



## **Corporate Social Responsibility: Transforming the Jordanian's Corporations**

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It is heartening to see that some of the Jordanian's firms are offering good examples of Corporate Social Responsibility (CSR). To cite some examples from Jordan; i.e, the role of the telecom firm, Zein, in helping the rural poor and offering education fellowships is worth mentioning; in addition to other examples such as the successes of Aramex in engaging the local community, Nuqul Group in improving the quality of life in rural areas, Hikma Pharmaceuticals advancing access to medicine along with variety of other organizations that have genuinely invested in CSR. This new consciousness within both investors and stakeholders is a good indicator that the private sector in Jordan is contributing to sustainable development and value-creation. CSR represents the "soft" part of organizations that is necessary for the health and wealth of nations. This shift in the business culture requires both business and stakeholders to embody new values and vision of people beyond the boundaries of the firm.

It is imperative to enlighten stakeholders to require companies to go beyond the narrow framework of legal compliance in relation to financial matters. Stakeholders need to ask companies to take into account their corporate social/ environmental responsibilities. This transformation in the corporate culture from being only "profit maximizers" to becoming "value creators" is key to develop a public-private partnership to combat poverty in Jordan. The old paradigm that the government is the only entity responsible for the wellbeing and livelihood of the nation is becoming obsolete.

Corporate Social Responsibility (CSR) generally refers to the commitment of an organisation to contribute through its own business operations to sustainable development and improve the quality of life of stakeholders. For companies adopting a CSR framework involves a shift from reporting to shareholders only and informing their stakeholders on their business practice. Over the last decade, transparency, in particular, has had a profound impact on the way companies operate. Most recently the NGO community and international organisations are also questioned about their transparency and their actions regarding CSR.

In practice, there is a need to institutionalize the CSR culture in Jordan. This implies that organizations will seek ways of reducing the environmental impact to air, soil and water from our business operations. Also, organizations are committed to comply with all statutory requirements of environmental legislation and regulations in the countries where we are present. CSR means that business will strive for continual improvement in their environmental performances by setting and reviewing environmental objectives and targets.

Moreover, by adhering to CSR, the private sector will be committed to promoting awareness and protection of the environment through an appropriate management system. Also, they will conduct business in compliance with all applicable environmental regulations and expect every employee to take responsibility for meeting these standards when performing his or her duties.



This also implies to prevent pollution at the source by reducing waste, recycling or disposing of items, and purchasing products that are reusable or that contain recycled materials. CSR adoption means that the business will strive to develop and use technology that is environmentally sound and we will promote enhanced environmental standards in our purchasing of new equipment, and facilities.

The CSR framework is also informed by the Global Reporting Initiative (GRI), an international process aimed at disseminating globally applicable *Sustainability Reporting Guidelines*. The *GRI Guidelines* are a framework for reporting on an organisation's economic, environmental, and social performance. The GRI framework provides a detailed listing of indicators on environmental matters including, materials, energy, water, biodiversity, emissions, effluents, and waste as well as social matters including labour practices (e.g. health and safety, training and education, diversity and career opportunity); human rights (e.g. child labour, forced and compulsory labour, and indigenous rights); and governance (e.g. community involvement, bribery and corruption, political contributions, and competition and pricing, and product responsibility).

Adoption of a CSR framework in Jordan should ensure that economic, social and environmental matters are systematically identified, controlled and monitored. This will help to ensure that the Jordanian private sector performance improves over time, and meets its goals.