“Sustainability awareness in society and its impact on the level of responsible business adoption in the business sector of Dubai”

AUTHORS
Abubaker Mousa Eltoum
Aminurraasyid Yatiban
Rusdi Omar
Rabiul Islam

ARTICLE INFO

DOI
http://dx.doi.org/10.21511/ppm.20(3).2022.43

RELEASED ON
Monday, 03 October 2022

RECEIVED ON
Monday, 14 February 2022

ACCEPTED ON
Tuesday, 20 September 2022

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JOURNAL
"Problems and Perspectives in Management"

ISSN PRINT
1727-7051

ISSN ONLINE
1810-5467

PUBLISHER
LLC "Consulting Publishing Company “Business Perspectives”

FOUNDER
LLC "Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES
57

NUMBER OF FIGURES
7

NUMBER OF TABLES
2

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SUSTAINABILITY AWARENESS IN SOCIETY AND ITS IMPACT ON THE LEVEL OF RESPONSIBLE BUSINESS ADOPTION IN THE BUSINESS SECTOR OF DUBAI

Abstract

The private sector is assisting in sustainable development because of the enormous development and rise in commercial and industrial revolutions. However, corporate social responsibility is declining despite this development for several reasons. Among others, they include a lack of belief on the part of owners or boards of directors in the sustainability idea and the prohibitively expensive nature of some technologies. This study aims to examine how community members' awareness relates to the amount of commitment of businesses in Dubai. In order to investigate the association between two variables, this study used a mixed methods approach that included both interviews and a general questionnaire with several questions. A sample of 314 members of the Dubai community was selected via an electronic platform to collect the data. Descriptive analysis, regression analysis, and pertinent correlations were used to process the data. The findings of this study were encouraging regarding the strength of the link between a person's social consciousness and their level of commitment to businesses and organizations operating in the exact United Arab Emirates community. Further studies can investigate additional influential factors. The conclusions of this paper may serve as valuable tools for pressuring businesses to increase their effectiveness and efficiency to forge a genuine societal commitment to sustainability.

INTRODUCTION

The private sector has a powerful influence in supporting sustainable development. However, if not properly employed, this huge impact will create a significant obstacle to achieving sustainability and social prosperity. This stems from the lack of belief in the concept and its positive effects and returns on the organization and society to the existence of a simple concept limited to donations and charitable work.

Many companies and commercial organizations have established a charitable section for donations. They present this section as a single and sufficient example of their community commitment, without any details about the rest of the axes of economic or environmental sustainability requirements such as governance, consumer rights, environmental awareness, carbon ratios from operations and operational activities, risk control, production quality, and management practices waste, etc.

Since this sector operates within societies and according to regulations, it is easy to influence it with one of these variables. For example, the systems developed to limit the use of gases affecting the ozone
layer succeeded greatly in covering and treating the hole caused by these gases in advance. This is an effective and influential aspect of the practices and behaviors of organizations in any society.

The other axis or variable is the society itself, its individuals, and its groups. This refers to those who are considered significant drivers that influence with a power that is not less but rather more influential than the regulations. In many cases, it is the reason for developing many regulations, laws, and policies.

1. LITERATURE REVIEW AND HYPOTHESIS

Sustainability focusing on the environmental aspect appears to be one of the biggest challenges facing the globe, especially for manufacturing firms that contribute to global warming and the depletion of natural resources. These issues push stockholders to raise their expectations regarding green practices in manufacturing firms. Therefore, these firms are highly recommended to publish and disclose the energy and natural resources they consume, and the amount or size of the damage and harm caused by their business activities. Also, considering the health and safety regulations, this shall cover a wide scope of these firms’ environmental and social responsibility (Alheet, 2019).

As defined in the United Nations Report, sustainability is stated as the present society must manage and consume resources to not compromise future society’s needs (Brundtland et al., 1987). The world now, with all its components (government, business, NGOs, and individuals), is united to reach the goals of sustainable development, which are now framed in the UN SDGs (sustainable development goals). On January 1, 2016, the sustainable development goals of the 2030 Agenda for Sustainable Development were adopted by world leaders in the United Nations from 193 countries. These SDGs were built on the MDGs (Millennium Development Goals) from 2000 till 2015 (Fisher & Fukuda-Parr, 2019).

These SDGs, however, are more ambitious than their predecessor, with more focus on human rights and developments, reducing inequality, and enhancing sustainable cities. It considers the interconnection between the goals as they are all related and affect each other. Collaboration is an essential element. Planet earth and humans are facing tough times, and this is the time to act. The SDGs are thus a result of a multi-nation effort toward a better future (Skene & Malcolm, 2019). Many SDGs have been achieved in the last few years since 2016 by measuring and monitoring the SDGs using KPIs (Moyer & Hedden, 2020).

Frugal innovation (FI) has developed as a novel way to serve low-income consumers in developing countries (Hossain, 2018). Sustainable business models (SBMs) are an emerging topic in the business treatise, and FI is considered an effective way to serve low-income customers sustainably (Hossain, 2021). Innovations are characteristically developed in developed countries and then moved to developing countries (George et al., 2012). However, recent decades have perceived a marvelous evolution in novelty within resource-constrained environments, mainly in developing countries (Agarwal et al., 2016). Developing countries’ consumers are characterized by significantly lower purchasing power and distinct buying preferences, and they have become a new border for international businesses (Mutlu et al., 2015).

Wikantiyoso and Suhartono (2018) also addressed that environmentalist started the concept of sustainability, which concerns the long-term consequences of the pressure on the natural support system and natural resources. Sustainable development is about improving economic activities to ensure the sustainability of natural resources and the environment to improve communities’ quality of life and reduce the adverse effects of depleting natural resources. The target outcome is protecting natural resources, saving environmental quality, developing a built environment, upholding social justice in communities, and increasing participation and partnership. Rising consciousness of environmental apprehensions like global heating, climate change, and melting glaciers are known to exert damaging impacts on the global inhabitants (Goni et al., 2021; Chofreh et al., 2020). Organizations need to tackle these new economics and environment-based challenges systematically, holistically, and radically (Bocken & Van Bogaert, 2016) by reconfiguring business models toward sustainable innovation approaches (Boons & Ludeke-Freund, 2013).
After understanding the concept and the importance of sustainability firms, the present study explores what is happening in those businesses and how this is being addressed today. Corporate social responsibility (CSR) is the term used for organizations’ practices and activities for adopting a sustainable development cause. The concept, in general, was first used in Europe in 1950 and spread worldwide alongside corporate citizenship, sustainable responsible business, and social performance. However, CSR only became a common term in 1960 and made a wider global impact when R. Edward Freeman published his book entitled Strategic Management: A Stakeholder Approach (Cherian & Pech, 2017).

Organizations in the private sector use corporate social responsibility (CSR) to show that they care about the community and environment and what are the individual’s concerns. In addition, it shows that the organization is responsible and puts relations with its stakeholders as their priority (Yoon et al., 2006). Using an in-depth analysis of the business impact and what makes a difference, the study reached a point where a consumer appears to be the most significant influencer on CSR performance in these companies. Tong et al. (2017) examined the impact of corporate social responsibility on customer satisfaction for farmers’ association credit divisions (FACDs) in Taiwan. They found a strong relationship between CSR adoption and customer satisfaction (Tong et al., 2017). Despite being a trendy concept, CSR is still very complex and makes it challenging to achieve the desired result. The first goal of the private sector is to make a profit (selling their goods or services), so doing more than that means more cost, especially in a time of crisis or economic problems. In such times, companies should seek only survival (Kuepfer & Papula, 2010).

To build and maintain a strong relationship between a company and its stakeholders, companies need effective tools to communicate their CSR initiatives. This is the only way society will make others aware of its efforts in this area (Kloppers & Fourie, 2014). Organizations are what customers and the community feel and believe in, so this picture is based on what the individual hears, listens to, or feels about these organizations. This view shows how important it is for organizations to be aware of their activities (Phillips et al., 2019). Freeman (1984) defined a term for stakeholders that companies must understand their needs and expectations and thus include employees, customers, suppliers, and communities. This only exceeds the need of their shareholders. Firms must be accountable to all stakeholders by knowing and responding to the needs of the sector well, as well as working in a balance between all of them (Kloppers & Fourie, 2014).

According to Freeman’s (1984) stakeholder theory, stakeholders influence organizational performance and, simultaneously, are affected by the organization’s activities. In stakeholder theory, stakeholders are divided into two categories (internal and external). This paper focuses on the external stakeholders: government, customers, suppliers, media, NGOs, competitors, community, and business partners. These stakeholders significantly affect any organization, as customers can cause a significant loss if they stop buying its products or services. On the other hand, the media may spread or keep bad news about organizations. Therefore, external stakeholders can harm the organization through their actions or motivate it to make the required changes. In addition, they can mobilize public opinion for or against the social activities of the organizations (Tian et al., 2015).

External stakeholders have a significant impact on the social performance of an organization. This movement takes the private sector worldwide from full responsibility for its actions that affect society and the environment. This is in line with increased pressure from external stakeholders to increase responsibility (CSR) in the organization, encouraging more and more organizations to adopt strong social and environmental measures (Tian et al., 2015). It is up to the consumer to lead companies to do more CSR and become greener. These companies are now aware of the power of external pressure and always work hard in this field to meet the expectations of society (Roman et al., 2015). Sen and Bhattacharya (2001) discussed the need for marketers to adopt a strategic perspective in making CSR decisions and to work on integrating CSR initiatives not only with the company’s general strategic direction but also to promote the company’s competitive position. This meets the community’s need to fully know their companies’ role.

Tian et al. (2015) researched CSR in the Chinese market and found that ethical leadership and ex-
ternal stakeholders are the main drivers of CSR in organizations. Therefore, the greater the pressure on organizations, the greater their commitment to corporate social responsibility (Tian et al., 2015). These ideas were supported by Packer et al. (2019), who described CSR as a rapidly growing field of CSR. This happens due to the high pressure these companies face through increased awareness among the communities and focus from NGOs. This indicates the ability of public opinion to change a company’s practices. Companies in the industry focus on promoting corporate social responsibility through five areas (energy, practice, partnership, public policy, and philanthropy), but accountability systems have missed this.

The orientation of the purchasing power of consumers for companies with social responsibility (Fatma & Rahman, 2016) also appears to be the contrary in that companies’ commitment to their social responsibility is the best way to achieve customer loyalty. Scientists have reported a close and positive association in the relationship between responsible companies’ practices and consumers’ attitudes toward these companies (Islam et al., 2020). However, this trend may not seem definitive. For example, a study conducted in Australia found that consumers were interested and aware of environmental issues but did not base their purchasing decisions or orientations on that (Pomering & Dolnicar, 2009).

Most researchers agree with this concept. However, some disagree, such as Rosenberg (2015), who rejected the idea that all companies should do everything they can all the time. Although often imperfect to their stakeholders and society, civil society’s government is responsible for setting minimum standards of behavior for members of any society (Rosenberg, 2015). From many reports measuring the level of commitment in business companies in the Emirate of Dubai, the Dubai Chamber (2015) shows statistically that only 25% of the businesses adopted CSR. This is a real obstacle in reaching sustainability development in Dubai, as the private sector is a strong influencer in sustainable development.

Followed by that report in 2020, the CRB ran a Survey Report “Corporate Social Responsibility in Dubai: Current Practice, Challenges and Future Opportunities.” 144 Dubai business firms participated in this survey. On the stakeholder pressure to adopt CSR practices, only (2.8 out of 5) comes from the customer as the less impactful variable. However, 3 out of 5 came from community partners/charitable organizations. The majority found that internal pressure is the most influential, for example, top management/board and employees (3.6 up to 4 out of 5). To understand the impact of sustainability awareness in society on the adoption of CSR by business firms in Dubai, the following hypothesis has been developed:

H1: Community sustainability awareness has a positive impact on CSR adoption by Dubai business firms.

2. METHODOLOGY

The study involves collecting data through a diverse methodology approach. A quantitative approach is the survey method, where a list of questions is distributed and given to several people as a sample. Moreover, a qualitative approach was used, which is the semi-structured interview approach. This approach is like the questionnaire, but this is an oral one where the interviewer exchanges verbally with the interviewee to obtain the research information related to opinions, attitudes, feelings, motives, and behavior (Carruthers, 2007). The interviews are done on an individual basis. A mix of close-ended and open-ended questions has been used, mostly followed by a (why) or (how) question. The interviews are wrapped up in less than one hour because more than that will be exhausted on both sides of the interview (Adams, 2015).

A way forward as the second round of data gathering, the study conducts a semi-structured interview that gives the study a chance to discover the “why” behind the attitude through the open-ended questions and the depth of the interviewee’s knowledge or belief around the research area (Hossain, 2011). A semi-structured interview gives a better understanding and the chance to explore more about the study subject or area (Sumathipala et al., 2011).

The study conducted the questionnaire online, saving time and effort, and making it easy to ana-
lyze. Hence, the paper uses a closed questionnaire with restricted answers. The questionnaire contains questions followed by specific answers, so the participants only choose the answer by checking it. This encourages participants to answer it because it is not required, and significant time and effort are saved. It is also easy to categorize and analyze statistical data. However, this closed questionnaire method also has some disadvantages: the participants may not find an answer that describes their response to the question. The study comes over this by selecting the ready answer that serves the research objective only.

The study reached 384 respondents on the survey to represent the largest sample size, recording to the sample size formula set by Krejcie and Morgan (1970). The research team worked hard to spread the link to the survey created in the survey monkey platform as widely as possible. This results in 541 total responses with a completion rate of 72%. This ends with 392 valid responses. The distribution and collection lasted almost 6 months, from September 12, 2020, to May 27, 2021.

In the interview stage, the target group of experts/concerned employees on 5 different business firms in Dubai were interviewed using 7 open-ended questions. Those interviewees’ positions were sustainability manager/corporate sustainability manager/communication and CSR manager/CSR division director/QHSE manager (handling the CSR function of the firm). The interviews took 30-50 minutes via virtual meetings, where the interviewees were asked 7 questions; their answers were collected and noted down.

3. RESULTS

By following the research methodology established for this paper, interesting data were obtained that illustrated essential axes of the interrelationship between community members’ awareness and the level of social responsibility adoption in the business sector in Dubai. Most of the study sample were community members who do not work in the business sector in Dubai or media companies, as community members represented nearly 60% of the sample. Table 1 shows the demographic statistics of the sample, namely gender, nationality, and the level of knowledge that the sample had in sustainability and CSR.

Table 1. Demographic profile

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<thead>
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<th>Criteria</th>
<th>Item</th>
<th>Number</th>
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<tbody>
<tr>
<td>Gender</td>
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<td>209</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>132</td>
</tr>
<tr>
<td>Nationality</td>
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<td>162</td>
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<td></td>
<td>Expatriate</td>
<td>179</td>
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<td>Sustainability knowledge</td>
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<td>62</td>
</tr>
<tr>
<td></td>
<td>Basic</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>81</td>
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<tr>
<td></td>
<td>Excellent</td>
<td>29</td>
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This sample described itself as having an average knowledge of 32% and good and excellent knowledge of 32%, as well as its knowledge of sustainability sciences in general. Furthermore, about 68% of the sample expressed that they fully know the essential elements to achieve sustainable development in the economy, environment, and society. Finally, almost 62% of them knew the sustainable
development goals set by the United Nations and the national plans in the country around them.

Based on the previous results, half of the sample showed the ability to distinguish between responsible companies that accurately adopt social responsibility and those that failed to do so.

58% of the sample believe that the companies operating in the Emirate of Dubai are companies that contribute positively, even if only to one of the indicators of sustainable development, and 53% of them say that these companies consider the axes of sustainability in general in their operational activities to produce their services or products.

80% of the sample expected a close and direct relationship between community members’ awareness and the level of societal responsibility in the business sector. They acknowledged their agree-
ment that the business sector will show more commitment while faced with community members’ awareness.

4. DISCUSSION

The study demonstrated that the developed hypothesis is accepted and that there is a genuine relationship between people’s awareness and understanding of sustainability and the adoption and growth of societal commitment in the business sector in Dubai, as noted in the literature review. Moreover, according to Mohr et al. (2001), consumers have some control over how businesses act and how far they take the idea of social responsibility. This effectively demonstrates how understanding social responsibility is adopted by businesses. More than 82% of the sample answered yes to the direct question posed to the research population: “Do you see that the community and its members see that the more the community and its members care about sustainability, understand it, and realize its dimensions, the more this contributes to raising the levels of social responsibility in the business sector organizations in Dubai?” As consumers demonstrate their interest in their community by making purchases from companies that uphold responsible business practices, this movement will significantly impact businesses’ sales and, as a result, their financial performance (Doane, 2001).

The study discovered that high performers in responsible businesses found the community’s awareness of their work and activities that target the environment and sustainability goals to be an obstacle to people appreciating them, as well as their partners’ understanding of these activities and businesses. According to the existing knowledge levels of society and partners, this sometimes leads to an uncomfortable view of the shareholders and senior leaders because of their fear that the efforts expended will not have a concrete return, at least soon. This significantly impacts the evidence showing that a company’s commitment to CSR results in consumers having favorable opinions and better behavioral intentions toward doing business with them.

The majority of the interviewees, especially the owners of organizations with high performance in responsible business, expressed great expectations for the impact of this on their work when asked about the level of public awareness about members of society conducting responsible business and how it affected their work. They justified this by saying that it would be a reason for their company’s success and the recovery of the value of their investment. Because they are organizations in this field that assist and preserve communities and community life rather than just seeking profit, community people have a solid allegiance to them.

Despite the actions, efforts, and investments made by businesses in CSR, as Rhou et al. (2016) noted about the role of CSR awareness in the restaurant industry, it is challenging to realize the full strategic value of CSR due to insufficient stakeholder knowledge. They also emphasized that this will also have an impact on enterprises that are lax in this area, which will pose significant barriers to their ability to build their businesses and may lead to disappointment for some, which could force them out of the market. All interviewees concurred that the rise in community members’ awareness of ethical business practices would benefit their brands and sales. Pomering and Dolnicar (2009) discovered that consumers’ and community members’ awareness of social responsibility is shallow. Thus,
the business sector may also need to educate the community in order for it to classify its initiatives and efforts correctly, which will help it in its investments in these initiatives and activities.

Interviewees from organizations with lower responsible action performance perceived this as exerting pressure on their organizations and compelling them to compel changes in their policies toward responsible activities. While there is little doubt that CSR will increase financial performance, Loureiro et al. (2012) analyzed how CSR indirectly impacts consumer happiness and came to a similar conclusion.

The study also discovered a possible link between geographic location, national economic health, and community interest in sustainability. As further indicated, people tend to deal with and support socially conscious businesses when the circumstances are good (Vera-Martínez et al., 2021). Purchase intentions are frequently based on the quality of the product, the country of the facility, and the price in countries with strong economies like the study example (Dubai). However, people in poorer countries prefer to prioritize their own interests above those of the community (Stanisavljević, 2017). Due to the differences in individual values from one society to another, particularly in societies in developing countries, this appears to be relatively logical in most cases. Although the price may be the most crucial element, awareness generally aims to convince people of the issue's significance and influence how one behaves in this situation.

Additionally, the study discovered that community members try to follow businesses’ practices and their complete awareness and understanding of them logically and neutrally. This causes the percentage of opinion to be nearly evenly distributed among the sample members, contributing favorably to at least one of the critical KPIs for sustainable businesses, such as CO₂ footprint. Most of the sample agreed that Dubai’s businesses consider all sustainability factors, including social, economic, and environmental ones, when producing their services and goods. 54% of the sample agrees with this assertion, while the remaining respondents disagree. In order to determine a company’s level of responsibility, one should base their assessment on performance and indicator data, which is now mostly found only in sustainability reports from businesses. This is a problem since Webb and Mohr (1998) noted that customers cannot obtain these reports and that businesses do not invite the public to read them. Furthermore, sustainability reporting still uses outdated methods and channels; this is a critical issue that must be addressed, given its influence on society.

The community may become more interested in encouraging Dubai corporate organizations to conduct their operations more sustainably. A ranking of Dubai’s sustainability-related businesses will then be implemented. This makes it simpler for the community to identify the businesses that are most committed to sustainability and direct their business there. Regression analysis found a direct correlation between these two variables. Every time the first variable, community suitability awareness, rose, the second, CSR adoption in the business sector in Dubai, rose roughly equal to the rise in the first variable. This brings to a crucial analysis that helps comprehend the degrees of social responsibility adoption in the corporate sector of the Emirate of Dubai and the factors influencing it. This is a significant amount because, as Du et al. (2010) also mentioned, the decline in community members’ and partners’ general awareness of corporate social responsibility practices and their efforts is a major obstacle for businesses, especially their boards of directors or shareholders, in their attempts to obtain natural returns from their reputation as a corporate accountable to society.

The total outcomes poured into the community members’ general knowledge, which was made evident by their evaluation of the operations of the responsible enterprises and their follow-up.

The effects of this knowledge on business practices in Dubai and the community’s conviction is the power of this awareness, as well as its effects on these companies’ embrace of this idea and its use in their work. By providing more information on the factors influencing CSR practices in Dubai organizations in order to enhance overall performance in this area, this study adds to the scant body of literature on the subject. Nearly 21% of people, as in other regions of the world (Mohr et al., 2001), said that their purchase de-
As the community’s awareness of sustainability increases, more people are willing to deal with and direct their purchasing power toward socially responsible products and services. This has a positive impact on the profitability of these businesses and motivates them to further their responsible practices. According to the study done in the US with approximately 1,000 participants, 87% of respondents would purchase a product with social and environmental benefits if given a chance.

The result prompted a return to and focus on one of the most crucial axes of behavior change, namely the general view of society, which is the members’ awareness and acceptance of a given issue. This is a soft force that may be applied inside adaptable rules to produce a noticeable improvement in ethical business practices in Dubai-based corporations.

In this case, public opinions are used to monitor and select the goods and services created ethically. Customers are then more likely to consider the implications of CSR before making a purchase, which impacts the profitability of businesses, their promotion, and whether or not customers are completely loyal to them. This will undoubtedly have an impact on their choices and push people to adopt this.
viewpoint and its concepts, especially if the trend is advantageous, serves society's best interests and supports the policies and initiatives of the government.

These findings are consistent with the literature review on the significance of promoting corporate social responsibility in the community. This will increase the community's ability to scrutinize businesses' efforts and verify their veracity, leading to a change in purchasing behaviors whereby people are more likely to use services or purchase goods from businesses that share their interests. Therefore, community members must be informed about sustainability issues and the best conservation practices. However, the study adds to the paucity of CSR literature in these subject fields in Dubai and the surrounding area. Therefore, this restriction might be an untapped area for further study into the factors influencing these people's awareness to improve those factors and hence increase the degree of responsible behavior in Dubai's business community.

**AUTHOR CONTRIBUTIONS**

Conceptualization: Abubaker Mousa Eltoum, Aminuraasyid Yatiban, Rusdi Omar, Rabiul Islam.
Data curation: Abubaker Mousa Eltoum, Aminuraasyid Yatiban, Rabiul Islam.
Formal analysis: Aminuraasyid Yatiban, Rusdi Omar, Rabiul Islam.
Investigation: Abubaker Mousa Eltoum, Aminuraasyid Yatiban.
Methodology: Rusdi Omar, Rabiul Islam.
Resources: Abubaker Mousa Eltoum, Aminuraasyid Yatiban, Rusdi Omar, Rabiul Islam.
Visualization: Aminuraasyid Yatiban.
Writing – original draft: Abubaker Mousa Eltoum, Rabiul Islam.
Writing – review & editing: Abubaker Mousa Eltoum, Aminuraasyid Yatiban, Rusdi Omar, Rabiul Islam.

**ACKNOWLEDGMENT**

Financial assistance provided by the RIMC (14802) of University Utara Malaysia is gratefully acknowledged.

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