

CORPORATE SOCIAL RESPONSIBILITY (CSR): PALESTINE EXCHANGE

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Abstract

This research study has shed light on the perceptions of corporate social responsibility (CSR) in the Palestinian society. A representative stratified sampling survey design which consisted of thirty-seven corporate from the West Bank and Gaza Strip was used in this study. A self-administered 31-item questionnaire developed by the researchers was used, based on the (Carroll, 1979) CSR model. Findings show that Palestinians have a moderate perception of CSR. They experienced different types of obstacles in its implementation, in addition to the under-reporting of CSR which is widespread. Current statistics revealed that gender, sector, and employees were significant predictors of CSR. Although, different Palestinian sectors are making efforts in the CSR areas, but there is a lot that needs to be done in terms of Palestinians needs and reality.

Keywords: CSR, Palestine, Sustainable development, Community

Introduction

Corporate social responsibility (CSR) is an important concept that has been a subject of debate in the world of business over the last decade, and is been addressed by both theoretical and empirical researches.

Since the concept of CSR was initiated in 1924 by Sheldon, it has been a worldwide subject of intense controversy and interest for business, society, government, and academia (Wang, 2011). CSR refers to a business practice that involves participating in initiatives that benefit and fulfill the needs of the society.

CSR is a process which aims to embrace responsibility for the company's actions and promote a positive enforcement through its activities

on the stakeholders. Hence, these activities include environment, employees, consumers, communities, and all other members of the society (Srivastava, 2013). In this regards, Baker (2004) argues that CSR is all about how companies manage the business processes to produce an overall positive impact on the society.

In general, CSR is the way by which a company attains a balance or integration of economic, environmental, and social imperatives, while addressing shareholder and stakeholder expectations, with the understanding that businesses plays a key role on job and wealth creation in the society (Ahmed et al., 2012).

Background & Literature Review

The notion of CSR refers to operating a business in a manner that accounts for the social and environmental impact created by the business. The prevailing notion of CSR emerged through the defeat of more institutionalized forms of social solidarity in liberal market economies. Meanwhile, CSR is more tightly linked to formal institutions of stakeholder participation or state intervention in other advanced economies. The tensions between business-driven and multi-stakeholder forms of CSR extend to the transnational level, where the form and meaning of CSR remain highly contested (Brammer et al., 2012).

The history of CSR is as old as trade and business itself. The first standpoint on CSR was offered by Bowen (1953) in his social responsibilities of the businessman. Bowen defined CSR as an obligation to pursue appropriate policies, to make appropriate decisions, and to follow those lines of action which are desirable in terms of the objectives and values of our society. In addition, Frederick (1960:60) states that CSR in the final analysis implies a public posture towards the society's economic and human resources, and a willingness to see that those resources are used for broad social ends and not simply for narrowly circumscribed interests of private persons and firms. Moreover, Friedman (1962) argues that CSR as an issue has been existing since commerce began in the ninetieth century.

Historically speaking, CSR's origins can be traced back to the year 1930 to 1940, but it was perceived as a field of research several years later. Specialized literature distinguishes four phases of publication in the field as; (1) gestation and innovation in the 1960's, (2) development and expansion in 1972 to 1979, (3) institutionalization, in 1980 to 1987, and (4) maturation in 1988 to 1996 (Masuku et al., 2013).

In literature reviews and previous studies, there is no worldwide acceptable definition of the term CSR. However, different scholars defined it based on their perceptions and understanding. Spectrum Consultants (2009), defined CSR as the continuing commitment by business to behave ethically

and contribute to economic development, while improving the quality of life of the workforce, their families, the community and the society at large. It is how companies manage the business processes to produce an overall positive impact on the society (Srivastava et al., 2012).

Moreover, Holmes and Watts (1999) defined CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families, the local community and the society at large. Some researchers argue that corporations make more long term profits by operating with a CSR perspective, while others argue that CSR distracts from the economic role of businesses. However, Ruggie (2002) looks at CSR as a strategy for demonstrating good faith, social legitimacy, and a commitment that goes beyond the financial bottom line. Carroll and Bocholt, (2003) viewed CSR as an economic, legal, ethical, and discretionary expectations that society has on organizations at a given point in time. Furthermore, the European Commission (EU) green paper (2001) defines CSR as a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. CSR was also defined as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. McWilliams & Siegel (2001) defines it as actions that appear to further some social good, beyond the interests of the firm and that which is required by law.

Furthermore, CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and the society at large. This is to improve the quality of life, in ways that are both good for business and good for development (World Bank, 2003). The World Business Council for Sustainable Development- WBCSD (2004) argued that CSR is the commitment of a business to contribute to sustainable economic development, working with employees, their families, the local community and the society at large to improve their quality of life. This definition includes the elements that are generally included in empirical work on CSR, such as the community, the environment, human rights, and the treatment of employees. In view of this, Baker (2004) argues that CSR is about how companies manage the business processes to produce an overall positive impact on the society.

Recently, Carroll (1979) proposed a four-dimension model of CSR that is more widely accepted in the literature. This model includes: economic, legal, ethical, and discretionary. According to Carroll dimensions model, economic is the firm being of an economic entity. Its primary responsibility is to satisfy the economic needs of the society and the generation of surplus for rewarding the investors and further expansion and diversification. The legal responsibility is the second part, and it entails

expectations of legal compliance and playing by the rules of the game. Ethical responsibilities are norms which the society expects the business to observe, for instance, not resorting to hoarding and other malpractices. The final type of responsibility is where firms have the widest scope of discretionary judgment and choice.

Additionally, Abbott and Monsen (1979) developed a corporate social involvement disclosure scale, based on the analysis of annual reports of the Fortune 500 companies. They have used six areas under analysis as: environment, products, equal opportunities, personnel, community involvement, and other disclosures.

According to Srivastava et al. (2012), a company is required to spend at least 2% of its average net profits made during the three immediately preceding financial years. This is in pursuance of its CSR policy for several reasons, which are mostly helpful in human resource development, and useful in risk management- a tool for brand differentiation. Furthermore, it is helpful in building goodwill, innovation, cutting cost, long-term sustainability, customer engagement, and stakeholder priorities. In this regards, Robbins & Coulter (2007) explained that the management's social responsibility goes beyond making profit to include protecting and improving the social welfare of its stakeholders and the environment in which the firm carries out its operations (Sharma & Mani, 2013).

Furthermore, Srivastava et al. (2012) indicated that CSR needs a proper and step by step implementation and strategy. Meanwhile, Andrews (1971) has developed an approach in regards to the strategic choice. His four key questions suggest the approach that companies may follow in determining their level of CSR activity. Those four questions were as follows: determining organizational competencies, looking at Industry threats and opportunities, examining the values of key implementers, and determining the social responsibility. Furthermore, Lee & Logsdon (1996) suggested a five-dimension strategy of CSR which is critical to the success of CSR process in terms of value creation by the firm. They include centrality, and that CSR initiative activities should be close to the firm's mission and objectives. Specificity, strategic CSR initiatives should specifically benefit the firm. Proactively, CSR initiatives should focus on the dynamics of stakeholder expectations i.e. to capture the changes in socio-environmental, political and technological factors. Voluntarism, CSR decisions should be discretionary and thus they should be taken up by the firm voluntarily. Visibility, strategic CSR initiative should build firm's image and add up to the goodwill by creating positive media attention. It can also mitigate the negative image of the firm. In this regards, Uddin et al. (2008) asserted that CSR is an important business strategy because, wherever possible, consumers want to buy products from companies they trust;

suppliers want to form business partnerships with companies they can rely on; employees want to work for companies they respect; and NGOs, increasingly want to work together with companies seeking feasible solutions and innovations in areas of common concerns.

Literature of CSR contains several useful conceptualizations; several scholars and researchers worldwide have begun to focus on studying CSR. In a recent study, Cheng et al. (2014) finds that firms with better CSR performance face significantly lower capital constraints. Also, the hypothesized mechanisms, better stakeholder engagement and transparency around CSR performance, are important in reducing capital constraints. However, the relation is driven by both the social and the environmental dimension of CSR. The study of Krutika & Himanshu (2014) concluded that CSR is positively correlated with sustainable development (SD).

Furthermore, the analysis of CSR activities at Indian commercial banks by Sharma & Mani (2013) showed that the Indian banks are making efforts in the CSR areas, but still there is a requirement of more emphasis on CSR. The study of Servaes & Tamayo (2013) showed that CSR and firm value are positively related for firms with high customer awareness, as proxied by advertising expenditures. Likewise, the effect of awareness on the CSR–value relation is reversed for firms with a poor prior reputation as corporate citizens. Besides, Shehu (2013) found a weak positive relationship between CSR and profit after tax. He recommended the banking sector to take CSR commitment as an important driver of boosting the profitability of an organization.

Additionally, Masuku & Moyo (2013) argued that there is a vast need, to trace public relation activities in CSR. These activities begin from the initial planning stage, to determine whether these activities tally well with the corporate goals and objectivities, in serving the public. However, this is in a bid to create mutual understanding with the corporation. Meanwhile, the study of Khan et al. (2012) concluded that CSR has become so important that many organizations have re-branded their core values to include social responsibility. Also, they have important effects on environmental issues, eradication of poverty, employment creation and labor practices, environmental protection, education, and human development.

In short, the practice of CSR is not new, as it could be traced back to such examples as the Quakers in 17th and 18th centuries. Their business philosophy was not primarily driven by profit maximization, but by the need to add value to the society at large – business was framed as part of the society and was not separated from it (Moon, 2002).

In spite of extensive studies on CSR worldwide, literature and empirical studies of CSR in the Palestinian society is scarce. In this regards, the study of Abu Samra (2009) concluded that the disclosure of social

responsibility was weak in the vast majority of financial reporting. Thus, it is almost non-existent in others companies listed in Palestine Exchange which have a direct impact in the Palestinian society.

Palestine Exchange (PEX) was established in 1995 to promote investment in Palestine as a private shareholding company. PEX was transformed into a public shareholding company in February 2010 responding to the principles of transparency and good governance. PEX strives to provide an enabling environment for trading that is characterized by equity, transparency and competence, serving and maintaining the interest of investors. PEX has forty-nine listed companies, with market capitalization of about \$ 3.179 billion across five main economic sectors, banking and financial services, insurance, investments, industry, and services. PEX recognizes its vital role in the Palestinian national economy and within Palestine society. Social responsibility has been a key concern of the PSE, as it seeks to build a practical model in this respect based on the following components (PEX, 2014).

Purpose and Scope

Far less attention has been devoted to the empirical researches of CSR in the conflicted societies, like the Palestinian occupied society. Furthermore, the concept of CSR is a new perspective in Palestinian society. Palestine is a very poor country with a low economic growth. There are virtually no industries in the territory, and they have few resources. Right now, Palestinians are almost totally dependent on foreign aids to keep the people alive. According to Lipunga (2013), there is a crying need for an in-depth study into the quality, quantity of corporate social disclosure and identification of areas for future improvement so that transparency can be ensured, especially in developing countries where CSR studies are limited. The statistics of Palestinian Central Bureau of Statistics (2014) reflects the highest percentage of unemployment, poverty, domestic violence, pollution and the difficult socio-economic conditions. Thus, this is a result of Israel's ongoing occupation and its oppressive policies in the Palestinian society. These conditions is an urgent call to scale up community efforts across a range of sectors, in order to face the dangers surrounding them, and to fulfill the needs of the present so as to build a better future for the coming generations through available methods, mostly CSR.

The main purpose of this study is to determine the perceptions of CSR concept in the Palestinian society as perceived by management. A measure for the perceptions of CSR and obstacles with limited demographic variables and auxiliary measures are presented. Differences of CSR perceptions between the participants were also assessed, to determine the main factors that influence the CSR applications in the Palestinian society.

The current study is considered one of the leading studies that provides insight and adds to literature regarding the concept and scope of CSR in an occupied country focusing on the corporate sector which is an important sector in the Palestinian economy. These findings may become helpful to policy makers and corporate level in the reinforcement process of CSR in the Palestinian society.

Definition of Terms

CSR: It is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and the society at large to improve quality of life, in ways that are both good for business and good for development (World Bank, 2003). Moreover, CSR consists of a four-dimension model: economic, legal, ethical and discretionary (Carroll, 1979).

PEX: Palestine Exchange is a public shareholding company which was established in 1995 to promote investment in Palestine. It has forty-nine listed companies across five main economic sectors, banking and financial services, insurance, investments, industry, and services (PEX, 2014).

Limitations

The population of this study was limited to PEX Corporation in the West Bank and Gaza strip 2014.

Hypotheses

Taking into consideration the set aims and variables of the study, the study addresses the following hypothesis:

There are no statistical significant differences at $\alpha \leq 0.05$ in the perceptions of CSR in the Palestinian society as perceived by management according to gender, qualifications, profession, practical experience, sector, employees, and year of establishment.

In regards of the study variable, independent variables were: gender, qualifications, profession, practical experience, sector, employees, and year of establishment, while the dependent variable is the perceptions of CSR in the Palestinian society with its different dimensions.

Methodology and Design

This study is quantitative in nature and it uses a questionnaire to assess CSR in the Palestinian society. It considered the most suitable research approach to fulfill the study objectives, understanding the phenomenon, and its different factors using convenient research instruments.

Thirty-seven corporations were randomly selected. The sample size was calculated using the sampling web. of

<http://www.surveysystem.com/sscalc.htm> sample size calculator, with a margin error of 0.05. The target population consists of forty-nine register corporate in PEX, the West Bank and Gaza Strip in 2014, across five main economic sectors. This includes the banking and financial services, insurance, investments, industry, and services (PEX, 2014).

Instrumentation

The sampling survey was designed to ascertain the perceptions of CSR in the Palestinian society experienced by management using a self-administered questionnaire. This questionnaire was developed by the researchers, based on (Carroll, 1979) CSR model. Participants of the research were approached in the West Bank and Gaza Strip by trained researchers, and were asked to complete the questionnaire. The dependent variable CSR was measured using a 31-item scale, and was divided into two main groups: perceptions of CSR and obstacles. Thus, this is in addition to the independent self-reported variables which included: gender, qualifications, profession, and practical experience. Meanwhile, the corporate main variables includes: sector; employees, year of establishment, CSR budget and priorities. 5-point Likert Scale (Strongly agree, agree, neither, disagree and strongly disagree) was used to measure responses.

Concerning validity and reliability, the validation of the instrument proceeded in two distinct phases. The initial phase involved a group of referees and expert arbitrators, who provided some comments on the tool. The second phase involved the implementation of a pilot study (N=12) to validate the survey using exploratory factor analysis. Factor loading for all items exceeded 0.65 (0.67 to 0.98), which means that those items are suitable in measuring every item of CSR in the Palestinian society. This is in light with the theoretical framework that the scale of study is based upon.

The reliability was tested using Cronbach's Alpha and Guttman split-half coefficients to ascertain the reliability and consistency of the sampling survey. Cronbach's Alpha and Guttman split-half for the survey instrument was (0.83 and 0.78), respectively, indicating excellent reliability and consistency.

Cotextual variables distribution includes gender, qualifications, profession, and practical experience. Meanwhile, the corporate main variables includes: sector, employees, and year of establishment. There were a total of thirty-seven completed interviews. There were more male (86.5%) than female (13.5%) respondents. Respondents' practical experience was between 5 and 28 years of experience, with an average age of 12.84 years. Half (51.4%) of the participants were managers compared to 35.1% deputy manager; and the vast majority (94.6%) had a college or graduate degree. In relation to economic sector, 32.4% cuts across banking and financial

services, 21.6% investment, and 27% services sector. Corporate employees were between 90 and 1300, with an average of 354.86. Hence, majority (62.2%) was established before the advent of Palestinian Authority (PA) in 1994, compared to 37.8% after 1994.

Data Analysis

Data analyses were undertaken using the statistical package for social sciences (SPSS) version 20. The questionnaire items were ranked according to a 1–5 Likert scale (strongly agree, agree, neither, disagree and strongly disagree). These rankings were codified into a quantitative score from 1 to 5, with higher aggregated scores indicating a higher perception of CSR, and obstacles in the Palestinian society and vice versa if the score obtained is low. Descriptive statistics were generated to gauge the perceptions of CSR among the sampled population. Additionally, the following statistical techniques were measured: T.test, One way analysis of variance, Tukey test, Cronbach's Alpha, Guttman Split-Half Coefficient and Factor Analysis.

In terms of results, the study revealed that 40.5% of the corporate reported the allocating an item in their annual budget for social responsibility in the Palestinian society. However, it does not exceed (2%) as a moral obligation. Their priorities mostly were: education (36.4), charity (27.3%), and health issues (22.7%).

Moreover, findings show that the mean CSR perceptions score for the sample of thirty-seven participants was moderate (M 3.64 SD 0.39). The CSR perceptions total score showed that (72.8%) of the participants have a moderate perception of CSR. Furthermore, findings revealed the main perceptions of CSR as perceived by the management ranked in a descending order as follows: CSR is a national task (M 4.81 SD 0.39), CSR springs from business ethics (M 4.65 SD 0.75), CSR improve relation with the local community (M 4.35 SD 0.67), enhances the corporate position in the local community (M 4.22 SD 0.63), and improve competitive position in the market (M 4.19 SD 0.77). Besides, participants argued that it is necessary to inform the corporate of social responsibility in the local community (M 4.08 SD 0.86), since it is profitable investment (M 4.05 SD 0.66). Meanwhile, they emphasized that corporate escape from social responsibility cannot be justified in the local community (M 4.00 SD 0.85), and corporate is obliged to includes social responsibility in the local community as a priority (M 3.97 SD 0.89). However, treating the subject of social responsibility cautiously is a must in the local community (M 3.86 SD 0.75).

Furthermore, the results show that 62.2% of the corporate have experienced different types of obstacles in social responsibility implementation in the Palestinian society (M 3.11 SD 0.64). They are mainly: ambiguity of social responsibility philosophy in the community (M

3.68 SD 0.97), the absence of legal penalties against corporate escape from social responsibility (M 3.62 SD 1.25), the absence of laws which force the corporate to subsidize a portion of its budget for social responsibility (M 3.54 SD 0.93), community lacks appreciation of what corporate play toward social responsibility (M 3.38 SD 1.03), and corporate ignoring of social responsibility in the community (M 3.30 SD 1.19). Additionally, this include: the low budget of corporate to fulfill the duty of social responsibility (M 3.16 SD 1.23), the lack of experts in the corporate to execute the social responsibility (M 2.95 SD 1.29), the management unconvinced of the social responsibility (M 2.78 SD 1.22), the disconnection between social responsibility and the corporate work (M 2.59 SD 1.06), and the waste of the corporate capital in social responsibility (M 2.19 SD 0.77).

Moreover, the study investigated demography over CSR perceptions in the Palestinian society based on locational differences with the aim of identifying any differences. Findings show that qualifications, profession, practical experience, and year of establishment do not indicate any significant difference. However, it was found that gender, sector, and employees are significant variables. In relation to gender, the differences were in favor of male managers (M 3.72 SD 0.34) compared to (M 3.16 SD 0.41) for females: T test value was (3.297 P=0.002). As for sector, the differences were in favor of banking (M 3.90 SD 0.31) compared to (M 3.20 SD 0.30) for services sector: F-value was (7.912 P=0.000). Finally, findings indicated that there was a statistical significant positive correlation between employees and CSR perceptions: Beta coefficient was (0.640 P=0.000).

Discussion

Findings show that Palestinians have a moderate perception of CSR; experienced different types of obstacles in its implementation, and the under-reporting of CSR were widespread. This is in the absence of laws and legal penalties that force corporate to subsidize a portion of its budget for social responsibility in the Palestinian society. In this regards, the study of Abu Samra (2009) concluded that the disclosure of social responsibility was weak in the vast majority of financial reporting. Also, it is almost non-existent in others companies listed in Palestine Exchange which have a direct impact on the Palestinian society.

In fact, the concept of CSR is a new and intruder perspective in the occupied Palestinian society, which leads to ambiguity of social responsibility philosophy in the community. Palestine is a very poor country, and has a low economic growth. There is virtually no industry in the territory, and they have few resources. Right now, Palestinians are almost totally dependent on foreign aids to keep the people alive, as a result of

Israel's ongoing occupation and its oppressive policies that destroyed the Palestinian economy.

In short, the economic system aims through its different economic sectors to bring about economic advancement and development, increase individual's income at an average, and satisfy the unlimited needs of the human through exploitation of wealth resources (Banat, 2012). On the contrary, and in order to guarantee the Palestinian economy dependence on the Israeli economy, Israel made several political and economic measures through military orders which made it easy for the Israeli economy to exploit the available resources of the Palestinians. It contributed to the deformation of the Palestinian economy and the reduction of its development resources. These developmental resources includes confiscation of a significant portion of water resources and a large area of agricultural land, closure of Arab banks working in Palestine and opening of Israeli banks, collection of unjust taxes, attraction of Palestinian Labor and exploiting it in Israeli labor market, control of local markets, obstruction of export, and drop of governmental expenditure on economic sectors (Alawneh, 1989; Budairi et al., 1990). The previous procedures had gradually led to the obstruction of the economic development in the West Bank and Gaza Strip and have deepened the dependency of the Palestinian economy on the Israeli economy. Therefore, this had devastating effects on the different sectors of the Palestinian economy.

Moreover, differences according to gender were also found, as female managers are less concerned of CSR than males. Consistently with the traditional gender role expectations in the Arab Palestinian society, and due to other reasons, mostly, the small sample size of females has a decline engagement in the labor market compared to Males. Furthermore, Palestinian society has conservative customs and traditions, male patriarchal dominance, and social upbringing which are based on gender inequalities of power and discrimination. Patriarchal ideology is deeply rooted in the Palestinian society, where the notions of father and brother are prevalent. According to these notions, male dominance supports the structure that keeps men in positions of power, authority, and control. This allows for a larger space for males compared to females in relation to nature of social ranks, roles, freedom, participation in decision making, responsibility, large scale engagement in labor market, and the development of potentials and skills (Banat & Rimawi, 2014). This surely affects females who are less concerned of CSR.

Additionally, findings show that banking sector has a positive perception of CSR in the Palestinian society. The past decade has witnessed remarkable growth in the Palestinian banking sector, with more banks offering more services from more branches, and the value of deposits

doubling over the period. According to MAS (2008), the banking system facilitates the transfer of funds from non-productive (or less-productive) areas to productive areas of the economy. Economic activity is affected by the banking system in the short term and the long term. The activity of banks may have immediate impact on the economy by enabling investors and beneficiaries to fund productive activities. Over the long term, productive activities that benefit from banking services produce further commodities and services to fill the increasing demand that results from increased lending.

Banking sector adopts policies in supporting Palestinian community through a reasonable budget covering initiatives across sectors in the community. They include education, youth, sports, health, environments, and humanitarian entities. These CSR operations have enhanced the development process, and had a positive impact in the Palestinian society.

The study results also revealed that qualifications, profession, practical experience, and year of establishment do not indicate any significant difference in CSR perceptions. This indicates that CSR perceptions are not very much influenced by these variables. Hence, they are more likely to be affected by other factors other than qualifications, profession, practical experience and year of establishment.

Furthermore, findings revealed that employees were positively correlated with CSR perceptions. In fact, investment in human resources is an investment in capital, which is one of the basic components of CSR. According to Coro Strandberg (2009), human resource professionals have a key role to play in helping a company achieve its CSR objectives. Employee involvement is a critical success factor for CSR performance. Also, human resource managers have the tools and the opportunity to leverage employee commitment and engagement in the firm's CSR strategy.

Future firms are expected to undergo significant transformation such that CSR no longer becomes managed as a separate deliverable, but as a part of the experience of being an employee in an organization that lives its values. For human resource professionals embarking on CSR or deepening their CSR experience, this roadmap can help them understand their role in sustainability, CSR and how they can foster an environment that embeds a CSR ethic in the way we do business around here (Oliveira, 2012).

Conclusion and Recommendations

This research study has shed light on the perceptions of CSR in the Palestinian society. CSR is a socio-economic concept. It is a profitable investment dealing with the fulfillment of different human needs within the laid out values, customs and traditions in the society. It is related to sustainable development, and shows a responsible and ethical business behavior toward the society.

According to Human Development Report (2011), if human development is about expanding people's choices, it will be built on shared natural resources. Promoting human development requires addressing sustainability locally, nationally, and globally. This can and should be done in ways that are equitable and empowering. Sustainable human development is the expansion of the substantive freedoms of people today, while making reasonable efforts to avoid seriously compromising of the future generations.

Although different Palestinian sectors are making efforts in the CSR areas, there is a lot that needs to be done in terms of Palestinians needs and reality. This is because Palestine is a very poor occupied country, almost totally dependent on foreign aids, and has difficult socio-economic conditions, as a result of Israel's ongoing occupation and its oppressive policies in the Palestinian society. However, the story of Palestinians is a story of perpetuation of man, land and identity, and people are the real wealth of a nation.

In light of the study results and discussion, the following recommendations were made:

1. Development of laws and legal penalties against corporate escape from social responsibility.
2. Promote a culture of CSR in the Palestinian society.
3. PEX should control the quality of CSR disclosures in their annual reports.
4. It is necessary to inform corporate of social responsibility in the community through seminars, lectures, and workshops in order to take a leading role in the CSR programs in the Palestinian society.
5. Both Palestinian citizens and NGOs should be encouraged to act in CSR collaboration with different schemes and projects.
6. A longitudinal study is recommended in order to gain more insight in the evaluation of CSR projects in the Palestinian society.

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