discovered in vast amounts in 1938. Moreover, in 1950 there are 365 schools educating 42,000 students learning (Simmons & Simmons, 1994).

Elementary through Secondary education is free in Saudi Arabia to all Saudis and non-Saudi citizens. On the other hand, the higher institution was exclusively for Saudi citizens, and there were paid stipends for joining higher education. Even though students were paid to enter schools and Institute, the educational level was low in Saudi Arabia, more especially women education. The estimated percentage of literacy in 2003 was indicated as 78.8%, were 84.7% males and 70.8 females (Alamri, 2011).

At present, there are 24 universities in Saudi Arabia, for the purpose of this study the following 8 public university would be considered they are Ummul Qurah University, King Abdulaziz University, Taif University, Islamic University, Taibah University, Al-Jouf University, Northern Border University and Tabuk University.

### Umm Al-Qura University

Ummul Qurah University was established in 1949, and it is located in the holy city of Makkah; the University enjoys a unique geographical and academic position in the Muslim world. Also to serving the needs of the kingdom through its various colleges and internationally recognized academic, the primary focus of Ummul Qurah University is to help the world through its Institute of the Arabic language. Commence in 2003/2004 academic year this office was upgraded later to Taif University. With the development and growth of the university population and new premises were built. In all, the University now has seventeen colleges, twelve institutes and centers that comprise seventy academic departments that both offer graduate and undergraduate programs for both male and female students. (Umm Al-Qura University Web Portal: http://mohe.sa)

### King Abdulaziz University

King Abdulaziz University is located at Jiddah and currently having two campuses that are Jeddah and Rabigh. It carries the name of the pioneer establisher of Saudi Arabia Kindom may God bless him. This university was established long time ago in 1387 H / 1967 G with the goal of spreading higher education as a national university in the western region of Saudi Arabia. This dream has came reality through the continuous efforts of the loyal citizens in that country. The university first year was started in (1388h- 1968g) by inaugurating the preparation of program study with a few number of students enrolled (68 male students and 30 female students,) in whole University inaugurated its first college directly the year after, (the College of Economics and Management,) than in the following year at the College of Arts, and Human Sciences was established (Saudi MOHE, 2013). (King Abdulaziz University Web Portal, Saudi MOHE 2013)

### Taif University

Based on the plan that established a number of new universities around the Kingdom, Taif University was established at the same time (2003) and located in the city of Taif with four campuses namely Taif, Ranyah, Al Khurmah and Turubah. The university was a result of combined campuses of two Umm Al-Qura colleges located at Makkah. The university takes pride in its well designed and planned the modern programs in physics, biology, computer science, mathematics, language, Arabic, Islamic studies, education, and early childhood learning. Upon its source of funding, the University added a new college, called College of Medicine and Medical Sciences, which started it program in 2006 with an enrollment of 80 students (Taif University Web Portal, Saudi MOHE 2013).

### Islamic University

Islamic University was established in 1961 in the city of Al Madinah Al Mona warrah with its primary focus of disseminating information on Islam message to the world through the channel act of Dawah, higher education and post-graduate studies embrace the development in the spirit of Islamic in the lives of individuals and entire societies on the basis of worshipping Allah – The All-mighty- and subordination to his messenger prophet Mohammad may peace and blessing of Allah be upon him for Preparing scientific research works that translate and publish them in different mass media as well as motivating those researchers to cover all forms and fields of knowledge (Saudi MOHE, 2013).

Islamic University has only one campus situated in Al Madinah Al Mona warrah, and it has top management officers and lecturers numbering 52 and 732 respectively (Saudi MOHE, 2013)

### Taibah University

Taibah University (TaibahU) was founded in 2003. It has been recognized as the internationally accredited and comprehensive state university dedicated to excellence in teaching, research and community service. It was said to have 98 top management officers and 1835 lecturers from different field of knowledge. This University provides high academic programs in various disciplines support and develop research that contributes immensely to knowledge and enrichment achievement of national developmental aims and objective, meet business and national developmental needs for highly qualified graduates capable of competing effectively in today's knowledge for economy and globalized world to reinforce

TaibahU role in serving the entire community and building a knowledge society and also create an environment supportive of productivity and excellence. (TaibahU website www.taibahu.edu.sa)

### Al Jouf University

Al Jouf University was established in the upper northern part of Saudi Arabia. It was established in the year 2005 and located in the city of Al-Jouf. It campuses include Sakaka, Al Quryyat, Dawmat Al Jandal and Tabarjal. The university enrollment is around 15,000 students, and the university serves through 81 full-time professors as of the academic year 2006-2007. 56 of the staff working at this University are top management officers whereby 754 are lecturers with different qualifications. The university consisted of 10 colleges offering a broad range of majors. The colleges are: Alquryyat Community College, College of Science, College of College of Medicine, Applied Medical Sciences, College of Engineering, College of Education for male students, and College of Education for women students at Sakaka, College of Education for women students at Dawmat Al Jandal, Sakaka Community College, and Tabarjal Community College. In its attempt to contribute to the modern technology, the university chooses engineering as its primary focus (Saudi MOHE, 2013).

### University of Tabuk

The University of Tabuk, the most recent university commence in 2006 with four colleges. Today, University of Tabuk satisfies the community need to higher education with about 11 colleges across three campuses in Tabuk, Al Wajh, and Duba. The University serves an excellent community for potential students that are

allowed planning its programs. Works currently on the future campus premises project are going on as planned. It is proposed for the university to mount up to accommodate 5000 male and female students. The total enrollment of this university presently is 10,024. The University of Tabuk is located in the City of Tabuk, in Saudi Arabia upper northwestern corner. This University is having 63 top management officers and 818 lecturers during the study period. The university's focus is specialization in home economics and other related areas (Saudi MOHE, 2013).

### Northern Borders University

Northern Borders University was established in the year 2007, and it was located in the city of Arar and it consisted of 3 campuses they are Arar, Rafha and Turayf with a total enrollment of 7,735. Northern Borders University represents the new completing university education blocks in terms of covering all the regions. In the year 1428 Hijri, a Royal approval was approved and issued to establish the university. The college was first in Arar 1402, established Girls Education College, and followed by another Teachers Education College that was established in 1428. The University benefited from girls Education College in Arar, and enjoyed girls Education College in Rafha also to Sciences College, which was founded in 1427 under the supervision of King Abdulaziz University. Northern Borders University encompasses 12 colleges, 7 of which in Arar, 3 in Rafha and 2 in Turayf. The top management officers of this university are said to be 46 whereby the lecturers are 479 all from different academic disciplines. The university's primary focus is social sciences (Saudi MOHE, 2013).