

Adac corporate social responsibility model essay example

[Business](#), [Company](#)



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The term ethics is defined by a variety of virtues such as honesty, integrity, and responsibility. Corporate social responsibility is a branch of ethics that refers to the obligation of a corporation's management towards the interest and welfare of the society and environment in which it operates. Corporate social responsibility is a trend that most companies who value ethics have incorporated in operations. Organizations, which value corporate social responsibility, gain benefits such as market share and competitive advantage over competitors. According to a survey conducted by the Sustainability Advisory Group, 70 percent of corporations in the United Arab Emirates believe that corporate social responsibility can facilitate the capture of new and existing markets consequently increasing market share. The Abu Dhabi Airports Company (ADAC) is one such company that values ethics its operations. It, therefore, is necessary to explore the extent to

which it has applied corporate social responsibility in activities, to assess the need for ethics in companies.

Organization Background

The ADAC was created on March 4, 2006 through a mandate from the Executive Council of Abu Dhabi to foster developments of the aviation infrastructure in Abu Dhabi. The company is situated at the Abu Dhabi International Airport and is fully owned by the government. ADAC offers a variety of services, which include hospitality, retail, and advertising services. ADAC in 2010 launched a unique retail environment dubbed ' Shop-Dine-Unwind'. ' Shop-Dine-Unwind' combines diverse dining and exclusive boutiques in a setting aimed at providing luxury and comfort to customers. The company also provides a range of quality and sophisticated hospitality services to for passengers departing and arriving at the Abu Dhabi International Airport. ADAC provides an opportunity to advertisers with an effective and unique environment to communicate their interests to passengers throughout their journey at the airport.

Corporate Social Responsibility Model

ADAC views sustainability and corporate responsibility as a significant component in the growth and development across its portfolio assets. Institutions that value corporate social responsibility create models, which they use to assess their sustainability performance (Hunnicutt, 2009). The company employs the following corporate social responsibility model to ensure it adheres to ethical obligations.

Figure 1: ADAC'S CSR model

ADAC has focused its efforts on corporate social responsibility on three sustainability elements; these are social, environmental, and economic aspects. Philanthropic and legal responsibilities represent the social aspects of ADAC's corporate social responsibility while ethical and economic responsibilities represent the environmental and economic aspects. ADAC recognizes its obligation in its contribution towards the minimization of negative environmental impacts; the company also identifies with supporting social activities that promote society benefits.

The company is dedicated to operating its airports in a way that protects and preserves the safety of its stakeholders who include employees and customers. This dedication seeks to minimize the adverse effects of its activities on the environment. ADAC has made several inroads into activities that foster environmental sustainability. An example of an environmental sustainability program recently launched by ADAC is the recycling and waste management policy, that aims at reducing the level of consumption and increasing the volume of waste recycled. The company, in 2010, achieved 3% above their targets; by the end of the year, 18% of waste had been recycled (" Abu Dhabi Airports Company outlines ambitions", 2008). ADAC has set a waste recycling target of 45% by the end of 2015. This shows that the company is ethically and environmentally responsible.

ADAC is economically responsible; being an airport operator, the company contributes a significant amount of revenue to Abu Dhabi's economy. ADAC in 2009, for example, contributed an estimated Gross Domestic Product amount of AED 8. 1 billion (Al, 2009). ADAC airports also provide their customers with easy access to the cities within the United Arab Emirates; the

clients facilitate international trade through foreign exchange services, therefore, contributing to Abu Dhabi's economy. This shows that ADAC fulfils its economic and legal responsibilities to Abu Dhabi's governing authorities. The company fulfils its social responsibilities through the providence of support in communal activities; it also participates in sponsoring charitable events across the United Arab Emirates. The company also fosters employment in Abu Dhabi and other United Arab Emirates countries; it complies with United Arab Emirates labor regulations and proactively promotes the employment of individuals with special needs. ADAC is mindful of the welfare of all its employees; therefore, it has incorporated employee development and performance management programs that promote the welfare of the workers. This represents both ethical and philanthropic responsibilities that constitute corporate social responsibility.

Culture and Values

Company culture outlines the code of conduct to be followed (Henderson, Thompson, & Henderson, 2006). ADAC follows a code of conduct, especially in procurement and tendering process. Procurement functions, for example, are accomplished at the company's headquarters. The procurement department provides manages transactions involving goods and services to obtain the best value for currency and operational benefits. These activities, however, are conducted maintaining ethical standards, primarily in relation to the environment and company stakeholders. The company recognizes the competition that characterizes the working place; therefore, it aims at acting ethically and fairly to ensure that there is accountability in business

affiliations.

The company has adopted a sustainability reporting culture; in its first corporate social responsibility report, ADAC outlined achievements such as the reduction in electricity and water consumption at the Abu Dhabi International Airport amidst traffic demands. Sustainability reports highlight a company's devotion towards sustainable growth (White, 2009). The company's management has implemented the reporting culture to its employees; the company has an accountability policy that demands reporting on its progress to promote transparency in operations.

Stakeholders

The company has primary and secondary stakeholders. The primary stakeholders are the employees, management, and shareholders, including the Abu Dhabi Government. The secondary stakeholders are customers, who include the passengers arriving, and departing from the airport and the vendors involved in the company's procurement and tendering processes.

Rules Followed by the Organization

The company abides by legal laws such as the United Arab Emirates labor laws that protect employee welfare (Human Rights Watch Organization, 2007). ADAC, through taxation by the government, abides the legal laws in the United Arab Emirates that require companies to provide revenue through taxes. The company's website also provides the legal laws supposed to be followed when accessing their site. ADAC also follows professional laws, which include transparency in recruitment, reporting, and procurement procedures. Examples of the social laws followed by the company are

environmental and communal obligations; the company gives back to the community through charity work and promotes environmental conservation through waste management. The role-based law followed by the company involves the provision of comfort services to its clients.

Conclusion

Corporate social responsibility is a concept that has been employed by companies in coping with global trends. Companies using this approach have experienced benefits such as increased market share and competitive advantage. This is because individuals are willing to be associated with a company that gives back to them than one which does not. The Abu Dhabi Airports Company (ADAC) company is one such company that views corporate social responsibility as a fundamental determinant of their sustainability. ADAC applies a corporate social responsibility model that promotes sustainability of the social, environmental, and economic aspects. The company has gained advantages such as increased profitability, improved performance, waste reduction, and increased transparency in operations.

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