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Corporate Social Responsibility (CRS): Case Study – Jumeirah Group (JG)

Introduction

Corporate Social Responsibility (CSR) makes a difference for businesses. According to Bowen, CSR is considered as the continuing commitment and dedication by an organization to behave and operate ethically in addition to making economic developments and enhancing the quality of living of the workers and the society at large (1). In essence, CSR is an ethical process that entails adherence to moral values and principles of sustainable growth that accommodates the welfare of all. It is not only in the interest of the organization, but all stakeholders including the members in the surrounding environment. In other words, CSR should be viewed as responsive giving, where companies do not make losses while contributing to the well-being of the local communities. While making profits, enterprises must take note of the need to conserve and manage the social and environmental settings. For instance, it is not worthy for a company to make huge incomes while either polluting the surrounding environment or causing harm to the local communities. In fact, various countries and regions around the world have legislation and regulations that govern the operations of enterprises with the idea of protecting the people and the environment. It is necessary to reiterate the point made by Al-Jenaibi that CSR is a voluntary initiative which inclines businesses to register economic growth while contributing to the betterment of the society and the environment (85). Therefore, it is the responsibility of all organizations to make positive impacts to the communities in which they operate.

As a matter of fact, despite the stringent regulations that several countries implement and enforce, it only requires the willingness of the companies to comply with the laws. However, some malicious organizations commit the moral crime of destroying the environment and harming people just because they can pay for the litigation repercussions. Epstein and Rejc argued that to actualize the objectives of CSR, all the stakeholders of a company must have a positive notion of behaving ethically while expecting to make the required economic developments (1). Further, the authors explained that businesses should expect to improve the quality of the workers, families, communities, and the overall society. Based on the mentioned concepts, this study focuses on Jumeirah hotels & resorts (Jumeirah Group-JG) in the United Arab Emirates (UAE) to discuss the issue of CSR.

Background of the Company

Jumeirah Group (JP) operates various hotels and resorts in Dubai and other parts of UAE. It must be noted that the firm is renowned worldwide for innovative and luxurious facilities, which have earned it various international tourism and travel awards (Graciëlla 167). The company was started back in 1997 with the ambition of becoming the leading deluxe hotels and resorts in the world. Balakrishnan noted that JP became a constituent member of the Dubai holding in 2004 in order to enhance progress based on the aim of the business (3). The reputation of the firm does not only emanate from the products and services that it offers to its consumers, but it also engages in effective CSR. Based on the clear vision of being the leading company in the world, JG strives to create immense value for its stakeholders. Therefore, the critical idea of the firm is to facilitate sustainable growth and development. The aim can only get attained by earning the respect and support from the customers, colleagues, suppliers, business owners, and the society at large. It is pegged on the vision and values of the company that its stakeholders are committed

to adhering to the principles of corporate social responsibility. Graciëlla stated that the stakeholders of JG demonstrate the core values of CSR in all business activities and operations (167). Precisely, the idea of giving to the society while making profits is embedded as a strategic framework in the company. The insight is that the management system of the organization is alert of the need to satisfy the economic requirement and cares for the future of the firm and the overall society.

Notably, tourism industry leads the world in employing people and having a significant impact on the environment and the society. Fortunately, the stakeholders of JB recognize the facts that drive them to invest in sustainable tourism. Balakrishnan argued that the current priority of JG is focusing on the impacts of tourism and travel in order to cater for the well-being of the clients, stakeholders, environment, and the entire society (5). Consequently, the company invests in operations and activities that create positive outcomes. The author added that JG is committed to investing in the tourism infrastructure while caring for the welfare of the world and the local communities. To achieve the objective, the organization is dedicated to creating unique career opportunities and employment to the people, which is the main value guiding the human resource management. In addition, Graciëlla said that JG sources local product and services in order to benefit the area in which the hotels and resorts are located (168). The idea is to build a strong and sustainable local supply capacity which is essential for long-term growth and development. Essentially, dealing with the local communities allows the company to enhance sustained growth while creating value and empowering the society. Bowen also claimed that CSR improves the lives of the local residents (1). Markedly, through the Jumeirah Foundation, the company has a charitable platform for supporting the welfare of the community and engaging in educational programs. Moreover, it has an avenue of measuring its carbon footprint. Thus, the

stakeholders, owners, and investors always consider the need to reduce environmental impacts, especially when investing in new resorts and hotels.

Benefits of CSR

Corporate Social Responsibility is undertaken by various organizations because of the tremendous benefits that it offers. However, some companies only comply with the principles due to the laid legislations and regulations. Most importantly, JG is not only aware of the law, but it also has the organizational will of enforcing CSR. According to Al-Jenaibi, the company benefits by increasing productivity (86). The bottom-line is ensuring that economic growth is attained through inculcating sustainable development measures. Therefore, the company has the opportunity of training employees and creating working conditions that are hinged on continued growth and expansion. In general, workers become accustomed to undertaking activities and operations that satisfy the welfare of the organization, consumers, stakeholders, and the community at large. Moreover, Jumeirah.Com asserted that CSR improves the reputation of a company. As a matter of fact, participating, supporting, and engaging in community-based programs increase the brand image of the firm. For instance, through the JG Foundation, the company engages in environmental and educational issues that strengthen the linkage between the organization and the society (Corporate Social Responsibility). The people feel included in the affairs of the business, which builds a good relationship between the two entities. Consequently, giving to the society allows an organization to reduce the risk of breaching reputation and avoid complaints and campaigns from the consumers.

CSR is a legal requirement for all companies in UAE. As a result, JG does well by adhering to the regulation, which makes the firm avoid expensive litigation processes and repercussions. Undeniably, such engagements denote a crucial step towards responsive behavior

that cares for the well-being of the workforce, environment, and the local community. Notably, there are laws that focus on the safety and health of the three parameters, which JG complies with while actualizing the principles of CSR. In essence, the company reduces legal risks. It is true that lawful processes and decisions might lead to expensive punitive measures and, in worse case scenarios, closure of the business. To avoid the consequences, JG makes profits while engaging in active CSR. Thus, the will has limited the dependence on the government when addressing complaints of the consumers that might be against the company.

Another point is that investors reduce several risks through CSR programs. For instance, by avoiding the legislative consequences, they neither suffer losses and nor pay additional costs that might affect the growth of the company. Furthermore, a good reputation created by CSR attracts more sponsors to the company if not to mention the establishment of loyal customer network (Hopkins 9-10). Bowen also argued that CSR helps investors and owners of organizations to think of sustainable measures to growth and development (3). An interactive agreement and cultural dimension that create the willingness to invest in CSR enhance teamwork among the stakeholders. Specifically, the relationship of the members of JG is enhanced by participating and agreeing on community developments. The owners of the company find it easy to develop and maintain a happy workforce, thus reducing chances of employee turnover. Good reputation and image of the company are also beneficial to the investors due to more customers and funding opportunities. In addition, established CSR enhances the influence of the business owners in the industry and the community (Balakrishnan 8). Overall, it has the impact on increasing the competitive edge of the company.

The community and environment benefit greatly from CSR plans. For example, JG engages in environmental and educational activities. By reducing the carbon footprints, the

company decreases the emission of greenhouse gases and the consequential global warming. Preventing and mitigating water, air, and land pollution also create beneficial effects (Starr 22-25). Furthermore, the local communities receive positive outcomes. For instance, the educational and awareness programs that JG undertakes are tailored to suit the needs of the surrounding people. **Their environment is also protected and conserved by the company through planting of trees, a program that** they take annually. In their premises, they have installed energy saving bulbs that reduce by more than half the energy consumed in lighting. Notably, they have also used modern ways of garbage control, a step that has greatly reduced environmental pollution, thus benefiting the community at large. Moreover, sourcing labor and other supplies from the society indicate the creation of value. The benefits are illustrated in the figure below. Nonetheless, it is worthy to mention the limitation that companies face. Graciëlla stated the CSR is limited due to lack of external monitoring programs and entities to enhance compliance (169). Furthermore, the voluntary will gives other companies an opportunity not to adhere to the rules. Sometimes, CSR demands multiple standards that burden organization, especially when there is no proper harmonization. Hence, certain companies are often discouraged by lack of recognition despite engaging in CSR.

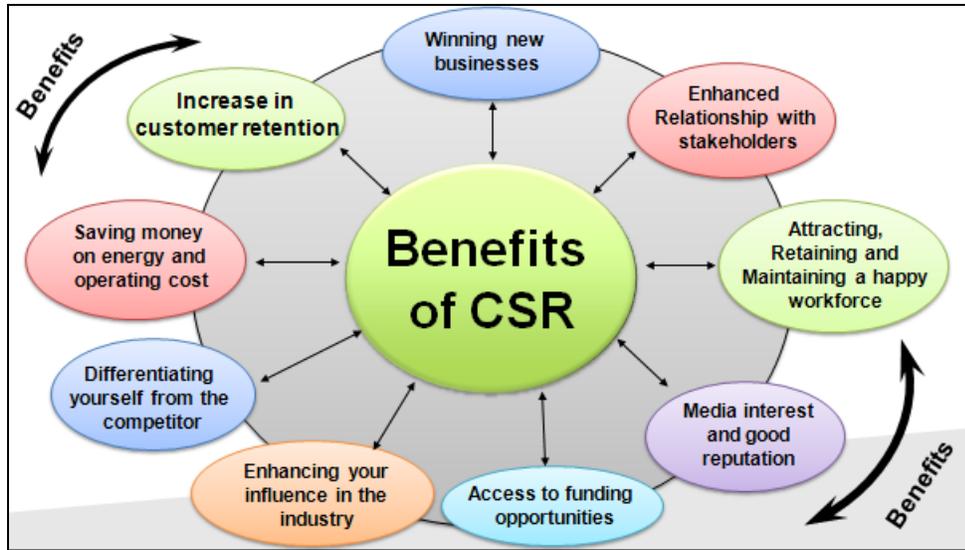


Figure 1: The benefits of CSR

Source: Al-Jenaibi 85-89; Epstein and Rejc 1-4

Conclusion

CSR has manifold benefits to the company, stakeholders, environment, and the people. The paper was based on JG in UAE, which is renowned for its luxurious resorts and hotels. CSR improves the company's reputation, sustainable production, customer retention, workforce health and safety, and creates a unified culture. Stakeholders also agree to work as a team and attract funding. In addition, environmental pollution and other damages are either avoided or reduced. Most importantly, the local community benefits from the sustainable activities such as environmental conservation and educational programs.

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