



# Corporate social responsibility in the oil and gas industry in Qatar perceptions and practices



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## ABSTRACT

In the last few years, the state of Qatar paid a great attention to corporate social responsibility (CSR) to face a score of challenges namely sustainable development, globalization, governance, corporate sector impact, communications, finance, ethics among others. Through in depth interviews and the analysis of companies' websites and annual CSR reports, this study looked at the perceptions and practices of CSR in Qatar. Findings of the study suggest that Qatar oil and gas companies engage in corporate social responsibility activities focusing on health, sports, education and environment, while neglecting other important areas such as human rights, labor rights, work conditions, anti-bribery and anti-corruption measures. They perform no research and assessments before or after they engage in CSR activities. CSR should be enforced by law, and implemented according to international standards in order to improve its performance and to meet local and international challenges. With barely a decade of practice and experience, CSR in Qatar oil and gas industry is developing fast and has to move to the next step where the focus should be given to developing policies and strategies, and through institutionalizing it.

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"We believe that the leading global companies of 2020 will be those that provide goods and services and reach new customers in ways that address the world's major challenges—including poverty, climate change, resource depletion, globalization, and demographic shifts."

Niall Fitzgerald, former CEO & Chairman, Unilever.

## 1. Introduction

As Qatar moves forward in meeting the ambitious goals of Qatar's national vision 2030, the role of companies and firms in community development becomes more and more crucial. Qatar vision 2030 is based on four major pillars: Human development, social development, economic development and environmental development (CSR Report Qatar, 2012: 17). This vision of course believes in the role of social responsibility in implementing its goals and objectives. Being the continuing commitment by companies to behave ethically and contribute to sustainable development while improving the quality of life of the employees, the local community and the welfare of society, as well as meeting the expectations of the stakeholders, corporate social responsibility (CSR) has become nowadays increasingly important and indispensable for any organization's success, corporate image and reputation. Successful companies are those that value CSR and integrate it in their programs and activities. In fact, there is a high affinity between the principles of quality management and CSR.

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Corporate social responsibility (CSR) is a subject of increasing interest in business practice and business research (Lee, 2008; Taneja, Taneja, & Gupta, 2011). Despite the growing interest in this topic, there is still no general agreement on the precise meaning of CSR. Instead of being a consistent concept, CSR is an umbrella term that encompasses various overlapping areas, such as corporate citizenship, stakeholder theory, business ethics, and corporate sustainability (Freeman & Hasnaoui, 2011).

The current discussion of CSR is predominantly concerned with the additional contributions that corporations make to the wellbeing of society. In particular, this is reflected in the strong focus on the idea of caring about the welfare of society as a whole. Accordingly, contributing to “doing well by doing good” is a frequently encountered credo for corporations in business practice and business research. Indeed, CSR can contribute to a fruitful interplay between business and society. In addition, CSR offers corporations a variety of opportunities to benefit from, ranging from enhanced customer loyalty to favorable media coverage, penetration of new markets and improving the well being of the community.

Corporate social responsibility has been the focus of companies for the past five decades. In the last few years societal expectations about the responsible role of business are on the increase which has led companies to introduce new strategies, techniques and tactics to get the best out of CSR practices and activities. This paper looks at how oil and gas companies in Qatar define CSR, what are the CSR activities they engage in, do they conduct CSR assessment, how do they develop CSR strategies, how do they select their stakeholders, how do they publicize their CSR activities, what resources do they allocate to CSR, to what extent they contribute to sustainable development, and how do they evaluate their CSR activities, and what benefits do they get from them.

## 2. The problem

Corporate social responsibility is expanding very fast in Qatar as a result of the rapid growth of the country in all aspects of life. Decision makers in this small country in area and population, are putting a lot of emphasis on CSR. In the last six years, the country organized four international conferences on corporate social responsibility. The government is in the process of setting regulations, criteria and professional international standards to maximize the benefits of CSR. Is CSR well perceived and defined and is it practiced and implemented in a systematic and professional manner in Qatar? What problems and challenges are there? And what next for maximizing the results of CSR in the country.

## 3. Review of the literature

Al Saady (2011) conducted a study on CSR in Qatar aiming at developing a CSR national policy. The research investigated social responsibility (SR) awareness and practices in Qatari public sharing and state-owned companies, the importance of SR policy and its role in organizing, enhancing, and institutionalizing SR initiatives in Qatar, and showed the advantages and benefits of having a national SR policy in Qatar and how it can enhance SR initiatives and practices. Al Saady (2011) used two research tools namely a questionnaire and in depth interview. The questionnaire was distributed to all public sharing companies listed in the Doha Stock Market, and all state-owned companies, a total of 50 companies. The interviews were conducted with top management officials engaged in CSR policy in Qatar. Findings of the study suggest:

there is a gap between awareness and practice of SR. On the one hand, although there is high recognition for its importance and role for organizations in Qatar, SR practices are still limited. Results also showed that SR activities in organizations in Qatar are not systematically organized, and are carried out in most cases by individuals rather than an SR unit... Results also revealed that a national SR policy is needed because this policy will greatly and positively affect SR practice. Findings showed that the suggested national SR policy is expected to greatly enhance the SR initiatives and practices of public companies and public sharing companies in Qatar. Based on these results it is recommended that the government play a wider and greater role in SR (Al Saady, 2011, pp. 2–3).

In 2010, the Ministry of Work and Trade (MWT) in Qatar conducted a study on the state of CSR in the country. A questionnaire was distributed to 102 companies to investigate CSR in the country and to address the following issues: companies' perception of CSR, what role should the government take in CSR programs practices and implementation and what is the position of corporations in regard to the creation of a body to organize CSR activities. Seventy seven percent of the companies covered by the study were from the private sector, 14% from the government and 9% mixed. Findings of the study showed that 98% of the companies see CSR as very important and important and that CSR can play a positive role in society, environment and economy. Ninety eight percent of the companies had CSR activities and 79% of them were dedicated to sporting activities. CSR activities covered other areas such as donations to charity organizations, education, health, voluntary work, environment and investment. Concerning the role of government in CSR activities, 49% of the companies see it as very important and 49% as important. Companies suggest that the government should have a CSR policy and should create a body to regulate and control CSR activities in the country. The author concluded that most of CSR activities in Qatar revolve around charitable and humanitarian issues (Babikr, 2013, pp. 21–23).

Nataly Aya and Krishnamurthy (2014) did a study on the perception and practices of CSR among Colombian Small and Medium Enterprises (SME). Online questionnaires and in depth interviews were used to assess CSR perception and practices. The majority of the respondents agreed that CSR must be included in the company's strategy setting. Nonetheless, there were mixed views about regulating CSR to be compulsory or mandatory. Some CSR activities scored high such as employee

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