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## Chapter 4

# Proactive Corporate Social Responsibility (CSR) Strategies: The Case of PADICO Holding

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### EXECUTIVE SUMMARY

*This case attempts to shed light on a range of issues typically encountered in the business sector in Palestine. It illustrates innovative approaches to resolving socio-economic challenges and their implications on CSR practices, communication, and organizational behavior. It examines the leading role of the private sector in forging partnerships with universities to tackle the persisting and widening skill-employability gap and lack of business competitiveness. The case explores a program initiated by PADICO and built on a competence-based model, which is the first of its kind in Palestine. The model addresses unemployment among Palestinian youth and the undersupply of relevant skills to the job market that is handicapping Palestinian businesses. Despite the fact that it is a pilot program, PADICO's partnering strategies serve as a case in point of the shift in CSR focus, namely from building reputation and engaging in philanthropic activities to proactively engaging in issues of education and competitiveness.*

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## ORGANIZATION BACKGROUND

Following the signing of Oslo Peace Accord with Israel in 1993, (PADICO HOLDING), a leading investment company in Palestine was founded as a Public Shareholding Limited Liability Company by a number of Palestinian and Arab business leaders. The positive climate and the hopes raised for the betterment of lives of people in Palestine and the Middle East region by advent of peace was viewed by founders as a significant opportunity to channel their resources towards helping build the nation by investing in key economic and developmental sectors across Palestine and the region.

The company has been listed on the Palestine Stock Exchange since 1997 and its shareholder base includes 'a who's who of Arab investors' from Palestine, Jordan, the rest of Middle East and North Africa region, as well as investors from international markets. The sectors PADICO invested in included: Real estate, telecommunications, tourism, industry, agriculture, infrastructure, financial services and the environment. The company's paid-in capital is USD 250 million. The number of shareholders has been steadily increasing, growing from 710 in 1998 to more than 10,000 in 2011 (PADICO, 2011).

A pioneer in integrating its CSR strategies and communicating its role in a clear and consistent manner, PADICO asserts that it is concerned with wide range of issues encompassing five main areas: community, workplace, marketplace, corporate citizenship and environment. Being the only company in Palestine to become a member of the UN Global Compact, PADICO emphasizes that its strategy of socially responsible diversified investment seeks to achieve strategic objectives of growth, profitability and a strong reputation for social and ethical commitment. The company derives its competitive advantage from integrating Corporate Social Responsibility (CSR) into its mission, strategies and plans and from its tacit knowledge based on its solid experience in surfing through economic downturns and political instability in Palestine. In fact, the role of communication in alleviating the negative perceptions of business as insensitive to social issues was also propounded four decades ago (Jacoby, 1973). Even though businesses are called upon to communicate their position that is built on being responsible citizens, leaders and contributors to society (Manheim and Pratt, 1986), communication remains the missing link in the practice of corporate social responsibility (Dawkins, 2004). An increased demand for improved CSR practices in developing countries is also taking new momentum. However, the concept and practices, including communication of CSR are not widely known in these markets.

In its mission statement, PADICO ascertains that it is committed to contributing to the development of Palestine and its economy through investment projects in

vital sectors, which lead to job creation and pioneer initiatives for the nation through partnerships with its stakeholders. The company emphasizes that it follows high standards within its corporate value system and embraces strong corporate governance principles that are compliant with global best practices. PADICO communicates and abides by an ethical code of conduct aiming to ensure good citizenship practices, an enhanced internal work environment, responsible investment projects, and community. The company's partnering arrangements with primary stakeholders to design and implement its tailored educational initiative reflects a creative approach in the practice of CSR and congruence between its communication and actions that are embedded in ethical and discretionary dimensions since CSR practice is not mandatory in Palestine.

PADICO's annual reports also reflect its view of communication as being central to CSR strategy and practice, given the imperative of effective CSR communication to remain competitive in a global marketplace (Das Gupta, 2012). In general, large companies appear to be more inclined to invest in establishing a foundation dedicated to supporting good causes rather than investing to integrate corporate responsibility in their strategies and operational processes, or to invest in developing appropriate support infrastructure, confirming the early stage of CSR industrialization. In the case of PADICO, the integration of CSR in its marketing and communication strategies provides insights into CSR and communication by industry leaders in the Arab context, which could be used for benchmarking purpose. PADICO recognizes the value of CSR and communication about CSR practices to meet the needs of the marketplace and society and to help build its reputation. The company goes beyond economic priorities, to foster relationships with stakeholders, and maintain transparency and ethical behavior, with communication playing central role in the practice of CSR (Capriotti and Moreno, 2007).

## SETTING THE STAGE

CSR denotes that businesses have responsibilities toward society that extend beyond profit maximization (Brown and Dacin, 1997). According to Carroll (1999) these responsibilities have four dimensions: economic, legal, ethical, and discretionary. The effective and efficient conversion of resources to meet consumptive needs is part of the economic dimension or mission, which has to be fulfilled by complying with the legal framework. As to the ethical dimension, businesses have to abide by socially acceptable behaviors defined by society. The discretionary dimension of CSR refers to business activities that are not required by law but are expected by stakeholders that manifest good citizenship. Justification for engaging in CSR ac-

tions is the potential returns accrued from enhanced company image and positive reputation that lead to high market share value and sales growth that are sustainable in the long term (Roberts and Dowling, 2002).

Another altruistic justification for engaging in CSR activities is provided by the German philosopher Emmanuel Kant. An action is morally right only if it is motivated by goodwill; the possession of such a will makes the action right, which means the action is done from a sense of duty and reasons of principle and not out of self-interest (Chryssides and Kaler, 1999). Motivated by goodwill and positive image, it can be said that PADICO had a sense of duty inspired by Kant's dictum. The company's CSR initiative was driven by an inside-out managerial perspective emanating from the ethical values of its top management. The company set out to find equally motivated and committed partners who would jointly design a creative solution that would spare Palestine from slipping into political instability given the diminishing economic prospects for Palestinian youth (Trevino and Hartman, 2003). A problem that would normally be left to governments to grapple with, however, the tendency of the Palestinian Authority (PA) to do little in this area is due to its shrinking policy space, which is increasingly constrained by occupation and weak financial resources.

### The Palestinian Context

The field of CSR is an area of growth, both in education circles and in the business sector in the Arab world, including Palestine. Advances in Information Communication Technology (ICT) have facilitated the rapid dissemination of breaking news on a global scale. In the Arab region, the public is becoming increasingly aware of the news in the business world and the disastrous effects from little regard to corporate social responsibility (CSR). The problems of chronic unemployment among the youth and the lack of relevant job skills with its negative economic and social implications have become the major area of debate among business and political circles worldwide. The recent McKinsey report states that, worldwide, young people are three times more likely to be unemployed than their parents. Moreover, the International Labor Organization (ILO) estimates that seventy-five million young people are unemployed. This represents a gigantic pool of untapped talent and a source of social unrest and individual despair (McKinsey, 2013).

During the last five years youth unemployment reached 35% in 2010 in Palestine (World Bank, 2011). Concurrently, deteriorating living standards and political unrest in the region, namely the ensuing Arab Spring revolt against corrupt governmental practices brought the issue of investment in human development, particularly the youth sector, to the forefront. In Palestine, job opportunities for youth continue to diminish compared with the 1970's and 1980's (Jafari and Lafi, 2006). This problem

alongside the negative consequences of occupation and political divisions that continue to raise grave concerns over the spillover effects of the Arab Spring on Palestine.

Economic growth in the past five years has been driven by donor aid to a large extent in Palestine (World Bank, 2012). The public sector is the largest source of employment for university graduates, however most of its employees work in jobs characterized by low productivity. Since the public budget is supported by international aid, this renders the Palestinian economy vulnerable to cuts in donor spending and is not sustainable in the long run. The services sector is the largest contributor to GDP and employment followed by the manufacturing and agricultural sectors.

Greater collaboration between universities and the private sector is key as the lack of skills and expertise among their employees constrains their competitive ability. Yet, collaboration between higher education and the business sector is not yet institutionalized and suffers from fragmentation, overlap and lack of coordination (World Bank, 2012).

In 2011, PADICO, decided to take a proactive approach to addressing the skills-employability gap and surmounting obstacles deterring skill enhancement and job creation in Palestine (PADICO, 2011). The company partnered with non-governmental organizations that have a long experience in training youth for employment, the Sharek Youth Forum and the International Youth Foundation (IYF) were brought onboard to design and implement an education and training initiative that unlocks the potential of young Palestinians, allows them to compete in the local job market and meet the requirements of an increasingly dynamic global economy. In fact, investment in human capital is crucial in the case of Palestine, which suffers from weak natural resource endowments and lack of political stability (Atiat, 2012).

In addition to economic and political factors, cultural factors are part of the macro-environment that should not be overlooked. In many instances, important entrenched socio-cultural values and behaviors might have a negative impact on a firm's ability to reach its objectives and implement its initiatives. In this case, these factors play as a deterrent to PADICO's initiative, which requires the firm to assume a proactive role by designing a program in collaboration with its stakeholders that confronts this challenge. Hofstede (1998) argues that the cultural orientation of a society reflects the complex interaction of values, attitudes and behaviors displayed by its members. Individuals express the normative qualities of culture through the values they hold about life and the world around them. These values, in turn, affect their attitudes about the form of behavior considered most appropriate. Certain socio-cultural values exacerbate the unemployment problem in Palestine and weigh negatively on the role of the private sector in providing equal job opportunities as well. Social pressure is an important macro-environmental factor affecting university student's choices with regards to their specializations. Furthermore, nepotism and personal connections are still considered very important in getting a job after

graduation as the general perception of the need for adequate connections means that those with weak connections face severely constrained employment opportunities (World Bank, 2012).

## **CASE DESCRIPTION**

The application of CSR in a wide sense and its integration into strategy making is a main distinguishing feature of the 'Tamayyaz' program. "Tamayyaz", which means "Be distinct" in Arabic, is a program structured around partnerships with universities and non-governmental organizations pioneered by PADICO. The program opted for education as a CSR strategy based on an analysis of the needs of the population. The data obtained from scanning the macro-economic environment led to this strategy.

The occupied Palestinian territory is comprised of the West Bank, Gaza Strip and East Jerusalem with a total population of 4.4 million and one of the fastest growing population rates in the world, with an increase of 30% over the last decade (O'Loughlin, 2008). The Palestinian population is predominantly young; in mid-2009, 41.9% of the population was less than fifteen years old, and only 3% was older than sixty-five. (Palestinian Central Bureau of Statistics, 2010).

Palestinians attach an important value to education. A World Bank report in 2006 cited Palestinians as the most educated population in the MENA region, with a 91% adult literacy rate (World Bank, 2006). The 18-30 age group had 25% enrollment in higher education, of which 54% were female; a high percentage compared to neighboring countries and to developing countries in general (Ministry of Higher Education, 2008).

Despite the fact that the Palestinian Authority National Plan (2011-13) for higher education and technical and vocational training sector laid out a vision with an emphasis on preparing the Palestinian citizen to contribute to the development of society, seek knowledge and creativity, and contribute to scientific and technological breakthroughs, the chronic problem of unemployment persists. Looking at the private sector, the main engine of growth and job creation, a bleak picture is revealed in Palestine. One that is dominated by small family-owned enterprises and faces the problem of mismatches of skills whereby university graduates lack the skills relevant to its requirements (World Bank, 2012). Most enterprises rarely engage in innovation in terms of developing new products or new methods of production and very few engage in knowledge transfers such as buying licenses or adopting new technologies (World Bank, 2012). In 2008-2009 the majority of students (84%) enrolled in Bachelor of Arts programs in specialization fields that are irrelevant to the needs of industry (HE and TVET, 2012-2013). A small percentage (13%) joined medium diploma or specialized technical programs. The fact that Ph.D. programs

are unavailable reflects the focus on teaching while scientific and academic research is still marginal. There is no national policy for scientific research, and there are very few accredited scientific journals and linkages between research and industry are weak.

For the future state to be viable, the private sector needs to be dynamic and productive in order to replace the public sector as the main source of economic growth and job creation. To achieve this goal, it has to develop, innovate and become well prepared to integrate into the global economy. Despite the need for enhancing skills and training, Palestine has a highly educated workforce, almost universal literacy, English proficiency and significant Internet penetration. Much-needed skills that graduates lack are in the areas of problem-solving, critical thinking, life skills, communication skills and hands-on learning experience (World Bank, 2012). The composition of university subjects is heavily skewed towards humanities and social sciences and increasingly less towards applied science and engineering. The survey of local market needs in Palestine conducted by the Faculty of Engineering at Birzeit University under the EU Tempus IV project points out that there is a lack of skills in management, production, and quality management, which impedes growth in these sectors.

## **Relevance of PADICO's Approach to Societal Problems**

University-industry relationships have emerged as a key force in enhancing human resource skills, producing graduates that are highly relevant to the needs of industry, and developing and commercializing products and services (Research Triangle Park, 2002). Partnerships built around networking and close information exchange help build graduate and post-graduate programs tailored to the industry, create knowledge and value that contribute to private sector competitiveness and economic development given an enabling institutional framework.

At the international level, the company actively participated in regional and international forums and events that debated the twin problem of unemployment and skill shortages. At the local level, PADICO first embraced partnerships to stimulate collective thinking by connecting and engaging stakeholders in their views and approaches to help shape debate locally on pertinent issues that are important to the national economy, community and the country as a whole. This was achieved through PADICO's participation in several conferences where the issue of the wide employment-skill gap in Palestine was debated from different angles.

PADICO found it increasingly difficult to find qualified graduates. This was a major reason for its discomfort with recruiting foreign staff where local skills and competencies are lacking. Being a company that has opted for corporate social responsibility as a key differentiator around which it has built its leading position

in the local market, recruiting foreigners amidst chronic local unemployment runs counter to the basic tenets of its business societal orientation. Its main challenge was to find a creative solution well suited to the Palestinian context that would make a noticeable impact on employment opportunities in Palestine.

*The knowledge that students in Palestine gain through university education is no longer sufficient to prepare them for the job market. In addition to shortcomings in the quality of education and its relevance to market needs, university graduates lack important skills that are needed in order for them to succeed in their careers. Cultivating and empowering creative, forward thinking, broad-minded and confident young Palestinian graduates are critical to solving the unemployment problem plaguing the country. (Samir Huleileh, CEO, PADICO)*

In 2011, PADICO's CEO, Samir Huleileh actively engaged in a series of meetings and consultations with stakeholders representing academia, civil society, businesses, university graduates and government officials who also had participated in previous conferences debating youth unemployment. The aim of such an engagement, which lasted for nine months, was to jointly agree on the best course of action for a targeted intervention that would help overcome this social ordeal which was raising grave concerns among political and business circles and increasingly driving youth into frustration and despair. The stakeholders arrived at a consensus on the challenges that impact the employability of youth and their potential for development and improvement.

Hence, the keyword in PADICO's strategy as a socially responsible business is an advanced form of collaboration networks termed "partnerships." Partnerships and joint efforts are the essence of this initiative allowing its partners to contribute to upgrading the learning experience of the students by equipping them with various relevant skills and capacities. To this end, the company followed an incremental approach which resulted in a comprehensive initiative built around partnerships. A lengthy consultative process, which culminated in the birth of an initiative titled "Tamayyaz Program."

### **PADICO's Language Skills Initiative in Lebanon**

The initiative was an English language-training program that seeks to prepare Palestinian school graduates living in refugee camps in Lebanon for the SAT exam. Palestinian refugee graduates lack proficiency in English language that is required to obtain admission in well-reputed universities in Lebanon. This program was perceived as an important strategy for widening education and employment horizons of Palestinian refugees as the SAT certificate renders them eligible to study at the

American University of Beirut (AUB) and find jobs relevant to their qualifications in all types of careers including those that are regulated by the Lebanese government.

### **Tamayyaz**

"Tamayyaz" is differentiated from other initiatives provided by the private sector in Palestine in terms of its partnership structure and its programs. Launched in September 2012, Tamayyaz is a long-term higher education initiative created by PADICO in cooperation with Sharek Youth Forum and the International Youth Foundation to refine skills for employability, improve critical thinking, and cultivate a sense of civic duty and entrepreneurship. This initiative is comprised of professional skills training programs for third and fourth year university students, including lectures on life skills by successful Palestinian role models from different sectors, field trips to Palestinian companies and institutions, career guidance, and promotion of good citizenship. The initial phase targets two hundred-forty students from three Palestinian universities during its first year and is expected to be expanded to the remaining eleven universities within the coming years (Atiat, 2012).

The primary value of 'Tamayyaz' is that it is meant to become a feature of the Palestinian recruitment market providing a sustained output of capable and empowered students with qualities that make them ideal recruits for the private sector or entrepreneurs that contribute to dynamic economic growth.

### **Program Structure**

"Tamayyaz" targets One hundred eighty students in their third year and sixty students in their fourth year (fast track). These students are from different specializations and mainly concentrated in engineering, business administration and economics, and IT. Employability skills in higher education are defined as 'understanding of the world of work', which typically refers to knowledge about the ways in which organizations work, what their objectives are and how people in those organizations do their jobs (Coopers and Lybrand, 1998). "Tamayyaz" is intended to supplement and enhance university programs with skills training, hands-on experience, and networking in order to create a cadre of well-prepared Palestinian graduates. It would provide university students with the skills and values required to either gain meaningful employment with Palestinian companies, or to engage in economically viable and productive enterprises of their own. It is a pilot program that seeks to equip students with three types of skills. First, life skills including critical thinking, self-learning, and innovation. Second, soft skills including good communication, work ethics, conflict management, teamwork, community work and time management. Finally, a third type of skills, hard skills students acquire technical and language

skills. The program also seeks to provide career guidance by matching students' capabilities and aspirations with career opportunities and to align programs taught at universities with market needs by enhancing the quality and content of programs taught and arranging internships. The structure would allow gradual preparation and improvement of students' skills to qualify them for employment and for seizing entrepreneurial opportunities. Graduates choose either an employability track or an entrepreneurship track. Two programs targeting two different groups of university students are developed and implanted in parallel. Students go through interviews based on selection criteria that emphasize high academic achievement, commitment, English language and writing skills.

Life skills are acquired by students through a guest speaker series of interactive lectures presented by successful Palestinian figures from different business, social and economic background. Speakers share their life experiences, recount success stories and challenges, motivate students and lead them to become good citizens. They emphasize skills needed to achieve success and leadership, such as continuous self-learning and improvement. The series would raise students' knowledge of realities of Palestinian economic sectors and their structure, challenges they face, and potential they provide. Bi-weekly lectures are conducted in universities and are open to all students, but mandatory for students enrolled in the program. The lectures are managed by academic moderators who facilitate discussion and engage students in lively discussions. Field trips to a number of Palestinian institutions where students take a guided tour of local factories and businesses constitute another important approach to help students acquire life skills.

The students are divided into groups to match their schedules, allowing students from different specializations to work together and interact. The program is designed for those students who have the ambition to learn and grow. Tamayyaz also seeks to imbue its participants with a sense of social responsibility, a number of its modules encourage students to be active members of civil society. The program largely depends on the efforts and interactivity of the student, and requires students to engage in their environment in ways that are new and innovative.

Along with all the above activities and training programs, a lobby group will be formed to lead efforts aimed at changing current policies in universities. This will include improving English language teaching, integrating 'critical thinking' into teaching approaches, inclusion of the private sector in academic committees, and putting more effort into engaging students in community service programs and linking internship programs with the job market.

### **"Tamayyaz Program": A CSR Driven Strategy Built Around Partnerships**

"Tamayyaz" brings together the partners' capacities and resources with a view to improve the employability of Palestinian graduates based on partnerships between multiple stakeholders who share concerns on education, unemployment, and skills gap of Palestinian youth. Partners who have expertise in youth development and empowerment came together to effectively share roles and responsibilities. A committee representing all partners was formed which is responsible for overseeing the activities of the program before and during implementation periods. It is headed by one elected representative partner with the leading role for one year.

### **CURRENT CHALLENGES FACING THE ORGANIZATION**

Apparently, critical contextual factors, lack of resources, and the unemployment-skills gap have been among the main challenges facing PADICO. Adaptation to environmental forces and change depends on the ability of managers to make decisions to cope with uncertainty. A surviving enterprise is one having sufficient flexibility to withstand and cope with environmental challenges. This requires managers to have foresight in their decisions in order to be able to match internal strengths with external opportunities in a creative manner (Thompson, 1997).

*PADICO is driven by its corporate citizenship to contribute to resolving this dilemma which the government has not been able to address adequately. PADICO and its partners largely are aware of the implications of the Arab Spring in neighboring countries. (Samir Huleileh, CEO, PADICO)*

Among the main challenges currently faced by the project, is that Sharek, the implementing NGO, is currently unable to operate during normal university hours, and has been restricted to main sessions one day a week and ad hoc evening sessions.

The manager of the International Youth Forum organization, one of the main partners to the program rendering technical support, comments:

*We are working with the universities to integrate the project inside university timetables. Another challenge has been that university exams are frequently held on weekends, and students have limited time to study, thus lowering attendance in our programs. In the future, integrating into university calendars is essential. The final challenge is that fourth year students are often unable to commit to the program because of study pressures. As a result the program now focuses on third year students.*

Another future challenge "Tamayyaz" would have to deal with would be changing perceptions about the program and lowering students' expectations.

The manager of the International Youth Foundation expresses his concern about this challenge:

*Expectations about the outcomes of "Tamayyaz" are not currently compatible among its designers and beneficiaries. While we view the program's outcomes in terms of number of students obtaining jobs and number of participants that stay motivated to look for a job or start-up a business, students expect to obtain their aspired job right after its completion.*

PADICO's CEO expresses his concern about future challenges:

*A future challenge facing 'Tamayyaz' is that the underlying motive for joining the program should be initiative, entrepreneurship and the drive to self-development rather than the drive to build or enhance skills and obtain a job. Changing students' mindset regarding this program to fit a realistic pattern is a challenge that lies ahead.*

The manager and supervisor of "Tamayyaz" believes that future challenges lie in its integration within university programs and implementation. Defining a structure to facilitate its integration, with capable staff, identified contacts and clear roles and responsibilities are serious challenges. In this respect he comments:

*Being a pilot program, successful institutionalization into university programs would be a daunting task with the difference between fast response times and simpler organizational structures in industry and much slower processes and bureaucracy in universities. Added to that is resulting difficulty of maintaining multiple contacts and relationships with multiple stakeholders in universities.*

## SOLUTIONS AND RECOMMENDATIONS

Reflecting on the above daunting challenges brought about by the regional and local contextual factors and prescribing a program regarding what should be done to face them, have particular reference to the world of business and are of value to universities and civil society. PADICO's concern with CSR is quite simply in its interest in terms of the social responsibilities of business corporations. Doing good by promoting desirable social ends such as providing employment, addressing the employability skills gap among university graduates and combating unemployment in society at large because this serves its drive for profits.

Being a pilot program, the results of implementing "Tamayyaz," in terms of number of students who were able to find work cannot be measured before its completion. Nevertheless, designing and implementing "Tamayyaz" Program to contribute to resolving the deep-seated problem of unemployment and employing carefully chosen beneficiaries in vacant posts after its completion would be rewarding for PADICO. The new employees would demonstrate loyalty to the corporation and efficiency in achieving their tasks and assuming their responsibilities, which makes PADICO profitable. Additionally moral disapproval of company activities can translate to political pressures, legal controls and consumer sanctions, damaging its reputation, harming its image and inflicting financial losses. Moral approval on the other hand, not only avoids political pressures and legal controls but can also lead to consumer support and remarkably builds its benevolent image and gives it free publicity through acknowledgement of beneficiaries and partners (Chryssides and Kaler, 1999). Putting all this together amounts to convergence between CSR and commercial success. Hence, like other functions of management such as marketing research and finance, CSR can be a tool for furthering the commercial gains of a corporation.

The next steps for "Tamayyaz" should focus on three key areas: first and foremost integration of the program into university curricula and timetables. Second is the expansion of the project to new faculties in existing universities. Third, is the expansion to new universities. Each stage would require different resources, and should be accompanied by hiring dedicated and capable staff for management and coordination.

The manager of the International Youth Foundation shared his thoughts on these challenging steps:

*For the future integration and expansion of the program, universities should create a well-defined unit or structure with a clear mandate and recruit staff that should be trained and supervised by Sharek and the International Youth foundation until they are ready to overtake its management and coordination. New partners from industry should be brought in to pull in additional resources and expertise needed to render it sustainable. Additionally, government incentives to industry in the form of tax deductions would be necessary to encourage more firms to dedicate much needed resources. As to universities they should give incentives to students to join this program through flexible schedules that allow them to combine university and Tamayyaz requirements and attributing credit hours as part of the total number of credit hours for completing their university and faculty programs requirements.*



## Proactive Corporate Social Responsibility (CSR) Strategies

For the future sustainability of "Tamayyaz," PADICO's CEO comments:

Universities need to assume the leading role and government needs to play its enabling role in order for this pilot program to be sustainable in the future. The private sector, namely industry has played the leading role thus far, which should change into a facilitating one in the future. At the end of this program, universities should be ready to lead this program when it is rolled out to them. The program aims at improving collaboration between universities and industry in a way that is mutually beneficial by addressing industry's needs and improving the viability and relevance of university education. This is achieved through opportunities for universities to provide better content, teaching methodology, technology and research expertise and should be viewed by universities as a value-added component to current curricula. University faculty should also be encouraged to demonstrate interest and knowledge of industry needs.

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## KEY TERMS AND DEFINITIONS

**Accountability:** The extent to which a firm is held responsible for its actions by its primary stakeholders.

**Competitive Advantage:** A firm's points of difference built on distinct benefits that give consumers a reason to choose its products/services over competitors in the marketplace.

**Corporate Citizenship:** Societal-oriented actions by firms as constructive members who contribute to enhancing the welfare of society.

**Corporate Philanthropy:** Contributions by firms to non-profit organizations in the form of financed programs and in-kind donations targeted towards disfavored beneficiaries in the communities in which they operate.

**Corporate Social Responsibility (CSR):** A marketing management orientation that considers a firm a socially responsible actor who should serve consumers' long-term interests and improve society's welfare in its pursuit of profit maximization.

**Ethics:** Society's culturally defined rules of what is right and wrong, and good or bad conduct.

**Mission:** States the purpose of the firm, its key businesses or products defined in terms of market needs, and moral ethical values it upholds.

**Stakeholder:** Any group or individual who has an interest in the organization and its activities and an impact on the achievement of its objectives.

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## KEY TERMS AND DEFINITIONS

**Accountability:** The extent to which a firm is held responsible for its actions by its primary stakeholders.

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