### THE UNIVERSITY OF HULL

# YOUTH CONSUMERS' PERCEPTIONS OF CORPORATE SOCIAL RESPONSIBILITY: AN ISLAMIC PERSPECTIVE

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By

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#### **Abstract**

As the interest in CSR has increased, the concept has been applied to different sectors and cultures. However, CSR has been founded on liberal, Western foundations and most CSR investigations have been based on Western values as they have considered CSR in European and North American cultures. Hence it is crucial to examine CSR in different religious and cultural contexts. This research has addressed this gap by investigating the concept of CSR from the perspective of Muslim consumers' perspectives, within an Arab culture. Thus, this research sought to understand the perception of Muslim consumers in Saudi Arabia of the concept of CSR in order to conceptualise an Islamic-based perspective of CSR. Saudi Arabia has been used as the context because it is an exclusively Islamic country and its culture is deeply embedded with Islamic values. An interpretivist paradigm has been selected using an inductive approach; qualitative data has been collected through in-depth semi-structured interviews. The sample for the research is thirty-four young Saudis and includes males and females.

According to the research findings, the majority of participants concurred with the components of Carroll's (1991) CSR pyramid; however the results lead to minor modifications of the pyramid to better fit the Islamic context. Thus any organisation that practices CSR in Saudi Arabia should take into consideration Islamic Sharia and Islamic ethics as they are the fundamental building blocks. Furthermore, there are two perspectives of CSR in the literature: external social responsibility and internal social responsibility. However, based on the findings of the research, a new perspective, private social responsibility, has been added to the two current perspectives. This perspective is the fundamental and the basic component upon which organisations should base their CSR strategy from an Islamic perspective. The term "private" is used as there part of Islamic CSR is hidden while the other part is visible. To explain the hidden and visible parts, the researcher has developed an "Islamic CSR tree model" which conceptualises the concept of CSR in Islam.

The findings of the research have indicated that, rather than continue with the overt CSR strategies used by Western marketing managers, organisations should use a more covert approach to CSR, one that is embedded in Islamic principles such as modesty. Thus if an

organisation promotes their "good acts" this could be seen as Riya (showing-off) which is prohibited in Islam. Therefore, in the Saudi context it is necessary to embed Islamic values in the organisation's CSR foundations allowing this internalisation to develop throughout the organisation and create its own flow of communications. This research makes a contribution to the academic literature by changing the emphasis of Carroll's (1991) building blocks of CSR and proposing that Islamic-based CSR is fundamentally concerned with a need for covert forms of CSR.

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#### CHAPTER ONE: INTRODUCTION

#### 1.1 Introduction

Rising concerns related to climate change and its impact on the environment, corporate misconduct scandals and, more recently, the perceived irresponsibility of the banking sector (Smith, 2012) - together these issues have aroused public concern and consequently encouraged organisations to reconsider their responsibilities toward their stakeholders (Silberhorn & Warren, 2007; Ditlev-Simonsen & Wenstop, 2013). In addition, the rise of social media along with the almost instantaneous coverage of negative corporate examples have resulted in a proliferation of consumer boycotts (Du, Bhattacharya, & Sen, 2010). Thus the socially responsible organisation must be prepared to respond to consumer concerns in order to maintain their corporate image and therefore public goodwill (Abd-Rahim, Jalaludin, & Tajuddin, 2011). In the last five years in particular, we have witnessed a dramatic increase in the literature on corporate social responsibility. During this period, the total number of published papers in marketing and management indexed journals focusing on CSR, was 570 in comparison with 512 similarly oriented articles that were published over the previous thirty years (Alcaniz, Herrera, Perez, & Alcami, 2010). This indicates that there is an increasing interest in this subject among marketing and management academics and practitioners.

The issue of CSR has become central to questioning the ethos of how businesses, especially large businesses, i.e. banking, and industrial complexes, impact upon lives, and whether some corporations, particularly those with global reach, have become a predatory force and exert a harmful effect, not only on employees within the company but on whole communities, if not countries. The very real damage caused to people by unethical business practices has caused CSR to become very important, not only from a moral perspective but from the perspective of profit and business longevity. Whether publicity given to their allegedly philanthropic foundations and efforts is a cynical ploy of the public relations departments of large corporations to deflect valid criticism/lawsuits in order to protect their profit/brand, or whether the corporations are genuine in intent, can be seen in the extent to which a business's CSR operates according to specific ethical values. The conduct of corporations must be

examined as they wield tremendous power over millions; CSR is therefore a very important area of study.

There is no universally agreed conceptualisation of CSR (see, for example, Carroll, 1991; Ralston, 2010; Ward & Smith, 2006). For this reason some researchers consider that it is difficult to identify the level of contribution by the different research streams exploring CSR (Coelho, McClure, & Spry, 2003; Idowu, 2009), while yet others argue that the inconclusive nature of the extant literature has become an obstacle to developing a clear framework for implementing CSR (Ward & Smith, 2006). According to Janggu, Joseph, and Madi (2007) CSR is a strategy that organisations adopt in order to fulfil their social commitment to both employees and the wider community; this can take the form of compliance with social requirements and regulation, contributions to charity, and donations to organisations involved in public welfare.

CSR is a sustainable concept that encourages organisations to operate in a responsible manner and consider the impact of their businesses on people, the community, and the environment (Janggu et al., 2007). Promoting CSR is an important area that can contribute to national development (Janggu et al., 2007). In addition, organisations should not only consider their stakeholders, but society as a whole; as public awareness regarding CSR has been on the increase recently, this can put pressure on organisations, governments, and other groups (Janggu et al., 2007).

A key concern in relation to the implementation of CSR within Western (North American and European) contexts has been the rigid focus on corporate philanthropy as a public indicator of CSR activity levels (Moon, 2005) or, on those initiatives which ultimately provide economic growth for the organisation engaged in the CSR (Meehan, Meehan, & Richards 2006). Meehan et al. (2006) argue that organisations in the commercial world have limited the implementation of corporate responsibility to those areas which provide economic growth, due to the lack of conceptual resources from scholars to assist managers in integrating other elements of corporate responsibility into their business operations and strategies.

Since the 1990s, however, more discussions regarding social responsibility have taken place and have developed the concept; as a result, it has been extended to include more than charitable activities (Carroll, 1991). Organisations' contributions to CSR have since then broadened to cover concerns like ethical trade, business codes and standards, socially responsible products, socially responsible investments, and social reporting (Moon, 2005). Currently, many organisations in different countries around the world are involved in diverse types of social provisions.

The majority of empirical studies which discuss CSR have been focused on companies in the United Kingdom, the United States, and Canada, with a few exploring its application in other cultural contexts such as Africa (Hinson & Ndhlovu, 2011), the Middle East (Darrag & E-Bassiouny, 2013), and East Asia (Bouvain, Baumann, & Lundmark, 2013). Thus a small number of studies have attempted to evaluate whether CSR practices differ between countries (Hopkins, 2004). Saudi Arabia has a unique economic structure, primarily based on the principles of Shariah (Islamic) law. This makes exploring CSR within Saudi Arabia a novel and important contribution given that, despite the overlap between CSR and many principles of the Shariah, there appears a paucity of scholarly attention to this link. Exploring this link further, the implications are twofold: to advance the conceptualisation of CSR within the generic management literature, and also to assess the feasibility of applying Western-based CSR concepts within an economy already boasting a myriad of Shariah-based, therefore ethical regulations which govern business practice. The few studies that have explored CSR from an Islamic perspective have highlighted the complementary relationship between Shariah-based principles and current conceptualisations of CSR (e.g. Darrag & E-Bassiouny, 2013). However, no study has previously adopted a consumer-based stakeholder approach to conceptualise an Islamic-based perspective on CSR. Furthermore, given the "billion plus" market potential of Muslims (E-Bassiouny, 2013), the development of knowledge in relation to CSR from a Muslim perspective appears timely and necessary. The need to explore CSR from a Muslim perspective is therefore the basis of this study.

A view of society from an Islamic perspective should be consistent with the concept of CSR (Pratten & Mashat, 2009). In addition, Islamic values and principles that have been in existence for fourteen centuries may support CSR and could serve as a foundation for CSR in the West (Rizk, 2008; Siwar & Hossain, 2009). For instance, it is written in the Holy Quran that organisations can grow their economic success when they are supported by moral principles, and organisations are advised to "...give full measure when you measure, and

weigh with a balance that is true..." (Quran, 17:35). Indeed, Islam has linked morality with business success, and encourages honesty and justice. Thus it is valuable to investigate the concept of CSR in different countries with value systems other than those common in the West. This study will seek to understand Muslim consumers' perceptions regarding the concept of CSR as there is a lack in literature on this concept.

Islam is one of the world's major religions, and there are more than 1.6 billion Muslims living in different countries around the world (Siwar & Hossain, 2009). The concept exists that "Islam is not only a religion, but is also a guideline for the complete way of life" (Siwar & Hossain, 2009, p. 290). Accordingly, "business ethics cannot be separated from ethics in the other aspects of a Muslim's daily life" (Beekun & Badawi, 2005, p.143). By way of example, a study carried out by Graafland, Mazereeuw, and Yahia (2006) in Holland with fifty Islamic entrepreneurs asked them about socially responsible organisational conduct and religious beliefs, and concluded that these people were highly committed to fulfilling legal obligations, showing consideration to their employees, ensuring customer satisfaction, and supporting social projects in the local community, as they believe that they should manage their organisation in an ethical and moral way indeed, the result of the study showed that they were encouraged to make such contributions by their religion (Graafland et al., 2006). In addition, although the level of their commitment to CSR is high, they did not want to publicise their CSR activities (Graafland et al., 2006). It can be seen that there are similarities between Islamic ethics and CSR concepts, which should be explored in more detail.

Applying Western-based conceptualisations of CSR to target Muslim consumers risks not activating salient emotional and psychological individual levers, and thus does not appreciate the socio-psychological dynamics which govern CSR for the Muslim consumer. The context of Saudi Arabia is used since Islamic values are deeply embedded within the socio-psychological of Saudi Arabia. The sample for the research was made up of thirty-four Saudi young people between the ages of eighteen and twenty-five, specifically twenty-one males and thirteen females. The average age of the sample is twenty-one; the sample includes a mix of students and employees. The respondents were recruited from two cities in the Kingdom of Saudi Arabia: Riyadh and Tabouk. Riyadh is the capital of Saudi Arabia and Tabouk is a major city which is located in the north.

#### 1.2 Context of the Research

The total population of Saudi Arabia is twenty-eight million; the median age of Saudis is twenty-five (Arab News, 2012). The youth segment (15-24 years) stands at around five million of the total population. Indeed, the population of Saudi Arabia is one of the youngest in the world with fifty-seven percent below the age of thirty (Arab News, 2012). The two holy places for Muslims are the Holy Mosque in Mecca and the Prophet Mosque in Madinah, both of which are located in Saudi Arabia. In addition, every year millions of Muslims travel to Mecca to take part in the biggest annual event of Islam which is "the Hajj" or the Pilgrimage (MOFA, 2013). "The Kingdom of Saudi Arabia is a sovereign Arab Islamic State. Its religion is Islam. Its constitution is Almighty God's Book, the Holy Qur'an, and the Sunna (Traditions) of the Prophet (PBUH)" (Embassy of Saudi Arabia, 2014, p. NA). Due to its custodianship of the Muslim holy places, Saudi Arabia is the leader of the Islamic world (Rice, 2004). In addition, it is an "extremely conservative country where the government and many of its citizens desire to preserve their religious values and ancient traditions" (Rice, 2004, p. 60).

The Saudi economy is the largest economy in the Middle East; however, more than ninety percent of Saudi Arabia's revenue is from its petroleum sector (Derhally, 2013). Prince Alwaleed bin Talal, Saudi billionaire investor, goes on to say:

"it's dangerous that our income is 92 percent dependent on oil revenue alone. If the price of oil was to decline to US\$78 a barrel there will be a gap in our budget and we will either have to borrow or tap our reserves. Saudi Arabia has 2.5 trillion Saudi Riyals in external reserves and unfortunately the return on this is 1 to 1.5 percent. We are still a nation that depends on the oil and this is wrong and dangerous" (Alwaleed bin Talal, cited in Derhally, 2013, p. NA).

In response to this, the Saudi Arabia government has started to diversify its investment to avoid having a gap in its yearly budget if the price of the oil were to decline. It has recently opened up markets in its attempt to reduce its reliance on petroleum sector by diversification (Nalband & Alamri, 2013). Saudi Arabia has a unique economic structure, primarily based on the principles of the Shariah or Islamic law. This study therefore aims to gain an

understanding of the perception of Muslim consumers, represented by consumers in Saudi Arabia, an Islamic country, of CSR and to examine the impact of different religious variables on that perception.

#### 1.3 Research Aim and Objectives

The purpose of this research is to investigate the concept of CSR from an Islamic perspective using Saudi Arabia as context. Saudi Arabia has been chosen as it is an exclusively Islamic country and Islamic values are deeply embedded within its culture as has been discussed in the previous section. Thus this study will examine the concept of CSR from Muslim consumers' perspectives by creating an understanding of the young Saudi consumers' perception of it. More specifically, the objectives are firstly to investigate whether the Islamic background of participants influences their views on CSR; secondly to understand Muslim consumers' views regarding socially responsible organisations; and finally to examine the impact of different religious variables on the perception of CSR.

#### 1.4 Research Questions

The research will address the following three questions:

- 1. What does CSR means to Muslim youth consumers in Saudi Arabia?
- 2. Is the concept of CSR from an Islamic perspective different from the Western concept?
- 3. How should organisations that target Saudi youth consumers apply CSR in their organisations?

#### 1.5 Research Significance

This study may contribute to both theoretical and practical perspectives:

#### 1.5.1 Theoretical Perspective:

Although CSR has been frequently investigated in academic literature (Fernandez, Junquera, & Ordiz, 2006; Holmes, 1976; Janggu et al., 2007; Quazi, 2003; Simerly, 2003; Siwar & Hossain, 2009), most of these investigations have been in relation to Western values as they have examined European and North American cultures. Hence, it is crucial to examine CSR in different religious and cultural contexts to fill this gap in the literature. This research aims

to address this gap in knowledge by investigating the concepts of CSR from the perspective of Muslim consumers within an Arab culture.

#### 1.5.2 Practical Perspective:

Many organisations in various countries around the world are currently examining their responsibilities to society (Silberhorn & Warren, 2007). However, the current values in CSR are informed by Western value systems (Siwar & Hossain, 2009). Nevertheless, Muslims make up a fifth of the world's population, and organisations that target them should understand their perceptions (Alserhan, 2011). This research will therefore explore the perception of Muslim consumers in order to explore the interrelationship between Islamic values and CSR values. In fact, applying the Islamic CSR model which will be developed as a result of this research may benefit various organisations with different origins and religions around the world.

#### 1.6 Structure of the Thesis

This thesis is divided into four main parts. In the first part, the citation analysis of the literature review will be discussed; then the narrative literature will be critically reviewed. The narrative literature review is divided into two main parts; the first part will discuss the CSR literature, while the second part will discuss the concept of CSR from an Islamic perspective. In addition, the literature will also discuss previous studies that focused on the perception of consumers in different countries around the world and will also consider previous studies in Saudi Arabia as this is the context of this study. The second part of this report includes the methodology which will explain the research philosophy and will state which paradigm will be used for this research. In addition, the research approach and strategy will be clarified and ethical considerations will be examined together while highlighting ethical issues that may arise when conducting the research. Suggestions will be made on how these issues could be resolved. In the third part, the findings from the collected data will be discussed in detail after identifying the main categories, themes and codes. Then, the discussion chapter will conceptualise the concept of CSR from an Islamic perspective by developing the research model and answering the research question. The final part contains the conclusion, recommendations and limitations of this study. This thesis will thus consist of seven chapters including this chapter; a summary of each chapter follows below:

**Chapter 2:** Citation analysis of the literature review. This chapter will review the literature by means of a citation analysis. The aim of this chapter is to identify the main themes in the field of CSR and to find the dominant authors and the leading articles which have been most cited.

Chapter 3: Narrative literature review. This chapter is divided into two main parts. The first part will focus on the literature on CSR. This part will first define the meaning of CSR and will then discuss the historical background of the concept. Next, it will highlight the main theories that underpin CSR practices and provide an overview of why organisations take the concept into consideration in their organisations. In addition, the literature review, which focused on consumer research and CSR, will be reviewed in this section. The second part is on Islam and CSR; this part will discuss the concept of CSR from an Islamic perspective and Islamic ethical guidelines as CSR in Islam is based on these guidelines. In addition, Islamic philanthropy will be discussed.

**Chapter 4:** Methodology. This chapter give details about the research methodology that has been adopted. It discusses the research philosophy, research paradigm, research approach, and research strategy. It also explains how the data has been collected and analysed, identifies the actual sample, highlights the validity and reliability, and discusses the research ethics.

**Chapter 5:** Findings. The main findings of the analysis of the interviews will be discussed in this chapter. The chapter also identifies and discusses each of the three main categories. In addition, each theme and code will be discussed

**Chapter 6:** Discussion. This chapter includes the main discussion of the findings and will answer the three research questions of the study. It will show the process used to modify Carroll's CSR pyramid based on the perception of the participants of the concept of CSR; a new CSR model will then be developed.

**Chapter 7:** Conclusion. This is the last chapter and will summarise the main findings of this research. It will also highlight the contribution of the study from a theoretical and managerial perspective and will discuss the implications of the study. The limitations of the study will then be highlighted and recommendations for further study in the future will be provided.

### 1.7 Summary

The first chapter of this work has discussed the background of the research. In addition, the research aim, objectives and research question have been identified. The second part of this chapter provided an overview of the research context and discussed the expected contribution of the study from theoretical and managerial perspectives. The structure of the thesis has been explained in the last section. In the next chapter, the citation analysis of the CSR literature review will be presented.

#### CHAPTER TWO: CITATION ANALYSIS OF THE LITERATURE

#### 2.1 Introduction

Issues relating to the field of Corporate Social Responsibility (CSR) in a number of countries around the world have been extensively covered both in the media and the literature during the last few decades (Idowu, 2011; Chen, 2011). Thus a citation analysis approach, which is "concerned with the number of citations that an article has gathered over time in other published research" (King, 1987 cited in Al-Abdin, Coombes, & Nicholson, 2012), has been used. The researcher first carried out the analysis in the area of CSR, then another similar analysis was carried out to consider the articles that discuss the concept of CSR from an Islamic perspective. This method has helped the researcher to identify the main themes in the field of CSR from the articles that have been included in the study. In addition, it also helps to reveal trends in the CSR literature. Both analyses will be discussed in the following sections.

#### 2.2 Citation Analysis of the Literature in the Field of CSR

The Web of Science, an online academic database, was used as the basic source of references that were to be analysed. This database website has been chosen as it provides access to many disciplinary research areas and multiple databases. There are many references discussing the topic of CSR, hence the researcher limited the result by searching for references that included any of the following terms in their titles, "CSR" or "Corporate Social Responsibility". In addition, results were also limited to the publication period between 1970 and 2014, and to "articles" only, so editorial material and book reviews were excluded. Two "Web of Science" categories, "Business" and "Management", were chosen to filter the results, and duplicate articles were excluded. The final result therefore was a total of 775 articles which had appeared and were used in the first citation analysis.

The articles have been divided into five categories based on the following periods: 1970-1980, 1981-1990, 1991-2000, 2001-2006, and 2007-2014. Figure 1 shows the number of published articles regarding CSR in each of these periods. According to this Figure, there has been a dramatic increase in publications in the field of CSR since 2001, with the number of

articles that were published between 2007 and 2014 being 598 which represents more than 75% of the total number of articles.

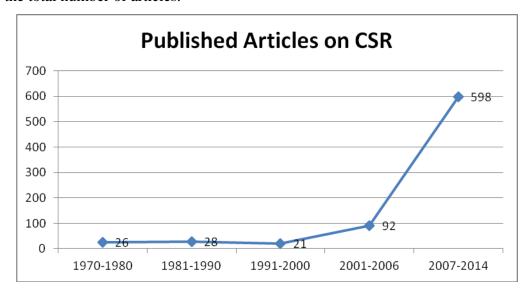


Figure 1 Total number of CSR published articles

Based on the analysed articles, some authors have written more than one article. These authors are listed on Table 1 below. Jamali has written the most articles, with 10 articles between 2007 and 2014, while Bhattacharya came second with 9 articles between 2001 and 2014, 3 articles between 2001 and 2006, and 6 articles between 2007 and 2014. Most authors wrote one article in the 70s and 80s except Carroll and David who have written two articles.

		No. of			No. of
Period	Author	Articles	Period	Author	Articles
1970-1980	Carroll	2		Jamali	10
1981-1990	David	2		Lindgreen	8
	Krausz	2		Perrini	7
1991-2000	Letang	2	2007-	Bhattacharya	6
	Pava	2	2014	Kolk	6
	Bhattacharya	3	2014	Maon	6
2001-2006	Husted	3		Sen	6
2001-2000	Maignani	3		Swaen	6
	Moon	3		Tencati	6

Table 1 Authors who have written more than one article

The obtained results were divided into four categories in order to characterise the results and break them down. The four categories are: Business Ethics and Corporate Governance, Management, Marketing, and Others. The first three categories were based on the Association of Business School's (ABS) journal ranking as this ranks journals and highlights the categories of many academic journals, while journals that are not listed in the ABS ranking in the mentioned categories were classified as "Others". Most articles (52%) were classified under the Business Ethics and Corporate Governance category, while 11% of articles were classified under the Management category, and 8% under the Marketing category as can been seen in the pie chart below (Figure 2).



Figure 2 Categories of Articles

After the articles had been classified into the four categories, articles in each category were analysed and classified into five parts based on their publication years. Table 2 shows the number of articles published in each period for each category while Figure 3 shows categories with the most articles in each period. According to this table, no articles were published on the Business Ethics and Corporate Governance or Marketing categories in the 1970's. On the other hand, 11 articles were published in Management journals. However, the number of published articles in Management journals dropped for two consecutive periods before it recovered in 2001.

	1970-1980	1981-1990	1991-2000	2001-2006	2007-2014	Total
Business Ethics						
and Corporate						
Governance	0	10	14	55	322	401
Management	11	9	2	10	48	80
Marketing	0	2	2	14	45	63
Other	15	7	3	13	183	221
Total	26	28	21	92	598	765

Table 2 Total Number of Articles Published in each Category

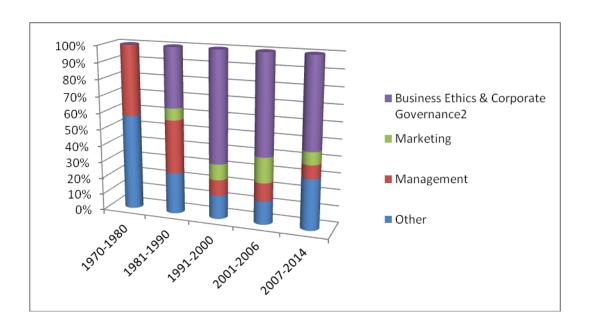


Figure 3 Category Percentages

A list of journals has been developed for the three main categories to demonstrate the rank of journal categories based on the ABS and the total number of published articles. Table 3 demonstrates the first category which is Business Ethics and Corporate Governance. A total number of 401 articles were published in the listed journals between 1970 and 2014. According to the ABS, the highest ranking journals in this category are 3-star journals. About 80% of articles in this category are published in the highest ranking journals as can be seen in Table 3.

Business Ethics and Corporate Governance				
	Rank (by no.	No. of		
Journal Name	of stars)	Articles		
JOURNAL OF BUSINESS ETHICS	3	307		
BUSINESS AND SOCIETY	3	9		
BUSINESS ETHICS QUARTERLY	3	5		
BUSINESS ETHICS - A EUROPEAN REVIEW	2	27		
CORPORATE SOCIAL AND ENVIROMENTAL				
MANAGEMENT	1	39		
CORPORATE GOVERNANCE: AN				
INTERNATIONAL REVIEW	1	14		
	Total	401		

Table 3 Journals List for the First Category

The second category is Management. The journal list for this category can be seen in Table 4. According to this table, 80 articles have been published in Management journals. Almost 60% of these articles are published in the highest ranking journals as 21 articles were published in 4-star journals while 27 were in 3-star journals.

Management			
Journal Name	Rank (by no. of stars)	No. of Articles	
JOURNAL OF MANAGEMENT STUDIES	4	7	
ACADEMY OF MANAGEMENT JOURNAL	4	5	
ACADEMY OF MANAGEMENT REVIEW	4	5	
BRITISH JOURNAL OF MANAGEMENT	4	2	
JOURNAL OF MANAGEMENT	4	2	
CALIFORNIA MANAGEMENT REVIEW	3	18	
JOURNAL OF BUSINESS RESEARCH	3	6	
JOURNAL OF MANAGEMENT REVIEWS	3	2	
MIT SLOAN MANAGEMENT REVIEW	3	1	
SCANDINAVIAN JOURNAL OF MANAGEMENT	2	5	
AUSTRALIAN JOURNAL OF MANAGEMENT	2	4	
MANAGEMENT DECISION	1	10	
BALTIC JOURNAL OF MANAGEMENT	1	6	
BUSINESS HORIZONS	1	4	
EUROPEAN MANAGEMENT JOURNAL	1	3	
	Total	80	

Table 4 Journals list for the second category

Table 5 shows a list of journals for the third category which was Marketing. A total of 63 articles have been published in Marketing journals, and 28 articles have been published in the high ranking journals with 3 or 4 stars. So, 44.4% of the articles in this category have been published in journals with high rankings comparing with 60% for Management and 80% for Business Ethics and Corporate Governance.

Marketing				
Journal Name	Rank (by no. of stars)	No. of Articles		
JOURNAL OF THE ACADEMY OF MARKETING	Build)			
SCIENCE	4	4		
JOURNAL OF MARKETING	4	3		
JOURNAL OF MARKETING RESEARCH	4	1		
JOURNAL OF CONSUMER RESEARCH	4	1		
JOURNAL OF ADVERTISING	3	4		
INTERNATIONAL JOURNAL OF RESEARCH IN				
MARKETING	3	3		
EUROPEAN JOURNAL OF MARKETING	3	3		
INTERNATIONAL MARKETING REVIEW	3	2		
JOURNAL OF INTERNATIONAL MARKETING	3	2		
JOURNAL OF SERVICES MARKETING	3	3		
INDUSTRIAL MARKETING MANAGEMENT	3	1		
MARKETING LETTERS	3	1		
PUBLIC RELATIONS REVIEW	2	26		
ADVANCES IN CONSUMER RESEARCH	2	3		
JOURNAL OF CONSUMER AFFAIRS	2	2		
INTERNATIONAL JOURNAL OF ADVERTISING	2	1		
MARKETING THEORY	2	1		
INTERNATIONAL JOURNAL OF CONSUMER				
STUDIES	1	2		
	Total	63		

Table 5 Journals list for the third category

According to the above tables, a total of 544 articles have been published in Business Ethics and Corporate Governance, Management, and Marketing journals. These are 4-, 3-, 2-, and 1-stars journal based on the ABS ranking. A pie chart has been developed to illustrate the percentage of articles publish in ranked journals in the three main categories (Figure 4).

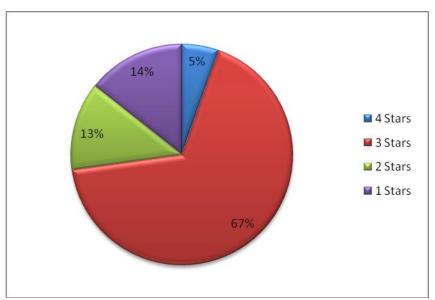


Figure 4 Percentage of Published Articles in Ranked Journals

A citation value (CV) can be defined as "a ratio of individual citations to the total citations" (Backhaus, 2011, p. 40). Based on this, a CV was formulated and all the 775 articles were analysed and divided into five parts based on their publication period. Thus a table was developed for each period category to show the top ten most influential authors in that period based on the CV score. Table 6 shows the most cited authors based on their CV for two periods, 1970 to 1980 and 1981 to 1990. Table 7 shows the most cited authors based on the CV for two periods, 1991 to 2000 and 2001 to 2006, and Table 8 shows the most cited authors based on the CV for the period, 2007 to 2014.

	1970-1980			1981-1990			
Rank	Author(s)	CV	Rank	Author(s)	CV		
	Abbott & Monsen			Mcguire, Sundgren, &			
1	(1979)	30.0%	1	Schneeweis (1988)	30.2%		
	Bowman & Haire			Aupperle, Carroll, & Hatfield			
2	(1975)	22.8%	2	(1985)	24.7%		
3	Jones (1980)	16.9%	3	Cochran & Wood (1984)	15.6%		
4	Holmes (1976)	7.7%	4	Epstein (1987)	5.5%		
5	Grunig (1979)	6.5%	5	Jones (1980)	5.4%		
6	Ostlund (1977)	5.3%	6	Drucker (1984)	4.4%		
7	Walters (1977)	2.1%	7	Spencer & Taylor (1987)	3.0%		
8	Shanklin (1976)	1.5%	8	Zahra & Latour (1987)	2.7%		
9	Gavin (1975)	1.2%	9	Boal & Peery (1985)	2.2%		
	Churchill & Toan						
10	(1978)	1.2%	10	Davidson & Worrell (1990)	1.8%		

Table 6 Dominant Authors in the Field of CSR, 1970 to 1980 and 1981 to 199

	1991-2000		2001-2006		
Rank	Author(s)	CV	Rank	Author(s)	CV
	McWilliams &				
1	Siegel (2000)	29.6%	1	McWilliams & Siegel (2001)	10.7%
	Burke & Logsdon				
2	(1996)	12.9%	2	Sen & Bhattacharya (2001)	8.1%
	Pava & Krausz				
3	(1997)	1.5%	3	Maignan & Ralston (2002)	3.8%
	Esrock & Leichty				
4	(1998)	9.6%	4	Luo & Bhattacharya (2006)	3.3%
5	Arlow (1991)	6.7%	5	Mohr, Webb, & Harris (2001)	3.2%
	Quazi & O'Brien				
6	(2000)	5.0%	6	Maignan & Ferrell (2004)	2.9%
	Murray & Vogel			Lichtenstein, Drumwright, &	
7	(1997)	4.9%	7	Braig (2004)	2.9%
8	Clark (2000)	3.2%	8	Baron (2001)	2.8%
	Pinkston & Carroll				
9	(1996)	2.8%	9	Van-Marrewijk (2003)	2.6%
10	Ambarao (1993)	2.4%	10	Smith (2003)	2.5%

Table 7 Dominant Authors in the Field of CSR, 1991 to 2000 and 2001 to 2006

	2007-2014				
Rank	Author(s)	CV			
1	Campbell (2007)	5.1%			
	Aguilera, Rupp, Williams, &				
2	Ganapathi (2007)	4.6%			
3	Barnett (2007)	3.1%			
	Mackey, Mackey, & Barney				
4	(2007)	2.1%			
5	Dahlsrud (2008)	2.0%			
6	Jamali & Mirshak (2007)	1.6%			
7	Chatterji, Levine, & Toffel (2009)	1.4%			
8	Du, Bhattacharya, & Sen (2007)	1.3%			
9	Godfrey & Hatch (2007)	1.3%			
10	Perrini, Russo, & Tencati (2007)	1.3%			

Table 8 Dominant Authors in the Field of CSR, 2007 to 2012

All articles were categorised into five categories based on their publication year. The five categories are 1970-1980, 1981-1990, 1991-2000, 2001-2006, and 2007-2014. Then the researcher read the articles from each period and identified the main themes of the period. The themes were based on the main subject discussed; for example most articles that were published between 1970 and 1980 discussed managers' perceptions and attitudes toward CSR; this was the dominant theme in this period. Table 9 shows the dominant themes of each period. There was more than one theme for some categories. For example, there were two main themes for articles published between 1991 and 2000. According to this table, at the beginning of 1980s authors were interested in the relationship between CSR and financial performance. The subject of CSR and ethics was one of the main themes for articles that were published between 1991 and 2000. Many themes were identified for articles published between 2001 and 2006. Since 2001 many researchers have taken consumers into consideration by investigating their perceptions of and reactions to the concept of CSR and its impact on consumer behaviour. During the last 5 years, new themes such as CSR and sustainability and CSR and corporate governance have emerged.

Period	Main Theme(s)	Themes No.		
1970-1980	Examining the attitudes and perceptions of managers toward CSR	1		
1981-1990	CSR and financial performance			
1991-2000	CSR and public relations	3		
	CSR and ethics	4		
2001-2006	2001-2006 CSR and ethics			
	CSR and financial performance	6		
	Consumer perceptions of and reactions to CSR  The impact of CSR on buying behaviour and consumer behaviour	7		
2007-2014	The relationship between CSR and corporate reputation	8		
	CSR and sustainability	9		
	Corporate governance and CSR	10		
	Managers' perceptions of CSR	11		
	The role of stakeholders in shaping managerial perceptions of CSR	12		
	The impact of CSR on consumer trust			
	Consumers' perception of CSR	13		
	Consumers' responses and reactions to CSR			

Table 9 Major Themes for Articles Published between 1970 and 2012

Each theme in Table 9 was analysed individually and articles that discussed them highlighted. The main theme for articles published between 1970 and 1980 was the attitudes and perceptions of managers regarding CSR. There were three articles that discussed this subject, all of which were published in journals that are classified as belonging to the Management (MGT) category as can be seen in Table 10.

Category	Context	Author (s)	Journal	CV
	Managers' attitudes to CSR	Ostlund (1977)	California Management Review	40.00
MGT	Junior managers' attitudes to CSR	Lowes & Luffman (1977)	Management Decision	2.22
	Executives' perceptions of CSR	Holmes (1976)	Business Horizons	57.78

Table 10 Articles Representing Theme Number 1

A total number of 5 articles represent the dominant theme for articles published between 1981 and 1990 which is CSR and Financial Performance as can be seen in Table 11. Only one articles was categorised as belonging the Business Ethic and Corporate Governance (BE and CG) category, while the others are classified as belonging to the Management category.

Cat.	Context	Author(s)	Journal	CV
	The relationship between CSR and firm's financial performance	McGuire (1988)	Academy of Management	42.36
¥	The relationship between CSR and profitability	Aupperle (1985)	Academy of Management	34.72
MGT	CSR and financial performance	Cochran & Wood (1984)	Academy of Management	21.85
	Government role in auditing CSR	Spitzer (1981)	Public Relations Review	0.27
BE and CG	Evaluating CSR by analysing organisational performance	Moser (1986)	J. of Business Ethics	0.80

Table 11 Articles Representing Theme Number 2

There are two key themes for articles published between 1991 and 2000. The first theme is CSR and Public Relations, while the second is CSR and Ethics. According to Table 12 there were 2 articles for the first theme and three articles for the second. Most articles were published in the Journal of Business Ethics.

Theme	Cat.	Context	Author(s)	Journal	CV
	]	The differences between PR and		Public	
	MKT	CSR	Clark (2000)	Relations	20.00
PR	Γ	CSK		Review	
	BE C	The relationship between PR and	Letang	J. of Business	12.57
	E and CG	CSR	(1994)	Ethics	13.57
		CSR, ethics and Third World	Ambarao	J. of Business	
		CSK, ethics and Third World	Ambarao	J. 01 Busiliess	15.00
Ethic	Н н	governments	(1993)	Ethics	
Line	3E aı	College students' perceptions of	Arlow (1991)	J. of Business	42.14
	BE and CG	business ethics and CSR	A110w (1991)	Ethics	42.14
	G	Ethical CSR – a framework for	Letang	J. of Business	9.29
		managers	(1995)	Ethics	9.29

Table 12 Articles Representing Themes Numbers 3 and 4

A total of 92 articles were published between 2001 and 2006; 3 dominant themes were identified for this period. The first theme is CSR and Business Ethics; 4 articles discussed this subject, all of which have been classified in the Business Ethics and Corporate Governance category, and are published in the Journal of Business Ethics as can be seen in Table 13. However, this is not a new theme as this theme was identified for the previous period (1991 to 2000). This indicates that the interest in this subject continued.

Cat.	Context	Author	Journal	CV
	CSR and the discourse of the organisational self	Driver (2006)	J. of Business Ethics	8.18
BE and	Ethical CSR - Considering the paradigm of industrial metabolism	Korhonen (2003)	J. of Business Ethics	10.00
nd CG	Study of values, business ethics and CSR	Joyner & Payne (2002)	J. of Business Ethics	62.73
	The ethics of corporate social responsibility and philanthropic ventures	Wulfson (2001)	J. of Business Ethics	19.09

Table 13 Articles Representing Theme Number 5

The second theme is CSR and Financial Performance. Four articles discuss this subject as can be seen in Table 14. Three articles are categorised in the Business Ethics and Corporate Governance category, while one article is in the Management category. This theme was also

significant in the 1980s when researchers started to examine the relationship between CSR and profitability.

Cat.	Context	Author (s)	Journal	CV
	Finance as a driver of CSR	Scholtens (2006)	J. of Business Ethics	24.05
BE and CG	Linking financial performance of a socially responsible investment with CSR	Mill (2006)	J. of Business Ethics	17.72
,	CSR and long-term compensation	Mahoney & Thorne (2005)	J. of Business Ethics	27.85
MGT	Using CSR as insurance for financial performance	Peloza (2006)	California Management Review	30.38

Table 14 Articles Representing Theme Number 6

The third theme is Consumer Perceptions and Reactions Regarding CSR, and the Impact of CSR on Buying Behaviour and Consumer Behaviour. This is the main theme for this period as 12 articles discussed this subject as can be seen in Table 15. Furthermore, this area is related to marketing as most of the articles that discussed this subject were published in marketing journals. Based on the themes that were identified by this analysis, researchers examined the attitudes and perceptions of managers regarding CSR in the 1970s, as this was the leading theme for that period. However, at the beginning of the twentieth first century researchers in the field of CSR changed the focus to research on consumers, examining the perceptions and attitudes of consumers regarding the concept of CSR.

Cat.	Context	Author (s)	Journal	CV
	CSR, customer satisfaction, and market value	Luo & Bhattacharya (2006)	J. of Marketing	12.80
	The impact of perceived CSR on consumer behaviour	Becker-Olsen et al. (2006)	J. of Business Research	7.90
	The effects of CSR and price on consumer responses	Mohr & Webb (2005)	J. of Consumer Affairs	5.80
	The effect of CSR on customer donations	Lichtenstein et al. (2004)	J. of Marketing	11.40
MKT	Consumers' attributions to socially responsible brands	Klein & Dawar (2004)	International Journal of Research in Marketing	8.30
	CSR from consumer perspective	Klein (2004)	Advances in Consumer Research	0.00
	Consumer evaluation of community attachment CSR	Handelman & Bello (2004)	Advances in Consumer Research	0.10
	The impact of CSR on buying behaviour	Mohr et al. (2001)	J. of Consumer Affairs	12.70
	Consumer reactions to CSR	Sen & Bhattacharya (2001)	J. of Marketing Research	31.70
BE and	Influence of CSR on loyalty and valuation of services	Salmones et al. (2005)	J. of Business Ethics	1.70
and CG	Consumers' perceptions of CSR	Maignan (2001)	J. of Business Ethics	7.40
	Students' perception of CSR	Elias (2004)	J. of Business Ethics	0.20

Table 15 Articles Representing Theme Number 7

A total number of 598 articles were published between 2007 and 2014, which represents more than 75% of the total number of articles published, with 6 main themes being identified for this period. The first theme is the relationship between CSR and Corporate Reputation. A list of articles that discussed this subject is highlighted in Table 16. These articles have been published in all three categories that have been identified: Business Ethics and Corporate

Governance, Management, and Marketing. Within this theme authors studied the impact of CSR on corporate reputation and examined the effect of CSR on brand performance.

Cat.	Context	Author (s)	Journal	CV
	The advertising effects of CSR on corporate reputation and brand equity	Hsu (2012)	J. of Business Ethics	0.00
BE ¿	Corporate reputation and CSR	Melo & Garrido- Morgado (2012)	CSR and Environmental Management	3.80
and CG	Positive impact of CSR on corporate reputation	Lii & Lee (2012)	J. of Business Ethics	3.80
	The impact of board diversity and gender composition on CSR and firm reputation	Bear et al. (2010)	J. of Business Ethics	15.33
	The effects of CSR on brand performance	Lai et al. (2010)	J. of Business Ethics	7.64
	Reputation Effects between CSR and Corporate Political Activity	Den-Hond et al. (2014)	Journal of Management Studies	0.30
MGT	Customer satisfaction and its effect on corporate reputation and financial performance	Galbreath & Shum (2012)	Australian Journal of Management	0.00
GT	Reputation and CSR aberrations, trends, and hypocrisy	Janney & Gove (2011)	Management Studies	0.00
	CSR as reputation insurance	Minor & Morgan (2011)	California Management Review	0.00
MKT	The role of institutional and reputational factors in the voluntary adoption of CSR	Nikolaeva & Bicho (2011)	Academy of Marketing Science	7.65
	Corporate insider perspectives on reputation and the bottom line	Duhe (2009)	Public Relation Review	11.51

Table 16 Articles Representing Theme Number 8

The second theme is CSR and Sustainability. Table 17 lists the articles that discussed this subject. All articles are listed in the Business Ethics and Corporate Governance category except one article which is in the Management category. Sustainability is a new area of research, especially in the field of CSR as most articles on this theme have been published during the last five years. Many authors have linked CSR with sustainability and examined whether CSR can support organisations' sustainability strategies.

Cat.	Context	Author (s)	Journal	CV
	CSR and environmental sustainability	Orlitzky et al. (2011)	Business and Society	12.73
	CSR, sustainability and the meaning of global reporting	Perez-Batres et al. (2010)	J. of Business Ethics	3.64
BE	The potential of CSR to support the implementation of the EU sustainability strategy	Moon et al. (2009)	Business Ethics: a European Review	0.00
and CG	Sustainability-driven implementation of CSR	Kleine & Hauff (2009)	J. of Business Ethics	7.27
	CSR and environmental sustainability	Edoho (2008)	CSR and Environmental Management	9.09
	Ethics, CSR, and sustainability education in the Financial Times top 50 global business schools	Christensen et al. (2007)	J. of Business Ethics	52.73
MGT	Sustainability reporting and CSR	Steurer & Konrad (2009)	Scandinavian Journal of Management	14.55

Table 17 Articles Representing Theme Number 9

The third theme is Corporate Governance and CSR. A list of articles that discussed this subject is given in Table 18. Jo and Harjoto are the leading authors in this theme as they have written three articles, and have published them in the Journal of Business Ethics. However, the article that was written by Jamali et al. scored the highest citation value with 51.11%. This theme is new in the field of CSR as most articles on this theme were published in the last three years as can be seen in the table below.

Cat.	Context	Author (s)	Journal	CV
	The causal effect of corporate governance on CSR	Jo & Harjoto (2012)	J. of Business Ethics	0.00
	Corporate governance and firm value	Jo & Harjoto (2011)	J. of Business Ethics	8.89
	Corporate governance and CSR nexus	Harjoto & Jo (2011)	J. of Business Ethics	13.33
BE a	Corporate governance and CSR	Arora & Dharwadkar (2011)	Corporate Governance: an International Review	6.67
and CG	The integration of corporate governance in corporate social responsibility disclosures	Kolk & Pinkse (2010)	CSR and Environmental Management	8.89
	Sensemaking of social issues in management by authorities and CEOs	Fassin & Van-Rossem (2009)	Corporate Governance: an International Review	8.89
	Corporate governance and CSR synergies and interrelationships	Jamali et al. (2008)	Corporate Governance: an International Review	51.11
MGT	CSR, corporate governance, and financial performance	Neal & Cochran (2008)	Business Horizons	2.22

Table 18 Articles Representing Theme Number 10

The fourth theme is managers' perceptions of CSR. Table 19 highlights articles that discussed this topic. All articles are categorised in the Business Ethics and Corporate Governance category and were published in the Journal of Business Ethics. During the 1970s the dominant theme was to examine the attitudes and perceptions of managers regarding CSR. Then, this theme has been developed and currently has become a major theme. This theme includes examining how managers understand their business responsibilities towards society, the importance of top managers for CSR practices, and managers' perceptions regarding the impact of CSR on organisational performance and companies' success.

Cat.	Context	Author (s)	Journal	CV
	The important of CEOs in CSR practices	Godos-Diez (2011)	J. of Business Ethics	0.00
	Managers understanding of businesses' responsibility towards the society	Pedersen (2010)	J. of Business Ethics	4.55
BE and	Management perceptions of the impact of CSR on organisational performance	Rettab (2009)	J. of Business Ethics	36.36
CG	The perceptions of CSR held by different managerial groups	Hine & Preuss (2009)	J. of Business Ethics	18.18
	Managerial CSR perspectives	Jamali et al. (2009)	J. of Business Ethics	13.64
	Managers' perceptions of corporate ethics and social responsibility	Cacioppe et al. (2008)	J. of Business Ethics	27.27

Table 19 Articles Representing Theme Number 11

The fifth theme is the impact of shareholder and stakeholder on CSR. Articles have been categorised in the three categories: Business Ethics and Corporate Governance, Management, and Marketing as can be seen in Table 20. Different authors have written these articles. Shareholders can play a major role in CSR, and this theme includes different areas of research on the same theme. In addition, this theme includes the impact of CSR on shareholder wealth, how CSR can strength stakeholder-company relationships, and examining a stakeholder approach to CSR.

Cat.	Title of Articles	Author (s)	Journal	CV
	Techniques of Stakeholder Management and Political CSR	Fooks et al. (2013)	J. of Business Ethics	3.42
	Stakeholder perspectives on CSR	Yakovleva & Vazquez-Brust (2012)	J. of Business Ethics	0.00
	CSR and shareholder wealth	Clacher & Hagendorff (2012)	J. of Business Ethics	0.00
	How CSR information influences stakeholders' intentions	Alniacik (2011)	CSR and Environmental Management	0.43
B	CSR as a conflict between shareholders	Barnea & Rubin (2010)	J. of Business Ethics	6.41
BE and CG	Stakeholders' perceptions of CSR	Tsoi (2010)	J. of Business Ethics	0.85
1 CG	CSR and the priority of shareholders	Hsieh (2009)	J. of Business Ethics	0.00
	Strengthening stakeholder-company relationships through CSR	Bhattacharya (2009)	J. of Business Ethics	12.25
	Workers' participation in CSR	Yu (2009)	J. of Business Ethics	0.85
	Stakeholder engagement and CSR	Prado-Lorenzo (2009)	CSR and Environmental Management	4.70
	Models and theories in stakeholder dialogue and CSR	O'Riordan & Fairbrass (2008)	J. of Business Ethics	5.98
	A stakeholder approach to CSR	Jamali (2008)	J. of Business Ethics	14.10
MGT	Stakeholder influence on capacity and the variability of financial returns to CSR	Barnett (2007)	Academy of Management Review	42.31
MKT	Generating global brand equity through corporate social responsibility to key stakeholders	Torres (2012)	Journal of Research in Marketing	0.00

Table 20 Articles Representing Theme Number 12

The sixth theme includes the impact of CSR on Consumer Trust, Consumers' Perception of CSR, and Consumers' Responses and Reactions to CSR. A list of articles that represent this theme can be seen in Table 21 below. Articles are categorised under the Business Ethics and Corporate Governance, and Marketing category. This is the major theme for articles published between 2007- 2014 when it has the highest number of articles. This theme is relating to consumer research and was also the dominant theme for the previous period. This indicates that currently there is a trend in the CSR field to seek to understand and explore the

concept of CSR from the consumers' perspectives. This theme is the dominant one and is a major theme as many articles have discussed it in the last 10 years.

Cat.	Context	Author (s)	Journal	CV
	The role of CSR in consumption decisions	Oeberseder et al. (2011)	J. of Business Ethics	0.00
	The influence of CSR and price fairness on customer behaviour	Matute-Vallejo et al. (2011)	CSR & Environmental Management	0.00
	Purchase intention during product- harm crises	Lin et al. (2011)	J. of Business Ethics	0.75
	Consumer perceptions consequences of CSR	Stanaland et al. (2011)	J. of Business Ethics	1.40
	Consumer responses to CSR	Tian et al. (2011)	J. of Business Ethics	0.75
	Longitudinal effects of CSR on customer relationships	Lacey & Kennett- Hensel (2010)	J. of Business Ethics	0.00
BE	Consumer reactions to CSR	Carvalho et al. (2010)	J. of Business Ethics	0.75
	Consumers' perception of CSR	Ramasamy & Yeung (2009)	J. of Business Ethics	6.20
	Assessing the prerequisite of successful CSR implementation	Pomering & Dolnicar (2009)	J. of Business Ethics	9.33
	CSR and consumer trust	Castaldo et al. (2009)	J. of Business Ethics	11.64
	The effects of CSR on consumer behaviour	Marin et al. (2009)	J. of Business Ethics	15.60
	CSR and product perceptions in consumer markets	Singh et al. (2008)	J. of Business Ethics	7.98
	CSR and consumer trust	Pivato et al. (2008)	Business Ethics: a European Review	11.69
	CSR performance on customer- based brand preference	Liu et al. (2014)	J. of Services Marketing	0.00
	The impact of CSR on customer trust	Choi & La (2013)	J. of Services Marketing	0.07
	CSR and consumers' behavioural intentions	Kolkailah et al. (2012)	International Journal of Consumer Studies	0.00
	The influence of CSR on purchasing behaviour	Marquina & Morales (2012)	International Marketing Review	0.00
M	Customer loyalty and CSR	Mandhachitara & Poolthong (2011)	J. of Service Marketing	0.76
K	Consumers' responses to CSR	Lee & Shin (2010)	PR Review	2.31
T	Consumer reactions to CSR initiatives	Russell & Russell (2010)	Marketing Letters	3.87
	Consumers' perception of CSR	Arli & Lasmono (2010)	International Journal of Consumer Studies	3.10
	Consumers' responses to CSR activities	Wigley (2008)	PR Review	5.44
	The role of brand-cause fit in cause- related marketing	Nan & Heo (2007)	J. of Advertising	17.94

Table 21 Articles Representing Theme Number 13

#### 2.2.1 Summary of Citation Analysis of the Literature in the Field of CSR

Many articles in the field of CSR have been published in the last three decades. Nevertheless, based on the number of published articles, there has been a dramatic increase in interest in this topic during the last 10 years. According to the analysed articles, the least number of articles have been published in marketing journals; this could indicate there is a gap for researchers to publish articles on CSR in the field of marketing as there is interest in the subject as only a few articles on CSR been published in marketing journals compared to the number published in management journals. The researcher has identified the dominant themes for each of the five periods that were named at the beginning. Thirteen themes emerged that cover all the articles that were published between 1970 and 2014. It is noteworthy that the themes have changed over time and that recently the focus has been on research regarding consumers. Thus it can be seen that recently authors are considering the importance of understanding the concept of CSR from the consumers' perspective.

The above analysis demonstrates the main themes of CSR in the literature for the last 34 years and highlights the dominant authors and journals. However, in this analysis, the researcher limits the results to the articles that include "Corporate Social Responsibility" or "CSR" in their titles, and uses only one source, "The Web of Science", as the basic source of references. Therefore, one of the limitations of this analysis is that not all articles that have been published in the field of CSR have been covered, as all articles have been taken from only one source. However, even though only one source was used, a total of 775 articles were included in the study. The number of published articles in the field of CSR is huge; the citation analysis approach was used to explore this field systematically. The analysis helped the research to identify the main subjects (themes) that were discussed in articles published between 1970 and 2014 which were summarised in Table 9. In addition, it developed the knowledge of the researcher as it provided an insight into and details of this field. This analysis could be considered the basis of this study and of any other study in the future. A further citation analysis was needed to explore articles that focus on CSR from an Islamic perspective, the focus of this thesis, in order to explore the themes of these articles. The second analysis will be presented in the next section.

# 2.3 Citation Analysis of the Literature in the Field of CSR from an Islamic Perspective

As explained, the previous analysis needed to be extended to support the current research topic by investigating the specific area of CSR and Islam. Consequently, another citation analysis had to be carried out to highlight articles that focus on and discuss the concept of CSR from an Islamic perspective and then linked with the previous analysis. Therefore, a similar citation analysis was carried out to identify articles that consider the concept of CSR from an Islamic perspective.

The researcher used the Web of Science and other online databases such as Emerald, Social Science Research Network (SSRN), JSTORE, and Google Scholar. The research has been limited to articles only. A total number of 49 articles were identified and were analysed. Figure 5 shows the number of published articles on CSR and Islam. Based on this figure, the first article that discussed CSR in Islam was published in 2001. In addition, the figure shows that there has been an increase in interest in this subject as there was only one article published between 2001 and 2004, and then the number of published articles increased to 11 for the period between 2005 and 2008. During the last four years the number of articles has increased to 37.

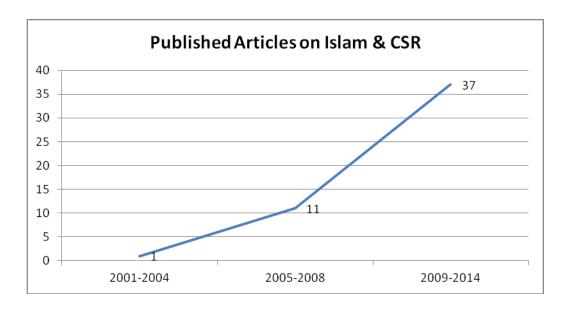


Figure 5 Total Number of Published Articles in the Field of CSR and Islam

According to Figure 6, only 2% of all the articles were published between 2001 and 2004, while 22% were published between 2005 and 2008, and 76% were published between 2009

and 2014. This indicates that recently there has been an increased interest in this area of research, as most articles were published between 2009 and 2014.

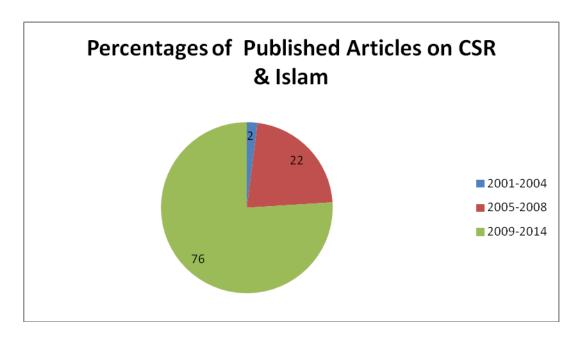


Figure 6 Percentages of Published Articles on CSR and Islam

Based on the analysis of the articles, it becomes apparent that some authors have written more than one article. These authors are listed in Table 22. Farook is the dominant author in this field as he has written 4 articles, while each of the following authors has written 3: Williams, Zinkin, and Dusuki.

Authors	No. of Articles
Farook	4
Williams	3
Zinkin	3
Dusuki	3
Aribi	2
Gao	2
Lanis	2
Abul-	2
Hassan	2
Jamali	2
Nalband	2

Table 22 Authors who have written more than one article on CSR and Islam

All articles in this field have been analysed and the citation value (CV) for each article has been calculated. The most cited authors with the highest CVs are listed in Table 23.

According to the table below, Brammer, Williams and Zinkin (2007) and Saeed et al. (2001) had the highest CVs as they scored 26.09 and 23.08 respectively. This indicates that these two are the most cited authors in the field of Islam and CSR and that there is a significant difference between their CVs and the CVs of the other authors. Brammer et al. (2007) discussed the correlation between individual attitudes and religious denomination in relation to CSR; the sample was massive and covered different religions including Islam, while Saeed et al. (2001) wrote the first article on this field which was published in 2001. The subject for Saeed et al.'s (2001) article is "International Marketing Ethics from an Islamic Perspective"; in their article they discussed the concept of CSR. There is no significant difference between the CVs of the other listed authors.

Rank	Author(s)	CV	Rank	Author(s)	CV
1	Brammer, Williams, & Zinkin (2007)	26.09	7	Sairally (2007)	4.68
2	Saeed, Ahmed, & Mukhtar (2001)	23.08	8	Dusuki & Dar (2007)	3.34
3	Dusuki (2008)	5.35	9	Siwar & Hossain (2009)	2.68
4	Dusuki & Abdullah (2007)	5.02	10	Farook, Hassan, & Lanis (2011)	2.34
5	Farook & Lanis (2007)	4.68	11	Rizk (2008)	2.34
6	Williams & Zinkin (2010)	4.68	12	Ullah & Jamali (2010)	2.34

Table 23 The most cited authors in the field of CSR and Islam

All the articles have been analysed in order to identify major themes on this area of research; Table 24 shows these themes. The most significant theme seems to be CSR of Islamic financial institutions as most researchers have focused on this subject. Some authors such as Farook and Hassan have written articles on different themes. Nevertheless, some authors are dominant in specific subjects in the field as they have written the greatest number of articles on those topics.

Theme	Authors	Themes No.
CSR disclosure	Aribi & Gao, 2010 & 2011; Farook & Lanis, 2007; Farook, Hassan, & Lanis 2011; Hassan & Harshap, 2010; Hassan et al., 2012; Pratten & Mashat, 2009; Yusoff, Mohamad & Darus 2013.	1
CSR of Islamic financial institutions	Farook 2007 & 2008; Hassan & Abdul-Latiff, 2009; Ullah & Jamali, 2010; Nor, 2012; Sairally, 2007; Basah & Yusuf 2013; Musibah & Alfa 2013; Mamunur et al 2013; Mallin, Farag, & Ow-Yong 2014.	2
Islamic business ethics and CSR	Elmelki & Ben-Arab, 2009; Rizk, 2008; Saeed, Ahmed & Mukhtar, 2001; Ismaeel & Blaim, 2012.	3
CSR from an Islamic perspective	Dusuki, 2008; Williams & Zinkin 2010; Khan & Karim 2010; Darrag & E-Bassiouny 2013; Koku & Savas 2014; Khurshid et al. 2014.	4

Table 24 Major Themes in Articles Discussing CSR and Islam

There are four themes that have been identified in this analysis; each theme will be analysed individually. The first theme is "Corporate Social Responsibility Disclosure"; all articles that can be listed under this theme can be seen in Table 25. This is the major theme as seven articles discussed this topic. Aribi, Gao, Farook, Lanis, and Hassan are the dominant authors in this area as each have written or co-authored more than one article on it. In addition, all articles in this field have focused on Islamic banks.

Context	Author(s)	Journal	CV
	Yusoff, Mohamad & Darus 2013	Procedia Economics & Finance	6.06
CSR disclosure in Islamic banks	Hassan & Harahap (2010)	International Journal of Islamic and Middle Eastern Finance and Management	12.12
	Farook & Lanis (2007)	Advances in Islamic Economics and Finance	42.42
	Farook, Hassan, & Lanis (2011)	Journal of Islamic Accounting and Business Research	21.21
A comparison in terms of CSR disclosure between Islamic and conventional financial institutions	Hassan et al. (2012)	International Journal of Learning and Development	0
Corporate social disclosure in Libya	Pratten & Mashat (2009)	Social Responsibility Journal	15.15
Narrative disclosure of CSR in Islamic financial institutions	Aribi & Gao (2011)	Managerial Auditing Journal	0
CSR disclosure in Islamic financial institutions	Aribi & Gao (2010)	Journal of Financial Reporting and Accounting	3.03

Table 25 Articles Representing Theme Number 1 in CSR and Islam

The second theme is "Corporate Social Responsibility of Islamic Financial Institutions". All articles that focus on this theme are listed in Table 26. Farook is the dominant author in this area as he is the only author who has written two articles as can be seen below. However, the most cited article in this theme is written by Sairally (2007).

Context	Author(s)	Journal	CV
CSR and financial performance	Mallin, Farag, & Ow-Yong 2014	Journal of Economic Behavior & Organization	9.09
CSR in Islamic Bank	Basah & Yusuf 2013	European Journal of Business and Management	6.82
Impact of Intellectual Capital on CSR	Musibah & Alfa 2013	International Journal of Finance and Accounting	2.27
A framework for Islamic banks on ethical efficiency	Mamunur et al 2013	Management Research Review	4.55
Integrating morals in a dynamic model of CSR	Nor (2012)	Asian and African Area Studies	0.00
Institutional investors and CSR	Ullah & Jamali (2010)	International Review of Business Research Papers	15.91
CSR of Islamic financial institutions and businesses	Hassan & Abdul- Latiff (2009)	Humanomics	13.64
CSR for Islamic financial institutions	Farook (2008)	Journal of Islamic Economics Banking and Finance	2.27
Socially responsible investment funds	Sairally (2007)	Advances in Islamic Economics and Finance	31.82
CSR of Islamic financial institutions	Farook (2007)	Islamic Economic Studies	13.64

Table 26 Articles Representing Theme Number 2 in CSR and Islam

The third theme is "Islamic Business Ethics and CSR". Table 27 shows all articles on this theme. The first articles written in the field of CSR and Islam by Saeed et al. (2001) have been categorised under this theme. Indeed, this is the dominant article as it is the most cited

and therefore has the highest citation value. The focus of all articles under this theme is Islamic Business Ethics. However, authors of these articles consider CSR to be part of business ethics.

Context	Author(s)	Journal	CV
Responsible Halal business	Ismaeel & Blaim	Journal of Management	0.00
<b>F</b>	(2012)	Development	0.00
Ethical investment and CSR	Elmelki & Ben-	International Business	5.00
Ethical investment and CSK	Arab (2009)	Research	3.00
Islamic perspective on business	Rizk (2008)	Social Responsibility	8.75
and work ethics	KIZK (2006)	Journal	8.73
International marketing ethics	Saeed, Ahmed, &	Journal of Business	86.2
from an Islamic perspective	Mukhtar (2001)	Ethics	5

Table 27 Articles Representing Theme Number 3 in CSR and Islam

The final theme is "Corporate Social Responsibility from an Islamic Perspective". There are six articles that focus on this theme; these articles are listed in Table 28. The citation value for most articles in the table below is zero as they are recent studies and they have not been cited by any other authors yet, while only two articles have been cited. Articles on these themes focus on the concept of CSR from an Islamic perspective and discuss what Islam states about CSR in general.

Context	Author(s)	Journal	CV
CSR & Islamic marketing	Koku & Savas 2014	Journal of Islamic Marketing	0.00
Developing an Islamic CSR model	Khurshid et al. 2014	Competitiveness Review	0.00
Islamic Roots of CSR in the Middle East	e East Darrag & E- Social Responsibility Journal		0.00
Islam and CSR: A study of the compatibility between the tenets of Islam and the UN global compact	Williams & Zinkin (2010)	Journal of Business Ethics	46.67
Corporate social responsibility: contemporary thought and Islamic perspectives	Khan & Karim Thoughts on Economics		0.00
What does Islam say about corporate social responsibility?	Dusuki (2008)	International Association for Islamic Economics	53.33

Table 28 Articles Representing Theme Number 4 in CSR and Islam

# 2.3.1 Summary of Citation Analysis of the Literature in the Field of CSR from an Islamic Perspective

In conclusion, this second citation analysis (CA2) was carried out to extend the first citation analysis (CA1) which analysed articles in the field of CSR. The aim of CA2 was to identify all articles in the field of CSR and Islam; 36 articles on the topic have been identified and then analysed. Thus 4 themes were identified in CA2 (see Table 24). In order to link both analyses, a comparison between these must be carried out to find out which themes have been covered in the Islamic CSR literature and which themes may represent a gap in the knowledge and need to be investigated. As shown previously in CA1 (Table 9) there are 13 themes which have been identified. However, some of the 13 themes are similar; therefore they were grouped together as 9 themes as can be seen in Table 29. Then, a new column was added in the same table to include the names of authors that cover the same theme in the Islamic CSR field. According to Table 29, seven themes have been covered in the Islamic CSR literature while there are two themes (CSR and Public Relations and CSR and Sustainability) which have not been covered and which could represent a gap in the literature that requires further study.

Themes of CA1 (CSR Field)	Nos. on Themes	CA2 (CSR and Islam)
	(Period)	
Managers' perceptions of CSR	1 (1970-1980)	Siwar & Hossain (2009)
	11 (2007-2012)	
	2 (1981-1990)	Farook, 2007; 2008; Hassan &
	6 (2001-2006)	Abdul-Latiff, 2009; Ullah & Jamali,
CCD and financial norformana		2010; Nor, 2012; Sairally 2007;
CSR and financial performance		Basah & Yusuf 2013; Musibah &
		Alfa 2013; Mamunur et al 2013;
		Mallin, Farag, & Ow-Yong 2014.
	4 (1991-2000)	Elmelki & Ben-Arab, 2009; Rizk,
CSR and ethics	5 (2001-2006)	2008; Saeed, Ahmed, & Mukhtar
	,	2001; Ismaeel & Blaim, 2012.
Consumer perceptions and reactions regarding CSR	7 (2001-2006)	Atan & Abdul-Halim, 2012;
	13 (2007-2012)	Brammer, Williams, & Zinkin, 2007;
reactions regarding CSK	,	Shareef et al. 2014
CSR and corporate reputation	8 (2007-2012)	Arshad, Othman, & Othman 2012
Corporate governance and CSR	10 (2007-2012)	Nathan & Ribiere 2007
Stakeholders	12 (2007-2012)	Dusuki & Dar 2007; Yusoff,
		Mohamad & Darus 2013
CSR and public relations	3 (1991-2000)	NA
CSR and sustainability	9 (2007-2012)	NA

Table 29 A Comparisons between Citation Analyses 1 and 2

#### 2.4 Summary

As can be seen in Table 29, there are nine themes; seven themes were covered in the Islamic CSR literature and two themes were not. This indicates that the relationship between CSR and public relations or CSR and sustainability from an Islamic perspective have not been discussed by any author yet. Thus it is worth exploring why authors have not covered these subjects; this could represent a gap in the knowledge that requires further research. According to the above table, most themes have been discussed from an Islamic perspective. However, some themes are not considered major ones as many articles have discussed the subject in the CSR literature, but only one or two have covered it with regard to Islam. Accordingly, the researcher should choose whether to look for new themes regarding the Islamic perspective or focus on major themes that require more research. As mentioned previously, the perception of consumers toward the concept of CSR is currently a major theme as researchers have recognised the importance of understanding CSR from the perspective of consumers. Most studies so far have examined the concept from the manager's point of view, and only a limited number of studies have examined the concept from the consumers' perspective (Atan & Abdul-Halim, 2012; Nalband & Alamri, 2013; Maignan, 2001). Thus further research is needed to understanding the perception of Muslims consumers regarding the concept of CSR. This research will try to address this need by increasing the understanding of the perception of Muslim consumers in Saudi Arabia regarding the concept of CSR.

# **CHAPTER THREE: NARRATIVE LITERATURE REVIEW**

#### 3.1 Introduction

This chapter aims to review previous studies in the literature and is divided into two main parts. The first section will focus on the CSR literature and will discuss the concept of CSR. This part will discuss the historical background of the concept, main theories that underpin its practices, and the importance of the concept to both organisations and consumers. In contrast, the second part will review the literature that discusses the concept of CSR from an Islamic perspective. This part includes Islamic ethical guidelines, CSR in Islam, and Islamic philanthropy.

#### 3.2 Part I: Corporate Social Responsibility (CSR)

#### 3.2.1 Definition of CSR

Many scholars have stated in academic literature that there is no universally agreed definition for CSR (Carroll, 1991; Coelho, McClure, & Spry, 2003; Idowu, 2009; Kakabadse, Rozuel, Lee-Davis, 2005; McWilliams & Siegel, 2001; Ralston, 2010; Ward & Smith, 2006). Some of these researchers argue that it is difficult to identify valid contributions by different players in the same field (Coelho et al., 2003; Idowu, 2009); others state that this has been an obstacle to developing an understandable framework describing the best way forward (Ward & Smith, 2006). Nevertheless, a wide range of definitions have been applied and suggested in the academic literature, as many organisations and scholars who are interested in and work in the field have explained and defined the term CSR in various ways (Idowu, 2009; Moir, 2001). Frederick (1960, cited by Ralston 2010) for example describes it as "a willingness to see that ... human and economic ... resources are utilised from broad social ends and not simply the narrowly circumscribed interest of private persons and firms" (Ralston, 2010, p. 398), while Eels (1960) and Walton (1967) conceive it as a variety of behavioural options which are available to firms on a scale from low to high responsibility, and Davis (1973) defines it as "the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm" (Davis, 1973, p. 312). These definitions were formulated by researchers in the period of the 1960s and 1970s; most of the current definitions of CSR that have been given by organisations and researchers describing the field are listed in Table 30 (Idowu, 2009). According to these definitions, CSR is a concept that requires organisations to broaden their focus and consider society rather than only their own narrow interests.

In fact, due to its "inherently controversial" nature (Carrigan & Attalla, 2001, p. 560), the concept itself has been redefined and constantly reviewed by academics and practitioners (Carrigan & Attalla, 2001). Indeed CSR is a concept which has been much debated and has been widely studied (Carroll, 1999; Garriga & Mele, 2004; Maignan & Ferrell, 2004). Globally many organisations and scholars have, according to the corporate social responsibility literature, used the European Union (EU) definition, which describes it 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" (European Union, 2004, p. 15). However, this definition has been criticised as it mainly relies on voluntary actions (Ditlev-Simonsen, 2010). Thus understanding the CSR construct can be challenging (Lantos, 2001).

Table I Definitions of CSR – by researchers and organizations promoting the field			
Author	Definition		
World Business Council for Sustainable Development (1999)	CSR is the ethical behaviour of a company towards society; management acting responsibly in its relationship with other stakeholders who have a legitimate interest in the business; and it is the commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large		
Carroll (1999)	The obligation of businessmen to pursue policies, to make those decisions, or to follow those lines of action that are desirable in terms of objectives and values of our society		
Bloom and Gundlach (2001)	The obligations of the firm to its stakeholders – people and groups who can affect or who are affected by corporate policies and practices. These obligations go beyond legal requirements and the company's duties to its shareholders. The fulfilment of these obligations is intended to minimise any harm and maximise the long-term beneficial impact of the firm on society		
McWilliams and Siegel (2001)	CSR are actions that appear to further some social good, beyond the interests of the firm and that which is required by law		
Jackson (2003)	CSR is the overall relationship of the corporation with all its stakeholders.  Elements of corporate social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental responsibility, human rights and financial performance		
Crowther and Rayman-Bacchus (2004)	CSR is concerned with what is – or should be – the relationship between the global corporation, government of countries and individual citizens		
European Union (2004)	CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis		
Kotler and Lee (2005)	CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources		
Source: Idowu (2009a), p. 15). With kind permis	sion from Springer Science & Media BV		

Table 30 CSR definitions

After reviewing these different definitions of CSR, the European Union definition will be applied throughout this research. The researcher will use this definition to define CSR as this definition has been widely used by academic researchers and organisations in this field (Dahlsrud, 2008).

#### 3.2.2 Historical Background of CSR

The concept of CSR has been developed over the years and the meaning of it differs depending on time and place (De-Bakker, Groenewegen, & Hond, 2005). There has indeed been a continuous debate regarding the concept of CSR during the last seventy years (Blowfield & Murray, 2008) as can be seen from the CSR debate timeline shown in Figure 7. Carroll (1999) examined the development of the notion of CSR and argued that the modern era for the concept of CSR started in the 1950s, while many authors attempted to define it in 1960s; however the era of the proliferation of work in the field was the 1970s.

First corporate responsibility texts appear, including the
work of Berle and Means, 1932
New Deal and start of the welfare state
Continued nationalization (Europe), state enterprises
(former colonies, Communist bloc) and postwar consensus (US)
Return of business and society debate
Shift from responsibility of leaders to responsibility of
companies
Debate about the nature of responsibilities
Corporate responsibility as management practice (e.g.
corporate social responsiveness)
Introduction of stakeholder theory, including the work
of Edward Freeman in 1984
Environmental management
Corporate social performance
Stakeholder partnerships
Business and poverty
Sustainability

Figure 7 CSR Debate Timeline (Blowfield & Murray, 2008)

According to Mohan (2003), there have been many incarnations based on the business-society relationship, and CSR, which is an empirical concept, refers to at least one of these incarnations. Figure 8 below shows the development of CSR-related concepts. Business social responsibility or social responsibility of businessmen was the first term used to describe social responsibility when it initially appeared in the literature at the beginning of the 1950s (De-Bakker, Groenewegen, & Hond, 2005). Then, the term was changed to Corporate Social Responsibility, "CSR" (Windsor, 2001). As can be seen in the figure below, corporate citizenship is the final CSR-related concept and first appeared in the beginning of the 1990s.

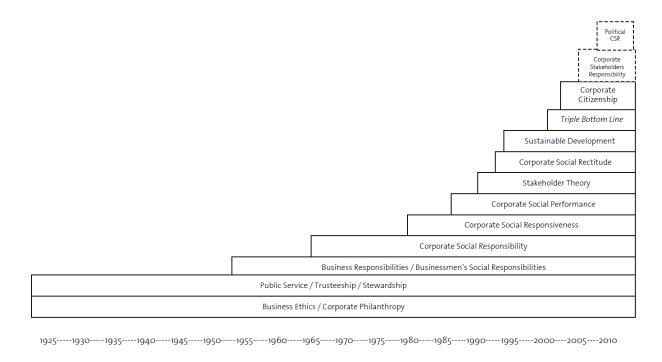


Figure 8 Developments in CSR-Related Concepts (Mohan, 2003)

Frederick (2008) divided the development of the concept of CSR into four chronological phases as can be seen in Table 31. Here the basic idea of each stage and the general theme for each period are described.

Stages	Period	Basic Idea	
CSR <sub>1</sub> : Corporate Social	1950s - 1960s	Corporate managers as public trustees and	
Stewardship	19308 - 19008	social stewards	
CSR <sub>2</sub> : Corporate Social	1960s - 1970s	Responding to social demands	
Responsiveness	17003 - 17703	Responding to social demands	
CSR <sub>3</sub> : Corporate/Business	1980s - 1990s	Fostering ethical corporate culture	
Ethics	17008 - 17708	rostering cuitear corporate culture	
CSR <sub>4</sub> : Corporate Global	1990s - 2000s	Accept and attain global citizenship	
Citizenship	19908 - 20008	responsibility	

Table 31 Chronological phases of CSR (Frederick, 2008)

Bowen published his book "Social Responsibilities of the Businessman" in 1953; according to many authors in the field of CSR, he should be called the "Father of Corporate Social Responsibility" (Carroll, 1999; Windsor, 2001). His book is considered the first attempt to hypothesise the relationship between society and organisations (Carroll, 1979; Lee, 2008). Bowen (1953) states that the responsibility of businessmen toward society "refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953, p. 6). Thus he did not provide a precise definition of the social responsibility of businessmen; however he chose to state it for managers (Windsor, 2001). Furthermore, social responsibility will not solve all an organisation's social issues; however, it includes the significant truths which will guide organisations in the future (Moura-Leite & Padgett, 2011). Bowen (1953) believes that organisations have responsibilities toward society; however he was interested in asking "what exactly are the responsibilities of businesses?" and "how can society make institutional changes to promote CSR?" (Bowen, 1953, p. 425). Bowen's book was clearly ahead of its time and outlined important future thought on CSR (Carroll & Shabana, 2010).

Drucker (1954) pursued Bowen's argument and took into consideration ethical obligations in order to acknowledge the increasing necessity for managers to recognise their responsibility toward society. He states that the manager "has to consider whether the action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength, and harmony" (Drucker, 1954, p. 388). Drucker (1954) identified eight main areas that managers should consider when setting organisations' objectives, and social

responsibility was one of those areas. Thus, he supports Bowen's argument, believing that organisations have to consider social responsibility an ethical obligation. Several articles of legislation were developed in the US at the end of 1950s and through into the 1960s to manage businesses' conduct and to protect customers and workers, for example the Textile Fiber Products Identification Act of 1958, Fair Packaging and Labelling Act of 1960, Equal Pay Act of 1963, and National Traffic and Motor Safety Act of 1966 (Lee, 2008, p. 57). In addition, consumers developed the concept of corporate responsibility to society and challenged the power of corporations with protests which resulted in the establishment of the consumer rights movement (Lee, 2008).

The actual meaning of social responsibility and its significance for organisations and society was the focus of research in the 1960s (Carroll & Shabana, 2010). According to Davis (1960), social responsibility is "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis 1960, p. 70). Similarly, Fredrick (1960) argues that CSR implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms" (Frederick, 1960, p. 60). Thus the meaning of the concept of CSR from organisations' points of view was broadened so that they did not only have to consider economic responsibility but also had to take social responsibility into account (Carroll & Shabana, 2010).

Walton (1967) highlights the importance of CSR. However, he goes on to say that CSR activities can cost organisations and that it is difficult to measure the economic return of these activities to the organisations. Thus the economic impact of CSR on organisations is not clear (Walton, 1967). During the 1960s, many managers were cautious in how they implemented CSR as they believed that too much CSR could damage the financial performance of their organisations (Lee, 2008). In addition, they thought of CSR as a public relations strategy that could improve the image of their organisations as consumer awareness of CSR increased (Lee, 2008).

The concept of CSR was also challenged by other authors in the literature in the same period such as Levitt (1958) who discussed the dangers of social responsibility and had a different

attitude toward the concept of CSR. He goes on to say that "Corporate welfare makes good sense if it makes good economic sense – and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door" (Levitt, 1958, p. 42). Similarly, Friedman (1962) argued that social responsibility is against the principles of profit maximisation when he stated that "few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as they possibly can" (Friedman, 1962, p. 133). Thus these two authors strongly believe that the first and main responsibility of organisations' managers should be to focus on profit maximisation in order to maximise the wealth of shareholders, and that civil society and politicians are responsible for dealing with all social responsibility issues, not the managers of organisations (Lee, 2008). Although some authors criticise CSR (Levitt, 1985; Friedman, 1962), there was an increased interest in this subject in the 1960s among academic authors who attempted to articulate a clear idea about the meaning of CSR and what it implied for corporations (Carroll & Shabana, 2010).

During the 1950s and 1960s the level of analysis in the CSR research was macro-social, and the theoretical orientation on CSR research was explicit ethical obligation (Lee, 2008). Similarly, there was almost no discussion about the relationship between corporate social responsibility and corporate financial performance (Lee, 2008). There were only a few studies which attempted to discuss this relationship in the late 1960s, although they only touched on it; therefore further research was required in order to examine this relationship (Moura-Leite & Padgett, 2011). Many researchers and academics in the field of CSR started to examine the relationship in the 1970s; however, it has still not been clarified up to now but remains a focus of current researchers (Moura-Leite & Padgett, 2011).

During the 1970s, corporate social responsibility, performance, and responsiveness were discussed together (Moura-Leite & Padgett, 2011). Similarly, Frederick (1978) emphasised that there was a conceptual transition in the scholarship of society and business during the 1907s from the philosophical ethical concept to the action oriented managerial concept of CSR. According to him, the first concept is "CSR 1" which stands for "Corporate Social Responsibility" and its essential idea is that there is an obligation for organisations to work for social betterment; while the second concept is "CSR 2" which stands for "Corporate Social Responsiveness" which refers to "the capacity of a corporation to respond to social

pressure" (Frederick, 1978, p. 154). Nevertheless, some studies (Carroll 1979; Wartick & Cochran, 1985) attempted to reconcile both concepts by developing the corporate social performance model ("CSP") (Carroll & Shabana, 2010).

At the beginning of the 1970s, Friedman (1970) repeated the ideas from his 1960 work and argued that "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, that is to say, engages in open and free competition without deception or fraud" (Friedman, 1970, p. NA). He also states that organisations could contribute to social activities if they are profitable in the long run. Wallich and McGowan (1970 cited in Lee, 2008) examined the relationship between the economic and social interests of organisations in order to provide a reconciliation between these. They argued that there is no conflict between these interests in the long term. Many stockholders in the 1970s bought stocks in more than one company in order to spread the risk. Thus Wallich and McGowan (1970 cited in Lee, 2008) supported their argument by suggesting that most stakeholders who are interested in maximising profit would like to maximise their profits in all organisations in which they owned stocks, and would like to spread "social expenditures evenly over all firms to the point where marginal cost equals marginal appropriable benefits" (Wallich & McGowan, 1970, cited in Lee, 2008, p. 59).

At the beginning of the 1980s, a new meaning for the concept of CSR was been developed that went beyond the early thoughts of philanthropy and social activism (Frederick, 2008). In addition, many empirical studies were conducted (such as those by Freeman, 1984; Wartick & Cochran, 1985), and alternative themes were identified such as stakeholder theory, corporate public policy, and business ethics (Carroll & Shabana, 2010). A CSR organisation in that period was recognised by the form of ethical environment it demonstrated, the quality of its corporate culture, and the normative values that directed the organisation's decisions, strategies and policies (Frederick, 2008).

Freeman (1984) constructed the theory of stakeholder management taking into consideration previous studies, as the concept of stakeholder had first been developed in the 1960s (Lee, 2008). Freeman (1984) argued that organisations operate in a complex environment and have to satisfy various stakeholders. He redefined stakeholders to include "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman,

1984, p. 46). Apart from this, with the increased improvement of business ethics codes, Freeman anticipated that the theory of stakeholder management would address values, CSR, and moral/ethical considerations (Joyner & Payne, 2002). Within the framework of stakeholders, the survival of the organisation is the central issue and variation between economic and social objectives is no longer relevant (Lee, 2008). Thus corporation survival is affected by other stakeholders than shareholders, for instance, governments, employees, and customers (Lee, 2008). According to Valor (2005), the concepts of stakeholders and CSR reinforce and complement each other.

Wartick and Cochran (1985) elaborated on Carroll's (1979) three dimensional conceptual model of corporate social performance. They modified the model as they argued that three challenging dimensions (Principles, Processes, and Policies) could be added to Carroll's three dimensions (Corporate Social Responsibilities, Corporate Social Responsiveness, and Social Issues Management) and satisfactorily incorporated in the CSP model (Wartick & Cochran, 1985). Thus the modified model consists of dimensions of processes, principles, and policies as can be seen in Figure 9. This model proposes that the social involvement of organisation rests on three principles: social responsibility; the process of social responsiveness; and policies of social issues management (Wartick & Cochran, 1985). The philosophical orientation is related to the first principle, while the institutional orientation is related to the second, and the organisational orientation is related to the third (Wartick & Cochran, 1985).

Principles	Processes	Policies
Corporate Social	Corporate Social	Social Issues
Responsibilities	Responsiveness	Management
(1) Economic	(1) Reactive	(1) Issues Identification
(2) Legal	(2) Defensive	(2) Issues Analysis
(3) Ethical	(3) Accommodative	(3) Response Development
(4) Discretionary	(4) Proactive	•
Directed at:	Directed at:	Directed at:
(1) The Social Con- tract of Business	(1) The Capacity to Respond to Changing Societal Conditions	(1) Minimizing "Surprises"
(2) Business as a Moral Agent	(2) Managerial Approaches to Developing Responses	(2) Determining Effective Corporate Social Policies
Philosophical	Institutional	Organizational
Orientation	Orientation	Orientation

Figure 9 The Corporate Social Performance Model (Wartick & Cochran, 1985, p.767)

The model of corporate social performance model was further extended by Wood (1991) in order to generate a more managerially and practically useful model. To do so, diverse theories related to corporate social performance in organisational studies were linked together (Wood, 1991). Examples of these theories are: stakeholder management, organisational institutionalism, and social issues management (Wood, 1991). However, this model was criticised due to the lack of any clear objective measurement of the social performance of organisations (Lee, 2008). Thus it is difficult for managers and researchers to use Wood's model to compare the social performance of different organisations (Lee, 2008).

The search for the business case for CSR started in the 1980s particularly for scholarly researchers and went on through to the 1990s (Carroll & Shabana, 2010). The problem of measurement was solved by the stakeholder model as it identified the actors and defined their functions and positions in relation to each other (Lee, 2008). Many researchers have applied the stakeholder theory to the field of CSR (Clarkson, 1995; Jones, 1995). Clarkson (1995) noted the difference between social issues and stakeholder issues, and went on to say that it is essential to identify suitable levels of analysis (organisational, institutional, and individually) after identifying the nature of issues.

Jones (1995) related the CSR model of stakeholder to several economic theories, for instance team production theory, principal agent theory, and transaction cost economics. His theory focused on the relationship between organisations and their stakeholders and hypothesised that cooperative and trusting relationships could resolve issues related to opportunism (Jones, 1995). In addition, he claimed that behaviour that is trustworthy and trusting could provide organisations with a competitive advantage (Jones, 1995). Jones (1995) emphasised that the stakeholder model could be the central paradigm for the field of CSR.

Frederick (2008) characterised the 1990s and 2000s as a phase of corporate global citizenship. The citizenship duties of organisations had been examined before; however these expanded due to the globalisation of trade in this period (Frederick, 2008). Frederick went on to say that organisations have the same responsibilities and liabilities as civil society members: to contribute to the common wealth, to obey the law, to demonstrate respect for other citizens, and to participate in governance (Frederick, 2008). In addition, as citizens they have to consider their actions; furthermore their shareholders and managers are responsible for the operations of their organisations (Frederick, 2008). In addition, the interest of the

business community in the notion of sustainability started at the beginning of the current century; therefore this subject was integrated into many discussions about CSR (Carroll & Shabana, 2010).

The concept of CSR has become of interest for many organisations around the world as the chief executives for many global organisations believe that CSR is fundamental to their organisations' profitability (Vogel, 2010). There are financial returns from CSR for organisations, for example it helps them develop new markets (Hart, 1997) and to attract excellent employees and consumers who are socially conscious (Turban & Greening, 1997), and publicity traded organisations can thus increase their market value (Mackey, Mackey, & Barney, 2007). Similarly, Kotler and Lee (2005) developed from a marketing point of view a detailed framework which describes why philanthropic activities are excellent for organisations. They argued that organisations can improve their reputations and improve consumer loyalty by becoming involved in charitable activities (Kotler & Lee, 2005). They define CSR as "a commitment to improve community well-being through discretionary business practices and contributions of corporate resources" (Kotler & Lee, 2005, p. 3). The concept of CSR has been developed over the last fifty years and must be applied to "all the activities a company engages in while doing business" (Porter & Kramer, 2006, p. 5). Thus it is difficult to separate the social responsibilities of an organisation and its economic performance (Lee, 2008). Frederick (2008) has summarised CSR in stages and identifies four different ones as can be seen in the table below (Table 32).

Stages	Main CSR Action	CSR Drivers	CSR Policy Instruments
CSR <sub>1</sub> : Corporate Social Stewardship	Corporate philanthropy	Executive conscience and company reputation	Philanthropy and public relations
CSR <sub>2</sub> : Corporate Social Responsiveness	Interact with stakeholders and comply with public policies	Stakeholder pressures and government regulations	Stakeholder negotiations and regulatory compliance
CSR <sub>3</sub> : Corporate/Business Ethics	Treat all stakeholders with respect and dignity	Human rights and religio-ethic values	Mission statement, ethics codes, social contracts
CSR <sub>4</sub> : Corporate Global Citizenship	Adopt and implement global sustainability programs	Disruptions of economy and environment related to globalisation	International code compliance, sustainability policy

Table 32 Four Stages of CSR (Frederick, 2008)

Table 32 shows the main CSR actions, CSR drivers, and CSR policy instruments for each of the four stages. According to Fredrick (2008), there are four stages organisations should progress in. For example, an organisation should establish its corporate philanthropy in the first stage, Corporate Social Stewardship; it should interact with its stakeholders and comply with public policies to achieve the second stage, Corporate Social Responsiveness. However, individual organisations may be situated at diverse points on the trend line of the phases, and not all organisations move through all four stages. Currently, many organisations leading in CSR may be going through all four stages simultaneously (Frederick, 2008). In other words, these stages are not in a specific order.

#### 3.2.3 Theories Underpinning CSR Practices

The concept of CSR is considered as a "framework for the role of business in society" (Dusuki, 2008, p. 9). Different theories underpin the CSR concept, which has been constantly reviewed and refined by academics and practitioners (Carrigan & Atalla, 2001; Garriga & Mele, 2004; Maignan & Ferrell, 2004; Dahlsrud, 2008). These include the classical view of CSR, stakeholder theory, legitimacy theory and social contract theory. In this section therefore, these theories will be discussed.

#### 3.2.3.1 The Classical View of CSR 'Shareholder Theory'

The classical view of CSR suggests that the main aim of organisations is to make a profit and to maximise their shareholder value. The most prominent defender of the classical creed regarding role of business in society is Friedman (Dusuki, 2008, Jamali, Sidani, & El-Asmsar, 2008). Friedman (1970) believed that "the social responsibility of business is to increase its profit" (Friedman, 1970, p. 211). Friedman encouraged organisations to conform the law although he stressed that organisations should focus on doing things that benefit shareholders and not necessarily the employees. Deriving from his view, Friedman (1970) has introduced the 'shareholder theory' (Jamali et al., 2008). The shareholder theory suggests that a socially responsible organisation is an organisation that "use its resources and engages in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" (Friedman, 1970, p. 2). Accordingly, the financial priorities should be the main concern of a firm and its contribution to social benefit would be through creation of employment and wealth.

There are three major principles on which the shareholder theory is based: the first is that moral responsibilities are associated only with human beings and as, organisations are not human and must be regarded as independent bodies, individual human beings in organisations should be held responsible and not organisations; the second is that organisations have been established to make money; the main objective of shareholders is to increase their wealth, and organisations' managers are employed to achieve this goal rather than engage in charitable activities; the third is that social problems and issues should be the responsibility of governments and not organisations (Crane & Matten, 2004). However, the shareholder view has been contested as others believe that businesses can contribute to social responsibility and maintain their profit at the same time (Freeman 1984; Carroll, 1991).

# 3.2.3.2 Stakeholder Theory

Stakeholder theory is different from shareholder theory, which exclusively aims to maximise shareholder value, as stakeholder theory considers what strategies benefit shareholders and the other stakeholders that managers should consider when taking a strategic decisions (Tse, 2011). Stakeholder theory has been used by many scholars to research on CSR (see, for example, Ruf et al., 2001; Munilla & Miles, 2005; Brown & Forster, 2013). It focuses on the effects of business on the stakeholders and the relationship between business and society.

Stakeholder theorists "acknowledge a blend of financial and moral consequences to CSR, their emphasis is on value creation and trade through stakeholder relationships that necessitate trade-offs in the managerial issues faced by practitioners" (Brown & Forster, 2013, p. 303). Thus, CSR is equivalent to "meeting the demands of multiple stakeholders" (Ruf, Muralidhar, Janney & Paul, 2001, p. 143), and this is why CSR has been linked to the stakeholder theory. Stakeholder theory seeks to shift organisations from a shareholder-centred view to a stakeholder-centred one (Tse, 2011). In addition, it is not only about an organisation's shareholders, but also about all the other constituents of an organisation (Mainardes et al., 2011).

This theory has been developed by Freeman (1984), in his book: Strategic Management: A Stakeholder Approach. However, the Stanford Research Institute (SRI) had been the first to introduce the concept of the stakeholder in 1963 when it defined stakeholders as "those groups without whose support the organisations would cease to exist" (Mainardes, Alves, & Raposo, 2011, p. 100). Thus Freeman (1984) built on these theories and proposed a conceptual framework for business management to address ethical and moral issues that arise in relation to organisations. The main argument of his theory is that organisations should consider the interest of their stakeholders before making any strategic decision.

Stakeholders can be defined as "any group or individual who can affect, or is affected by, the achievement of the organisation's objectives" (Freeman, 1984, p. 46). Eight categories of stakeholders for any organisation were identified as follow: governments, investors, political groups, customers, communities, employees, trade associations, and suppliers (Donaldson & Preston, 1995). These stakeholder groups were classified in three main categories: internal, external and environmental (Tse, 2011). Freeman (1984) believes that ethical and social concerns are as important as profits. As a result, organisations should engage in CSR to create value for all their stakeholders. According to this theory, CSR should not be seen as being separable from the business model but must be built into the business.

Previous literature demonstrates that an organisation that engage in CSR can benefit from applying the stakeholder approach (Choi & Wang, 2009; Russo & Fouts, 1997; Tse, 2011). According to the stakeholder approach, managers can develop socially responsible behaviour in a business by paying attention to the needs and rights of all the stakeholders (Maignan & Ferrell, 2004). Choi and Wang (2009) go on to say that if organisations follow the

stakeholder approach and focus on the benefit of all the stakeholders, it will also benefit the organisation. The employees are part of the internal group that is directly affected by the organisation's objectives (Tse, 2011). Employees are motivated to work hard in order to improve the organisational performance, as they will feel part of the company. Similarly customers who are part of the external group will support the company and be willing to pay premium prices for company products or services (Choi & Wang, 2009). Thus an organisation can achieve competitive advantage by developing a good relationship with its stakeholders (Russo & Fouts, 1997). Hence, Tse (2011) argues that organisations that consider all their stakeholders will benefit financially. Similarly Choi and Wang (2009) support the view when they argue that organisations with superior financial performance usually have good relationships not only with their shareholders but with all their stakeholders.

Although many studies have demonstrated that stakeholder theory can benefit organisations and can be used as the fundamental basis of their CSR strategies, the theory itself has been criticised as being difficult to manage different stakeholders who have different objectives at the same time (Sundaram & Inkpen, 2004; Jensen, 2002). Sundaram and Inkpen (2004) believe that satisfying all of an organisation's stakeholders would require setting different goals, and this could confuse the managers of the organisation. Similarly, Jensen (2002) goes on to say that "telling a manager to maximise current profits, market share, future growth in profits, and anything else one pleases will leave that manager with no way to make a reasoned decision. In effect, it leaves the manager with no objective" (Jensen, 2002, p. 238). These arguments suggest that building good relationships with all the stakeholders may be good in theory; however it is difficult in practice as there can be a conflict of interest between stakeholders, and managers will need to set different goals to solve this issue, and this could confuse or disturb their focus.

## 3.2.3.3 The Pyramid of Social Responsibility

Carroll (1991) categorised corporate responsibility into four parts and then developed "The Pyramid of Social Responsibility" model (Figure 10). Carroll's first framework for corporate social performance was developed in 1979 and aimed to develop an understanding of different thoughts about the concept of CSR. According to him "The social responsibility of business encompasses the economic, legal, ethical, and discretionary [later referred to as

philanthropic] expectations that society has of organisations at a given point in time" (Carroll 1979, p. 500, 1991, p. 283).



Figure 10 The Pyramid of Social Responsibility (adapted from Carroll, 1991)

Carroll (1991) argued that economic responsibility is the most important type of responsibility that organisations should focus on. However, organisation should also consider the other three types of responsibilities as all the activities of organisations should be legal and ethical and contribute to philanthropic activities. In other words, businesses should exist to make profit; however they should also support the general community by complying with the ethical standards applicable in relation to the public and should fulfil their responsibilities toward them (Lewis, 2005). Thus, organisations should make a profit and contribute to the economy, comply with the law and regulations, be ethical in all aspects of the organisation, and finally be good corporate citizens.

The pyramid (Figure 10) was used by Carroll to demonstrate that the most fundamental responsibilities are economic and an organisation must fulfil these before progressing to the next type of responsibilities. Thus these categories of responsibilities are sequential; an organisation should start with the main type and then move onto the others. Thus Carroll only accepts part of the view of Friedman by agreeing that economic responsibilities are the most

important part of an organisation's strategy; however he strongly believes that implementing only economic responsibilities is not enough and that organisations should do more to develop best practice in CSR (Carroll, 1991). In addition, organisations should not contribute to philanthropic activities without considering the first type of responsibility that is economic responsibility.

Therefore, social objectives are no substitution for economic objectives; and all are integrated (Carroll, 1991). This model has been commonly used to describe CSR conceptualisation, and many studies in the literature have drawn on this model to understand consumers' perceptions of the concept of CSR (Nelband & Alamri, 2013; Arli & Lasmono, 2010; Atan & Abdul-Halim, 2012; Smirnov, 2012; Podnar & Golob, 2007; Maignan 2001). All these studies will be discussed in the last section of part one of this chapter that highlights recent studies focused on consumer perceptions of the concept of CSR. In addition, this research will evaluate Carroll's CSR pyramid model from the perspective of Muslim consumers in the discussion chapter.

#### 3.2.3.4 Legitimacy Theory

CSR has been considered as a response to such external pressures on organisations as economic, political, and social ones. Legitimacy theory suggests that there is a virtual "social contract" between organisations and their society to encourage organisations to examine their actions and operations and ensure that they have no harmful consequences (Dusuki, 2008). According to this theory, organisations use CSR as a strategy to respond to external pressures so that they thrive, as the society's perceptions of businesses are crucial (Suchman, 1995; Deegan, 2002).

To better understand the theory, the term "organisational legitimacy" needs to be defined; it can be described as a "generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). In addition, the legitimacy theory suggests that "business agrees to perform various socially desired actions in return for approval of its objectives, other rewards and ultimate survival" (Guthrie & Parker, 1989, p. 344). Thus, organisations that adopt the legitimacy theory in their CSR practices believe that their actions should not harm the society as their survival is dependent on the society.

There are three types of organisational legitimacy: pragmatic legitimacy, moral legitimacy, and cognitive legitimacy (Suchman, 1995). All of these are similar in assuming that "organisational activities are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 577). However, they have different behavioural dynamics (Suchman, 1995). The first category, pragmatic legitimacy, is based on the self-interest of the stakeholders of an organisation, in which they grant legitimacy in exchange for tangible returns (Suchman, 1995). Moral legitimacy, the second category, is grounded on the conscious judgement of an organisation's audiences, who judge organisational activities, to evaluate whether these benefit the societal welfare or not; and not whether organisational activities will benefit the evaluator (Suchman, 1995). The third type is cognitive legitimacy and is based on cognition, in that the establishment actions are either taken for granted or are comprehensible (Suchman, 1995).

Tilling (2004) goes on to say that legitimacy is like money and that it is an essential resource for any organisation, as without legitimacy, organisations may not operate. Similarly, Gladwin, Kennelly, and Krause (1995) support Telling's (2004) view when they argue that legitimacy theory is strongly ethics-oriented and that an organisation needs to be accountable in relation to its environmental and social responsibilities as this will increase its legitimacy resources which will guarantee the organisations long-term survival. Based on legitimacy theory, society is the key element, as society decides how organisations should operate and has the right to invalidate an organisation's contract if, it is not convinced that an organisation is operating in a legitimate or acceptable manner (Davies, 1997). Thus organisations should always try to create a balance between their activities, what society think of their activities, and how society perceives them.

#### 3.2.3.5 Social Contract Theory

The main idea of the social contract theory is to explain how an organisation can relate positively to the general public (Dusuki, 2008). Thus an organisation is required to perform in an accountable manner that meets the public's expectations (Moir, 2001). Based on the social contract theory, an organisation is viewed as "a social institution" and is expected that the directors and managers of each organisation should not make any uninformed judgments (Sacconi, 1999). Similarly Shocker and Sethi (1973) go on to say that there is a social contract between organisations and society as any social institution operates in society, and

these institutions should take into consideration the social contract as their survival and growth will depend on their commitment to society. In addition, Shocker and Sethi (1973) argue that organisations' commitments are based on "the delivery of some socially desirable ends to society in general; and the distribution of economic, social or political benefits to groups from which it derives its power" (Shocker & Sethi, 1973, p. 67).

As the main aim of the social contract theory is to relate a business to the society, a business should be considered as a social institution and work together with the society as a family. In addition, this theory suggests that an organisation and society should be equal partners and there is a mutual need between them. Hence, this theory has been adopted in CSR because both concepts aim to enhance life and meet needs. According to Sacconi (2008), the social contract is "the agreement that would be reached by the representatives of all the firm's stakeholders in a hypothetical situation of impartial choice" (Sacconi, 2008, p. 14). Indeed the social contract is used to set organisations' standards of behaviour (Sacconi, 2008). However, the social contract is a hypothetical agreement and, as it is imaginary, it is different from other contracts (Frey & Cruz- Cruz, 2009).

It is difficult to define the social contract precisely due to the different perceptions of different managers, especially in relation to its implicit terms (Deegan, 2002). The explicit terms in the social contract are embodied by legal requirements; on the other hand, the implicit ones are represented by non-legislated societal expectations (Gray, Owen, & Adams, 1996). According to Deegan (2002), societal expectations change over time and are therefore not permanent. For these reasons, organisations that follow social contract theory are advised to be responsive. In addition, they have to connect with other social constitutions such as religious institutions, the family, and the educational system in order to meet needs and assist in improving everyday life (Dusuki, 2008). Chua and Rahman (2011) go on to say "A social contract perspective is used to reflect the tacit understanding within society that corporations, in the process of serving their own business interests, are obliged to take actions that also protect and enhance society's interests" (Chua & Rahman, 2011, p. 315). Therefore, organisations that follow social contract theory are adopting CSR to meet the expectations of society; this could be one of the primary motivations that might encourage them to implement this theory to underpin their CSR practices (Moir, 2001).

#### 3.2.4 Organisations' Managers and CSR

There have been various different interpretations of CSR due to the differing views of organisations' leaders regarding it, for example corporate philanthropy, corporate responsibility, community development, and corporate citizenship (Janggu et al., 2007). According to Janggu et al. (2007) CSR is a strategy that organisations adopt in order to fulfil their social commitment to both employees and the wider community; this can take the form of compliance with social requirements and regulations, contributions to charity, and donations. Similarly, Luan (2005) states that CSR practices can be divided into four categories: improving community well-being, meeting basic ethical standards, sustaining the company as a corporate citizen, and taking responsibility for actions and consequences. Thus organisations should include their social responsibilities in their operations and make sure that all employees share the same view so they can achieve better results in terms of their social commitment.

#### 3.2.4.1 Why do Managers Address CSR Issues

Some researchers have highlighted the fact that, although there are many driving forces which cause organisations and their managers to seriously consider including corporate social responsibility activities in their operations, some organisations have made small contributions to engage in social or environmental initiatives only to increase their corporate reputation, rather than focusing on the true benefits of these initiatives (Pederson & Neergaard, 2009; Morsing, 2003). On the other hand, there are some organisations which show good examples of how to develop positive CSR strategies, such as Cadbury. Cadbury adopted the stakeholder theory which has been developed by Freeman (1984) for its CSR practices. By paying attention to the needs and rights of all the stakeholders, it developed socially responsible behaviours in its business. In addition, it used the conceptual framework of the stakeholder theory to address moral and ethical issues which arise in relation to the organisation in order to create value for all of its stakeholders. As a result, Cadbury's CSR programme is considered to be one of the most impressive examples of best practices in CSR (Gregory & Tafra, 2004; Young, 2006). Freeman (1984) suggests that CSR should not be seen as something separate from the business model; however it needs to be built into the business, and Cadbury considers CSR to be fundamental to its operations. Its business philosophy is enshrined in its business values (Gregory & Tafra, 2004). On their website the company writes "while the nature of our value chain and the new global economy bring new issues and many challenges, our CSR program provides the framework to integrate our values into everything we do" (Young, 2006, p. 10). Openness, integrity, and responsibility are the three core values of the company (Gregory & Tafra, 2004). Cadbury's business principles cover treatment of employees, community activities, ethical business practices, corporate governance, and environmental issues (Gregory & Tafra, 2004). Community involvement is the main component of Cadbury's CSR programme (Gregory & Tafra, 2004). However, in 2010 Cadbury was taken over by Kraft Foods (BBC, 2010). Thus Cadbury's CSR policies may have changed since the acquisition.

In contrast, according to Morsing (2003), Philip Morris spent more than twenty five million US dollars in 2001 on the company's communications to promote the company's CSR activities rather than on the CSR activities themselves. Similarly, Lacy and Salazar (2006) conducted a survey among corporate managers and found that only ten percent of all organisations included in the survey have integrated corporate social responsibility into their core operations. Thus many organisations do not integrate social responsibilities into their core operations and some use it only as a marketing opportunity. In the CSR literature, it is generally acknowledged that the driving forces for engaging in environmental and social initiatives differ notably (Egels-Zanden, 2009; Bronn & Vidaver-Cohen, 2008). Some organisations consider CSR a means to reduce costs and increase the efficiency of their operations, others consider it a tool to develop the relationship with stakeholders (such as the local community, regulatory authorities, and customers), and yet others are influenced by the marketing potential of the reputation of being a good firm (Pedersen & Neergaard, 2009). Additionally, some organisations consider commitment to CSR morally right (Pedersen, 2006). Thus it is difficult to predict corporate motivations for engaging in social and environmental responsibility without considering each organisation individually.

Although many studies have shown that CSR activities can benefit organisations, Yoon (2003, cited by Gao, 2009) argues that a CSR campaign is not always a positive tool for organisations as it may harm them because the meaning of responsible behaviour in an organisation can vary for different people in different places at different times. Thus it is important for organisations to make sure that their CSR activities will not be misunderstood and to be careful when defining the concept (Campbell, 2007). This research will focus on

Saudi consumers; thus this research might be able to help organisations that operate in Saudi Arabia with their CSR strategies.

The reasons why organisations develop corporate social responsibility strategies have been identified by researchers (Chen, 2011). Some examples of these reasons are: top management pressures, government regulations, stakeholder pressures, to improve the company's reputation, critical events, and competitive advantage (Hall & Vredenburg, 2004; Kassinis & Vafeas, 2006). In fact, most firms are carrying out corporate social responsibility activities either to comply with regulations or in response to external constraints (Wagner, 2005; Jaffe, Peterson, Portney, & Stavins, 1995). Furthermore Chen (2011) supports the view that many firms' leaders are forced to consider corporate social responsibility and integrate it into their strategies because of exogenous aspects rather than because of truly understanding the advantages of corporate social responsibility. Thus, managers still have not recognised the advantages that corporate social responsibility can bring to their organisations.

# 3.2.4.2 The Importance of Top Management in CSR Activities

Adopting CSR in an organisation's strategies requires top management support (Harris & Crane, 2002). Thus managers' commitment and awareness regarding CSR are generally recognised as key elements for the successful execution of environmental and social initiatives (Weaver, Trevino, & Cochran, 1999; Mamic, 2005; Jenkins, 2006). Similarly, Pedersen and Neergaard (2009) go on to say that CSR will be likely to remain at the rhetorical level if managers are not willing to allocate the required financial and human resources to environmental and social improvement and make it a priority. Thus, without active support from managers, it is difficult to institutionalise CSR in a firm.

Different managers can perceive CSR differently; one manager in an organisation may consider it a public relation exercise, while another may perceive it as a source of competitive advantage (Pedersen & Neergaard, 2009). Therefore, the actions of managers can influence the organisational implementation of a CSR strategy as their actions are influenced by their beliefs, value systems, and perceptions (Hambrick & Mason, 1984; Weaver et al., 1999).

Furthermore, Agle and Caldwell (1999) believe that top management values have an impact on the organisation in a way that influences corporate social performance, decision-making processes, and stakeholder salience. In addition, the organisation's management has a crucial effect on the outcomes and processes related to CSR activities (Mamic, 2005; Pedersen,

2006; Waddock, Bodwell, & Graves, 2002: Weaver et al., 1999). Hence, understanding the different views of managers regarding CSR is important when evaluating organisations' social and environmental activities.

# 3.2.5 Company Size and CSR activities

There are two main types of organisations: small and medium enterprises, and multinationals (European Commission, 2005). There are two factors that distinguish between the two categories; the first is the number of employees, and the second is annual turnover or annual balance sheet total (European Commission, 2005). The number of employees in small and medium enterprises should be less than 250 and their turnover should not exceed fifty million Euros, while the annual balance sheet total should be less than forty-three million Euros (European Commission, 2005). If the number of employees and the turnover or total balance sheets exceed these figures, then an organisation will fall into the multinational category (European Commission, 2005). Multinational companies are usually the large globally well-known companies such as Ford Motor Company and MacDonald's (Bies, Bartunek, Fort, & Zald, 2007).

Blomback and Wigner (2009) argue that "descriptions, discussions, and evaluations of whether firms behave in a socially responsible way often focus on large companies and are characterised by their commitment to environmental responsibilities, human rights issues, child labour issues, and fair treatment of less developed countries" (p. 257). Thus most of companies' CSR activities benefit nationwide or global stakeholders (Blomback & Wigner, 2009). Jenkins (2004) on the other hand, criticised that CSR strategies, specifically for small-and medium-size enterprises, need to be developed as they are different from those of large companies, and large companies should not be the norm when discussing CSR activities.

Spence (2007) suggests that corporate responsibility for small- and medium-size enterprises should focus on the local community and concern for employee satisfaction rather than considering the global context or humanitarian issues. Similarly, Sarbutts (2003) supports the argument that small- and medium-size enterprises should practice CSR differently as they are less complicated companies and therefore can take action immediately in response to society's demands. However, it has been argued that financial resources are obstacles to the small business engaging in CSR compared to large companies. The small organisations'

interest level in engaging in CSR activities is lower than the large counterparts as they will be more concerned with ensuring that the business survives and will expect the government to deal with social issues (Lepoutre & Heene, 2006).

Blomback and Wigner (2009) argue that CSR activities in large companies are usually the responsibility of the marketing or accounting departments, while implying that CSR activities in small- and medium-sized companies, seems to be more closely embedded in the everyday life of the firm due to the lack of marketing and accounting departments. Thus the management and structure of large companies is different from that of small- and medium-size companies, and this could have an effect on how CSR is conducted. However, the argument has been made that the context of the company and the industry that it operates in can affect companies regardless of their size, as companies may face more pressure and extra scrutiny if they operate in the chemicals or petroleum industry (Blomback & Wigner, 2009). Under those circumstances, different industries report CSR differently (Sweeney & Coughlan, 2008).

# 3.2.6 CSR and Business Ethics

During the past thirty years, there has been an increasing interest in the area of business ethics, which has led to its significant representation in various sources such as encyclopedias, textbooks and journals (Enderle, 2010). Nevertheless, more theoretical clarity is needed regarding different areas of the world besides the United States and Europe, such as Asia and Africa (Enderle, 2010). It is also important to be clear about the concept itself. Here ethics is "concerned with moral obligation, responsibility, and social justice" (Wiley, 1995), whereas, business ethics is "a set of principles that guides business practices to reflect a concern for society as a whole while pursuing profits" (Nisberg, 1988, cited in Kilcullen & Kooistra, 1999, p.158). Thus it can be said that "ethics reflects the character of the individual and more contemporarily perhaps, the character of the business firm, which is a collection of individuals" (Wiley, 1995, p. 25).

Based on the business ethics literature, there has been a debate on whether CSR is a part of business ethics or the other way around (Enderle, 2010). In other words, it has been argued by some that CSR is a new concept rooted in business ethics; others argue that business ethics is a part of CSR. Nevertheless, Kilcullen and Kooistra (1999) state that in order to develop a

better understanding of CSR, business ethics must be understood first. Although the field of business ethics has been criticised as being too impractical, too theoretical, and too general (Stark, 1993), many international bodies such as the United Nations and the European Union are playing a major role in identifying a number of minimum ethical standards and are formulating criteria by elaborating on recommendations (Lozano & Boni, 2002). Despite the common ground between business ethics and CSR, business ethics can be said to be based on ethical values such as integrity, honesty, and trust, while CSR is based on environmental and social values (Thomas, 2011). However, Eberhard-Harribey (2006) believes that the theoretical foundations of the European definition of CSR are rooted in business ethics.

#### 3.2.7 CSR and Financial Performance

Corporate financial performance (CFP) can be defined as "a company's financial viability, or the extent to which a company achieves its economic goals" (Price & Mueller, 1986 cited in Orlitzky, Schmidt, & Rynes, 2003, p. 411). There has been some argument in the literature in regards to the relationship between CSR and CFP with some scholars stating that there is a conflict between these two concepts, while others argue that CSR is complementary to economic objectives (Peloza, 2006). Thus the relationship between these two concepts remains controversial (Tang, Hull, & Rothenberg, 2012).

During the 1980s, CSR was criticised as some organisations considered it a cost and believed it damaged their financial performance. Murray and Montanari (1986) pointed out that "the failure to supplement the moral justification for social responsibility with economic considerations may be why many corporate executives view social responsiveness as a strictly 'nonproductive cost' " (Murray & Montanari, 1986, p. 818). For this reason many studies have been carried out to examine the relationship between CSR and CFP (Tang et al., 2012; Surroca, Tribo, & Waddock, 2010; Moneva, Rivera-Lirio, & Munoz-Torres, 2007; Odemilin, Samy, & Bampton, 2010). It was found that the profits of organisation are dependent on how much organisations engage in CSR (Tang et al., 2012). Here Tang et al. (2012) drew on the theory of absorptive capacity and associated perspectives, for instance asset mass efficiencies, time compression diseconomies, and path dependence theory. They argued that CFP would be improved if an organisation focused on dimensions that were related to CSR, engaged in CSR consistently and slowly, and started out with CSR internal dimensions (Tang et al., 2012).

It is widely believed that stakeholders (customers, governments, employees, and the media) are likely to react positively to social responsibility activities on the part of organisations (Agle, Mitchell, & Sonnenfeld, 1999). This positive reaction leads to greater innovative capability, improved human capital, and a better reputation for organisations, that consequently will improve the CFP (Surroca, Tribo, & Waddock, 2010). In addition, Peloza (2006) goes on to say that CSR can help organisations in time of crisis, which will affect their financial performance, so that it acts as insurance and can help protect them. Similarly Beurden and Gossling (2008) support the view that organisations will obtain economic benefits and develop a good relationship with their stakeholders if they are socially responsible, as CSR activities can improve their returns. In addition, a socially responsible organisation may have fewer environmental concerns in relation to the government, fewer complaints from the community, and fewer labour problems (Sun, 2012). Thus socially responsible organisations can develop a good relationship with their bankers, government officials, and investors (Sun, 2012). Moneva, Rivera-Lirio, and Munoz-Torres (2007) concluded that "a good social performance is compatible with a good financial performance, nevertheless it needs a good social responsibility-politics integration and strategic consistency in the corporation's strategy" (Moneya et al., 2007, p. 88).

In Odemilin, Samy, and Bampton's (2010) study, 20 selected organisations in the United Kingdom were analysed in order to study the relationship between financial performance and CSR. Their results showed that there was a weak positive relationship between the two variables (Odemilin et al., 2010). Thus they went on to say that "CSR policies of corporations could make an impact to the bottom line of corporations as consumers and investors become more civic conscious" (Odemilin et al., 2010, p. 10). Thus "CSR investments are not just another business cost but are essential for a firm's continued survival in the ever increasingly competitive business world of today" (Odemilin et al., 2010, p. 2). Based on the literature it can be seen that many studies have examined the relationship between CSR and CFP and that there are three points of view: positive correlation, no correlation, and negative correlation (Chen & Wang, 2011). Since the 1980s, research has focused on the impact of CSR on the financial performance of organisations. McGuire, Sundgren, and Schneeweis (1988) argue that organisations with excellent financial performance have more resources that can be used to manage social issues. Thus considerations regarding CFP can motivate an organisation to consider CSR.

Wu (2006) concluded that there was a positive correlation between CSR and CFP after he analysed a sample of 197 companies with multiple regressions. Similarly, Van-der-Laan, Ees, & Witteloostuijn (2008) claimed that implementing CSR could develop an organisation's financial performance and profitability. Moreover, the effect of corporate governance on the value of organisations and on the returns of their stocks were analysed by Bauer, Gunster and Otten (2003). The Deminor Corporate Governance ratings were used by Bauer et al. (2003) to develop two portfolios; the first one included well-governed organisations, while the second portfolio included organisations with inferior corporate governance (Bauer et al., 2003). On the other hand, other studies concluded that there is no correlation between CSR and CFP (e.g. Abbott & Monsen, 1979; Becchetti & Ciciretti, 2006). In addition, Sauer (1997) compared traditional investments with socially responsible investments and found that there are no noticeable differences in performance between them. He used risk-adjusted performances (RAP) to perform the analysis and applied it in the Domini Social Index performance (Sauer, 1997). Similarly, the financial performance of 80 international funds was investigated against a benchmark by Kneader, Gray, Power, and Sinclair (2001); 40 were classified as ethical and the others as non-ethical. Based on their analysis, there are no significant differences between the performances of each fund (Kneader et al., 2001). However, by comparing both funds they confirmed that non-ethical funds are higher risk than ethical funds (Kneader et al., 2001).

Griffin and Mahon (1997) summarised the findings of 51 studies that have focused on the relationship between CFP and CSR, 33 of which show a positive relationship, 20 show a negative one, and 9 have uncertain conclusions. Similarly, another study carried out by Orlitzky et al. (2003) analysed 52 studies through a meta-analysis in order to examine the relationship. They found that socially responsible investing would benefit organisations and that it was worth considering such investment. Considering many studies that examined the relationship between CSR and CFP the indication is that their results are inconclusive (Griffin & Mahon, 1997; Quazi & Richardson, 2012; Chen & Wang, 2011). Quazi and Richardson (2012) identified two reasons for this; the first was inconsistent methodologies which can lead to measurement issues, while the second was misspecification of models or omission of variables (Quazi & Richardson, 2012). In addition, the results for recent research indicate that there is variation in the relationship between CSR and CFP (Chen & Wang, 2011). Chen and Wang (2011) argue that there are many factors which have influenced the

results of recent studies into the relationship between CSR and CFP such as, organisation size, phase of life cycle, industry background, nature of property rights, and type and time of data (Chen & Wang, 2011). In addition, according to previous studies in the literature that have discussed the relationship between the two concepts, socially responsible investment provided better results compared to the traditional investment approaches, although the result of some studies that examined the relationship between the two investments were not statistically significant all the time (Van-de-Velde, Vermeir, & Corten, 2005). Van-de-Velde et al. (2005) argued that more significant results are obtained when the precise nature of sustainability was considered and they point out that a number of CSR aspects may also possibly add shareholder value (Van-de-Velde et al., 2005).

#### 3.2.8 The Concept of CSR and Marketing Literature

Social responsibility has been discussed in the marketing literature for more than 50 years (Beckmann, 2007). Lazer (1969) for example suggested more research to broaden the understanding of the concept of marketing to consider whether it should be extended further than the realm of profit and to look at it as "an institution of social control instrumental in reorienting a culture from a producer's to a consumer's culture" (Lazer, 1969, p. 3). Similarly Lavidge (1970) argued that the concept of marketing should be broadened in scope and function and requirements should be added to help reduce irresponsibility. In addition, the dynamics of the requirements were underlined by him when he stated "history suggests that standards will be raised. Some practices which today are generally considered acceptable will gradually be viewed as unethical, then immoral, and will eventually be made illegal" (Lavidge, 1970, p. 25). The past three decades demonstrate that this statement is indeed true (Beckmann, 2007).

Literature on social marketing is an additional strand of marketing literature which is linked to organisations' social responsibility (Kotler & Zaltman, 1971). For example, Varadarajan and Menon (1988) argue that some organisations in the 1980s took into consideration cause-related marketing to address social issues. Cause-related marketing can be defined as "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives"

(Varadarajan & Menon, 1988, p. 80). This approach aims to benefit both society and organisations, hence is a win-win situation (Maignan & Ferrell, 2004).

The stakeholder approach has been used to justify CSR for most management literature, and in the same way is used in the marketing literature (Beckmann, 2007). On the other hand, there is less agreement on what constitutes elements of CSR; opinions extend from the model of the four facets of corporate citizenship which include economic, legal, ethical, and philanthropic components that were developed by Carroll (1979), to Lantos (2002) who strongly believed that corporate citizenship should only include ethical and strategic objectives and not altruistic (philanthropic) CSR. This is relevant as this thesis is aiming to understand the perceptions of consumers regarding the concept of CSR, hence the next section will consider previous studies that discuss CSR from a consumer perspective.

#### 3.2.8.1 CSR and Consumer Research

There were two streams in research that examine the perspective of consumers regarding CSR in marketing literature: green consumer research and research into antecedents of socially responsible behaviours (Beckmann, 2007). The first theme has precipitated a flurry of green ads, green products, and interest in waste handling, recycling, and energy conservation, while the focus of the second stream which started in the 1980s was to explore the antecedents of socially responsible behaviours such as buying green products or recycling (Beckmann, 2007). However, the results of these researches show that there was no agreement regarding the link between environmentally responsible behaviour and environmental attitudes (Beckmann, 2007). Beckmann (2007) provides an overview of studies on consumers, marketing and CSR published in the 1990s and 2000s; the classification frame of his study was the classical consumer decision-making model. The main findings of his study are set out in Table 33. His analysis reveals that further research is needed to better investigate the consequences of strategic CSR activities as there is a lack of knowledge in this area of research (Beckmann, 2007).

Main findings	Source		
Consumers are aware of and interested in CSR and say that CSR is a purchase criterion	Creyer & Ross, 1997; Handelman & Arnold, 1999; Lewis, 2003		
CSR increases positive attitudes towards the company and/or the brand	Brown & Dacin, 1997; Lichtenstein, Drumwright, & Braig, 2004; Murray & Vogel, 1997		
CSR functions as "insurance policy" in crisis situations; the importance of pro-active CSR commitment	Dawar & Pillutla, 2000; Klein & Dawar, 2004; Ricks, 2005		
CSR activities have positive spill-over effects to strategic alliances (sponsorships, co-branding, not-for profit)	Cornwell & Smith, 2001; Lafferty & Goldsmith, 2005; Ross, Patterson, & Stutts, 1992		
Consumers' attitudes are more affected by unethical behaviour than by pro-CSR behaviour	Elliott & Freeman, 2001; Folkes & Kamins, 1999		
Lack of knowledge, awareness and/or concern – and very little knowledge about which companies are CSR committed or not	Auger et al., 2003; Belk, Devinney, & Eckhardt, 2005; Boulstridge & Carrigan, 2000; Carrigan & Attalla, 2001		
Trade-off effects in favour of traditional decision criteria ("Old habits die hard")	Andreau et al., 2004, 2005; Beckmann et al., 2001; Boulstridge & Carrigan, 2000; Carrigan & Attalla, 2001; Mohr, Webb, & Harris, 2001		
Product category and/or price play a role	Elliott & Freeman, 2001; Mohr & Webb, 2005; Strahilevitz, 1999; Strahilevitz & Myers, 1998		
Little willingness to pay more; the effect of personal cost-benefit analyses	Creyer & Ross, 1997; Osterhus, 1997		
Scepticism and cynicism concerning corporate CSR (communication)	Mohr, Webb, & Harris, 2001; Sen & Bhattacharya, 2001; Swaen & Vanhamme, 2004		
Consumers distinguish between personal and social consequences of ethical/unethical company behaviour	Baron, 1999; Pitts, Wong, & Whalen, 1991		
Pro-CSR consumers do exist, but profiling them is difficult	Auger et al., 2003; Hustad & Pessemier, 1973; Mohr, Webb, & Harris, 2001; Roberts, 1995; 1996		
National and cultural differences do exist	Andreu et al., 2004; 2005; Maignan & Ferrell, 2003		

*Table 33 Overview of Main Finding Concerning Consumers and CSR (Beckmann, 2007, p. 30)* 

# 3.2.8.2 Youth Consumers and CSR

The population of Saudi Arabia is one of the youngest in the world as fifty seven percent of the total population are below the age of thirty (Arab News, 2012). Hence, Saudi youths are the biggest segment in the market and they will soon constitute the future leadership of organisations. Youth consumers in the world are "predicted to be the most complex and

influential group of consumers within the next couple of years" (Schmeltz, 2012, p. 31). In the same way, "they will be the future decisionmakers and implementers of CSR" (Wang & Juslin, 2011, p. 259). However, this segment has been overlooked, as only few recent studies in the literature have considered youth perceptions in different countries such as China (Wang & Juslin, 2011), Denmark (Schmeltz, 2012) and Finland (Luukkanen & Uusitalo, 2014). According to Schmeltz's (2012) study, "the findings deviate from what one would logically expect from this group based on their characteristics" (Schmeltz, 2012, p. 46). Accordingly, further research is needed to explore the perceptions of youth toward CSR within different cultural context. The Saudi youth segment has not yet been explored in the academic literature, although the highlight of the 2nd CSR Saudi Arabia 2014 Summit was the importance of CSR in the Saudi community development and youth empowerment (Ghanem, 2014). The exploration of youth consumers' perceptions toward CSR within the growing Middle East markets has been overlooked. In particular, the lack of scholarly research on youth consumers in Saudi Arabia seems particularly concerning given its recent development as an emerging global economic power (Derhally, 2013). Accordingly, this research will address this gap by exploring how the concept of CSR is perceived by Saudi youth.

# 3.2.8.3 Consumer Response to the Concept of CSR

Based on the literature, there are different views regarding consumers' responses to the concept of CSR. For example, Podnar and Golob (2007) argue that the responses of consumers to socially responsible organisations are usually positive. On the other hand, Vaaland, Heide, and Gronhaug (2008) go on to say that consumers do not pay attention to CSR and are not interested in it. Thus there is no agreement among researchers about the behaviour and attitudes of consumers in relation to CSR (Kolkailah, Abou-Aish & E-Bassiouny, 2012).

Consumers expect that organisations will provide information to consumers in regards to their social strategies and will support organisations that are involved in CSR initiatives (Pomering & Dolnicar, 2008). Thus organisations should inform consumers about how they deal with or support social issues in society in their marketing communications (Podnar & Golob, 2007). Kotler and Lee (2004) identify six CSR-based strategies that can be used by organisations in their marketing communications. These six strategies are: cause promotion,

cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practice (Kotler & Lee, 2004). The description and an example of each strategy are listed in the table below (Table 34). Organisations can adopt one or more of these strategies in their CSR initiatives.

	Strategy	Description	Example	
1	Cause promotion	A corporation provides funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation, or volunteer recruitment for a cause.	The Body Shop promotes a ban on the use of animals to test cosmetics	
2	Cause-related marketing	A corporation commits to making a contribution or donating a percentage of revenues to a specific cause based on product sales. In this scenario, a corporation is most often partnered with a non-profit organisation, creating a mutually beneficial relationship designed to increase sales of a particular product and to generate financial support for the charity	Comcast donates \$4.95 of installation fees for its high-speed Internet service to Ronald McDonald House Charities at the end of a given month.	
3	Corporate social marketing	A corporation supports the development and/or implementation of a behaviour change campaign intended to improve public health, safety, the environment, or community wellbeing. The distinguishing feature is the behaviour-change focus, which differentiates it from cause promotions that focus on supporting awareness, fundraising, and volunteer recruitment for a cause.	Home Depot and a water company promoting water conservation tips	
4	Corporate philanthropy	A corporation makes a direct contribution to a charity or cause, most often in the form of cash grants, donations, and/or in-kind services.	WaMu fund the professional development of teachers, leadership training for principals, and organisational development for schools	
5	Community volunteering	A corporation supports and encourages employees, retail partners, and/or franchise members to volunteer their time to support local community organisations and causes.	Shell employees working with The Ocean Conservancy on a beach cleanup	
6	Socially responsible business practice	A corporation adopts and conducts discretionary business practices and investments that support social causes to improve community well-being and protect the environment.	Starbucks working with Conservation International support farmers in minimising their impact on local environments	

Table 34 CSR-Based Strategies (Kotler & Lee, 2004)

Consumers responses to the six CSR strategies (Table 34) identified by Kotler and Lee (2004) were examined by Dahl and Persson (2008) as they investigated whether these strategies could influence consumers' purchase intention in Sweden. According to the result, consumers showed positive responses to these initiatives as their purchasing intention would increase as a response to companies' CSR initiatives. In addition, although the result indicates that consumers support all six strategies, consumers show more response to three specific strategies: cause-related marketing, corporate philanthropy, and socially responsible business. Consumers would support these three strategies more as they involve a significant effort on the part of the organisation itself (Planken, Nickerson, & Sahu, 2013).

Similarly, Planken, Nickerson, and Sahu (2013) examined consumers' responses to CSR strategies in two other countries: the Netherlands and India. Dutch and Indian consumers also showed positive attitude toward all six strategies identified by Kotler and Lee (2004); however in both countries they show significantly more positive attitudes toward the following two strategies: socially responsible business practice and cause-related marketing (Planken et al., 2013). On the other hand, in both countries consumers show the least positive attitude toward the cause-promotion strategy (Planken et al., 2013). Apart from this, the results show that cause-related marketing strategy leads to a significantly higher purchasing intent in Dutch consumers, while in Indian consumers the socially responsible business practice strategy leads to a significantly higher purchasing intent (Planken et al., 2013).

# 3.2.8.4 Consumer Awareness and Behaviour in relation to Socially Responsible Organisations

Many studies reveal that in general the level of awareness of consumers in regards to organisations' CSR practices is low as consumers do not have a lot of information about organisations' behaviour overall (Bhattacharya & Sen, 2004; Carrigan & Attalla, 2001). In addition, due to the corporate scandals that are likely to be covered by the media, consumers are frequently more knowledgeable of the harmful side of organisations' conduct, not the positive one (Wagner, Bicen, & Hall, 2008). Creyer and Ross (1997) argue that during the purchase decisions of consumers, ethical behaviour is perceived as an important consideration. Similarly, Tay (2005) states that the level of consumer awareness regarding CSR is different; consumers with high levels of awareness are more likely to be sensitive regarding organisations' behaviour that could affect their buying-decision behaviour.

Consumers are likely to have favourable attitudes and a better impression of organisations that are socially responsible if they are aware of their CSR initiatives (Bhattacharya & Sen, 2004). On the other hand, consumers who are aware of organisations' corruption scandals often mistrust organisations, and associate organisations' CSR practices with profit-generating motives (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). Ellen, Webb, and Mohr (2000) argue that there is a significant relationship between consumers' attitudes and an organisation's CSR activities. Similarly, Mohr, Webb and Harris (2001) investigated the impact of knowledge about CSR on the purchase decisions and attitudes of consumers. They concluded that there is a positive relationship between consumers' responses and CSR (Mohr, Webb, & Harris, 2001). The result of Creyer and Ross (1997) indicated that ethical behaviour is to be regarded as an essential consideration at some stage of consumer purchasing decisions.

Kotler and Lee (2005) point out that socially responsible organisations are supported by consumers as they clearly consider organisations' CSR in their purchasing process. Similarly, Bhattacharya, Korschun, and Sen (2009) support the view that consumers evidently think about CSR and tend to support socially responsible organisations. Abd-Rahim et al. (2011) argue that consumers have become more aware of any irresponsible behaviour on the part of an organisation due to information technology which allows information to spread within seconds. Thus, socially responsible organisations should be prepared to handle consumers' criticism to maintain their image (Abd-Rahim et al., 2011). On the other hand, organisations that ignore issues which could relate to concerns about social responsibility could be at high risk of facing boycotts from consumers as consumers' rights and consumer awareness have become stronger considerations in today's business world (Abd-Rahim et al., 2011).

#### 3.2.8.5 Consumer Perceptions of the Concept of CSR

Many studies in the literature discussed CSR; however, most of these studies examined the concept from the manager's point of view, with only limited studies examining the concept from the consumers' perspective (Atan & Abdul-Halim, 2012; Nalband & Alamri, 2013; Maignan, 2001). Nevertheless, examining CSR from the stakeholders' points of view (where stakeholders include consumers) has become an important area of research since the beginning of the twenty-first century based on the findings of the citation analysis discussed in the previous chapter. In addition, research that considers the role of CSR in the perception

of consumers proposes that organisations with active involvement in CSR will benefit from positive support from consumers who are more likely to buy their products (see for example Dusuki & Tengku, 2008; Auger, Devinney, & Louviere, 2003). This area of research was foreshadowed by Holmes' (1976) study of the perception of stakeholders regarding CSR (Atan & Abdul-Halim, 2012).

There are many different ways of understanding the concept of CSR, and these depend on the different perceptions of it. Thus the perceptions of CSR are classified into five categories: critical, normative, instrumental, supererogative, and sustainable (Andre, 2013). The first category, critical, considers the concept inconsistent and irrelevant. This represents Friedman's (1970) perspective and his belief that "the social responsibility of business is to increase its profit" (Friedman, 1970, p. 2). This suggests that the company's existence is CSR and nothing more as financial priorities should be the main concern of a company and its contribution to social benefit should be through creation of employment and wealth (Friedman, 1970).

On the other hand, the normative or instrumental conceptualisations consider the concept of CSR indeed relevant (Andre, 2013). The normative view regards CSR relevant as companies have a duty toward society; some companies fulfil these responsibilities because of their moral beliefs, while others fulfil them to keep the rules and obey regulations. However, in both cases the focus is on doing the right thing (Andre, 2013). The third category is the instrumental which is morally neutral and which views CSR as an opportunity to sustain profit (Andre, 2013).

Thus it has been argued in the literature that CSR can enhance corporate financial performance as stakeholders, for example customers, governments, employees, and the media, are likely to react positively to social responsibility activities on the part of organisations (Agle, Mitchell, & Sonnenfeld, 1999). This positive reaction leads to greater innovative capability, improved human capital, and improves the reputations of organisations, all of which consequently improve the financial performance of the company (Surroca, Tribo, & Waddock, 2010). Thus the instrumental perspective considers CSR a tool to improve corporate reputation and develop corporate performance in a way that can sustain profit (Andre, 2013).

The fourth perspective is supererogative and considers CSR to be an optional strategy rather than obligation (Andre, 2013). Thus CSR should be voluntary and organisations should have the option of whether to engage in CSR or not (Wettstein, 2009). It is good to engage in CSR, but it is not bad if the organisation chooses not to engage (Andre, 2013). The final way of perceiving CSR is from the perspective of sustainability. This perspective is concerned with the goal of the business and how it can be transformed into a sustainable business (Andre, 2013). Thus CSR is neither an obligation nor an opportunity. According to Parrish (2007) who supports this view, the aim of CSR strategies now and in the future should be to transform organisations into sustainable businesses; some organisations currently have already taken into account the importance of the sustainability of their businesses and consider sustainability their CSR. Thus recently sustainability has become an important issue and is linked with organisations' CSR.

Many studies that investigate the consumers' perception of the concept of CSR show that consumers globally do not share similar view (for example Smirnove, 2012; Arli & Lasmono, 2010; Nalband & Alamri, 2013; Darrag & E-Bassiouny, 2013); therefore the literature review demonstrates that consumers in different countries around the world have different views in relation to CSR. Nevertheless, consumers in one country may share similar views with those in another country (Planken, Nickerson, & Sahu, 2013). This research aims to understand the perception of Saudi consumers; hence it is important to discuss previous studies that consider consumers' perceptions of the concept of CSR. In the next sections, recent studies on consumers' perceptions of the concept of CSR that were carried out in different countries will be discussed. Based on the Table 35, the majority of the population of countries such as Saudi Arabia, Kazakhstan, Indonesia, and Malaysia are Muslim, while Muslims are in the minority in Netherlands, Slovenia, France, and Germany (Pew Research, 2011).

	Estimated Muslim	Percentage of Population that is		
	Population	Muslim		
Saudi				
Arabia	25.493.000	97.1		
Kazakhstan	8.887.000	56.4		
Indonesia	209.120.000	87.2		
Malaysia	17.139.000	61.4		
Netherlands	1.000.000	6		
Slovenia	70000	3.6		
France	4.710.000	7.5		
Germany	4.760.000	5.8		

Table 35 Muslim Population

Consumers' perceptions of the concept of CSR in countries listed in Table 35 will be discussed in the following sub-sections.

# 3.2.8.5.1 Perceptions in Kazakhstan

Smirnove (2012) studied the perceptions of individuals in Kazakhstan of the concept of CSR using a quantitative approach where data were collected through questionnaires. The concept of CSR is new in this country and many local companies are not aware of it, so the level of awareness of individuals is low (Smirnove, 2012). Companies in Kazakhstan have only recently begun to consider CSR which means that there is a lack of reports by companies on their social or charitable activities and limited information on this area is available in the media and on companies' websites (Smirnove, 2012). According to the result of this study, individuals believe that companies should improve the environment, obey the law, and balance the interest of the various stakeholders. This was related to Carroll's CSR model; here participants ordered the four types of responsibilities as follows: legal responsibilities, ethical responsibilities, economic responsibilities, and philanthropic responsibilities (Smirnove, 2012). The results showed that the participants believed that organisations should obey the law and be ethical; then they should consider their economic and philanthropic responsibilities (Smirnove, 2012).

# 3.2.8.5.2 Perceptions in Indonesia

Arli and Lasmono (2010) examined the perceptions of consumers of CSR in Indonesia which is a developing country where thirteen percent of the total number of Muslims around the world live, making it the country with the largest Muslim population in the world. In their study, they used Carroll's (1979) CSR model to identify which type of responsibility is the

most important for consumers in Indonesia of the four different categories: economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility (Arli & Lasmono, 2010). They found that economic responsibility was considered the most important, then philanthropic responsibility, legal responsibility and ethical responsibility respectively. Thus Indonesian consumers ordered the four responsibilities differently from consumers in Kazakhstan, although they considered economic responsibility the most important (Arli & Lasmono, 2010). Thus this agrees with Carroll's model in that economic responsibility is perceived as the fundamental block of the CSR pyramid and it was thought that organisations must achieve their economic responsibilities before progressing up the pyramid.

However philanthropic responsibility was chosen as the second most important and is considered more important than legal and ethical responsibilities (Arli & Lasmono, 2010). The explanation of this is that consumers in Indonesia believe that organisations should support the government in trying to resolve social and economic issues as the government cannot resolve these issues independently (Arli & Lasmono, 2010). In addition, Arli and Lasmono (2010) point out that, consumers only chose to buy from an organisation with a good reputation for being a socially responsible organisation if the price and quality of their products are the same as those from other companies.

There are some limitation to Arli and Lasmono's (2010) study. First, although Indonesia has the fourth largest population in the world, and the majority of its population is Muslims (Arli & Lasmono, 2010), the sample of this study was only students; hence this study did not represent all consumers in this country, as students only represent a subgroup of the total population. Second, there was no differentiation between national and international organisations and consumers may have different views and responses regarding them. Third, there was no balance in the respondents as 81.5% were female; thus gender bias might affect the result. In addition, although Indonesia has a large Muslim population, this study did not examine whether consumers' perceptions might have been affected by Islam. Thus further study is needed to examine the perception of Muslim consumers in Indonesia in order to investigate whether their Islamic background might have affected their perception of the concept. A further consideration is that in general, CSR studies that focus on developing countries investigate the business side of CSR, however they seldom analyse the consumer

side of CSR (Arli & Lasmono, 2010). Furthermore, according to Frynas (2006), the majority of studies on CSR in developing countries are likely to generalise their result to all such countries.

## 3.2.8.5.3 Perceptions in the Netherlands and India

Planken et al. (2013) investigated consumer responses to CSR in the Netherlands and India. Dutch consumers consider legal responsibility the fundamental building block followed by ethical responsibility, while consumers in India rank ethical responsibility first followed by legal responsibility (Planken et al., 2013). However, both groups agreed that organisations should only consider their economic responsibility after fulfilling ethical and legal responsibilities; furthermore philanthropic responsibility was considered by both groups to be the least important responsibility and thus was placed at the top of the CSR pyramid (Planken et al., 2013). The results indicate that consumers in these two countries share similar views regarding the concept of CSR. They both consider ethical and legal responsibilities the fundamental building blocks of Carroll's (1991) CSR pyramid, followed by economic responsibility and then philanthropic responsibility (Planken et al., 2013).

According to Planken et al. (2013), Dutch and Indian consumers expect organisations to be engaged positively in environmental projects as they consider protecting the environment the most important CSR activity. In addition, they think that organisations operating in the Netherlands and India should also improve employees' working conditions (Planken et al., 2013). Planken et al. (2013) argue that consumers' perceptions of the concept of CSR in developed and emerging countries could be similar in terms of the importance they attach to CSR initiatives and different social responsibilities although the CSR literature otherwise assumes that there are differences.

# 3.2.8.5.4 Perceptions in Saudi Arabia

The social responsibility of organisations in Saudi Arabia has become an important topic as there is a pressure in Saudi Arabia for organisations to be more socially responsible due to the international environment with the global integration of the world capital market (Nalband & Alamri, 2013). However, there are only a few articles in the academic literature that discuss the concept of CSR in Saudi Arabia, all of which were published recently (Nalband & Alamri, 2013; Darrag & E-Bassiouny, 2013). Nalband and Alamri (2013) examined the

perceptions of managers, the performance of companies and companies' practices in relation to the concept of CSR for twenty-one organisations in Saudi Arabia. They collected primary data through structured interviews, and obtained secondary data from various source such as annual reports, companies' websites, and in-house magazines.

Nalband and Alamri's (2013) findings show that Carroll's CSR pyramid is applicable (1991) although the priority of the four types of responsibilities is different. According to their results, legal responsibility was rated first in importance followed by economic responsibility, then philanthropic responsibility, while ethical responsibility was rated the lowest (was at the top of the pyramid). Nalband and Alamri (2013) argued that ethical and philanthropic responsibilities are built into Saudi culture due to religious tenets. Thus participants believe that it is the responsibility of individuals and not companies to take care of these two areas (Nalband & Alamri, 2013). This could mean that managers in Saudi Arabia perceive CSR as a responsibility shared between organisation and individuals. On the other hand, organisations must consider legal responsibility the basis of CSR and should then consider economic responsibility, while the philanthropic and ethical responsibilities are the responsibilities of every individual not only of organisations. Accordingly, Nalband and Alamri (2013) go on to say "ethics are considered part of the Kingdom of Saudi Arabia's individuals' walk of life" (Nalband & Alamri, 2013, p. 291). Apart from this, participants consider that looking after the environment should be an important part of organisations' CSR. Other practices include financing small projects (Nalband & Alamri, 2013).

According to Nalband and Alamri (2013), philanthropic responsibility in Saudi Arabia is linked with giving donations. In addition, they go on to say that respondents agree that good CSR practice can improve organisational performance; and organisations along with the government are interested in creating awareness regarding the concept of CSR in Saudi Arabia. However, there are some criticisms of this study as the data were collected from managers in one city only so their view of the concept of CSR cannot be generalised. In addition, structured interviews were conducted and the interviewer asked questions from a script and had followed the order of the questions, meaning there is less response to the interviewee's point of view, as in this type of interview there is no flexibility (Bryman & Bell, 2007). In addition, this study only listed limited examples of CSR practices without providing details about these practices. Furthermore, the focus of this study was more on the points of view of managers rather than of customers. Nalband and Alamri (2013) argued that

individuals should take care of ethical and philanthropic responsibilities according to religious tenets; however they failed to provide more information about this statement. Because their study did not investigate the concept of CSR in great detail, it was a simple study. Thus further research is needed to understand the impact of religion on the perception of the concept of CSR among consumers and managers in Saudi Arabia. Nalband and Alamri's (2013) study has indicated that ethical and philanthropic responsibilities are based on Islamic values in Saudi Arabia and it would be worth investigating this in more depth to develop a better understanding of the concept.

# 3.2.8.5.5 Perceptions in Slovenia

Podnar and Golob (2007) examined the expectations of consumers in Slovenia regarding the concept of CSR in terms of Carroll's CSR pyramid and how these could affect their intentions to support organisations' CSR initiatives. The consumers consider legal responsibility the fundamental responsibility of organisations; they expect organisations to obey the law and comply with ethical responsibilities, then philanthropic responsibilities, and then to consider their economic responsibilities. Thus economic responsibilities should not be the focus of organisations and should only be considered if organisations are fulfilling the other responsibilities (Podnar & Golob, 2007). In addition, consumers in Slovenia show a positive response to companies' CSR initiatives (Podnar & Golob, 2007). Thus Podnar and Golob (2007) argue that CSR could be used as a marketing tool for organisations operating in Slovenia as consumers support organisations that show their support to society through their CSR strategies.

# 3.2.8.5.6 Perceptions in France and Germany

Carroll's CSR pyramid has been applied in many studies, as has been discussed previously, to investigate whether Carroll's CSR pyramid is valid in the context and whether consumers perceive CSR as being made up of the four responsibilities that have been identified by Carroll (1991) in the same order. The focus of most studies is to identify which responsibility should be fulfilled before the other responsibilities are considered and how organisations progress up the pyramid. Maignan (2001) applied the CSR pyramid in France and Germany; he concluded that legal responsibility is viewed as the most important responsibility and considered to be the fundamental building block; the second most important is ethical responsibility, followed by philanthropic responsibility, and finally economic responsibility.

Thus the consumers in France and Germany did not order the four responsibilities in Carroll's CSR pyramid in the same way as in Carroll's original model, as in both countries they did not consider economic responsibility the most important; indeed they put it in last place. Accordingly, the result of Maignan's (2001) study demonstrated that consumers in France and Germany shared a similar view of the concept of CSR which had a different order of responsibilities from Carroll's.

# 3.2.8.5.7 Perceptions in Africa

Visser (2005) applied Carroll's pyramid to Africa and found out economic responsibility was considered the most significant followed by philanthropic responsibility. In addition, legal responsibility and ethical responsibly were the third and fourth building blocks respectively in the African CSR pyramid. Thus the CSR pyramid is valid in Africa although the structure of the CSR pyramid model varies from the classic CSR pyramid which was developed by Carroll. Hence Visser (2005) goes on to say that consumers in Africa expect organisations to help society in terms of creating jobs and to help develop the economy in their countries as they perceive their countries to be developing countries with high unemployment rates and many poor people and which therefore need financial support. Therefore, it has been argued in the perceptions of consumers, most CSR practices in Africa should be based on philanthropic projects and on making financial donations.

# 3.2.8.5.8 Perceptions in Malaysia

Abd-Rahim et al. (2011) whose study was conducted in Malaysia examined the role of CSR in consumers' buying behaviour. They used Carroll's CSR pyramid to identify which types of CSR influence were considered by consumers to be the most important (Abd-Rahim et al., 2011). Consumers' views on CSR were collected through a questionnaire survey (Abd-Rahim et al., 2011). The results revealed that consumers' buying behaviour has a significant relationship to all categories of CSR (Abd-Rahim et al., 2011). Consumers in Malaysia consider economic responsibility the most important and believe it should be the fundamental building block of the CSR pyramid, followed by philanthropic responsibility, ethical responsibility, and then legal responsibility (Abd-Rahim et al., 2011).

Most of the studies that have been discussed in the previous sections focused on countries where the majority of the population are Muslims. However, Atan and Abdul-Halim's (2012)

was the first study that focused on Muslim consumers' attitudes to CSR as their sample only included Muslims. In their study, they extended Carroll's model by adding a new dimension, "Islamic values" to the other four, economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility (Atan & Abdul-Halim, 2012). Their study was carried out in Malaysia and their sample was university staff from three universities in the state of Kelantan. This state was chosen because here Muslims represent 95 percent of the total population (Atan & Abdul-Halim, 2012). The five dimensions of CSR were surveyed to identify the perception of consumers of each of these dimensions (Atan & Abdul-Halim, 2012). Their result shows that Muslim consumers in Kelanta consider legal responsibility the most important responsibility for an organisation, and they perceive an organisation to be good if it obeys the rules and all regulations (Atan & Abdul-Halim, 2012). Once an organisation has complied with its legal responsibilities, consumers expect organisations to contribute to society by becoming involving in philanthropic activities as they consider this the second most important responsibility in the CSR pyramid (Atan & Abdul-Halim, 2012).

The third most important dimension is economic responsibility (Atan & Abdul-Halim, 2012). Although economic responsibility is the most important responsibility in Carroll's model, Muslim consumers in Kelantan perceive it to be the third most important and they believe that achieving high levels of economic performance is less important than conforming to social considerations (Atan & Abdul-Halim, 2012). Islamic responsibility was considered the fourth most important dimension (Atan & Abdul-Halim, 2012). Thus Atan and Abdul-Halim (2012) go on to say that religiosity does not have much influence on the perception of individuals of the concept of CSR, although they mentioned in their study that "such results could be attributed to physical factor where the majority of stakeholders in Kelantan are Muslims and the ruling government in this state is an Islamic political party" (Atan & Abdul-Halim, 2012, p. 76). Thus their sample expects Muslim and Non-Muslim businessmen to implement Islamic values within their organisation to meet the needs of the majority Muslim consumers in Kelantan state, and this could be a reason why the dimension of Islamic values was not perceived as the most important responsibility (Atan & Abdul-Halim, 2012). This could indicate that there is some confusion between Islamic values and legal responsibilities in consumers' perceptions of CSR. The least important dimension was ethical where Kelantanese Muslim consumers consider that if an organisation complies with rules and regulations it is ethical (Atan & Abdul-Halim, 2012).

The study of Atan and Abdul-Halim (2012) focused only on Kelantanese Muslim consumers in Malaysia; therefore it is difficult to generalise their result to cover all Muslim consumers around the world. Atan and Abdul-Halim (2012) called for further research to address lacks in this particular area so as to better understand the behaviour of Muslim consumers from different countries around the world in relation to CSR. Although they considered Islamic values a separate responsibility and added it to the other four types of responsibilities which were identified by Carroll, Atan and Abdul-Halim (2012) did not investigate or explain the relationship between Islamic values and the other four types of responsibilities or, consider whether it should be included with any of the other responsibilities or, whether it should be dealt with separately. This created confusion in the consumers' minds as Atan and Abdul-Halim (2012) failed to identify how Islamic values could be separated from the other four responsibilities and did not explain to the participants how Islamic values could affect the other four responsibilities. Thus to better understand the perception of Muslim consumers of the concept of CSR, Islamic values should first be investigated in order to identify the concept of CSR from an Islamic perspective; then an investigation should be carried out to examine the perceptions of Muslim consumers regarding the concept in more detail to develop a better understanding. Thus, as the aim of this research is to understand Saudi consumers' perceptions of the concept of CSR, and Saudi Arabia is an exclusively Islamic country, previous literature that discussed the concept of CSR from an Islamic perspective should be reviewed. Accordingly, this will be done in the second part of this chapter which will focus on Islam and CSR.

# 3.2.8.5.9 Summary of Consumers' Perceptions of the Concept of CSR

Previous studies examining consumers' perceptions of the concept of CSR have indicated that consumers' perceptions differ from one country to another, although some consumers in one country may share similar view with consumers in another country. Table 36 summarises the results for the recent studies that have been covered in the previous sub-sections.

Categories	Country	Author	Year	1	2	3	4
Mus	Saudi Arabia	Nalband & Alamri	2013	Legal	Economic	Philanthropic	Ethical
lims 1	Indonesia	Arli & Lasmono	2010	Economic	Philanthropic	Legal	Ethical
Muslims Majority	Malaysia	Abd- Rahim et al	2011	Economic	Philanthropic	Ethical	Legal
Countries		Atan & Abdul- Halim	2012	Legal	Philanthropic	Economic	Ethical
01	Kazakhstan	Smirnove	2012	Legal	Ethical	Economic	Philanthropic
	India	Planken et al.	2013	Ethical	Legal	Economic	Philanthropic
Non	Netherland	Planken et al.	2013	Legal	Ethical	Economic	Philanthropic
Non-Muslims Countries	Slovenia	Podnar, & Golob	2007	Legal	Ethical	Philanthropic	Economic
lim	France	Maignan	2001	Legal	Ethical	Philanthropic	Economic
01	Germany	Maignan	2001	Legal	Ethical	Philanthropic	Economic

Table 36 Summary of Consumers' Perceptions of the Concept of CSR (Author)

According to Table 36, there is complete agreement between consumers in non-Muslim countries as they all considered the legal and ethical responsibilities the fundamental building blocks of CSR and they believe that organisations should first fulfil these responsibilities before considering the other ones. On the other hand, consumers in Muslim countries have different perceptions regarding the importance of the different types of responsibilities. The second part of this chapter will now critically evaluate the literature that considers the concept of CSR from an Islamic perspective.

# 3.3 Part II: Islam and Corporate Social Responsibility

# 3.3.1 Background

Academic literature indicates that many studies have examined Islamic ethical philosophies (Ahmad, 1991; Badawi, 2000). However, all of these studies are from religious perspectives that fail to consider the application of these philosophies in a wider socio-economic environment. In addition, only seven out of ninety papers published in The Journal of Corporate Citizenship in its first twelve volumes have focused on Asian countries, while the remainder were based on American and European perspectives (Birch & Moon, 2004). Therefore, further studies, with perspectives other than Americans' and Europeans' are required.

One of the main objectives of this research is to identify and analyse the Islamic view of the different responsibilities that corporations should consider in their operations and strategies. Thus to better identify the Islamic view of CSR, the Islamic business ethics literature will be critically reviewed in addition to the CSR literature. In the Islamic approach, there are two sources that govern business ethics: the Holy Quran (Islam's holy book), and the Practices of the Holy Prophet Mohammed (PBH), which shape and direct the whole Islamic way of life (Saeed, Ahmed, & Mukhtar, 2001). Every aspect of Muslim life should be according to the "Sharia" which is Islamic law (Arham, 2010). Furthermore, justice and equity are the twin foundation pillars of the Islamic perspective (Saeed, Ahmed, & Mukhtar, 2001). Greenlees (2005) goes on to say that because these two fundamental principals are relevant for all human beings, Islamic principles are being adopted in businesses more and more widely among both Muslims and non-Muslims.

Ethics have been discussed in great detail in the Islamic context; the term "Khuluq" appeares in the Holy Quran and is closely associated with the term "ethics" (Rizk, 2008). Therefore, analysing the Islamic concept "Khuluq" can provide a better understanding of the Islamic view of CSR. Indeed, in the Holy Quran, the prophet Mohammed is described as "a Prophet of good ethics" (Abuznaid, 2009, p. 280). The concept of good values is described in the Holy Quran with many terms such as: Adl (justice), Haqq (truth and right), Maruf (known and approved), Salihat (pious action), and Quist (equity) (Abuznaid, 2009; Rizk, 2008). Thus, Islam is a religion with high moral standards (Abuznaid, 2009).

# 3.3.2 Islamic ethical guidelines

Saeed et al. (2001) strongly believe that Islamic ethical guidelines are suitable for all cultures and at all times in history, as the nature of human beings everywhere is fundamentally the same. Thus developing an Islamic CSR model can benefit organisations from different cultures around the world. According to Miller and Deiss (1996) cost leadership strategies can lead organisations to take unethical decisions and producing sub-optimal products. Thus organisations should be aware of their behaviour when adopting strategies such as cost leadership as this strategy may benefit the company economically, but at the same time could lead to negative behaviour. Thus organisations are advised to develop an ethical corporate culture to avoid any unethical behaviour (Miller & Deiss, 1996). Similarly, Saeed, et al. (2001) go on to say that an Islamic approach does not encourage decisions that are based on profit maximisation but decisions that are based on welfare and societal values (Saeed et al., 2001). In addition, Saeed et al. (2001) argue that organisations should always consider societal values and that this should be their priority, while profit maximisation should be secondary. By adopting this practice, others are more likely want to be involved with them if people become aware of their way of dealing fairly with others, and that they exercise corporate responsibility and show integrity (Al-Razi, 1985, cited by Saeed et al., 2001).

Islamic ethics are based on Islamic teachings which follow the Quran (Siwar & Hossain, 2009). According to Islamic values, an individual should avoid discrimination, backbiting, and envy; he or she should be fair, truthful, and upright as these are important when dealing with others, and this should be visible in business activities (Siwar & Hossain, 2009). In addition, all people are equal regardless of their colour, race, and characteristics (Almoharby, 2011). According to Siwar and Hossain (2009) and Almoharby, (2011) ethical values have been emphasised in Islam. These values were mentioned in the Quran, and scholars have interpreted them, and then linked them to business practice (Siwar & Hossain, 2009; Almoharby, 2011; Abuzunaid, 2009).

According to the study of Abuzunaid (2009) who has examined how Islamic ethics impact on organisations, it can be concluded that these ethics can increase efficiency and effectiveness, lead to better quality and better care of employees, result in integrity, stop abuse of power and corruption, and encourage initiative. He also adds that the two dimensions of Islamic ethics are ethics in relation to God and ethics in relation to others. Thus believing in and

worshipping God is the first dimension of ethics for a Muslim, while maintaining good relationships and dealing ethically with people is the second (Abuzunaid, 2009). Understanding these two dimensions is important as Muslims should always behave ethically according to these two dimensions even if some of the practices that they do not permit are legal. For example, an organisation in a country can maximise its profits by increasing its prices if this is legal and there may be no barriers stopping the organisations from doing so; however from an ethical perspective it may have a negative effect on the society. From an Islamic perspective the organisation should not increase its prices as this would be considered unethical. This practice would, however, be considered acceptable from a non-Islamic perspective. Thus in Islam ethics are very important and organisations should always consider the impact of their decisions on society and should be fair in their business dealings and transactions as fairness is one of the corporate responsibilities that always needs to be taken into consideration for the benefit of both the buyer and the seller (Abuznaid, 2009).

#### 3.3.3 Marketing in Islam

It is widely believed that marketing strategies are a crucial consideration for many businesses as they can help them to improve sales and satisfy customers' needs. However, many authors argue that there are some differences in terms of practices and meanings between Islamic and non-Islamic concepts of marketing and use the term "Islamic Marketing" to emphasise their views (Alserhan, 2010; Wilson, 2012; Koku & Savas. 2014; Kadirov, 2014; Arham, 2010). Koku and Savas (2014) argue that Islamic Marketing is an "emerging subfield of marketing". Similarly, Kadirov (2014) describes it as an "independent domain of marketing". The most comprehensive definition of it was developed by Wilson (2012, p. 6) who suggests that Islamic marketing can be seen as:

- An acknowledgement of a God-conscious approach to marketing, from a marketer's and/or consumer's perspective, which draws from the drivers or traits associated with Islam.
- A school of thought which has a moral compass which tends towards the ethical norms and values of Islam and how Muslims interpret these, from their varying cultural lenses.
- A multi-layered, dynamic and three-dimensional phenomenon of Muslim and non-Muslim stakeholder engagement, which can be understood by considering the

creation of explicit and/or implicit signalling cultural artefacts – facilitated by marketing (Wilson, 2012, p. 6).

In the literature, Sula and Kartjaya (2006) emphasised that the Islamic concept of marketing is marked by the following characteristics: it is spiritualistic, humanistic, ethical, and realistic. Arham (2010) agrees with these four characteristics, and believe that Islamic teaching can be used as a marketing tool. In addition, it has been argued that Islamic marketing is based on Islamic teaching (Arham, 2010; Saeed et al., 2001). Two verses in the Quran mention "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent" (Quran, 4:29), and the second is "Allah has permitted trade and has forbidden interest" (Quran, 2: 275). According to Wilson (2012) Islamic marketing is underpinned by the ethical norms and values of Islam which are then modified according to the culture in which Muslims live. Alserhan (2010) believes that it is important to understand the concept of Halal and Haram in Islam as some marketers do not understand these in practice. He explains this theme by saying that Halal is the norm and things should be only be considered Haram if there is clear evidence in the Quran that it is prohibited. Many academics have discussed and explained Islamic Marketing; however further research is still needed to develop theory on Islamic Marketing and investigate how it can be implemented in practice.

Kadirov (2014) compares Islamic macromarketing which he defines as "a marketing system that is framed by Islamic values and principles" (Kadirov, 2014, p. 7) to conventional macromarketing. He argues that the ends of marketing in macromarketing are social justice and increasing the level of welfare and happiness, while the ends of marketing in Islamic macromarketing is maximising good deeds which are based on goodness. In addition, he claims that Islamic macromarketing takes a wider view because "it focuses on the ends that make the Single Unified Community successful both in this world and the hereafter" (Kadirov, 2014, p. 11), whilst macromarketing considers marketing policies and activities that can only produce worldly benefits. Thus he believes that "directly importing and adapting micromarketing concepts into the field and giving them a cosmetic 'religious' treatment will not make marketing Islamic" (Kadirov, 2014, p. 16). In Islam gambling is prohibited as mentioned in the Quran (5:90), so it can be argued even if a gambling company is considerate of its customers and its responsibilities toward society and promotes itself as a

social responsible company, Muslims may still have negative perceptions toward it as the company deals with a product that is prohibited in Islam. Thus it is important to understanding the ethical aspects which feature in the perceptions of Muslim consumers regarding various kinds of activities.

Koku and Savas (2014) explore the concept of CSR and its connection to Islamic marketing and conclude that there are major overlaps between the two concepts which need to be explored in detail. In their study they suggest that "CSR serves as a platform through which contemporary corporate structures could be imbued with values of religiosity" (Koku & Savas, 2014, p. 45). In addition, they argue that the area of Islamic marketing would be enhanced if further studies explored its commonality with the concept of CSR. They come up with five propositions, one of which is that "organizations that operate according to the tenets of Islam will, on average, perform better than those that do not". It can be argued that this study confirms that Islamic marketing has much in common with the concept of CSR. However, this study is theoretical and needs to be empirically validated in further studies.

The Muslim market represents approximately twenty percent of the global population, and indeed the majority of the population in more than fifty countries around the world are Muslims (Alserhan 2010). For this reason it is important to conceptualise CSR in Islam as this would enhance the academic literature and could enrich the area of Islamic marketing and cater to this significant market segment. According to Saeed et al. (2001) Islam dictates that in all marketing activities honesty and reliability should be upheld, and there should be a "high standard of straight-forwardness" (Saeed et al., 2001, p 136). Accordingly, it is organisations' responsibility to encourage their employees to observe such practices as this will be a good example of CSR strategy. Indeed, organisations should consider their social responsibilities when they promote their products or services as these may have an impact on society, and should bear in mind that organisations have responsibilities toward their consumers based on the stakeholder approach (Freeman, 1984). Thus understanding Muslim consumers' perceptions of the concept of CSR would help the marketer as according to this, CSR should not be separated from marketing activities and should be integrated in all an organisation's operations.

# 3.3.4 Corporate responsibilities in Islam

CSR in Islam is regarded as a religious and moral obligation and is considered a spiritual engagement. In addition, fulfilling ones' responsibilities toward people and the local community are major duties for Muslims who believe that they have to work together to fulfil them (Almoharby, 2011). The Quran says: "Verily! Allah commands that you should render back the trusts to those to whom they are due; and that when you judge between people, you judge with justice. Verily, Allah admonishes you with what is excellent; truly, Allah is Ever All-Hearer, All-Seer" (Quran, 4: 58). Thus organisations that target Muslim individuals should understand their attitudes to corporate responsibility as some CSR practices are obligatory in Islam.

In addition, CSR is viewed as a benefit rather than a cost from the Islamic perspective. Thus organisations should not consider CSR as something they have to do in order to meet legal obligation but their attitude toward CSR should be a result of their moral and spiritual sense of obligation (Hassan & Abdul-Latiff, 2009). CSR practices may give better results if organisations adopt them properly and implement them for the benefit of both society and the organisation. Organisations should focus both on making an effort to fulfil their responsibilities toward the society they operate in, and on developing in the business' competitive context at the same time as there is no contradict between these two areas (Hassan & Abdul-Latiff, 2009).

One of the main CSR strategies is looking after the environment; this has been extensively discussed in Islam. Thus it has been mentioned in two different verses in the Quran "And cause not corruption upon the earth after its reformation" (Quran, 7: 56); "And when he goes away, he strives throughout the land to cause corruption therein and destroy crops and animals. And Allah does not like corruption" (Quran, 2: 205). Thus Islam encourages people to protect the environment and its resources, for example water should not be wasted even if it comes from a river (Siwar & Hossain, 2009). In addition, wasting energy is prohibited, and is mentioned in the holy Quran: "indeed, the misspenders are the brother of the devil" (Quran, 17:27).

The perception of CSR in Islam is broader (Siwar & Hossain, 2009). Islam prohibits illicit gain and encourages businesses to deal fairly with their customers and not to overcharge

them. In addition, organisations must not be involved in unethical practices which affect the price of products such as unjustified price manipulation, black marketing, hoarding, and concealment of necessary commodities. In addition, profits which could be gained from such practices are considered sinful in Islam (Saeed et al., 2001). However, these practices are not only prohibited in Islam but are illegal in many countries around the world. Indeed, these practices are generally considered to be unethical, and many countries around the world have laws against them (Idowu, 2011). Thus, the Islamic view and current CSR values share the same perspective on these activities.

One authority regarding the concept of profit maximisation is Friedman (1970) who believes that an organisation's main objective is to make money and maximise their profit; however this may conflict with some Islamic principles (Almoharby, 2011). However, Friedman's argument that organisations' main responsibility is to maximise shareholder values has been criticised by other scholars in the West as was discussed previously in the beginning of this chapter (see for example, Carroll, 1979; Wood, 1991). Thus the Islamic view of the concept of CSR may support the view of Carroll (1970) that maximising profit should not be the priority of organisations. Indeed, scholars in the West have differing views on the concept of CSR, and the concept of CSR from an Islamic perspective may support the views of some of these scholars. It is important to compare and contrast both views in order to contribute to the literature in this area.

Baker (2006, cited by Werther & Chandler, 2011) strongly believes that measuring CSR by how much money organisations spend on their CSR activities is no longer a valid gauge; indeed the focus should be on how the organisations obtain their money in the first place. He adds that "CSR represents nothing less than an attempt to define the future of our society" (Baker, 2006, cited by Werther & Chandler, 2011, p. 15). Obviously, CSR is not a strategy that can be used to improve the reputation of organisations if their businesses are involved in illegal or unethical practices. Similarly Saeed et al. (2001) go on to say that "in Islam undertaking of each and every transaction represents a task that must be executed in accordance with Islamic law and teachings" (Saeed et al., 2001, p 128).

Siwar and Hossain (2009) conducted a study that aimed to compare the Islamic concept of CSR with managers' perceptions regarding corporation responsibility toward society in Malaysia (Siwar & Hossain, 2009). They concluded that responsible behaviour towards

society, the economy and the environment are promoted in Islam, and they argue that there is a correlation between Islamic concepts and current CSR strategies and policies. However, they only focus on four CSR practices: discrimination, environmental impact, financial support to the local community, and employees' involvement in important issues. Thus, further research is needed to compare the relationships between these and to examine other CSR practices such as charitable giving.

Hassan and Abdul-Latiff (2009) argued that the contribution of organisations to society could be greater if they linked their organisation's charitable work to the organisation's competitive context. In other words, they believe that organisations can use their charitable activities as a competitive tool that will increase their organisation's value. Based on their results, there appears to be a link between CSR and the competitive context of organisations; however, they limited their concept of CSR activities to charitable work. Wilson (1985 cited in Mohammed 2007) was the first to examine the market behaviour of Islamic business and he pointed out that loyalty is extremely crucial in this, which means that it will spread into various relationships in business activities such as relationships with employees, clients and other businesses. Indeed, since the 1980's it has been recognised that employers in Muslim societies have a paternalistic attitude toward their employees (Farid, 1980). This indicates that Islamic values play a major role in the relationship between organisations, their management, and their employees which develops the organisations' culture. Thus it can be seen that the responsibility toward employees is part of the Islamic attitude to CSR.

According to Arham (2010) "all ways could be made Islamic. The only challenge is the 'How' element" (Arham, 2010, p 151). Trading has been highlighted in the Quran as follows: "O you who believe! Eat not up your property among yourselves unjustly except it be a trade amongst you, by mutual consent. And do not kill yourselves (nor kill one another)" (Quran, 4:29). Thus Islam encourages Muslims to be involved in trading, but it has been stressed that "mutual consent" is very important according to the Islamic law. In addition, the most important element in trading is the concept of "Tawhid" or oneness (Rice, 1999). According to Abusulayman (1998), there are vertical and horizontal relationships that shape the concept of "Tawhid", the relationship between the individual and the creator representing the vertical relationship while the inter-relationship between individuals according to Islamic law represents the horizontal relationship (Abusulayman, 1998).

Apart from this, Nik-Yusoff (2002) argues: "Like the Marxist-socialist system, Islam requires fair distribution of income and wealth. However, Islam does not require equal but equitable distribution of income and wealth. Unlike communism and socialism which believe in state enterprise, Islam calls for private enterprise as the best means to encourage economic freedom of the individual, to uphold man's right to own private properties and also to generate greater economic prosperity" (Nik-Yusoff, 2002, p. 29). Although there have been studies in the literature that discussed Islamic ethics and CSR, "Islamic writers have focused upon the Koran and mainly Asian literature without utilising a wide body of literature in the West which would assist with the development of the Islamic paradigm" (Dar & Presley, 1999, p 1). Thus examining corporate and social responsibility in relation to Islamic values and comparing this with the existing literature in the West is a potentially valuable area of research that will hopefully inform both theory and practice. Ethical and social behaviour have been discussed in the context of Islam and the concept of CSR plays a role of in it (Gill, 2011). However, a limited number of studies have examined the Islamic view of CSR in the literature such as those of Dusuki (2008) and Siwar and Hossain (2009).

According to Dusuki's (2008) study, the worldview of Islam along with other theoretical justifications of it is, in relation to the concept of CSR, different from the view of several Western philosophical constructs, as a holistic view is taken of social responsibility and principles of Islamic law are grounded in Muslim ethical judgments and morals. Dusuki (2008) goes on to say that a religious bond is more important than social contract, since this involves a commitment to social norms in addition to moral standards based on "Shariah" (Islamic law). He also argues that if an organisation embeds the "Shariah" principles in its operations, by default it will be practicing CSR as that is part of the Islamic spirit.

One of the most important studies in the literature that discussed Islamic CSR is a study carried out by Zinkin and Williams (2006); in this study they evaluated the UN Global Compact and then compared it with the view of Islam in relation to the same concept. In the UN Global Compact there are 10 principles which are divided into four categories: human rights, labour, environment, and anti-corruption. Zinkin and Williams (2006) argued after they carried out the comparison that the Islamic view not only conformed with the UN Global Compact's principles, but went "further than the minimum standard adopted by this

framework" (Zinkin & Williams, 2006, p. 17). They based their arguments on two main points: the Islamic view is wider in scope and has a clear codification.

Dusuki (2008) claims that the view of CSR in the West is not associated generally with ethical concerns, but with a materialistic philosophy. According to the social contract which is one of the principles of CSR theories, the "social contract" which connects organisations with society has to be renegotiated as the preferences of society change (Donaldson & Dunfee, 1994). Thus organisations' legitimacy depends on the perceptions of the public alone and organisations are expected to adjust their behaviour in line with how the public are expecting them to behave (Humber, 2002). Davies (2003) states that, despite the fact that some local practices represent corruption and low standards, organisations should still respect these values. Under those circumstances, Dusuki (2008) counters with the view that organisations should not base their behaviour upon what is generally perceived as the norm, as people's standards of behaviour change. This contrasts with the Islamic CSR which is based on the Quran which does not vary.

Humber (2002) claims that "we should abandon the quest to develop a special moral theory for use in business and we should not attempt to impose the use of any moral theory upon business, but rather should allow corporations to determine their moral responsibilities in any way they see fit" (Humber, 2002, p. 215). On the other hand, Dusuki (2008) argued that organisations need specific principles and rules to exercise social responsibility and increase their commitment to it. A number of studies for example Lantos (2001) and Greenfield (2004) state that organisations should consider CSR as an instrumental or strategic initiative in order to advance their financial performance in the long term or to enhance goodwill. On the other hand, Dusuki (2008) encountered this view when he investigated the Islamic view of the concept of CSR as he claims that CSR is to be considered a religious and moral initiative and organisations have to be "good" in all aspects; they should not focus on the financial consequences, whether these be negative or positive, of any action which is based on moral concern.

Similarly Mohammed (2007) argues that "A corporation that is deemed to be financially successful at the expense of good social conduct is unsuccessful" (Mohammed, 2007, p. 2). According to Friedman (1970), CSR duty is limited to governments and only they should be responsible for it. On the other hand, Dusuki (2008) strongly believes that CSR is a duty for

every members of community and is not only a governmental duty. Therefore, organisations which are part of the community should exercise CSR and encourage other to do so (Dusuki, 2008). Based on Islam, charitable giving is one of the five mandatory deeds that all Muslims should practice in their life (Gill, 2011). Chapra (2008) goes on to say:

"the ultimate goal of all Islamic teachings is to be a blessing for mankind. This is the primary purpose for which the Prophet (Muhammad – peace be upon him) was sent to this world (Qur'an, 21:107). One of the indispensable ways to realize this goal is to promote the falah or real well-being of all the people living on earth, irrespective of their race, color, age, sex or nationality" (Chapra, 2008, p. 1).

A recent study by Darrag and E-Bassiouny (2013) investigated the roots of CSR in Islam and suggested a new model for CSR from an Islamic perspective. The study used corporate communications and semi-structured interviews to collect the required data. According to Darrag and E-Bassiouny (2013), organisations in the Middle Eastern and North African (MENA) region undertake CSR from a philanthropic perspective, as they are very much involved in social activities such as, building schools and hospitals which are related to improvement of education, the community, and to research. The authors argued that these activities should be the responsibility of governments, however due to governments' inadequate performance, organisations undertake these activities in order to reduce social injustice. Their study represents organisations' perceptions of CSR in the MENA region. The majority of the population in this region is Muslim (Darrag and E-Bassiouny, 2013). Further research is needed to explore consumers' perceptions of CSR in this region to investigate whether they share the same views as the organisations.

Darrag and E-Bassiouny (2013) have studied Islamic CSR and argue that "in Islamic nations, the CSR concept is ideally and ultimately based on divine revelation stemming from Islam's teachings, whereas in the Western nations, the CSR concept is derived from secular ethics and morality where such ethics are inevitably transitory" (Darrag & E-Bassiouny, 2013, p. 367). They also argue that organisations should be guided by Islam in order to strive for "ultimate felicity in this life and in the Hereafter" (Darrag & E-Bassiouny, 2013, p. 368). Thus the concept of Tawhid or the God-consciousness dimension and rewards from God should be the key elements of engaging in CSR from an Islamic perspective. Tawhid in Islam

means God (Allah in Arabic) is one and is the first pillar of Islam (Wadud, 2008). In addition, Khan (2014) goes on to say "Tawhid refers to Allah's role as Sustainer and Provider of sustenance to all creatures. Simultaneously, it defines the role of man as vicegerent of Allah on this earth" (Khan, 2014, p. 12). This means that as vicegerents of Allah, Muslims must, for example, protect the environment and preserve resources for the well-being of all creatures, and must fight corruption in all organisations (Khan, 2014).

Islamic financial institutions are motivated to pursue a CSR agenda in their organisations by Islamic ethical principles (Darrag & E-Bassiouny, 2013). These financial institutions base their strategy on ethical investment and social responsibility. Thus Islamic financial institutions have "a higher tendency toward CSR based upon strong religious and ethical principles" (Darrag & E-Bassiouny, 2013, p. 368). On the other hand, in conventional financial institutes, CSR is considered an optional strategy and a voluntary act (Ullah & Jamali, 2010). Ullah and Jamali (2010) argue that the stakeholder theory developed by Freeman (1984) aligns very much with the Islamic perspective as organisations should consider the stakeholders as a whole; this includes internal stakeholders such as employees and managers, and external stakeholders such as suppliers and customers. Thus CSR in Islam encourages organisations to consider the interests of society as their first priority.

According to Dusuki and Abdullah (2007), "Islam's concept of CSR encompasses a broader meaning, embracing the Taqwa (God-consciousness) by which corporations (as groups of individuals) assume their roles and responsibilities as servants and vicegerents of God in all situations" (Dusuki & Abdullah, 2007, p. 33). This means that the relationship with God should motivate values of uprightness, kindness, fairness rather than discrimination, and envy (Siwar & Hossain, 2009). These relationships should not only be upheld in business activities, but also in dealings with other stakeholders (Siwar & Hossain, 2009). In Islam, organisations should not be driven by profit maximisation; they should be driven by the guidance of Islam which is based on "falah" or real well-being (Darrag & E-Bassiouny, 2013). Thus organisations should always consider their moral and social responsibility for the well-being of others. Dusuki and Abdullah (2007) go on to say that organisations can achieve "falah" if they "assume their roles and responsibilities as servants and vicegerents of God in all situations" (Dusuki & Abdullah, 2007, p. 33). Muslims practice and follow Islam to receive their reward from God. Therefore they do their utmost to help others and

themselves to obtain more rewards that will benefit them in the Hereafter (Darrag & E-Bassiouny, 2013). Based on the above discussion, there are two main dimensions that encourage Muslims as individuals and groups (organisations) to consider their social and moral responsibilities: the Taqwa or God-consciousness and the concept of reward.

The interests of society are a very important aspect of Islamic CSR, and Muslims are encouraged to work together and act responsibly towards several stakeholders. In addition, more responsibility is expected from the more fortunate individuals and organisations as they have a greater ability to practice social responsibility and act in the interests of society as a whole (Dusuki & Abdullah, 2007). Saeed et al. (2001) strongly believe that Islamic ethical guidelines are suitable for all cultures and at all times in history as the nature of human beings is fundamentally the same. They argue that "the development of a global moral order in fact reflects a natural universal desire for a more stringent moral and ethical value system, and gives support to the view that there exist innate universal moral values in every human being irrespective of their culture, creed, or religion." (Saeed et al., 2001, p. 129).

This section has discussed CSR in Islam. The next section will discuss corporate philanthropy, which is part of CSR, from an Islamic perspective. In Islam there are two kinds of philanthropy; these will be explained in more detail in the next section.

#### 3.3.4.1 Comparison between Islamic CSR and Western CSR

A view of society from an Islamic perspective should be consistent with the concept of CSR as there are many similarities between Islamic Values and CSR values (Pratten & Mashat, 2009; Siwar & Hossain, 2009; Darrag & E-Bassiouny, 2013). The stakeholder theory (Freeman, 1984) for example "seems to align with Islamic justice, as one of its main ethical principles calls for the justice and equality among different parties at stake; not only stockholders or business owners; but all parties involved" (Ullah & Jamali, 2010, p. 623). In the same way, the Islamic ethical guidelines which are based on the Islamic values are suitable for all cultures and at all times in history as the nature of human beings everywhere is fundamentally the same (Saeed et al., 2001). In addition, "Islam supports any and all activities that aim towards the welfare of the whole society" (Ullah & Jamali, 2010, p. 623). As a result, an Islamic approach does not encourage decisions that are based on profit maximisation but decisions that are based on welfare and societal values. This means that

Friedman's (1970) argument that an organisation's main objective is to make money and maximise its profit conflicts with some Islamic principles. Accordingly, the main aim of CSR in general is to help the society and both western and Islamic CSR share the same aim. However there are some differences in CSR approach. As has been discussed in the first part of this chapter, the concept of CSR is perceived differently as there are many different definitions and approaches that organisations can follow for their CSR. These different approaches plus the Islamic CSR approach are summarised in Table 37.

	CSR approaches	References
	A firm's only social responsibility is to maximize profit while obeying the law and the 'rules of the game'.	Friedman, 1970
Western	Corporations to be more sensitive to the societal impact of their decisions; along virtually any line they wish.	Humber, 2002
View	CSR as a good business tactic, boosting reputation and goodwill, which in turn lead to enhanced financial performance.	Garriga & Mele, 2004 & Greenfield, 2004
	Corporations as social institutions playing a social advocacy role by using their vast resources for social benefits.	Lantos, 2002
Islamic View	The Islamic vicegerent principle requires businesses and wealthy individuals to see themselves as stewards or caretakers, not just of shareholders' financial resources, but also of society's economic resources, holding their property in trust for the benefit of society as a whole and ultimately attaining the blessing of God.	Dusuki 2008

Table 37 Western & Islamic CSR Approaches

It can be argued that the main difference between the western CSR and Islamic CSR is that western CSR is derived from ethics and morality, while the Islamic CSR is derived from Islam's teachings (Darrag & E-Bassiouny, 2013). In addition, the concept of philanthropy in Islam is different and this will be discussed in the following section.

#### 3.3.5 Philanthropy in Islam: Zakat and Sadaqa

There are two kinds of corporate philanthropy in Islam: Zakat and Sadaqa. Zakat is an Islamic obligation that requires all Muslim individuals and organisations to pay 2.5% of their profits once every year to specific people in need as prescribed in the Quran. Thus organisations must pay Zakat which is the minimum requirement for donations in Islam. If organisations would like to donate more, then they can give Sadaqa which is an Islamic term for voluntary donation. Sadaqa is optional for organisations and there is no minimum or maximum amount for giving. Organisations can give as much Sadaqa as they want at any time. The aim of this first kind of corporate philanthropy in Islam (Zakat) is to encourage cooperation between rich and poor in the society. The second kind, Sadaqa, offers any kind of support to people in need. This should be considered by Muslims who want to do more in terms of supporting society after they have paid Zakat.

#### 3.3.5.1 Zakat (Mandatory Philanthropic)

Zakat is an Islamic obligation and it is one of the five pillars of Islam and must be paid by every individual and organisation that is financially able (Al-Ajmi, Hussain, & Al-Saleh, 2009). There are three different connotations for the term Zakat: linguistic, theologically and legally. "Linguistically, the word zakat refers to an act to cleanse or purify something that is dirty, while, theologically it refers to spiritually purifying one's soul through the act of zakat" (Jaafar, Rosly, & Manan, 2013). "Legally, the term of zakat means transfer of ownership of specific property to specific individuals under specific conditions" (Abdul-Wahab & Abdul-Rahman, 2011, p. 43).

As well as stipulation about the amount and intervals at which it should be paid, there are also conditions on its distribution as it should be distributed only to individuals from eight categories that are mentioned by God in the Quran: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveller - an obligation [imposed] by Allah" (Quran, 9:60). The first group is the destitute; this includes those who do not have any source of income and who cannot support themselves or their family. The second group is the poor and includes individuals who have low income and whose income cannot provide them with their basic

needs such as food. The third group is those employed by government to collect Zakat on its behalf. The fourth group is individuals who have just embraced the religion of Islam and lack economic support. The fifth group includes slaves or captives so that they can free themselves. The sixth group includes individuals in debt and who cannot afford their basic needs. The seventh group includes travellers who are stranded and have no money to continue their journey. The final group include "those who are striving to work in the path of Islam" (Jaffar et al., 2013).

The core aim of prescribing Zakat in Islam is to achieve socio-economic justice (Abdul-Wahab & Abdul-Rahman, 2011). Based on the economic dimensions of Zakat, this concept intended to achieve positive effects on a number of dimensions, for instance poverty eradication, aggregate supply of capital and labour, aggregate consumption, economic growth, and savings and investment (Abdul-Wahab & Abdul-Rahman, 2011). According to Yusuf and Derus (2013) Zakat is "the first universal welfare system in human history that has played a significant role in smoothing the consumption of the poor" (Yusuf & Derus, 2013, p. 61). In addition, Nur-Barizah's (2006) claim that Zakat can purify the person who pays it from selfishness, greed, and arrogance was supported by most participants. Similarly, Adnan and Abu-Bakar (2009) write that "zakat is commonly considered as an important alternative to solving one of the most prevalent social and economic problems in the world, namely poverty" (Adnan & Abu-Bakar, 2009, p. 54).

Paying Zakat is the responsibility of every Muslim individual and organisation as is written in the Quran: "And We inspired to them the doing of good deeds, establishment of prayer, and giving of zakah; and they were worshippers of Us" (Quran, 21:73). Some Islamic countries such as Saudi Arabia and Malaysia have introduced compulsory Zakat collection (Al-Ajmi et al., 2009; Jaafar et al., 2013). Indeed there is no constitution in Saudi Arabia. Instead, the Quran serves as the basis of the law (Al-Ajmi et al., 2009). Thus in Saudi Arabia, the Department of Zakat and Income Tax (DZIT) is a government agency and is responsible for collecting Zakat from all organisations operating in Saudi Arabia. This agency reports to the Ministry of Finance in Saudi Arabia. As it writes on its website:

"Zakat revenues are automatically remitted to a special account allocated to spend on the needy and poor registered with Social Insurance Agency of Ministry of Social Affairs" (DZIT, 2014).

Thus there is a system for collecting and distributing Zakat in Saudi Arabia and organisations must pay Zakat to the agency as there are regulations regarding the payment of Zakat in the country. However, this is not the case in all countries as rules for collecting Zakat are different around the world. Muslim businessmen in Saudi Arabia consider the payment of Zakat as an Islamic obligation and they consider it as part of their CSR practices (Al-Ajmi et al., 2009). In Saudi Arabia, the government collects the money from organisations, and then it gives it back to the poor; this money can only be given to the eight categories that have been prescribed in the Quran. There is a difference between Zakat and tax. Tax is based on a contractual relationship between a state and an individual or a company, while Zakat "is a right of the poor on the wealth and income of the rich. It is not a charge on income as is the case for tax, but a purification exercise of one's wealth as a religious duty and obligation" (Lallmahamoud, 2010, p. 2). As a result, the payment of tax does not discharge one of the duty to pay Zakat.

Zakat is part of corporate philanthropy and it is mandatory for an organisation that is financially able (Al-Ajmi et al., 2009). Organisations engage in CSR to consider their ethical and social concerns; and Zakat could help organisations in the social concern since, as discussed previously, Zakat should be paid to achieve socio-economic justice in the society (Abdul-Wahab & Abdul-Rahman, 2011). As a result, it is part of CSR as both concepts share the same objective which is to help the society (Nur-Barizah, 2006; Adnan & Abu-Bakar, 2009; Ibrahim et al., 2012,). Moreover, it has been argued in the literature that organisations that pay the Zakat are already practising CSR and support philanthropic practices. Sadaqa is another kind of corporate philanthropy in Islam and it will be discusses next.

# 3.3.5.2 Sadaqa (Voluntary Philanthropy)

Sadaqa is the second kind of philanthropy in Islam and is optional. An organisation can pay Sadaqa if they want to do more than just pay Zakat. The concept of Sadaqa is not obligatory, however Islam encourages Muslims to give generously on a voluntary basis; as it is written in the Quran: "Never will you attain the good [reward] until you spend [in the way of Allah]

from that which you love. And whatever you spend - indeed, Allah is Knowing of it" (Quran, 3:92). Thus Islam encourages giving donations, and one of the characteristics of Muslim business people is their generosity, Thus Muslim business people should be generous in giving goods and money to poor people (Abuznaid, 2009).

Paying Sadaqa is not limited to individuals and organisations; governments can pay Sadaqa as well. It is worth mentioning that donors in Islam usually remain anonymous as individuals and organisation are supposed donate to please God, and not advertise their charitable commitments (Nalband & Al-Amri, 2013). The Prophet (PBUH) also taught Muslims that "Sadaqa may not be given to a rich man or to one who has strength and is sound in limb" (Kayed & Hassan, 2011, p. 53). Sadaqa in Islam mean donations and can also mean gift, Muslims can give gifts to other Muslims or non-Muslims in order to gain friendship (Abuznaid, 2009). This practice was encouraged by Prophet Mohammed (PBUH) who states: "Give more gifts so you be better liked".

There are three main differences between Zakat and Sadaqa. The first is that Zakat is a compulsory while Sadaqa is optional. The second is that the amount of Zakat is fixed and it must be paid once a year, while there is no minimum and maximum for Sadaqa and it can be given at any time. The third difference is that Zakat can only be given to certain types of people who were identified in the Quran as coming from eight groups; Sadaqa can target anyone in the society. Based on these differences, the concept of Sadaqa is similar to that of donation. This research will examine how these values are translated into young Saudi consumers' perception of CSR.

### 3.4 Summary

In conclusion, based on the CSR literature which has been critically reviewed above, further studies, with other perspectives than American and European ones are required. In addition, the literature indicates the need to study the perceptions of consumers from different cultural backgrounds. Therefore, this study will examine the concept of CSR and the consumers' perception of it from a different perspective.

Moreover, although Islamic principles have been investigated in the literature, there is still a need for deeper investigation as there may be more principles that need to be identified and which could be used to refine the current concept of CSR. Furthermore, although many

studies have examined Islamic ethical philosophies, most of these studies are from a religious perspective that fails to consider the application of these philosophies in a wider socio-economic environment. Thus this research will examine the Islamic view of CSR and compare and contrast it with the current concept of CSR and values to develop an Islamic CSR model and thus enhance the literature.

Although there are many local and international organisations operating in Muslim majority countries, and Muslim consumer sectors become empowered when they constitutes more than a billion, there is lack of research that discusses the CSR from an Islamic perspective (Darrag & E-Bassiouny, 2013). Thus it is important to understand the concept of CSR from an Islamic perspective; this would fill the gap in the literature and help organisations around the world that target Muslims.

### **CHAPTER FOUR: METHODOLOGY**

#### 4.1 Introduction

The purpose of this research is to explore the perception of young Saudi Muslims of the concept of CSR. To achieve the purpose of research, the researcher should choose the most suitable paradigm, approach and method to help to answer all the research questions. CSR perceptions are subjective, and each individual may have a different perception as this is constructed in their minds. For this reason, this research requires the collection of rich data in order to obtain a complete and deep understanding of the phenomenon. Rich data can be collected with a qualitative approach; therefore this approach is most suitable for this research.

Methodology is a comprehensive plan for carrying out a research study; it explains all steps that will be considered by the researcher to achieve the main goals of a research (Collis & Hussey, 2003). Designing the research is an important part of the study. This chapter will explain the research philosophy and paradigm that will be adopted and will provide the rationale for adopting an interpretive paradigm. In addition, the research approach and methods used to explore the perception of Saudi youth of the concept of CSR will be discussed. Then, ethical considerations will be examined and the ethical issues that might arise when conducting the research will be highlighted and suggestions will be made on how these issues can be resolved.

## 4.2 Research Philosophy

The research philosophy can be defined as an "overarching term relating to the development of knowledge and the nature of that knowledge in relation to research" (Saunders, Lewis, & Thornhill, 2009, p. 600). Therefore, this depends on the researchers and the way they think about the knowledge that needs to be developed from their research. At this stage of the thesis, the researcher will choose the paradigm which will be applied throughout the research.

#### 4.3 Research Paradigms

A research paradigm has defined by many researchers and academics as sets of beliefs. These sets of beliefs influence how research should be done, what should be studied, and how result

should be interpreted (Bryman & Bell, 2007). In other words, a paradigm is "a framework that guides how research should be conducted based on people's philosophies and their assumptions about the world and the nature of knowledge" (Collis & Hussey, 2009, p. 11). Similarly, Neuman (2006) defined it as "a general organizing framework for theory and research that includes basic assumptions, key issues, models of quality research, and methods for seeking answers" (Neuman, 2006, p. 81). Thus the entire research process is shaped by the research paradigm.

According to Saunders et al. (2009) there are four paradigms: positivism, realism, interpretivism, and pragmatism. However, the two main and traditional paradigms in social science are positivism and interpretivism (Easterby-Smith, Thorpe, & Jackson, 2008; Collis & Hussy, 2009). The term paradigm "refers to a set of very general philosophical assumptions about the nature of the world (ontology) and how we can understand it (epistemology)" (Maxwell, 2005, p. 37). Thus there are two types of assumptions on the part of the researcher that must be considered that can affect the choice of paradigms: ontological and epistemological. This was pointed out by Guba and Lincoln (1994) who also argue that "both qualitative and quantitative methods may be used appropriately with any research paradigm" (Guba & Lincoln, 1994, p. 105).

Ontology which can be defined as "a formal explicit specification of a shared conceptualisation" (Gruber, 1993, cited by Gruninger & Lee, 2002) is concerned with the nature of reality. There are two types of ontology: objectivism and subjectivism (Saunders et al., 2009). The first, objectivism, "represents the position that social entities exist in reality external to social actors" (Saunders et al., 2009, p.110). The second, subjectivism, is based on understanding the meaning which is attached to social phenomena by individuals and the view that the consequent actions and perceptions of the social actors create social phenomena (Saunders et al., 2009). Thus objectivism focuses on the existence of social entities in reality, while subjectivism focuses on understanding meaning, as the perception of individuals can be different because each individual has his/her own view of the world. Objectivism explains the ontological assumptions of the positivist paradigm, while subjectivism explains the ontological assumption of the interpretivist paradigm. Thus to gain knowledge on how the nature of reality is viewed by the researcher, the research ontology must be understood, as this will answer the question (Denzin & Lincoln, 2003). It can be concluded that in the positivism paradigm social reality is considered objective as there is only one reality; on the

other hand in the interpretivist paradigm social reality is considered subjective as each individual has his/her own view of the world and there are multiple realities (Collis & Hussy, 2009).

Epistemology is the "branch of philosophy that studies the nature of knowledge and what constitutes acceptable knowledge in a field of study" (Saunders et al., 2009, p. 591). It is a general set of assumptions about the best ways of inquiring into the nature of the world (Easterby-Smith et al., 2008) and thus is "concerned about knowing the relationship between the inquirer and the known" (Denzin & Lincoln, 2009, p. 9). According to Burrell and Morgan (1979), there are two approaches to epistemology: positivism and anti-positivism. Positivism "seek[s] to explain and predict what happens in the social world by searching for regularities and causal relationships between its constituent dements" (Burrell & Morgan, 1979, p. 5), while for the anti-positivist "the social world is essentially relativistic and can only be understood from the point of view of the individuals who are directly involved in the activities which are to be studied" (Burrell & Morgan, 1979, p. 5). The epistemological assumption of the positivist approach maintains objectivity and an independent relationship between the researcher and that which is researched. In addition, "only phenomena that are observable and measurable can be validity regarded as knowledge" (Collis & Hussey, 2009, p. 59). On the other hand, the epistemological assumption of interpretivism assumes that the distance between the researcher and what is being researched should be minimal. Thus interpretivism expects researcher to be subjective and not to be separated from the study (Saunders et al., 2009).

Many scholars call positivism and interpretivism the two traditional paradigms (Easterby-Smith et al., 2008; Collis & Hussy, 2009). Positivism is "an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond" (Bryman & Bell, 2003, p. 14). This approach can be used to identify the causes or facts related to social phenomena; hence generating hypotheses that can be tested is the main objective of this method (Bryman & Bell, 2003). Positivists believe that the social world (reality) exists and can be measured by observation (Neuman, 2006). The positivist approach should be adopted by a researcher who seeks for concrete facts regarding social phenomena and who believes that the researcher should be separated from what is being researched (Collis & Hussy, 2009). Thus, the basic principles of the positivist paradigm are

objectivity and empiricism (Sekaran, 2000). The positivist paradigm aims to test hypothesises that are produced from existing theories; hence it requires quantitative data that must be collected from a large sample (Saunders et al., 2009). The researcher who applies this approach must remain independent from the data and maintain an objective stance.

On the other hand, interpretivism, which is an alternative word for phenomenological, can be defined as "an epistemological position that requires the social scientist to grasp the subjective meaning of social action" (Bryman & Bell, 2003, p. 570). Similarly, Collis and Hussey (2009) go on to say that the interpretivist paradigm "rests on the assumption that social reality is in our minds, and is subjective and multiple" (Collis & Hussey, 2009. p. 57). Therefore, this approach is focused on the meaning of social phenomena rather than measurement (Collis & Hussey, 2003). The meaning of social phenomena is gained from the points of view of research participants (Collis & Hussey, 2009). Interpretivists believe that reality is socially constructed (Saunders et al., 2009). Thus interpretivism considers that individuals behave according to socially constructed values and not according to causal relationships. They also believe that "each situation is seen as unique and its meaning is a function of the circumstances and the individuals involved" (Remenyi, Williams, Money, & Swartz, 1998, p. 34). As the interpretivist approach distinguishes between individuals and objects in the natural sciences, it requires the researcher to gain knowledge of the subjective meaning of social actions (Bryman & Bell, 2007). Thus, the researcher who uses this approach is being subjective and cannot be separated from the study, as he or she is part of what is being researched (Saunders et al., 2009). It is worth noting that research bias cannot be eliminated in the interpretivist approach due to this element of subjectivism. Interpretivism is associated with the qualitative approach and requires small samples as the data will be collected from the details (Saunders et al., 2009).

Interpretivists assume that, to better understand people's perceptions, these should be placed in their social context (Hussey & Hussey, 1997). According to Kaplan and Maxwell (1994, cited by Kelliher, 2005), the value of qualitative data is promoted in interpretivism. Although interpretive research provides researchers with contextual depth, its results have been criticised in terms of limitations in the ability to generalise and to achieve reliability and validity (Kelliher, 2005). Guba and Lincoln (1994) for example argue that generalisation is impossible in interpretative research. However, Williams (2000) believes that it is possible to

do so. Therefore, it is debatable as to whether it is possible to make generalisations in interpretative research; this depends on researchers' beliefs and how their research will be carried out.

By comparing both paradigms, it can be concluded that the positivist considers reality a concrete structure, while the interpretivist considers it a projection of human imagination (Collis & Hussey, 2003). Moreover, positivism does not differentiate between objects in natural sciences and people in terms of their meaning or reality, whereas interpretivism respects the differences between them (Bryman & Bell, 2003).

After examining the differences between the different paradigms and how they can be applied to the research, and taking into consideration the aim and objectives of this study, the researcher has chosen the interpretivist paradigm as this is more suitable and will help the researcher to achieve better results. In addition, this research adopts anti-positivism as its epistemological position, and subjectivism as its ontological position.

### 4.4 Justification for Adopting Interpretive Paradigm

This research is exploratory in nature and adopts the interpretive paradigm. Choosing the best paradigm for a research is dependent on the nature of the phenomena being researched. It also depends on the aim and the objectives of the research. The main aim of this study is to understand Saudi Muslim youth's perceptions regarding the concept of CSR. To better understand the perceptions of Saudi youth, it was essential to have a direct interaction with participants in order to achieve deep understanding of this phenomenon from their perspective. Thus this research uses the participants' point of view to explain the social experience. The distance between the researcher and the research is minimised as the researcher is an integral part of the world being studied. This makes the interpretivist approach suitable for this research.

The research questions for this study indicate that the main concern of this research is to provide an understanding of phenomena that are inherently controversial in nature, as the concept itself has been redefined and constantly reviewed by academics and practitioners (Carrigan & Attalla, 2001). According to Bryman and Bell (2003), interpretivism will offer a better understanding when it differentiates between people and the objects of natural science, and this study will be focused on the meaning of social phenomena rather than measurement

(Collis & Hussey, 2003). Thus the interpretivist paradigm has been chosen as more suitable for this research. In addition, interpretivism provides in-depth information (Saunders et al., 2009). By adopting an interpretivist approach, this research will explain and describe the social experience from the individual's point of view, which will help the researcher to provide a unique insight into the Saudi cultural context that shapes youth perceptions of the concept of CSR. The data required for this research is qualitative data which will be collected through interviews.

### 4.5 Research Approach

The research approach depends on how a research question is defined as there are two different types of approaches: deductive and inductive. These two approaches present a different relationship between theory and research. A study with the first approach is deductive and can be defined as "a study in which a conceptual and theoretical structure is developed which is then tested by empirical observation; thus particular instances are deducted from general inferences" (Collis & Hussey, 2003, p. 346). This approach follows five sequential stages which were identified by Robson (2002) as follows: deducing a hypothesis, expressing the hypothesis in operational terms, testing the operational hypotheses, examining the specific outcome of the inquiry, and, if necessary, modifying the theory in the light of the findings. Thus this approach is made up of a logical sequence as one step follows the other. In addition, the deduction approach has three main characteristics: the first is that the concept needs to be operationalised in a way that enables facts to be measured quantitatively, the second is generalisability, and the third is that the researcher should be independent of what is being researched (Saunders et al., 2009). Based on these characteristics, the deductive approach is linked to the positivist paradigm.

On the other hand, the second approach is inductive research which can be defined as "a study in which theory is developed from the observation of empirical reality; thus general inferences are induced from particular instances" (Collis & Hussey, 2003, p. 349). This approach has a more flexible structure which permits changes in research emphasis as the research progresses; it is less concerned with the need to generalise, and it realises that the researcher is part of the research process as it focuses on gaining an understanding of the meanings humans attach to events (Saunders et al., 2009). The inductive approach moves from the specific to the general (Collis & Hussey, 2009). In addition, it requires the research

to first collect data and then develop a theory as a result of the data analysis. The inductive approach is linked with the interpretivist paradigm.

According to Saunders et al. (2009), the deductive approach should be used to test a theory, and therefore the required data should be quantitative; on the other hand, the inductive approach should be used to develop a theory and requires qualitative data. For this study, the interpretivist paradigm will be applied, and the researcher will collect qualitative data through interviews; the researcher is not clear about details of the theory which will be developed after the data has been collected and analysed. In addition, the inductive approach provides a better understanding of the meaning. As this study aims to gain an understanding of the perceptions of Saudi youth this means that the inductive approach is more suitable for this research and will be used for this study.

# 4.6 Research Strategy

Research strategy is the general plan designed by the researcher in order to show how the research questions will be answered (Saunders et al., 2009). It has been suggested by many authors in the methodological issues literature that research strategies should be categorised into two categories, the first category being quantitative, whilst the second category is qualitative (Saunders, 2009; Bryman & Bell, 2007).

#### 4.6.1 Quantitative and Qualitative Strategies

Quantitative strategy is linked to the positivist paradigm which adopts the deductive approach in order to test a hypothesis or theory, while qualitative strategy is linked with the interpretivist paradigm which adopts an inductive approach in order to build a theory based on the understanding of human behaviour (Saunders et al., 2009). Thus there are many differences between the two strategies. However, the essential differences between them are based on their epistemology, ontology, and methodology.

Quantitative research applies measurement procedures to social life (Bryman & Bell, 2009). In addition, it requires the researcher to be objective and not to be involved with their subject (Saunders et al., 2009). Quantitative research is normally very structured so the researcher is able to study the issues and precise concepts that are the focus of the research (Bryman & Bell, 2009). The ontological assumption of quantitative research is that reality is objective and singular, and the epistemological assumption is that the researcher is independent of that

which is being researched (Collis & Hussey, 2009). In addition, the methodological assumption of quantitative research is deductive as it studies the cause and effect with statistics (Collis, & Hussey, 2009).

On the other hand, qualitative research uses words in the presentation of an analysis of society and is also concerned with the analysis of visual data. It is a "set of interpretive activities that seeks to understand the situated meaning behind actions and behaviours, and relies heavily on the researcher as a unique interpreter of the data" (Sinkovics & Alfoldi, 2012, p. 818). This strategy expects the researcher to be involved with the participants being investigated (Bryman & Bell, 2009). As a result it is invariably unstructured, so that the possibility of getting at actors' meanings and of concepts emerging out of data collection is enhanced (Bryman & Bell, 2009). The ontological assumption of qualitative research is that reality is subjective and multiple as seen by the participants and the epistemological assumption is that the researcher interacts with that which is being researched (Collis & Hussey, 2009). In addition, the methodological assumption of qualitative research is inductive as the theories are developed after the collected data has been analysed (Saunders et al., 2009). Verification can make the qualitative research data accurate and reliable (Collis & Hussey, 2009).

#### 4.6.1.1 Rationale behind using a Qualitative Strategy for this Study

Qualitative research provides researcher with rich and deep information inductively that can help them in better understanding the research area from the subjective perspective of participants. This strategy is helpful when seeking to understand an unknown research area where the researcher does not have a lot of information about the topic. As discussed earlier in the literature review chapter, there is no universally agreed definition for CSR; this has been an obstacle to developing an understandable framework describing the best way forward. In fact, due to its "inherently controversial" nature (Carrigan & Attalla, 2001, p. 560), the concept itself has been redefined and constantly reviewed by academics and practitioners (Carrigan & Attalla, 2001). Indeed CSR is a concept which has been much debated. Leedy and Ormod (2005) go on to say "to answer some research questions, we cannot skim across the surface. We must dig deep to get a complete understanding of the phenomenon we are studying. In qualitative research, we do indeed dig deep. We collect numerous forms of data and examine them from various angles to construct a rich and meaningful picture of a complex, multifaceted situation" (Leedy & Ormod, 2005, p. 131).

Thus qualitative research is more suitable for this research as it will provide the researcher with deep information about the concept. In addition, this strategy will enable the research to interact with participants to offer a better understanding of their perception of the concept of CSR as the researcher will dig deep to get rich information.

This research adopts qualitative research methods for several reasons. The main aim of this research is to explore phenomena, and qualitative research is mainly used to investigate phenomena (Saunders et al., 2009). The majority of empirical studies which discuss the consumers' perception of the concept of CSR have been focused on Western countries such as the United Kingdom, the United States, and Canada. The findings of any study are shaped by its context and this makes it hard to generalise the finding to another context (Morgan & Smircich, 1980). Thus this study aims to gain an understanding of the perception of Arab consumers, represented by citizens of Saudi Arabia, an Islamic country, regarding CSR, and to examine the impact of different cultural and religious variables on that perception. Qualitative research provides data that includes rich descriptions which will help interpret and demonstrate meaning (Rubin & Rubin, 2005). In addition, it provides the best means of generating meaningful data from a population. Again it would seem that qualitative research is more suitable for this research.

#### **4.6.2** Qualitative Research Strategy

According to Saunders et al. (2009), there are many strategies that can be employed for a research and "no research strategy is inherently superior or inferior to any other" (Saunders et al., 2009, p. 141). In qualitative research, there are five research traditions as follows: biography, phenomenology, grounded theory, ethnography, and case studies (Creswell, 1998). The researcher should choose the strategy that can meet the aim and objectives of the research and help the researcher in answering the research questions (Saunders et al., 2009). De-Vaus (2001) argues that "when constructing a building there is no point ordering material or setting critical dates for completion of project stages until we know what sort of building is being constructed ... the function of a research design is to ensure that the evidence obtained enables us to answer the initial question(s) as unambiguously as possible" (De-Vaus, 2001, p. 9). Thus, the choice of research strategy should be based on the evidence that needs to be collected by the research. Research strategy is presented by Bryman and Bell (2007) as part

of research design. The key features for each strategy as listed by Creswell (1998) are summarised in the table below (Table 38).

Dimen-	Biography	Phenomeno-	Grounded	Ethnography	Case Study
sion		logy	Theory		
Focus	Exploring the life of an individual	Understand-ing the essence of experiences with a phenomenon	Develop-ing a theory grounded in data from the field	Describing and interpreting a cultural and social group	Developing an in-depth analysis of a single case or multiple cases
Data Collection	Primarily interviews and documents Exploring the life of an individual	Long interviews with up to 10 people	Inter-views with 20-30 individuals to "saturate" categories and detail a theory	Primarily observations and interviews with additional artefacts during extended time in the field (e.g. 6 months to a year)	Multiple sources: documents, archival records, interviews, observations, physical artefacts
Data Analysis	Stories Epipha-nies Historical content	Statements Meanings Meaning themes General description of the experience	Open coding Axial coding Selective coding Condi-tional matrix	Description Analysis Interpreta-tion	Description Themes Assertions
Narrative Form	Detailed picture of an individual's life	Description of the "essence" of the experience	Theory or theoretical model	Description of the cultural behaviour of a group or an individual	In-depth study of a "case" or "cases"

Table 38 Dimensions for Comparing Five Research Traditions in Qualitative Research (adapted from Creswell, 1998)

Based on the above comparison of the five qualitative research strategies, it can be seen that most of these strategies do not suit the purpose of this research and therefore are inappropriate; the exception is grounded theory. Its four dimensions listed in Table 38 show that it can be considered the most appropriate fit. This strategy is used in this research as it will help the researcher to answer the research questions. Grounded theory is "a methodology in which a systematic set of procedures is used to develop an inductively derived theory about phenomena" (Collis & Hussey, 2009, p. 84). Saunders et al. (2009) indicated that it is "a research strategy in which theory is developed from data generated by a series of

observations of interviews principally involving an inductive approach" (Saunders et al., 2009, p. 593).

When adopting grounded theory, the researcher will start data collection without any theoretical framework, as the theory will be developed from the collected data (Saunders et al., 2009). According to Silverman (1993) there are three steps that should be taken when adopting grounded theory. The first step is to develop categories that illuminate the data; next these categories should be saturated with many appropriate cases in order to demonstrate their importance; the final step is developing these categories into a more general analytic framework with relevance outside the setting (Silverman, 1993).

There are many reasons for adopting grounded theory for this study. First, this research aims to build a theory after collecting the data, and grounded theory is appropriate with this inductive research approach (Saunders et al., 2009). Second, the sample of this research (the youth in Saudi Arabia) have not been explored before. Their perceptions of the concept will be developed during the data collection stage as the researcher will start comparing the participants' responses after the second set of interviews, and will continue to do so until he reaches the theoretical saturation point. In addition, the interview questions will be amended as the researcher may add or update the questions based on continuous comparison. Thus, grounded theory will be adopted as the key part of this strategy which is to develop a theory through comparative methods (Easterby-Smith et al., 2008). Third, grounded theory is useful if the research has no theoretical framework as the framework will be developed after the data is collected from participants. For these reasons, grounded theory is the research strategy chosen for this research as it is the most appropriate. Furthermore the data will be collected through interviews as this is the most suitable method for data collection for this research based on the research aim and objectives (Collis & Hussey, 2003).

#### 4.7 Data Collection Method

This research has adopted the interpretivist paradigm; therefore the researcher has chosen the inductive approach. As mentioned in the previous section, grounded theory is the most suitable strategy. Thus this research requires qualitative data. There are many forms of qualitative data; however the data for this research will be collected though interviews as this will help the researcher to get rich and deep data. The main purpose of this research is to understand youth perceptions of the concept of CSR; these perceptions are constructed in

their minds. Thus the researcher needs to interact with participants in order to obtain the meanings as it is difficult to understand a meaning constructed in individuals' minds without being subjective (Saunders et al., 2009), and an "interview is obviously and exclusively an interaction between the interviewer and interview subject in which both participants create and construct narrative versions of the social world" (Silverman, 2011, p. 132). The interview will be discussed in the next section.

#### 4.7.1 Interview

An interview is a purposeful discussion between two or more individuals (Khan & Cannell, 1975, cited by Saunders et al., 2009). It is used to collect reliable and valid data that are related to the aim and the research questions of a research (Collis & Hussey, 2007). The interview is the most commonly adopted method in qualitative research (Bryman & Bell, 2007). An interview is a direct discussion between the interviewer and interviewees "in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes, and feeling on a topic" (Malhotra, 2004, p.146). In the same way, Collis and Hussey (2007) describe it as "a method for collecting primary data in which a sample of interviewees are asked questions to find out what they think, do or feel" (Collis & Hussey, 2007, p. 336). In-depth interviews have three main advantages. First, they uncover greater depths of insights. Second, responses are attributed directly to the respondents. Third, they result in free exchange of information (Malhotra, 2004).

This research adopted interpretivist epistemology the research aims as to understand the meanings that individuals assign to phenomena. The interview is a useful tool when adopting the interpretivist paradigm as it provides the researcher with the option of asking the interviewees for further explanation by probing their answers (Saunders et al., 2009). Probing is essential to obtain meaningful responses and can be done by asking such questions as 'Would you like to add anything else?' or 'That's interesting. Can you tell me more?' (Malhotra, 2004). In qualitative interviews, interviews tend to be much less structured, there is much greater interest in the interviewee's point of view, rambling at tangents is often encouraged as it gives insight into what the interviewee sees as relevant and important, and interviewers can depart significantly from any schedule or guide that is being used (Bryman, & Bell, 2007).

There are three main types of interviews: structured, semi-structured and unstructured (Saunders et al., 2009). In a structured interview the interviewer asks questions from a list and must follow the order of the questions on the list, whereas in an unstructured interview the interviewer attempts not to guide the conversation (Chisnall, 2001). A semi-structured interview combines these two types of interviews, as the interviewer asks questions from a list but can change the order of questions depending on the respondent's answers (Chisnall, 2001). This type of interview is flexible and is useful when exploring themes (Ruyter & Scholl, 1998). Thus respondents are allowed to add more to their answers to questions, and the interviewer can add questions to the list when needed. For these reasons, semi-structured interview is the most suitable type for this research as the researcher's aim is to identify people's perceptions and these can be defined through interviews (Zikmund, 2003). This chosen strategy is a qualitative method and will collect reliable and valid data to answer the research questions (Saunders et al., 2009).

Interviews can give the researcher more opportunities to ask difficult questions as the interviewer will be able to ask follow-up questions when more information or further explanation is needed (Churchill & Iacobucci, 2005). The interviewer will start with general questions; then specific questions will be asked. Aaker, Kumar, and Day (2001) describe different forms of interviews, for example face-to-face, telephone, personal, and computer. Telephone interviews usually take ten minutes, whereas face-to-face interviews are much longer and may take one hour and a half (Malhatra & Birks, 2007). Personal interviews cost more and require more time than telephone interviews. However, they offer "the lowest chance of misinterpretation of questions, because the interviewer can clarify any questions respondents have about the instructions or question" (Zikmund, 2003, p. 213). For this research the interviews will be face-to-face. The percentage of people who are willing to participate in interviews is generally high as no form of writing or reading is involved and they are only asked to talk (Zikmund, 2003). In addition, the researcher will take notes during the interview by hand and will record the interview if he receives permission from the respondent.

### 4.8 Sampling

A sample is a subset group selected from a large population that represents the target group who will participate in the study (Malhatra, & Birks, 2007). There are different sampling

techniques which can help researcher to reduce the quantity of data required by collecting data from a smaller group rather than a large group with different elements (Saunders et al., 2003). This study will follow the traditional sampling methods without replacement as the respondent will not be contacted twice to obtain the same information (Aaker et al., 2001).

Sampling techniques can be divided into two types: probability and non-probability (Churchill & Iacobucci, 2005). Each population element in probability sampling has an equal chance of taking part in the study and there is a zero chance of being excluded from the sample. On the other hand, the chance is not equal in non-probability sample and there may be zero chance of being included in the sample as personal judgment may play a major role in this process (Churchill & Iacobucci, 2005). Non-probability techniques will be considered for this research as the study will be carried out in the Kingdom of Saudi Arabia. In this country, it is difficult to employ probability techniques due to the lack of an official population census, voter registration records since there are no elections, or maps of population centres, and the telephone directory is out-of-date (Tuncalp, 2007).

According to Malhatra and Birks (2007), there are four forms of non-probability sampling techniques: convenience, judgmental, quota, and snow-balling. Judgmental sampling is "a non-probability sampling technique in which an experienced individual selects the sample based on personal judgment about some appropriate characteristic of the sample member" (Zikmund, 2003, p. 426). This form was considered for this research and all respondents had to meet two main criteria: all respondents should be Saudi citizens and their age should be between eighteen and twenty five.

One of the main objectives of this research is to investigate whether participants' Islamic background would influence their views on CSR. Saudi Arabia is an exclusively Islamic country; all Saudis are Muslims. The total population of Saudi Arabia is 28 million; the median age of Saudis is 25 years old. The sample for the research is around thirty Saudi young people, including males and females, in the Kingdom of Saudi Arabia. The youth sample will be chosen from the age group 18 to 25. Thus, the minimum age for taking part in this research is 18 and the maximum age is 25. As judgmental sampling will be used, no more respondents will be interviewed when the researcher gets to the theoretical saturation point. Respondents will be recruited in two major cities in the Kingdom of Saudi Arabia, namely Riyadh and Tabouk. The respondents may be contacted directly face-to-face or

through an email or a telephone call. They will be briefed about the study and politely asked whether they would like to take part in it. If they agree, the researcher will book an appointment with them in advance and meet them personally. In addition, the respondents will be informed that the data which will be collected is for research purposes only.

### 4.8.1 Overview of Research Participants

Thirty-four young participants were interviewed for this study; each participant was interviewed separately. The participants' ages range from eighteen to twenty five. The average age of the sample is twenty one. The Saudi youth segment stands at around five million of the total population. In addition, the population of Saudi Arabia is one of the youngest in the world, with fifty-seven percent below the age of thirty (Arab News, 2012). Therefore, the youth in Saudi Arabia is a key segment, and provides an interesting sample, as it has not been explored before. For these reasons, the researcher chose the Saudi youth segment. A judgemental sampling approach has been adopted and the researcher chose the participants based on personal judgement about some appropriate characteristic of the sample (Zikmund, 2003).

Youth is the main criteria of the sample for the current study. According to the CSR literature, participants' characteristics could affect the way they perceive CSR. These characteristics include gender (e.g. Elias, 2004; Burton & Hegarty, 1999), employment (e.g. Sobczak, Debucquest, & Havard, 2006), Educational level (e.g. Lamsa, Vehkapera, Puttonen, & Pesonen, 2007; Lopez, Rechner, & Olson-Buchana, 2005) and region (e.g. Ubius & Alas, 2009). Therefore, these characteristics were used to select the appropriate participants. Thus, male and female, students and professionals from five main regions in Saudi Arabia (Central region, Western region, Eastern region, Northern region, and Southern region) were included in the sample.

The researcher visited different schools, universities, and companies and asked for their permission to contact potential participants in their premises who could meet the sample criteria. In addition, at least two participants were interviewed for each age, as can be seen in Table 39. The researcher started a short informal conversation with any potential respondent and informed them that he needed to know some information about them to make sure that they met the research criteria. Based on this information, the researcher decided whether to conduct an interview with the participant or not.

Age	Participants
18	8
19	5
20	3
21	3
22	2
23	3
24	5
25	5
Total	34

Table 39 The Research Sample

Representatives of both genders, twenty-one males and thirteen females, took part in the study. However, due to cultural constraints in Saudi Arabia where the interviews took place, the majority of participants were male (two thirds of the study population), while the total number of females represents a third of the total number of participants. Information about the educational backgrounds and current occupations of the participants is listed in Table 40.

SN	Pseudonym	Age	Sex	Education	Occupation
1	Nawal	19	F	Medical student	Student
2	Faisal	18	M	High school student	Student
3	Hamad	18	M	High school student	Student
4	Nawaf	18	M	High school student	Student
5	Talal	18	M	High school student	Student
6	Salman	18	M	High school student	Student
7	Ahmed	18	M	High school student	Student
8	Ali	18	M	High school student	Student
9	Amjad	22	M	Economy student	Student
10	Saud	20	M	Law student	Student
11	Husain	19	M	Foundation year	Student
12	Thamer	19	M	Medical student	Student
13	Lama	23	F	Master in Finance	Employee
14	Yara	23	F	Bachelor degree in Finance	Employee
15	Mashael	21	F	Medical student	Student
16	Reem	24	F	Bachelor degree in Computer	Employee
17	Haifa	18	F	High school student	Student
18	Sara	24	F	Bachelor degree in Law	Employee
19	Saad	20	M	Project Management student	Student
20	Abdullah	21	M	Medical student	Student
21	Mohammed	25	M	Bachelor degree in Finance	Employee
22	Suliman	25	M	11th grade certificate	Employee
23	Ibrahim	25	M	High school graduate	Employee
24	Abdul-Aziz	25	M	11th grade certificate	Employee
25	Yossef	24	M	11th grade certificate	Employee
26	Hassan	25	M	Bachelor degree in Marketing	Employee
27	Ziyad	24	M	High school graduate	Employee
28	Abdul-Rahman	23	M	High school certificate	Employee
29	Reemah	24	F	Finance diploma	Employee
30	Eman	21	F	Information and Library Studies student	Student
31	Afnan	22	F	Bachelor degree in Marketing	Employee
32	Munerah	20	F	Medical student	Student
33	Reyoof	19	F	Project Management student	Student
34	Alia	19	F	Foundation year	Student

Table 40 Participants' education and occupations

The educational background of participants is varied. Table 41 which shows the educational background of participants indicates that the majority hold a high school certificate or an undergraduate degree. Only one participant holds a postgraduate degree. The reason for this could be the age of participants as all are aged under twenty-five.

Education	Participants
High school certificate or lower	14
Undergraduate student	12
Undergraduate degree	7
Postgraduate degree	1
Total	34

Table 41 Summary of participants' education

The participants are currently either students or employees. According to Table 42, the majority of participants are students, and participants who have jobs represent approximately a third of the total number of participants.

Occupation	Total	Female	Male
Student	21	7	13
Employee	14	6	8
Total	34	13	21

Table 42 Participants' occupations

Details of the fourteen working participants are listed in Table 43. This table shows that participants from the age group 23 to 25 are employees, a third of which are female. One of participants has seven years' experience as he left school and joined a company when he was seventeen.

<b>Participants</b>	Age	Gender	Occupation	Work experience
Lama	23	F	Financial risk analyst	1 year
Yara	23	F	Investment banking analyst	7 months
Reem	24	F	Lecturer	2 years
Sara	24	F	Legal officer	2 years
Mohammed	25	M	Retailer (branch manager)	1 year
Suliman	25	M	Legal officer	5 years
Ibrahim	25	M	Computer specialist	4 years
Abdul-Aziz	25	M	Car dealer	3 years
Yossef	24	M	Treasurer	7 years
Hassan	25	M	Product development specialist	2 years
Ziyad	24	M	Data entry specialist	4 years
Abdul- Rahman	23	M	Secretary	4 years
Reemah	24	F	Customer service officer	2 years
Afnan	22	F	Trainee	1 year

Table 43 Employed participants

#### 4.9 Data Collection Procedure

The required data for this research were collected from 34 young people in Saudi Arabia who are aged between 18 and 25. Both males and females were interviewed; however, due to cultural barriers, the number of male participants was more than female ones. Interviews were conducted in various public places such as universities, schools, cafes, and shopping malls as requested by participants as the interviewer asked each participant to choose the place where they would like the interview to be conducted. Each interview was conducted individually and all participants gave permission for their interview to be recorded. In the previous section, the research design, with the justification, was discussed. This section will give details regarding the actual design of the data collection from the thirty-four face-to-face in-depth interviewees.

#### 4.9.1 Structure of the Semi-Structured Interviews

Qualitative interviews tend to be much less structured, and the interviewer can depart significantly from any schedule or guide that is being used (Bryman & Bell, 2007). For this study, open semi-structured interviews were designed as this study aims to understand the CSR phenomenon. The interview questions were carefully designed and an interview guide

was developed; however participants were free to talk about their experiences and move beyond describing events in the semi-structured interview approach adopted in this research. This research aims to understand participants' perceptions of the concept of CSR; this concept is an emerging phenomenon which is socially constructed. For this reason it is important to consider what participants thought about the concept within their context and experience.

The researcher travelled to Saudi Arabia and personally conducted all the thirty-four face-to-face interviews there. All participants were contacted directly, by email or phone, to set up an appointment for an interview. As the research was carried out in the Kingdom of Saudi Arabia and the participants' first language is not English, the interview guide was translated into the participants' native language, Arabic. The duration of interviews varied; however the average duration was one hour.

At the beginning of each interview, the interviewer thanked the participant for their willingness to take part in this study and for their time. Then the consent form was signed by the interviewee and the interviewer. The researcher dealt with participants in an ethical way by having each sign a consent form, and by ensuring that participants were aware of the objectives of the research, that they were not being forced to take part in the study, and that their identity and the information they gave would be kept confidential. It was confirmed that all information that would be collected from the interviewees will be used by the researcher for the research purposes only. Participants were asked to give permission to record the interview. A voice recorder device was used to record all interviews. Although there was a recorder, the researcher took notes himself during the interviews and these notes were added to the final transcripts.

As the researcher used a semi-structured interview type, participants were encouraged to speak about the topic and were allowed to add more details to their answers to the questions; furthermore the interviewer could add questions to the list when needed. The researcher made an effort to develop a discussion with interviewees rather than asking questions and waiting for their answer. Thus the researcher acted as a mediator as he probed and controlled the interview. Although there was an interview guide, it was only used to remind the researcher about the topics that needed to be covered. However, some questions that seemed to be

significant were put to most participants. Indeed the choice of questions asked was based on the situation of each interviewee.

### **4.9.2 Interview Questions (Guidelines)**

The interview question guidelines were designed to start the interview with general questions, and then specific questions would be asked. The questions were derived from the literature review and also from a pilot test. The answers to these questions were designed help the researcher to collect the data that could answer the research questions. A copy of the interview guidance can be found in Appendix one. The guidance consists of seven main topics as follows:

**The first topic:** background of research participants, including their age, education, marital status, and occupation.

The second topic: explored participants' values and their lifestyles. It asked participants whether they had travelled, volunteered, or spoke other languages. It also focused on exploring the relationship between respondents and their families and whether their families' attitudes influenced them or not.

**The third topic:** discussed participants' consumption of products or services. The aim was to understand participants' behaviour in relation to products or services in order to explore their experiences with different companies.

The fourth topic: asked participants to define a responsible organisation from their perspective by asking them about organisations' characteristics and how these organisations present themselves. In addition, this topic asked participants which organisations that they liked and did not like in order to understand their perception of different companies and how they evaluate organisations.

The fifth topic: was concerned with clarifying how organisations should behave by asking participants questions about whether an organisation should act responsibly and how organisations should engage in society.

**The sixth topic:** designed to explore the relationship between Islam and responsible organisations and whether having an Islamic background would affect participants' perception of companies.

**The seventh topic:** designed to provide the opportunity for the researcher to ask participants about the concept of CSR if it had not been mentioned by them in connection with the previous topics.

At the end of the interviews, the researcher thanked participants for their time and for the information they had provided; they were then asked if they would like to add any information or if they would like to discuss any topic related to the subject that had not been covered in the interview. In general, most of the seven topics were covered in every interview; however the order in which each topic was discussed varied between interviews and depended on the situation of each interviewee. The researcher avoided directly asking the participant about the concept of CSR at the beginning as the participant might then ask for a definition of the concept if they were not aware of it. Some participants mentioned the concept of CSR in the interview even without being asked about it. This means that participants who are aware of the concept would mention it during the interview, and the interviewer would only ask participants if they knew anything about the concept at the end of the interview. Most participants who were asked at the end of their interview whether they knew anything about CSR answered "no". However, some of these participants provided examples of CSR and discussed the concept without realising that they were aware of it. It was noted that they knew the concept but do not know its name. They stated that they had based their perceptions on how organisations should behave according to Islam, as Islam encourages individuals and organisations to help society, to work together as one family, and to be fair and just. The details of the interview findings will be discussed in the next chapter.

#### 4.9.3 Interview Translation

The interviews took place in Saudi Arabia, where Arabic is the first language. It was prudent to conduct the interviews in the native language as the researcher speaks both English and Arabic fluently and has no issues with conducting interviews in Arabic. For this reason, the interview guide was translated into Arabic in order to minimise the chance of non-response due to language difficulties (Saunders et al., 2009).

To make sure that translation is reliable the "back translation" method was used (Tuncalp, 2007). This method is the one most commonly used and is useful as it could help the researcher to identify most problems (Saunders et al., 2009). Accordingly, the translation was carried out in several phases. First, the English version was translated into Arabic by an

interpreter. Second, the Arabic version was translated into English by another interpreter. Then, the original English version was compared with the one which had been translated back from Arabic to assess the effectiveness of the translation process. Minor differences were noted and then reconciled. Afterwards, the Arabic guide was piloted.

#### 4.9.4 Interview Pilot

Before conducting actual interviews, the interview schedule should be pilot tested. A pilot test is a "small-scale study to test a questionnaire, interview checklist or observation schedule, to minimise the likelihood of respondents having problems in answering the questions and of data recording problems as well as to allow some assessment of the questions' validity and the reliability of the data that will be collected" (Saunders et al., 2009, p. 597). The pilot test was used to examine the clarity and order of interview questions. Furthermore, as Bryman and Bell (2007) argue, "piloting an interview schedule can provide interviewers with some experience of using it and can infuse them with greater sense of confidence" (Bryman & Bell, 2007, p. 274). Thus pilot testing the interview is crucial.

The pilot test was carried out in two stages. In the first stage, the researcher shared the interview schedule with PhD students in their final year at the University of Hull who speak both Arabic and English fluently to get their feedback and recommendations regarding the schedule. Some of these students were experts in the field of CSR. The second stage involved conducting three interviews with Saudi citizen in the United Kingdom before travelling to Saudi Arabia and conducting the actual interviews. This was useful and helped to reveal any difficult or ambiguous questions, the time needed to conduct an interview, and the types of data that would be collected. The pilot interviews were transcribed and then evaluated to make sure that this data which would be similar to the actual data would achieve the research aim and answer the research questions.

#### 4.9.5 Actual Interview Sessions

The researcher travelled to Saudi Arabia where all actual interviews were conducted. Interviews took place in different locations, most of which were chosen by the participants. An official letter stating that the researcher is a PhD student and that the required information was being collected for academic purposes only was obtained from the University of Hull and was presented to participants.

Before the start of each interview, the aim and objectives of the study were explained briefly to the participants and they were then told about the interview process and that the interviews would only be audio-recorded with their permission. A consent form was signed by each interviewee. All participants gave their permission to record the interview and the researcher used a digital sound recorder. Although all interviews were audio-recorded, the researcher took some notes in writing which were then they added to the transcript.

The researcher used the internet, for example the website of the Saudi Ministry of Education and Saudi Ministry of Labour to download a list of universities, schools, and companies in Saudi Arabia which included their contacts details and then he contacted them randomly. Some places, such as Alfaisal University and the Chamber of Industry and Commerce required permission to be given before an interview could be conducted; all such necessary permissions were obtained. However, most permissions were obtained verbally after the researcher had shown his ID card and an official letter to confirm he is a student researcher and had explained the purpose of the research. Others required formal permission which was also obtained.

Participants were aware that any information they gave would be kept anonymous, and no sensitive information about the participants or organisations would be collected or mentioned in the data analysis. All the data which was collected will be kept confidential and will be used by the researcher for the research purposes only. The researchers managed to conduct thirty-four interviews, although the target had been thirty. The researcher conducted more interviews so as to reach the saturation point.

Due to the culture in Saudi Arabia, it is difficult for a man to interview a woman. Thus more men were interviewed than women. In addition, men cannot talk to strange women and are not allowed to sit together with them in private. To tackle this issue, the researcher asked his wife to contact girls on his behalf and set up appointments with them if they agreed to take part in the research. In addition, women were asked to choose a place to meet that would allow them to feel comfortable.

#### 4.10 Data Analysis

According to Bryman and Bell (2007), qualitative data requires more time for analysis; indeed it is not an easy task to analyse qualitative data, due to its richness. The qualitative

data for this research was collected from interviews and from the researcher's notes. In addition, as participants provided examples of organisations that practice CSR in Saudi Arabia, the researcher read documents from those organisations and checked their websites to understand and build up more knowledge regarding their CSR strategies and activities. The process of qualitative data analysis "involves working with data, organising them, breaking them into manageable units, synthesising them, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others" (Bogden & Biklen, 1982, p. 145). This indicates the importance of the role of the researcher as his understanding will affect the result. Thus the researcher should be immersed in the data in order to discover what is important after he has built up an understanding.

In this study, only one type of data was collected: qualitative. There is no standardised procedure for analysing such data as different qualitative data analysis processes are discussed in the literature (Malhatra & Birks, 2007; Saunders et al., 2009). Malhatra and Birks (2007) propose a process which consists of four stages. The first stage is data assembly, which is the process of gathering information from a variety of sources, for example notes taken by the interviewer and audio device recordings. Then this data will be organised and structured through a data reduction process using coding techniques. The third stage is when data display, charts, graphs, and networks will be used to compact the data and make it accessible to the analyst for analysis. This will lead to the last stage which is data verification where an explanation of the data and conclusions will be written up.

Saunders et al. (2009) suggest that there are three main types of processes: condensation, grouping and ordering. The first type includes summarising meanings after the data has been transcribed (Saunders et al., 2009). The second type involves the categorisation of meanings and aims to recognise relationships that could help in developing conclusions (Saunders et al., 2009). The final step is the structuring of meanings using narratives that involve the fragmentation of qualitative data to further the process of analysis (Saunders et al., 2009). By taking merging these two processes of analysing the qualitative data (suggested by Malhatra & Birks, 2007; Saudners et al., 2009), the process of analysing the data in this thesis went through four steps: preparing the data, developing codes, developing categories, and formulating conclusion and findings. Each of these four steps will be discussed separately in the following sub-sections.

#### 4.10.1 Preparing the data

This is the first step and involves organising the data collected using the various different forms. All interviews were audio-recorded. Lofland (1995) suggests that analysing qualitative data should not be left until all the interviews have been conducted. In addition, grounded theory required continuous analysis (Saunders et al., 2009). Under these circumstances, the researcher listen to the recorded interviews right away after each had been completed and transcribed it, then immediately started analysing it before conducting the next interview. This strategy "allows the researcher to be more aware of emerging themes that he/she may want to ask about in a more direct way in later interviews" (Bryman & Bell, 2007, p. 491).

There were two options for transcribing the interviews: the researcher can transcribe all interviews himself or can ask an experienced transcriber to do so. Both have advantages and disadvantages. Transcribing interviews is very time-consuming (Collis & Hussey, 2009). However, the interviewer is the best person to transcribe them, as he conducted the interview and can add many details to the transcript. Spender (1989) argues that "the recording can help to recapture the actual data, which is neither the recording, nor the transcript, but the researcher's experience of the interview in its own context" (Spender, 1989, p. 82). All interviews were recorded and conducted in Arabic, the first language of the participants; therefore each interview first had to be transcribed and then the transcript translated into English. Accordingly, the researcher chose to do the transcribing and translation himself to become more familiar with data and to ensure accuracy. Both the Arabic and English versions were given to a translator who is fluent in both languages to check the accuracy of the translation and ensure that there were no differences between the Arabic and English transcripts. The translator detected some mistakes and provided all the required corrections. These were checked by the researcher and then further corrected. The process of transcribing and translation took approximately three months; however, it was helpful for the researcher as during this time he took notes and captured the main points that were used in the analysis process.

#### 4.10.2 Developing codes

Coding in qualitative research is "the process whereby data are broken down into component parts, which are given names" (Bryman & Bell, 2007, p. 725). After several interviews had been conducted, the researcher started to develop initial codes. However, the final codes were

only developed after the researcher had read all interview transcripts many times and after the data had been collected in full. During the process of coding, the research read through the interview scripts and wrote key notes in the margin. Both the Arabic and English transcripts of each interview were read through repeatedly. By reading the transcripts many times, the researcher immersed himself in the data and became familiar with its themes.

Codes are "tags or labels for allocating units of meaning to the descriptive or inferential information compiled during a study" (Basit, 2003, p. 144). The process of coding aims to "move from raw text to research concerns in small steps, each step building on the previous one" (Auerbach & Silverstein, 2003, p. 35). In this way labels were given to key words through the process of coding. These labels are used to describe the themes of the content. However, many codes were developed during the process so the researcher then merged some codes together in order to reduce the amount of coding. Only codes with similar meaning were merged together (Saunders et al., 2009). Coding is a useful tool which summarises the data by focusing on the important parts of the data after gaining an understanding of it (Gibbs, 2007).

The researcher obtained a lot of information about each participant as he conducted thirty-four face-to-face in-depth interviews, and some of these participants provided confidential or personal information about themselves or confidential information about the organisations they worked in. In such cases the researcher did not divulge this information; indeed all such information was excluded as it was not related to the study and including it would not have been respecting the privacy of the participants. After developing the codes and excluding all information that was not related to the study, codes were categorised into different patterns or themes. The final codes (subtheme) and themes are listed in Table 44, and examples of quotations supporting codes are listed in Appendix Two.

#### 4.10.3 Developing categories

Categorisation is "the process of developing categories and subsequently attaching these categories to meaningful units of data" (Saunders et al., 2009, p. 588). In this step, the researcher started to analyse the relation between codes and identified repeating ideas in order to develop themes (Auerbach & Silverstein, 2003). A repeating idea was identified when participants used identical or similar phrases or words to express the same idea (Auerbach & Silverstein, 2003). Thus after developing an understanding of the relationship

between codes and identifying repeating ideas, themes and subthemes were generated. For example, corporate responsibility toward society is one of the themes that were generated; this theme contained seven codes. These codes were then grouped into four sub-themes.

To give a clearer, complete picture of the analysis, themes were grouped into categories. Auerbach and Silverstein (2003) go on to say "you can think of the steps of coding as a staircase, moving you from a lower to a higher (more abstract) level of understanding. The lowest level is the raw text and the highest level is your research concerns" (Auerbach & Silverstein, 2003, p. 35). For this study, three categories were generated, based on the flow of themes, table 44 shows this more clearly.

No	Categories	Themes & Subthemes
	External Social	
1	Responsibility	Theme 1: Corporate responsibility toward society
		Subtheme 1.1 Support youth
		Subtheme 1.2 Job creation
		Subtheme 1.3 Donation
		Subtheme 1.4 Volunteering
		Theme 2 Corporate responsibility toward the
		environment
		Subtheme 2.1 Recycling
		Subtheme 2.2 protecting the environment
		Subtheme 2.3 Saving energy
		Theme 3 Corporate responsibility toward shareholders
		Subtheme 3.3 Success business
	Internal Social	
2	Responsibility	Theme 4 Corporate responsibility toward employees
		Subtheme 4.1 Training and development
		Subtheme 4.2 Paying a fair salary
		Subtheme 4.3 Motivation
		Theme 5 Paying Zakat
		Subtheme 5.1 Pay 2.5% of profit annualy
		Theme 6 Applying Islamic values
		Subtheme 6.1 Fair
	Private social	Subtheme 6.2 Equity
3	responsibility	Subtheme 6.3 Justice
		Theme 7 Paying Sadaqa
		Subtheme 7.1 Give privately
		Theme 8 Corporate intention to apply CSR
		Subtheme 8.1 Ajer

Table 44 Key themes of the study findings

According to table 44, seventeen codes (subthemes) emerged from the data; these codes represented 8 different themes. These 8 themes were grouped in three major categories: external social responsibility, internal social responsibility, and private social responsibility. As has been explained previously, thematic analysis was the technique used for analysing the data and examples of quotations supporting codes are presented in Appendix three. Therefore, all these themes were extracted from raw data such as interview transcripts. Formulating conclusion is the final step and this will be discussed in the next section.

### 4.10.4 Formulating Conclusions and Findings

This was the last step and started after the coding process had finished and all categories, themes and sub-themes had been generated. This step included the actual analysis of the data and was intended to obtain the findings from the data. This was achieved by identifying relations between categories. The aim of this research is to understand the perception of Saudi youth of the concept of CSR. The coding process was based on the data that had been collected through interviews. Therefore the researcher used quotations from the interview scripts to justify the findings when writing the findings chapter. This study is purely qualitative and the researcher interpreted the data based on his theoretical and personal understanding (Bryman & Bell, 2007). The researcher did his best to balance describing and interpreting the data; as Patton (2002) argues, a good study "provides sufficient description to allow the reader to understand the basis for an interpretation, and sufficient interpretation to allow the reader to understand the description" (Patton, 2002, p. 503-504). The findings and discussion of the data will be covered in detail in the next two chapters.

# 4.11 Reliability, Validity and Reflexivity

Data validity and reliability is a concern which the researcher must consider to ensure that the results of the study will be valid and reliable. The evaluation of the work depends on these two concepts (Saunders et al, 2009). However, these two terms are associated traditionally with quantitative research (Gibbs, 2007). The approach of evaluating the work by checking the validity of the data in the quantitative approach requires the researcher to be objective and requires that theories must be universally applicable. Angen (2000) goes on to say that validation is "a judgement of the trustworthiness or goodness of a piece of work" (Angen, 2000, p. 387).

Validity in quantitative research is the "ability of a scale to measure what was intended to be measured" (Zickmund, 2003, p. 333). Thus, the efficiency of this scale depends on how well it measures what it was intended to measure. On the other hand, in qualitative research the approach is different (Auerbach & Silverstein, 2003). In qualitative research, "subjectivity, interpretation, and context are inevitably interwoven into every research project" (Auerbach & Silverstein, 2003, p. 77). Bryman and Bell (2007) suggest that reliability in qualitative research can be achieved if there is credibility. The researcher transcribed all interviews himself, and then asked two of his PhD colleagues in the business school who speak Arabic and had already collected data and had experience in transcribing interviews to choose random interviews and listen to them to check the quality of the transcripts and to make sure that the researcher had transcribed everything correctly. This step was taken to ensure that the transcript is valid. In addition, all interviews were translated into English and the English versions along with the Arabic ones were checked by a professional translator to ensure the validity of the translation. Validation must be carried out in qualitative research to assess the accuracy of the findings (Creswell, 2007). In addition, Creswell (2007) argues that validation rather than verification should be used as validation is appropriate for a process, while verification has quantitative overtones.

In order to increase the quality of work, the data should be reliable. Therefore the researcher must consider the issue of data reliability in order to increase the quality of the research. Reliability has been achieved when the result of the study is the same over time (Aaker, Kumar, & Day, 2001) and is achieved in qualitative research by examination of the stability or consistency of responses (Cresswell, 1998). It has been argued that it is difficult in qualitative research to achieve the same results; indeed Guba and Lincoln (1994) argue that generalisation is impossible in interpretative research. However, Williams (2000) believes that it is possible to generalise in such research. Thus, the possibility of generalisation in interpretative research is debatable and depends on researchers' beliefs and how their research has been carried out.

The researcher increased the research reliability by following the suggestion of Auerbach and Silverstein (2003) during data analysis. Auerbach and Silverstein (2003) suggest that subjectivity can be achieved when analysing the data if there is transparency, communicability, and coherence. The first criterion, transparency, can be achieved by showing clearly the steps that the researcher followed during data analysis. The second,

communicability, is achieved if other researchers can understand the research's themes and constructs. The last criterion, coherence, can be achieved if the research's theoretical constructs fit together and can tell a coherent story (Auerbach & Silverstein, 2003). Therefore, if these three criteria are taken into consideration in qualitative research, the research findings will be reliable. All these criteria have indeed been taken into consideration throughout the research.

Reflexivity is "a concept of research which refers to acknowledging the input of the researcher in actively co-constructing the situation which they want to study" (Flick, 2014, p. 542). Steedman (1991) argues that "knowledge cannot be separated from the knower" (Steedman, 1991, p. 53). Therefore the qualitative researcher should be aware of reflexivity. This study used an interpretivist approach; the social reality for such an approach is to be considered subjective as each individual has his/her own view of the world so that there are multiple realities (Collis & Hussy, 2009). In addition, the researcher cannot be separated from the study as he is part of what is being researched (Saunders et al., 2009). It is worth noting that research values and beliefs could not be eliminated due to this subjectivity. Denzin (1994) argues that "in the social sciences, there is only interpretation. Nothing speaks for itself" (Denzin, 1994, p. 500). The researcher speaks fluent Arabic and English, but Arabic is the language that has been used in the interviews. Accordingly, the researcher understood the meaning in one language, and then interpreted it into another language (English) as he translated the transcripts himself. In qualitative research, the researcher's personal assumptions and values can affect the findings of the research (Saunders et al., 2009). However, the researcher tried his best to remain as objective as possible during the data analysis.

### 4.12 Research Ethics

Every researcher should act ethically; almost all research involves ethical issues. Research ethics can be defined as "the appropriateness of the researcher's behaviour in relation to the rights of those who become the subject of a research project, or who are affected by it" (Saunders et al., 2009, p.183). Researchers should treat people fairly and in a good way when they are conducting their research (Fisher, 2007). In addition, it is necessary for a researcher to obtain formal ethical approval from the research ethics committee of his/her university

before starting any research. Such approval can help in reducing the amount of harm that could be caused by the research or the researcher (Fisher, 2007).

During the research process, there are four main stages, and the researcher must consider various ethical issues that may arise during each stage. These stages are: design and gaining access, data collection, data processing and storage, and analysis and reporting (Saunders et al., 2009). Each stage will be discussed individually in the following paragraphs.

### Ethical issues associated with design and gaining access:

The researcher should obtain a formal approval from participants who will be taking part in the study (Fisher, 2007). Additionally, as Sekaran (2003) states, no pressure should be applied on prospective participants for them to grant access. For this study, around thirty participants are required who will be chosen from two different cities in the Kingdom of Saudi Arabia, Riyadh and Tabouk. The aim of this study is to understand the views of Saudi young people about the concept of CSR; it will not focus on issues relating to any one organisation. Therefore, the researcher will make sure that he obtains a consent form which is a "written agreement, signed by both parties in which the participants agree to take part in the research and give their permission for data to be used in specified ways" (Saunders, 2009, p. 589). As it is very important to make sure that participants are informed about the research that they are involved in, the researcher will deal with participants in an ethical way by having them sign a consent form, and ensuring that participants are aware of the objectives of the research that they will not be forced to take part in the study, and that their identity and any information they give will be kept confidential.

### • Ethical issues during data collection

During data collection the researcher will conduct around thirty face-to-face in-depth interviews with participants. It goes without saying that the researcher will obtain a lot of information about each participant and there is the chance that they will give some confidential or personal information. In this case the researcher will not reveal this information but will respect the privacy of the participants.

Ethical issues associated with data processing and storage

The collected data will be available for the researcher only and no one else will gain access to it without official permission. Moreover, any personal information which will be collected in this study including factual information such as gender and age as well as people's opinions on various issues, will be processed lawfully and fairly.

• Ethical issues relating to analysis and reporting

During the analysis and when writing up a thesis, it is important to ensure that data is not misrepresented by the researcher (Saunders et al., 2009). Similarly, Zikmund (2003) goes on to say that researchers should not be selective about which data is reported. Thus these issues must be considered by the researcher when the data is being analysed.

In conclusion, the researcher will try to avoid any problems with ethical issues that could occur when conducting the research by ensuring the following:

- The researcher will have a formal letter from the University of Hull and from the Ministry of Higher Education in Saudi Arabia stating that the researcher is a Ph.D. student and that the required information will be collected for study purposes only.
- The name of participants will be kept anonymous, and the respondents who will be participating in this study will be given pseudonyms.
- No secret information about the participants or organisations will be collected or mentioned in the data analysis.
- All the data which will be collected will be kept confidential and will be used by the researcher for the research purposes only.
- The researcher will obtain formal permission from any organisation participating in this study.
- The researcher would prefer to record the interview; however the respondents will
  have the right to refuse to allow him to do so. In this case the researcher will take
  notes in writing instead of making a recording.

## **CHAPTER 5: FINDINGS**

#### **5.1 Introduction**

The aim of this chapter is to discuss the findings from the primary data which has been collected in the thirty-four in-depth interviews. The researcher developed the code, themes and categories during the interviews; and they were finalised after the required interviews had been conducted when the saturation point was reached, as has been mentioned in the previous chapter. In fact, three categories emerged, each category containing different themes. The researcher started to identify the codes from the transcripts; these codes were grouped together under different themes. In the final stage themes were grouped together into three main categories. This chapter will discuss each of the three categories separately and will discuss the themes and codes of each of them.

### 5.2 Awareness of CSR

It was found that the awareness level of the current concept of CSR is low among Saudi youth as the majority of the participants (25 participants) were not aware of the concept; only nine participants were aware of it. However, many of the participants who were not aware of the CSR (23 participants) provided examples of organisations that apply CSR in their activities in Saudi Arabia. Hence, some participants who were not aware of the concept of CSR were aware of CSR activities; this could mean either they do not know the term CSR or they may have a different name for such activities.

Young Saudi consumers tend to link CSR mainly to donating. To the majority CSR (22 participants) means that organisations should give back to society. Reem defines it as "the way for a company to give back to society"; in the same way Abdullah goes on to say that "the norm for CSR is the company should pay back to society". However, participants who are aware of CSR link the concept to ecology and emphasise that protecting the environment is one of the main responsibilities of organisations.

According to the nine participants who were aware of the concept of CSR, there are three main sources of information about CSR: general knowledge, family, and education. Abdullah had not read a specialised book about the concept; however he had gained his knowledge

from experience and general knowledge. He says "as a medical professional, it is one of our values and duties to be socially responsible, because we will be dealing with a lot of people which is part of society. Therefore, it is a core value and essential". Only Thamer had learnt about the concept in school as he had taken a course in business and had got an American Diploma from an international school in Riyadh. Thus some international schools teach their students about CSR; however the education system in Saudi local schools does not include any subjects that discuss the concept.

## 5.3 Definition of CSR

There are many definitions of CSR in academic literature, indeed scholars have stated that there is no universally agreed definition for CSR. After reviewing different definitions of CSR in Chapter 3, the European Union definition has been applied throughout this research as this definition has been widely used by academic researchers and organisations in this field (Dahlsrud, 2008). According to this definition CSR is a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Union, 2004, p. 15). There are two aspects to this definition: social and environmental concerns. In addition, this definition claims that CSR is an optional strategy. Based on what the participants say about their views of CSR, the majority of participants (23 participants) consider CSR an optional strategy and only few (9 participants) consider it an obligatory one and that it should not be on a voluntary basis. They argue that government should play a major role in this by developing roles that force companies to consider the environment and society as this will decrease organisations' negative impact.

Table 45 lists CSR definitions from the perspective of the interviewees who were aware of the concept. According to Table 45, the majority link CSR with giving back to society. They stress that companies should give back by making donations, creating new jobs, and protecting the environment. The definitions listed in Table 45 show that job creation is seen as an important responsibility and it is thought that companies should consider doing this. The participants are young people, the unemployment rate in Saudi Arabia is high, and the majority of the population of Saudi Arabia is under the age of thirty (Arab News, 2012), thus these young people consider job creation and care for employees an important responsibility and believe this should be included in the definition of CSR.

Furthermore, Hassan provided a broad definition of CSR and defined it as "every role a company considers that it can play to help develop society. These roles are: participation, cooperation, development, credibility", while Lama expressed a view which involved balance; she defined it as "balancing between being a profitable company and a socially responsible one".

Participant,			
Gender,	CSR Definition		
Age			
	Job creation, making donations, protecting the environment, and caring		
Ali (M18)	about employees and customers.		
Thamer	The responsibility of a company toward its community to give back either		
(M19)	money or moral support		
Lama	Balance between being profitable company and socially responsible		
(F23)			
Reem	It is the way a company gives back to society		
(F24)			
Saad	Company tries to present themselves positively to the public and society and		
(M20)	show that they care		
	Some companies realise that they have social responsibilities and there has		
	to be some social connection between the company and society itself; they		
Abdullah	launch such initiatives to develop this connection. The norm of CSR is that		
(M21)	the company should pay back to society		
Suliman	Yes, I attended a lecture discussing this concept four years ago, but		
(M25)	unfortunately I don't remember anything discussed in the lecture.		
Hassan	Every role a company considers playing that could develop society. These		
(M25)	roles involve participation, cooperation, development, credibility.		
	Companies have responsibilities toward society; they should protect the		
Afnan	environment and work to create jobs in order to decrease unemployment in		
(F22)	the country.		

Table 45 CSR Definitions from Participants

By analysing and integrating all definitions listed in Table 45, CSR can be defined as "every initiative a company considers that has a positive impact on employees, shareholders, society and the environment".

# **5.4 Perspectives on CSR**

According to the literature discussed in chapter 3, there are two sides to CSR: external and internal. External CSR practices relate to corporate responsibility toward society, stakeholders, and the environment, while internal CSR practices relate to corporate responsibility inside the organisation such as to employees. Organisations should consider both aspects of CSR and should consider their external and internal CSR activities. This study will add a new aspect to the two existing aspects of CSR, private CSR. This aspect was developed from the thirty-four interviews conducting by the researcher. Thus, three main categories were developed and different themes developed for each of the categories. The aim of this research is to examine the concept of CSR from an Islamic perspective. Participants' views regarding each of these categories will be analysed individually and will be compared with the current view in the literature. The three main categories in this study are shown in Figure 11.

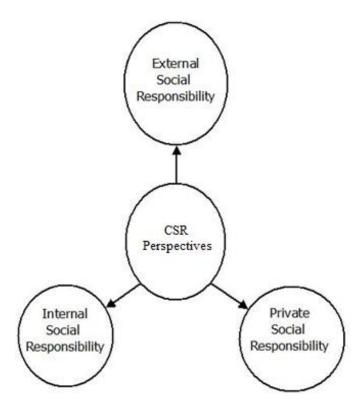


Figure 11 CSR Perspectives

## **5.4.1 External Social Responsibility**

The external dimension of corporate social responsibility "extends beyond the doors of the company into the local community and involves a wide range of stakeholders" (Commission of the European Communities, 2001, p. 11). In this study, three themes have been developed for this category. These themes are: corporate responsibility toward society, corporate responsibility toward the environment, and corporate responsibility toward the shareholders; this is shown in Figure 12.

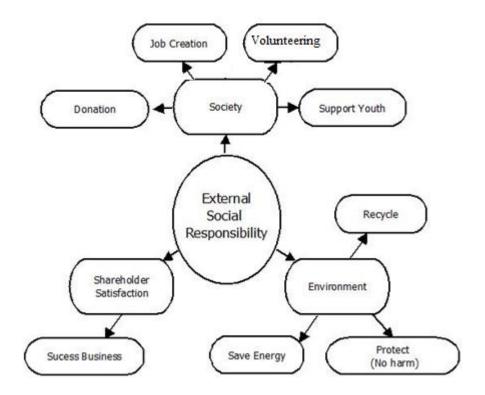


Figure 12 External Social Responsibility

# **5.4.1.1** Corporate Responsibility toward Society

This is the first theme of the first category. There are four codes for this theme: 'support youth', 'job creation', 'donation' and 'volunteering'. Each code will be discussed separately. Corporate responsibility toward society has been discussed extensively in the literature. However, there has been only limited exploration of the views of Muslim youth on this. The researcher has explored this in the interviews, and the views of participants will be revealed

in the following paragraphs. In addition, the participants' Islamic backgrounds were a key element that had an effect on their views.

There was a general consensus among the participants in this research that organisations should consider the benefit of society and that society's interests are more important than the company's individual interests. Therefore, the organisation's interests cannot be prioritised if this will have a negative impact on society. In addition, it was expected that organisations in Saudi Arabia should help Saudi youth by creating jobs for them as young people in Saudi Arabia represent almost twenty percent of the total population and the unemployment rate in this age group is high. In addition, the majority of participants (30 participants) expect organisations to support society morally and financially. Expectations are linked with company size; if the company size is extremely big, then expectations increase, and if the organisation is small expectations will decrease.

### **5.4.1.1.1 Support Youth**

Participants share the view that organisations have a responsibility toward society and that they should support others morally and financially; the interests of society are very important and organisations should consider this. Participants emphasise that organisations should consider society overall, but should focus more on the youth as the population of Saudi Arabia is one of the youngest in the world with fifty-seven percent below the age of thirty.

The majority of participants (32 participants) discussed the responsibility of existing organisations in Saudi Arabia. Some participants suggested that creating new businesses would help society in general and youth in particular and that this should be a responsibility of businessmen. Nawaf states that "there is no Saudi company that targets the Saudi youth as does a certain international video game company. I would be glad if I would see such a Saudi gaming company". This indicates that this participant believes that video games could be an opportunity for new businesses in Saudi Arabia. In addition, creating an organisation that would appeal directly to young people such as a video game company was also considered a responsibility of businessmen and would show that they are thinking of young people. Thus businessmen would be well-advised to take the initiative in this area.

Participants share the same belief in that they think that organisations in Saudi Arabia should engage more with youth. Yossef goes on to say that "organisations must focus on Saudi youth

and work on their development and training. They also should organise cultural and entertainment events for the youth". Similarly, Eman states that organisations should "support youth by providing internship, scholarship, free training. These activities would improve the whole of society". Reyoof provides an example of a Saudi restaurant company that offers part time jobs for students in the summer to provide them with real working experience and considers this an excellent initiative and a real example of supporting the youth. Another example was mentioned by Nawal who names an organisation that supports the youth in Saudi Arabia by sponsoring a social event that targets them. This sponsorship includes all the expenses needed to organise the entire event. Thus there are many ways to support the youth in Saudi Arabia; indeed participants are looking for more engagement from organisations especially from large ones.

#### **5.4.1.1.2 Job Creation**

According to International Monetary Fund (2013), the unemployment rate in Saudi Arabia is high, particularly among the youth. This is one of the key issues in Saudi Arabia and was reflected in participants' views regarding organisations. The majority of participants (25 participants) believe that organisations in Saudi Arabia should employ Saudis and thus help decrease the unemployment rate. However, there is some argument as to whether this is optional or obligatory. On one hand, some participants (7 participants) believe that this is a governmental issue and only the government should think about how to solve it. If organisations would like to take part in this on their own initiative it would be excellent, and they would ultimately benefit as consumers would value and appreciate their efforts. This indicates that it would be useful for organisations to help the government in solving social issues if they choose to do so on a voluntary basis. Ziyad states that "supporting society is an optional thing and organisation cannot be forced to do so. Organisation should create new jobs, provide free courses and training on a voluntary basis".

On the other hand, two thirds of the participants believe that organisations have a responsibility toward society, the government and the country where they operate. These participants believe that organisations should create jobs to help society and the government in order to decrease the unemployment rate. Abdul-Rahman states "job creation and employing Saudis is a must for all organisations. They have a responsibility to decrease the unemployment rate in our country".

Because of the increase in unemployment among the youth, some participants believe organisations should offer free training to help young people find jobs. Those participants consider creating jobs an obligatory strategy which should not be optional. Ali and Afnan who are aware of the concept of CSR, link the concept of CSR directly with job creation and protecting the environment. They strongly believe that job creation is one of the major responsibilities that organisations should take.

Many participants consider a Saudi company that has a big impact on society in general and youth in particular socially responsible. Saad describes one such company saying that it "offers countless jobs to people in Saudi Arabia and offers academic sponsorships to students. It sends people to study abroad and give them allowances"; another response was from Suliman who states that this organisation "helps the government in job creation which decreases the unemployment rate in the country; it employs young people and develops their skills by providing good training". Based on participants' responses regarding the responsibility of job creation, there is an agreement among the majority of participants (25 participants) that organisations should employ Saudis; however there is no agreement on whether this should be optional or obligatory. The participants' views on this issue might be affected by the high unemployment rate among the youth in Saudi Arabia.

### **5.4.1.1.3 Donations**

Donating in Saudi Arabia means giving money to people in need on a voluntary basis; this money can be given to individuals, charities, and/or non-profit organisations. In Saudi Arabia there is a Ministry of Islamic Affairs, Endowments, Da'wah, and Guidance which is responsible for organising such activities. Therefore, any charity or non-profit organisation must be registered with this ministry before collecting any donation from organisations or the public. According to the collected data, participants believe that donation is a strategy that organisations use to show their support to society. In addition they consider that organisations should take the initiative more to donate especially if they have a huge profit. Ibrahim says "If a company's profit is over 100 million Saudi Riyals, then it should be mandatory for them to give some money back to society, because I don't think it will affect the company much if it gives some of its profits to society".

Participants argue that it is very important to manage the donation money to ensure that this money is safe and will be used to help people. Amjad states "donations are very important

and should not be given to just anyone; they should only be given to people who really need it". The government in Saudi Arabia established the Ministry of Islamic Affairs, Endowments, Da'wah, and Guidance to organise donations and make sure that such money is safe.

Islam encourages the concept of donating, which is to give money away. Lama mentions that "donation is optional, but it is something which Muslims must do; as Prophet Mohammed PBUH says 'money does not decrease from donation'. So they are encouraged to donate and give back to society". Similarly, Amjad believes that charitable work has a lot of benefits and Islam encourages Muslims to take part in such activities. In addition, Islam encourages both individuals and organisations to donate. Saad shares his own experience and explains "when I was abroad I had to open a bank account and there was no Islamic account available, so what I did was to donate any interest that I got from the account and not to use or keep it for myself as interest fees are prohibited in Islam". Thamer's response was "donation is one of the things in Islam that asks you to do; by doing so you are helping your soul by helping people". In summary, the Islamic background of participants affected their views on donating; many participants expect individuals and organisation to donate and help people in need as Islam encourages Muslims to do so.

### **5.4.1.1.4 Volunteering**

It was observed that the majority of participants (26 participants) had taken part in voluntary work. This is important as they also expect organisations to do the same. From their perspective, an organisation consists of different individuals who represent the company. The participants considered volunteering to be a duty for every individual in society; organisations consist of individuals, so these should also be involved in voluntary work. Their experiences volunteering and the motives behind their engaging in such activities were explored. Most participants were interested in volunteering because they feel good when serving others as it increased their self-esteem and self-confidence. Hamad goes on to say "volunteering made me a better person. It also helped me meet new people. I had a good time, and I felt as though I achieved something". Similarly Ahmed mentions "I like helping people; I like serving people; I like connecting and communicating with people. Volunteering is a good way to spend your time and it is a good deed". In the same way Sara states "volunteering makes me feels good as I help people without expecting anything in return".

These quotations suggest that volunteering is considered an important and enjoyable activity. It has a positive impact on society as people are helping each other without expecting to get anything in return. Many other benefits of volunteering were mentioned by participants such as that it helps them to meet new people, spend their time in a useful way, and it is a good deed.

Participants were enthusiastic about volunteering as they receive immediate appreciation. Amjad mentions "I feel happy when I volunteer; I enjoy see people smiling and thanking me for what I have done". In the same way Husain states "when I volunteer I have a nice time; I enjoy see orphans' smile; it is good feeling". Another response from Faisal was: "as a human being I want to do my best to serve society, as this gives me a good feeling about myself". Thus volunteering was thought to encourage individuals and help build positive relationships between individuals in society. In general, Saudi youth are expecting all individuals to give back to society and to work together as a family. For example, Saud mentioned that prophet Mohammed (PBUH) says "The likeness of the believers in their mutual love, mercy and compassion is that of the body; if one part complains, the rest of the body joins it in staying awake and suffering fever". Many different voluntary activities were given as examples by the participant such as helping children in need, organising social events, raising money for charity, giving blood, and teaching for free.

There are two major reasons for participants to volunteer: religious beliefs and family influence. All the participants who took part in this study were Muslim by faith. The majority of participants (30 participants) agreed that Islam encourages them to do their best so as to benefit themselves and others as mentioned in the Quran: "And cooperate in righteousness and piety, but do not cooperate in sin and aggression" (Quran, 5: 2). Husain stated "I volunteer for God's sake to get 'Ajer'". Similarly Ziyad supports this view and indeed refused to share his volunteering experiences in the interview, as he stated that "Islam taught us to do good things and not to tell people, in order to get more Ajer". Ajer mean rewards from God (Darrag & E-Bassiouny, 2013). According to the last two quotations, the rewards vary and depend on the activity itself. Individuals will be rewarded if they volunteer and help other people in society, and they will get more rewards if they are volunteering only for God sake. Thus the intention behind volunteering is important as the reward will depend on it. Ziyad refused to share his experiences as he believes that helping others privately is the best way to get more rewards. It could be argued that Muslims engage in volunteering to get

rewards from God, so volunteering could be considered to be motivated by self-interest. However, Muslims will only receive rewards in the after lifetime and they will not get any rewards in their life here on earth. Most of the individuals who live in countries where the majority of the population is Muslim believe in life after death (Wilson & Hollensen, 2013). Wilson and Hollensen (2013) argue that "death in the psyche of such a person does not terminate benefit seeking, and there is value in the afterlife" (Wilson & Hollensen, 2013, p. 67). Therefore, Muslims do good deeds in their lives on earth in order to get rewards in the hereafter; this was true for the participants, with the majority of them (30 participants) mentioning this in the interviews. This points the way to the argument that organisations should engage in CSR to help society and that the organisations' owners and managers should consider the CSR a good deed to society; also they will receive rewards from God when they engage in CSR which should encourage them even more and further increase their involvement in CSR.

### **5.4.1.2** Corporate Responsibility toward the Environment

This is the second theme of the first category. There are two codes for this theme: 'recycle', 'protect the environment', and 'save energy'. Each code will be discussed separately. Some participants link environmental responsibility with the organisation's function. For example, if an organisation is an oil or gas company then it has direct impact on the environment and will be more responsible in terms of impact on the environment than an organisation that does not impact directly on the environment. Furthermore, some participants do not expect an organisation that does not deal directly with the environment as oil companies do to make much effort regarding the environment. Faisal states "If the company has negative impact on the environment, then it has a responsibility toward the environment. But if the company doesn't affect the environment and doesn't deal with the environment then it doesn't have any responsibility".

Participants consider environmental responsibility an important responsibility that organisations should take into consideration. However, according to some participants' responses, this will not affect their intention to purchase from a particular company. Some participants will still deal with organisations that do not care about the environment if they offer good products or services. Some participants consider environmental responsibility a

strategy that can attract new customers who care about the environment and therefore will increase sales.

A Saudi company was named by some participant as a good example of an organisation that considers the environment. This company "supports alternative energy research and preserves the environment by using recycled materials" and "cares about any creature that could be affected, like sea creatures, when they extract from the sea; they treat the creatures appropriately and ensure that all are in good condition". Thus, participants have a positive perception of organisations that take the environment into consideration; however some participants will not consider this when they make a purchase. There is a gap between participants' perceptions regarding the environment and participants' purchasing behaviour.

# 5.4.1.2.1 Recycling and protecting the environment

Organisations produce and sell products, so they are responsible for their products. Nawal states that it is the responsibility of organisations "if products are non-recyclable or may affect the environment by increasing CO2 emissions". In the same way Haifa believes that a convenience store should not "distribute plastic bags, and should recycle its cardboard boxes in order to save the environment". In addition, participants consider protecting the environment, something which both individuals and organisations should take into consideration. Faisal states "most companies affect the environment as they have waste and use environmental materials such as paper. Thus, companies should try to minimise the negative impact on environment but it is not a responsibility". Faisal considered this an optional strategy and he rejected using the word responsibility as he believes that the word "responsibility" means something obligatory. Similarly Nawaf agrees that "environmental responsibility is a plus. It is optional if they do this, it is good, but if they don't do it they will not be harmed".

The majority of participants (20 participants) care about a product's function and quality more than environmental issues when they plan on buying a product. Although they do not consider the environment when they buy a product, they still expect from organisations to do so. Ahmed's response was "we need to preserve our environment and make it safe as much as we can, but if a product has to be manufactured and this will result in chemical waste, we cannot tell the company to stop, especially if it is an essential product such as petrol".

## **5.4.1.2.2 Saving Energy**

Awareness regarding energy saving is high among participants. In addition, global warming was mentioned by some participants. Talal goes on to say "global warming is affecting our environment negatively due to high fuel consumption – the cars we use here in Saudi Arabia consume a lot of fuel, and the engines put out a lot of CO2 into the outside air". Similarly another response was "we are part of this world and companies should really consider the environment, as global warming is becoming a big issue in the world". Thus, some participants are aware of issues linked to global warming and they expect organisations to take them into consideration.

According to participants, saving energy is the responsibility of every individual in society and not of only organisations. Sara states "companies should use less paper and should save energy; these values should be taught to all people in the community not only in companies, so I think it is more something personal than it is an important focus for a company". Thus organisations should work together with society to save energy.

# **5.4.1.3** Corporate Responsibility toward Shareholders

Organisations' responsibility toward their shareholder has been discussed extensively in the literature previously in Chapter 3; here there are two main arguments. On one hand, the main aim of some organisations is making a profit and maximising their shareholder value. This strategy is supported by Friedman (1970) who believes that "the social responsibility of business is to increase its profit". He also believes that organisations have been established to make money; the main objective of shareholders is to increase their wealth, and organisations' managers are employed to achieve this goal rather than engage in charitable activities. On the other hand, Friedman's theory has been contested as others believe that businesses can contribute to social responsibility and maintain their profit at the same time (Carroll, 1991; Wood, 1991). In other words, businesses should make profit to exist; however they should also support the general community by supporting the ethical standards appropriate for the public and should fulfil their responsibilities in this area (Lewis, 2005).

A few participants (3 participants) consider maximising profit the most important objective of an organisation and that organisations should maximise their shareholder values; thus they support Friedman's theory. Hamad states "I have no issue with maximising profit, I would do

it myself if I owned a company. Profit comes first and society is a way to get a profit; it is only a tool". In the same way Talal goes on to say "the definition of a company is an organisation that sells product to make profit; it doesn't have any social function, and they do not need to offer something for free in society. The important thing is not to harm society. So they should focus on their economic responsibilities; social responsibility is not the duty of companies, it is the responsibility of government and citizens". Thus Friedman's argument regarding maximising shareholder values is supported by some participants.

Although some participants (3 participants) think that organisations should maximise their shareholder value, the majority of participants (23 participants) think that organisations must make a profit to exist and should try to build a socially responsible business. However, the interests of society are more important than the interests of any organisation. In other words, society is more important than the shareholder and organisations should not maximise their shareholder value if this would affect society. Mashael states "nothing works without any profit; organisations need profit to continue but they should not keep it as their main goal". In the same way Alia believes that "focusing in profit is wrong, because organisations can benefit themselves but harm the community". Thus the majority of participants (23 participants) support Carroll's argument that businesses can contribute to social responsibility and maintain their profit at the same time.

## **5.4.2 Internal Social Responsibility**

The internal dimension of corporate social responsibility is described as "CSR practices which are directly related to the physical and psychological working environment of employees" (Albdour, Ellisha, & Lin, 2010, p. 933). This definition is used in this study; however a factor will be added which reflects the Islamic perspective of the participants. In this study, two themes have been developed for this category. The first theme is corporate responsibility toward employees, and the second theme is the company's responsibility to pay Zakat as can be seen in Figure 13.

Internal social responsibility focuses on the internal relationship between an organisation and its employees. According to the literature, there is less focus among researchers on the area of internal social responsibility, while there is more emphasis on external stakeholder responsibility (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008). Participants

consider organisational responsibility toward employees an important responsibility, especially the participants who work. About a third of all the participants are employees while the majority (21 participants) are students. Zakat is one of the five pillars of Islam and participants expect all organisations and individuals to pay this as it is an Islamic obligation and all Muslims must take this into consideration. The concept and definition of Zakat will be discussed later in this section.

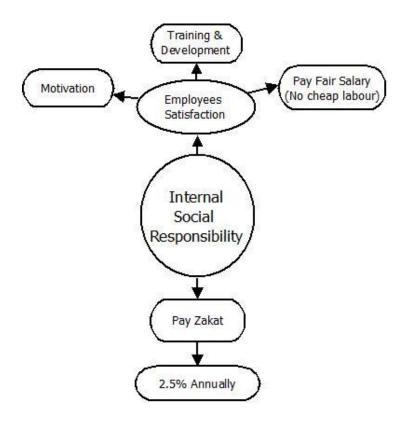


Figure 13 Internal Social Responsibilities

## **5.4.2.1** Corporate Responsibility toward Employees

This is the first theme of the second category. There are three codes for this theme. The first code is 'training and development', while the second is 'pay fair salary', and the third is 'motivation'. Each code will be discussed separately. Corporate responsibility toward employees is important as two third of the total participants consider organisations that take care of their employees and behave responsibly toward them to be good organisations. Abdullah states "I prefer organisations that offer equal opportunities for all employees, where all employees are equal and work together to achieve something". Another response was that

a good organisation "pays great attention to the employees and tries to develop them because this leads to the development of the company". Similarly Reyoof goes on to say that organisations should "pay salaries on time, avoid discrimination, deal with employees fairly and equally, offer jobs for the unemployed, support young employees, set a maximum working age for employees to give younger employees a chance, and provide summer jobs and training for students to help them develop their skills and give them a chance to practice working before graduation". Therefore, Saudi youth seem to pay great attention to the relationship between an organisation and its employees. They consider organisations should support their employees and must behave responsibly toward them.

The majority of participants (21 participants) are students; these represent approximately two-thirds of the total number of participants. These participants do not have actual experience of working and most of them did not deal with any organisations. However, some students worked part-time or had had summer jobs. Talal argues that organisations should care about their employees; however his response when he was asked whether there is an organisation in Saudi Arabia that deals with its employees according to his expectations was "I'm 18 years old and I don't have a lot of information about organisations and how they deal with their employees". Thus some participants have an opinion of how organisations should deal with their employees in terms of organisational responsibility, however they do not have any real examples of organisations and are not aware of whether organisations in Saudi Arabia deal with their employees as they would expect them to.

## **5.4.2.1.1** Training and Development

Companies have many responsibilities toward their employees; one of the most important of these is to develop its employees by providing them with training and teaching them required skills. In addition, as the participants are young people and have limited work experience, they expect organisations in Saudi Arabia, especially large ones, to support the youth and provide them with the best training they can so that they will be able to develop their career in the future. They argue that the relationship between organisations and their employees should be a win-win situation. Thus organisations develop employees in order to increase their productivity level as employees are an important asset for every organisation. One of the respondent states "I like companies that show appreciation and respect to its employees and

always support them by provide them with training abroad. It is important to support employees so employees can support the company in its black days".

A large company in Saudi Arabia was mentioned by many participants as one that offered internships, sent its employees abroad for training, and provided scholarships for its employees. This company was described as offering its employees one of the best working environments in Saudi Arabia, and many participants would like to join this company. Similarly an international company was described as the best company to work for in the world and many people consider a job with this company a dream job. Saudi young people interact with this company directly through its different services. In addition, according to participants, this international company organises a science fair and competition for high school students every year. This encourages students to innovate and develop their educational skills. In addition, it provides internships and summer jobs for youth internationally and provides free lectures and academic and learning resources for everyone in the world free on its online website. Sara states that this international company is the "perfect working environment, as it is entertainment, and employees choose to spend most of their time at their workplace". At the same way Reem states that this company provides all the facilities necessary to encourage employees to be more innovative and gives them a great deal of freedom at work. Thus, participants share a positive perception of both the international company and the local company that have been mentioned above. Their perceptions were based on how these organisations deal with their employees and many would like other organisations to follow the same strategy as they believe that employees should be the first priority of any company.

## **5.4.2.1.2** Paying a Fair Salary

A Chinese manufacture company that produces many products for a well-known international organisation at a cheap and competitive price was mentioned by many participants as a 'bad organisation'. Hamad says of this manufacturer "they treat their employees like animals. Long working hours and low salaries; I think it is the worst company out there". Another response from Abdul-Rahman was "they do not treat their employees well; a lot of people commit suicide there to the degree that they have nets on top of windows so if someone jumps he will be caught". Similarly Ahmed goes on to say "cheap production is good for company profits and cuts down costs, but it is a bad for the people who work there and get

low salaries". Accordingly, participants have a negative perception toward cheap production as this will have a negative impact on employees who work for manufacturers that focus on it.

It is expected that international and local organisations should pay fair salaries and avoid cheap production. Saudi young people believe that organisations in Saudi Arabia should pay fair salaries to their employees and that they should not offer them jobs with low salaries. Although the government in Saudi Arabia introduced a minimum wage for public employees, there are many organisations which do not follow this rule and still do not pay the minimum. The minimum wage that government set is 3000 Saudi Riyals per month which is equivalent to 800 United States Dollars (Aljazeera, 2012). Abdul-Aziz states that organisations should follow the rules and that they are responsible for their employees; he says that he searched for a new job recently and the salaries for all the jobs he found are less than the minimum wage. Another respondent states that his friend has a monthly salary of 1500 Saudi Riyals which is half the minimum wage and that the Ministry of Labour is responsible for this because of lack of monitoring. He believes that there are some organisations that are looking for any way of making a profit and that they do not care about their employees but that this is not the right strategy. Similarly Nawaf agrees that "a company should not focus on money, but should consider its customers and employees; by doing so it will get more money as employees will work harder and the company will keep its customers".

Although Saudi youth have negative perceptions of cheap production, they deal with organisations that support cheap production as they buy their products. Ahmed states that "cheap production is a necessary evil. I think it is something bad, but it produces something that I cannot do without, like a drug". In the same way Faisal states that "every company has the right to lower its costs and produce at a cheap place; it has signed a contract with a company in China, and this company is responsible for such issues and should deal with them". Thus these participants argue that international organisations are not responsible for these issues; it is the responsibility of the manufactures. Thus participants have a negative perception; however this negative perception does not stop them from dealing with these organisations. So there is a gap between their perceptions and their actual behaviour.

#### **5.4.2.1.3** Motivation

Employees will work harder if they are motivated and they enjoy their jobs. Lama states "caring about employees can result in a successful company as satisfied employees will work harder and will try to do their best for the company". Similarly organisations with motivated employees will benefit as employees will represent the organisation positively.

Organisations can motivate their employees by paying a competitive salary and providing the best possible working environment. In addition, Amjad states that organisations should "deal with their employees fairly and should listen to them all, even the smallest employee such as the doorman. They should be like a family". The majority of participants (23 participants) agree that employees are an important part of any organisation and that organisations should behave responsibly toward them. Thamer argues that "an organisation should pay its employees overtime if they work outside working hours". Thus organisations should act responsibly to their employees and should motivate their employees by paying their salary on time, should give hard working employees incentives, and provide a comfortable working environment.

The majority of participants share the same view that it is very important for organisations to give their employees their rights and deal with them in a fair and equal way. Accordingly, discrimination should be avoided, organisations should listen to their employees, and employees should feel that their jobs are secure. Abdullah states "individuals should be empowered and every employee should feel that they can make decisions as organisational success depends in the employees".

# 5.4.2.2 Paying Zakat

Zakat is an Islamic obligation. It is one of the five pillars of Islam and every individual and organisation that is financially able should pay it. Zakat is collected from the rich and then should be given back to the poor. It is categorised as an internal social responsibility as it is an internal practice which takes place between humans and God. According to Yusuf and Derus (2013) Zakat is "the first universal welfare system in human history that has played a significant role in smoothing the consumption of the poor" (Yusuf & Derus, 2013, p. 61). It is mentioned in the Quran: "of their goods, take alms, so that you might purify and sanctify them" (Quran, 9: 103).

Thus Ibrahim, Abdullah, Kadir, and AdwamWafa, (2012) go on to say that "spiritually, paying zakat purifies and cleanses one from greed, selfishness and arrogance" (Ibrahim et al., 2012, p. 221). Thus "Zakat is a compulsory payment for the purpose of purification of [the] wealth, which will bring peace, serenity to [whoever] fulfilled the requirement" (Ibrahim et al., 2012, p. 222). In addition, Zakat aims to redistribute the wealth between individuals in society; therefore money will be taking from rich people and then given it back to the poor in order to close the gap between them (Nur-Barizah, 2006). Islam encourages charity work and donation, and outlines two mechanisms of philanthropy. The first mechanism is Zakat, while the second is Sadaqa. Sadaqa will be discussed in the next category in this thesis. There are three main differences between Zakat and donating as can be seen in Table 46. The first difference is the Zakat is compulsory while donating is optional. The second difference is that the amount given for Zakat is fixed and must be paid once every year, while there is no minimum and maximum for donations which can be given at any time. The third difference is that Zakat can only be given to people from eight categories which are identified in the Quran; donations can target anyone in society.

	Nature	Amount	Target
Donation	Optional	Open, at any time	Anyone in need
Zakat	Compulsory	2.5% of profit annually	Eight categories

Table 46 Comparison of Zakat and Donations

The source of law in Saudi Arabia is the Shariah which is Islamic law. Accordingly, in Saudi Arabia all organisations are forced to pay Zakat by law; the Department of Zakat and Income Tax is the governmental agency responsible for collecting it from them under the law. Although organisations must pay it to keep the law in Saudi Arabia, organisations are not forced to pay it in other countries. However, organisations run by Muslims should pay it in every country, as it is an Islamic obligation for all Muslims. For example, an international British company that operates in Saudi Arabia will be required to pay Zakat, while it does not need to pay it in the United Kingdom as there is no such law there. However, if the owners of the company are Muslims, then they should pay it everywhere for God's sake. Thus, if they are owners of a local British company operating in the United Kingdom, then they would pay Zakat, which is 2.5% of their profit, as well as compulsory UK taxes.

Islam encourages organisations to pay Zakat which is 2.5% of their profit every year to poor people. This applies to individuals and companies; every company is responsible for paying Zakat to the poor in society. It should be distributed only to those eight categories that are mentioned by God in the Quran (9:60) as follows: the poor, the needy, people who are officially responsible for collecting Zakat, those whose hearts are to be reconciled, those in bondage, those in debit, those fighting for God, and those travellers whose money finished before they were able to complete their journey home.

The majority of participants (22 participants) mentioned that Zakat was prescribed in Islam to help poor people and balance the distribution of money in the community. Islam considers the needs of poor people a great deal and encourages the whole community to be one family and every individual to help the other. Organisations are part of the community; therefore they need to engage with their community. Although the majority of participants (25 participants) were not aware of the concept of CSR and had not heard of it, they discussed organisational responsibility toward society and provided examples of organisations that support society. Zakat was discussed as an Islamic concept that was prescribed to strengthen links within society and improve the relationship between individuals as rich people help poor people. In addition, participants who are aware of the concept of CSR, believe that Zakat in Islam is similar to the current concept of CSR in the West. Thamer states "CSR is part of Islam, because by giving back you are helping others and you are improving and making positive impact on society and the rest of the world, whatever your target; this is part of the plan of Islam".

It can be argued that Muslims who own a company in non-Muslim countries and pay Zakat are already practising CSR as they pay a fixed percentage of their profits to poor people every year as part of their philanthropic responsibilities. In addition, from an Islamic perspective, Zakat is part of CSR and is the minimum level of CSR. In addition, organisations can support the society more by giving Sadaqa which is the second mechanism of Islamic philanthropy and is optional. Faisal states "Apple for example will be required to pay Zakat in Saudi Arabia and do not need to pay it in the United States. But, if the owners of Apple are Muslims, then they would pay it anywhere". Non-Muslim organisations consider paying Zakat in Saudi Arabia as a legal responsibility. The remit of the government agency in Saudi Arabia which is responsible for collecting the Zakat is to "assess and collect Zakat duty from Saudis and citizens of member states in the Gulf Cooperative Council, in accordance with

relevant regulations; and assess and collect tax from persons subject to tax including persons working in the fields of oil and gas investment according to relevant laws and regulations" (DZIT, 2014). Thus organisations in Saudi Arabia consider the payment to the government agency "Zakat" while other considers this payment a tax.

## **5.4.3 Private Social Responsibility**

The dimension of private corporate social responsibility refers to values and intentions in relation to engaging in CSR. This dimension is called private as the intention is a private practice and it is very difficult to evaluate the intention of any organisation. The findings of this research revealed that there is a private or hidden part of CSR, and this part is an important aspect of CSR from an Islamic perspective and can help explain the concept of CSR from an Islamic perspective. In addition, this dimension extends the current concept of CSR and could represent a contribution to the academic literature. According to the interviews, many participants have a negative view of some organisations due to differences between what they say and what they do. In addition, they state that some organisations use CSR to improve their reputations as they use the media to promote their CSR activities, while other organisations engage in CSR and support society but do not promote these activities to the public as their intention really is to help society. Graafland et al. (2006) conducted a study in Holland on 50 Islamic entrepreneurs, to examine their commitment to CSR. They found that the level of their contributions to CSR activities is high (Graafland et al., 2006). However, although this is the case, they did not want to publicise it (Graafland et al., 2006). The hidden part of the CSR which was explored by this study could explain why Muslims engaged in CSR and prefer not to share any details about this with the media.

Three themes have been developed for this category. The first theme is 'corporate responsibility to apply Islamic values', the second is 'company responsibility to pay Sadaqa', and the third will discuss 'company intentions of engaging in CSR from an Islamic perspective'; these can be seen in Figure 14.

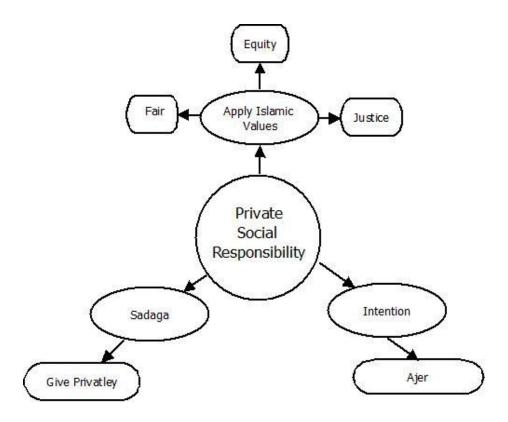


Figure 14 Private Social Responsibility

# 5.4.3.1 Applying Islamic Values in Organisations

This is the first theme of the third category. There are three codes for this theme. The first code is 'fairness', while the second is 'equity', and the third 'justice'. Islam has linked morality with business success, and encourages honesty and justice (Rizk, 2008). Indeed Islam is one of the major world religions, with more than 1.6 billion Muslims living in different countries around the world (Siwar & Hossain, 2009) giving it great influence globally. Muslims believe that "Islam is not only a religion, but is also a guideline for the complete way of life" (Siwar & Hossain, 2009, p. 290). As Salman states, "Islam and your life should not be separated". Accordingly, Muslims should apply the Islamic values in every aspect of their life including their business.

Ali mentions that "Muslim companies should be honest, not cheat, and avoid any Haram transactions such as selling alcohol or dealing with interest" where Haram means prohibited in Islam. Similarly Amjad goes on to say "businessmen should not be greedy and should take into consideration the interests of society". Islam encourages Muslims to help each other and work together. Sara states "Islam is based on two main values, fairness and justice. These two values should be applied in all organisations".

The majority of participants (30 participants) state that they have learnt many things from Islam and that they follow the Islamic values in their daily lives. Husain mentions that he learned from Islam how to "deal with people in a good way and be ethical all the time". Islamic Economics which was defined by Lama as "a balanced system which is against capitalism and communism, [which] forbid[s] usury and ha[s] certain conditions for sale that serve both the seller and the buyer". This system is based on the interests of society and not the individual or company interests. Thus Islam emphasises the responsibility of organisations to society. Accordingly, Muslim traders should not only think about themselves or be greedy or selfish; they must think of society.

Many Islamic values were mentioned by participants. These include honesty, fairness, not practising discrimination, respect, credibility, and giving. According to the interviews conducted, Islamic values are very important to the majority (28 participants). One of the respondent stated "I will not work in a company that do not comply with Islamic values; in Islam there is Halal and Haram money and Muslims should only get Halal money ... if I work in a company that does not comply with Islamic values I would contradict my own beliefs". However, Reyoof shares her own experience with the bank that she work for and said:

"There is discrimination between clients; clients with big bank accounts are served quickly and have priority among normal clients who do not have a lot of money in their account. This is the right strategy from the perspective of marketing, but from an Islamic perspective this is wrong as the bank discriminates between clients based on how much money they have in their accounts. However, as an employee I have to follow the bank rules even if I do not believe that this is the right strategy"

Fairness is an Islamic value. Nawal states "Islam encourages organisations to be fair and just in all aspects of their business. They shouldn't cheat or lie to customers and they should deal in a good way with their employees". According to Nawal, price is one of the key elements that organisations should consider. Some organisations charge higher prices because of they have a monopoly which is not fair. Accordingly, monopoly should be avoided; however if there is no other option then there being a monopoly, the company should not take advantage of this but should help society.

Many participants (17 participants) have negative views of local and international organisations operating in Saudi Arabia who they consider act unfairly, and shared examples

of unethical behaviour on the part of some organisations in Saudi Arabia. They believe that these organisations do not consider the interests of society and only consider their own benefit. They also believe that their behaviour is against Islamic values as Muslims should show high moral standards. For example, a Saudi Telecom company was mentioned by many participants negatively. They described this company as unfair due to false advertising which did not provide correct information about its services. In addition, it "charges high prices and rips off its customers".

Another example was mentioned by Saud who said "the prices of a well known car brand in Saudi Arabia are the most expensive compared to prices in other countries in the region. The dealer here seeks to maximise its profit as much as it can". In the same way Reemah goes on to say "a company should care about its employees as they can lead it to success, but unfortunately companies here ignore employees and do not deal with them equally. Junior employees do most of works and all incentives go to the senior ones". Based on these examples, ethical responsibility is important as it affects the perception of the consumers toward organisations. Thus organisations are advised to always behave in an ethical way and be fair.

Islam encourages voluntary work; Prophet Mohammed says "believers in their mutual love, mercy and compassion are like the body; if one part of it complains, the rest of the body joins it in staying awake and suffering fever". So, organisations are advised to help society and work together with other members of society as one family. The majority of participants (23 participants) consider charitable work something optional and few of them (9 participants) consider it compulsory. Yara goes on to say "Islam encourages Muslims to give without expecting anything in return; voluntary work has already existed in Islam for more than 1,400 year, but unfortunately we usually follow Western practices especially in businesses and credit everything to the West". In addition, Lama states that the Prophet Mohammed says "money does not decrease from donation". Thus Muslims should consider donations to be an investment with God which they will benefit from in the hereafter, and organisations are encouraged to donate frequently and give back to society.

# **5.4.3.2 Paying Sadaqa**

Sadaqa can be defined as "charity. Often, Sadaqa is given for personal reasons to whomever the giver deems suitable, e.g. a local charity shop. Giving Sadaqa is irrespective of compulsory taxes and does not count as Zakat - Zakat must be paid irrespective of the amount spent in Sadaqah" (Islamic Dictionary, 2013). As discussed previously, Islam supports charitable work and encourages Muslims to give back and help society. Sadaqa is an Islamic concept that is similar to the concept of "donation". It can be given by individuals or/and organisations. There is no minimum or maximum amount of Sadaqa. Muslims can give any amount of money to anybody at any time. The majority of the participants (25 participants) consider it an important initiative that organisations should implement as they should act responsibly toward society. Abdul-Aziz states "there are some companies that help society but they don't tell others as they don't want to advertise their charity work in the media to avoid any publicity. I personally know a businessman who donates generously; he has built 10 mosques, and supports orphans. He has done this work as he is a real Muslim and follows Islamic values. All he wants is Ajer". Muslims will consider an Islamic company that publicises its donations in the media hypocritical and think that it is best practice if an organisation donates secretly. The majority of participants (30 participants) strongly believe that donations should be given without expecting something in return. Mashael responses "Islam encourages Sadaga, and asks rich people to give money to poor people; we have learnt this values from Islam and been raised with it".

In Islam, Muslims will get a reward for giving Sadaqa and they will get a greater reward if they give Sadaqa privately. People who really need money do not like to be humiliated by others for example if everybody knows that they have received money from other people. Thus organisations should give money to people in need without publicising this in the media; then they will receive a greater reward from God. Ziyad states "Islam taught us to do good things and not to share it with anybody in order to get greater reward". Similarly Lama mentions that the Prophet Mohammed says that donating does not take away from the donor as this money is being invested in the hereafter. To sum up, Sadaqa was prescribed in Islam beside the Zakat for people who want to give more; Zakat is compulsory while Sadaqa is optional.

## **5.4.3.3** Corporate Intention to Apply CSR

In the CSR literature, it is generally acknowledged that driving forces for engaging in environmental and social initiatives differ notably (Egels-Zanden, 2009; Bronn & Vidaver-Cohen, 2008). Some organisations consider CSR a means to reduce costs and increase the

efficiency of the operation, for others it is a tool to develop the relationship with stakeholders (such as the local community, regulatory authorities, and customers), and yet others are influenced by the marketing potential of the reputation of being a good firm (Pedersen & Neergaard, 2009). Additionally, some organisations consider commitment to CSR morally right (Pedersen, 2006). Thus it is difficult to predict corporate motivations for engaging in social and environmental responsibility without considering each organisation individually.

Some organisations have made a small contribution to engage in social or environmental initiatives just to increase the corporate reputation rather than focusing on these initiatives truly benefitting others (Pederson & Neergaard, 2009; Morsing, 2003). On the other hand, there are some organisations which show good examples of how to develop positive CSR strategies such as Cadbury. Cadbury's CSR programme is thought to be an excellent examples of CSR best practice (Gregory & Tafra, 2004; Young, 2006). Cadbury considers CSR to be fundamental to its operations, to be good for business and to engender trust. Its business philosophy is enshrined in its business values (Gregory & Tafra, 2004). However, in 2010, Cadbury was taken over by Kraft Foods (BBC, 2010), and Cadbury's CSR policies may have changed after the acquisition. Similarly Lacy and Salazar (2006) conducted a survey among corporate managers and found that only ten percent of all organisations included in the survey have integrated corporate social responsibility into their core operations.

### **5.4.3.3.1** Intention from Islamic Perspective

Darrag and E-Bassiouny (2013) have studied Islamic CSR and argue that "In Islamic nations, the CSR concept is ideally and ultimately based on divine revelation stemming from Islam's teachings, whereas in the Western nations, the CSR concept is derived from secular ethics and morality where such ethics are inevitably transitory" (Darrag & E-Bassiouny, 2013, p. 267). They also argue that organisations should be driven by the teachings of Islam in order to find "ultimate felicity in this life and in the Hereafter". Thus the concept of Tawhid or the God-consciousness dimension and the reward that will be received from God should be the key reasons for engaging in CSR from an Islamic perspective. Tawhid "means the realising and maintaining of Allah's unity in all of man's actions which directly and indirectly relate to Him" (Rassool, 2000, p. 1479). It has been argued that Tawhid is the foundation of Islam and that all the other pillars and principles depend on it (Philips, 1994). In addition, "God's unity

must be maintained spiritually, intellectually and practically in all facets of human life" (Rassool, 2000, p. 1479). It is mentioned in the Quran that "Allah does not forgive association with Him, but He forgives what is less than that for whom He wills. And he who associates others with Allah has certainly fabricated a tremendous sin" (Quran, 4:48). Thus practice of worshipping something or someone other than God or "Shirk" (idolatry) is the opposite of Tawhid and will not be forgiven; all Muslims should believe that God is united and God is one.

It should be obvious if Islamic banks are following Islamic values. However, some participants have negative perception of the banks as they believe that some that claim that they are Islamic banks do not apply Islamic values and practice. Talal states "my father is a banker and he told me that all banks, even the Islamic ones, are not complying with the Islamic rules 100%". Similarly Reemah who works for a bank mentions "banks only focus on how to increase their profit and how to generate more money from customers whether this is Islamic or not". Thus Salman states that "any organisation in Saudi Arabia must follow the Islamic values because these are the rules of the whole company. However, it is difficult to know whether the company is supporting society because it has an Islamic perspective or for other reason".

The majority of participants (30 participants) strongly believe that organisations should take the interests of society interests into consideration in order to get Ajer from God and that they should not expect anything in return from society. Lama states "Muslims will get Ajer for every positive thing they do. I should do everything for God's sake. These activities can lead me to Heaven and help me to build a good relationship with God". Similarly Suliman shares the same view when he mentions that "there are businessmen supporting society but they do not like to publicise or share what they are doing ... with the media or other people to get more Ajer". In addition, Ibrahim mentions "charity work and poor people should be supported for God sake to get Ajer". It should be noted that the best practice is to support society without engaging with the media in order to avoid hypocrisy.

According to the participants, there are three possible reasons for organisations to be engaged in CSR: the first reason is to improve the company's reputation in order to attract customers and make more money, the second is to keep the country's rules in order to avoid any legal issues, and the last is to give back to society if the owner are good people and really want to

support society. The majority of participants (30 participants) favour the third reason and argue that Islam encourages individuals to give back to society without expecting anything in return and that organisation in Saudi Arabia should follow Islamic values and give back to society.

Two local companies in Saudi Arabia were mentioned by many participants (15 participants) as good organisations that support society based on their Islamic beliefs. Thus they are involved in many Islamic charitable activities during the year such as providing free foods to poor fasting Muslims in Ramadhan. However, it is still difficult to know whether organisations support society based on their Islamic beliefs or for other reasons as intention is private and no one can know it. Ali states that a local dealer for an international car manufacturer has a "negative impact on society, so it applies CSR to cover the negative impact and improve its reputation. It does these projects to cover up the negative impact only as a kind of compensation". Thus, some organisations only use it to develop their reputation.

The literature indicates that adopting CSR in an organisation's strategies requires top management support (Harris & Crane, 2002). Thus managers' commitment and awareness regarding CSR are generally recognised as key elements for the successful execution of environmental and social initiatives (Weaver et al., 1999; Mamic, 2005; Jenkins, 2006). Similarly, Pedersen and Neergaard (2009) go on to say that CSR will be likely to remain at the rhetorical level if managers are not willing to allocate the required financial and human resources to environmental and social improvement and make it a priority. Thus without active support from managers, it is difficult to institutionalise CSR in a firm. The results of the interviews conducted for this research confirm that the decision to engage in CSR depends on what the owner of any organisation thinks about society. Afnan names a Saudi businessman who owns one of the biggest banks in Saudi Arabia and states of him; "he does not only focus on profit but he spends a lot of money to support charity work as he believes that he has a responsibility toward society and must give back". This participant believes that it is the owner of the bank who is doing these actions to support society and not the bank itself.

Yara states "some organisation support society for PR purposes as Western companies do, and some do it to help society without expecting something in return and do not want to show their support to public or in the media; this is the strategy that organisations should follow if

they follow the Islamic rules". Yara argues that most international organisations implement CSR just to improve their reputation, and some companies in Saudi Arabia have the same strategy and intention, while there are some companies in Saudi Arabia who implement CSR but have a different intention which is to help society, and who do not to share what they have done with the media to avoid hypocrisy; she believes this is best practice and that all organisations should have this policy. Thus Suliman mentions "intention is very important in this matter to show whether organisations support society to benefit it or to benefit the organisation only".

# 5.5 Participants' Views on Carroll's CSR Pyramid

Carroll's CSR pyramid model will now be evaluated from the perspective of Muslim consumers because it is commonly used to describe Western CSR conceptualisation. This section aims to examine whether Carroll's CSR Pyramid would fit the Islamic context. This model has been used by many studies in the literature to examine consumers' perceptions of CSR as has been discussed in the literature review chapter. However, in Table 36 in Chapter 3 it was noted that consumers' perceptions differ from one country to another, although some consumers in one country may share similar view with those in another. Carroll (1979) identified four different areas of responsibility for CSR: economic, legal, ethical, and philanthropic. In this section the researcher will discuss the four types of responsibility of Carroll's CSR pyramid from the participants' perspectives.

# **5.5.1 Economic Responsibility**

According to the Pyramid of Social Responsibility, this is the most fundamental responsibility. Carroll (1991) argues that profit is important for any organisation to exist. Therefore, profit should be the basic of any organisation, and organisations should consider this responsibility first, and then should consider the others. According to the interview transcripts, Lama mentions that organisations "should feel responsible for the economy of the country they operate in; they need to build projects that help society". Similarly Yara agrees with Carroll's argument saying: "an organisation should first consider its economic responsibility to make a profit; then should consider working with society". Eman states that organisations "should support society and play a part in developing the country, especially the big companies that have huge budgets", thus expecting more from large organisations. Munerah considers developing the economy is more important than making a profit as she

believes that "organisations should not think about themselves and how to make money; they should think about how they can develop their country's standing".

Economic responsibility is linked with job creation with male participants expecting organisations to create jobs and to have a positive impact on the country that they operate in. Amjad argues that "most products in Saudi Arabia are imported and produced in different countries, when organisations could produce most of these products here. By doing so, companies would create new jobs and would benefit the country's economy". Similarly Hassan states "organisations should improve the country's economy and develop all cities that it operates in. They should not focus on profit and how to generate money without considering other responsibilities". Thus organisations should be mindful of their economic responsibility to develop the country's economy, create jobs, and support local companies.

## 5.5.2 Legal Responsibility

This is the second type of responsibility in Carroll's CSR pyramid and comes after economic responsibility. Participants argue that there are no laws regarding CSR in Saudi Arabia and that many organisations do not use the concept in their organisations. They believe that the Saudi government should regulate CSR. Ali states "government must enact laws for CSR to protect the rights of employees and society". Similarly Reem goes on to say "in Saudi Arabia there are no rules for CSR; I think government should introduce new rules that force international companies to practice it". Thus some participants believe that organisations should be forced to help and support society and that this should be enforced by the government introducing new rules. Saad mentions "the government should develop policies to manage the CSR activities and to force companies to practice them". Although some participants consider CSR should be an obligatory strategy that all organisations should be required to implement, other participants believe that it should be optional and organisations should have the option of whether to apply CSR in their organisation or not. Suliman states "CSR should be optional because companies have to pay Zakat; if they want to pay more it should be optional". This participant considers that as paying Zakat is obligatory, with all organisations in Saudi Arabia paying 2.5% of their profit to poor people, that other CSR activities should be optional. Similarly Abdullah agrees with Suliman and believes that CSR should be optional and states "governments could enforce this in companies, but this may not be a suitable strategy as they will be doing something that they do not want to do. It is better to encourage a company to do this out from their own free will, and make the company feel that society needs something; when this feeling comes into play everything is solved". Thus government should encourage organisations to help society by demonstrating the need for organisations to help society, rather than introducing new rules that would force organisations to apply CSR.

## 5.5.3 Ethical Responsibilities

In Carroll's CSR pyramid, this is the third corporate responsibility and should only be considered after organisations have fulfilled the first and second types of responsibilities that were discussed above. The majority of participants (23 participants) consider it as a very important responsibility and expect that all organisations behave in an ethical way. From their perspective, Islam's teachings are the source of ethics. Thus participants expect all organisations and individuals to implement ethics from an Islamic perspective. They support the argument of Saeed et al. (2001) that Islamic ethical guidelines are suitable for all cultures and all times in history as the nature of human beings is fundamentally the same.

As in the literature review chapter, there are two dimensions of Islamic ethics: ethics in relation to God and ethics in relation to others (Abuzunaid, 2009). This is supported by the findings, for example Saad states "ethic is one of the most important elements in a company and Islam teaches us to be ethical and trustworthy". Similarly Yossef goes on to say "Muslims fear God, therefore they respect and treat other in a good way". Similarly, Alia strongly believes that "the most important thing in any organisation is ethics and morality". Thus ethical responsibility is a very important responsibility in the perception of Saudi youth.

The legitimacy theory suggests that organisations should always try to create a balance between their activities, what society think of their activities, and how society perceives them (Suchman, 1995; Deegan, 2002). Similarly, Saeed et al. (2001) corroborated that the Islamic approach does not encourage decisions that are based on profit maximisation; decisions should be based on welfare and societal values (Saeed, et al., 2001). The study's findings found that only a few participants believe that organisations should focus on profit maximisation but think they should have a balanced view which means organisations should balance profit and societal values, with the majority (23 participants) believing that organisations' decisions must be based on societal values.

According to the participants, organisations should be fair, provide customers with accurate information regarding their products and services, be honest, support charitable work, and care about employees. In addition, they should avoid becoming involved in any political issues, increasing prices just to maximise profit, supporting cheap production, cheating, and discrimination. These findings are similar to the findings of two studies carried out by Siwar and Hossain (2009) and Almoharby (2011) which were focused on Islamic values. Siwar and Hossain (2009) believe that Muslims should avoid discrimination; he or she should be fair, truthful, and upright as these qualities are important when dealing with others and should be apparent in business activities (Siwar & Hossain, 2009). Similarly Almoharby (2011) claims that all people are equal, regardless of their colour, race, and characteristics. Thus the Islamic background of participants affects their perception toward corporate responsibility especially in terms of ethical responsibility.

#### 5.5.4 Philanthropic Responsibility

This is the fourth type of responsibility and is placed at the top of Carroll's CSR Pyramid model. Philanthropy from an Islamic perspective has been explained in a previous chapter. There are two kinds of corporate philanthropy in Islam: Zakat and Sadaqa. As stated, Zakat is an Islamic obligation that requires all Muslim individuals and organisations to pay 2.5% of their profits once every year to specific people in need as prescribed in the Quran the minimum requirement for organisations to donate according to Islam. If organisations would like to donate more, then they can also give Sadaqa which is an Islamic term meaning a voluntary donation. Sadaqa is optional for organisations and there is no minimum or maximum amount to give. Organisation can give as much Sadaqa as they want to at any time to anyone.

The first kind of corporate philanthropy in Islam is Zakat which aims to encourage cooperation between rich and poor in society. It has been described as "the first universal welfare system in human history that has played a significant role in smoothing the consumption of the poor" (Yusuf & Derus, 2013, p. 61). The second kind of corporate philanthropy in Islam is Sadaqa which is to provide any kind of support to any group of people in need. This is to be considered by Muslims who want to do more in term of supporting society after they have paid Zakat. Two third of the total participants consider corporate philanthropy an important responsibility for any organisation as organisations can

support the community and make a positive impact on society and mentioned many examples of organisations that implement CSR and believe that philanthropy is one part of their duties toward others as Muslims. In addition, they state that Islam encourages all Muslims to give money and support the community without waiting anything in return.

Philanthropic concepts from the Islamic perspective are similar to the existing understanding of philanthropy in the West which is to support society. However, there are some differences in practice. As mentioned above there are two kinds of philanthropy in Islam: Zakat and Sadaqa. Zakat is mandatory while Sadaqa is optional. In addition, Zakat is one of the five pillars of Islam. This indicates that philanthropy is very important in Islam. In addition, Zakat, which is one of the five pillars of Islam, have been established for fourteen centuries. Thus Muslims have been practicing philanthropy for a long time. Accordingly, the majority of participant (30 participants) support Almoharby (2011) who emphasis that CSR in Islam is regarded as a religious and moral obligation and is considered spiritual engagement.

One of the key elements of philanthropy in Islam is that money should be given privately. This means that if a Muslims give money to people in need, it is better not to tell others as some people in need prefer not to appear in the media so as to avoid embarrassment. Similarly, some individuals and organisations might donate to improve their reputation and just to benefit themselves without considering the needs of society. This practice can lead to hypocrisy which is prohibited in Islam. Accordingly, Muslims are advised to give privately to avoid any hypocrisy. Ziyad goes on to say "I believe that philanthropy activities should not be shared in the media and it should be done secretly, because PR can lead to hypocrisy". In addition, he also quotes the "Prophet Mohammed saying: donation does not decrease the money".

The majority of participants (30 participants) firmly believe that philanthropy should be considered an investment with God and that Muslims will be rewarded by God for their donation, but will get an even greater reward if they have donated privately. The only thing that should be considered when making a donation is the intention behind it. The intention should really be to support the society and to seek a reward only from God. Individuals and organisations should donate without expecting anything in return from society. Thus fulfilling

one's responsibilities toward people and the local community are major duties for Muslims who believe that they have to work together to fulfil these (Almoharby, 2011).

It goes without saying that the Islamic background of participants has affected their perception of corporate responsibilities. In addition, the majority of participants (30 participants) consider Islamic values in almost every aspect of their lives. This view is supported by Siwar and Hossain (2009) in the literature as they state that "Islam is not only a religion, but is also a guideline for the complete way of life" (Siwar & Hossain, 2009, p. 290). Accordingly, "business ethics cannot be separated from ethics in the other aspects of a Muslim's daily life" (Beekun & Badawi, 2005, p.143). In the next chapter, the researcher will examine these finding and will develop an Islamic CSR model.

# **5.6 Summary**

This chapter has discussed the findings from the interviews conducted and has examined Carroll's CSR Pyramid from the perspective of the participants. The summary of the finding is presented in the model below (Figure 15). The findings have been discussed and broken down into the three main categories. In addition, themes and codes for each of the three categories have been discussed. This chapter has proposed three perspectives of CSR: private social responsibility, internal social responsibility, and external social responsibility. The findings make a contribution to the academic literature by adding a new perspective, private social responsibility, to the other two already existing in the literature. This perspective is hidden and consists of a sincere intention on the part of organisations to engage in CSR without any desire for public recognition and private practices such as Sadaqa, which is an Islamic term for a type of voluntary donation. Although Sadaqa can be practiced in public and in private, the suggestion according to the Islamic reward system that it should be paid privately has been highlighted. The chapter also introduces the four types of responsibilities (economic, legal, ethical, and philanthropic) of Carroll's CSR Pyramid and relates them to the participants' views.

The next chapter will consider these findings in order to develop the research model and answer the research questions.

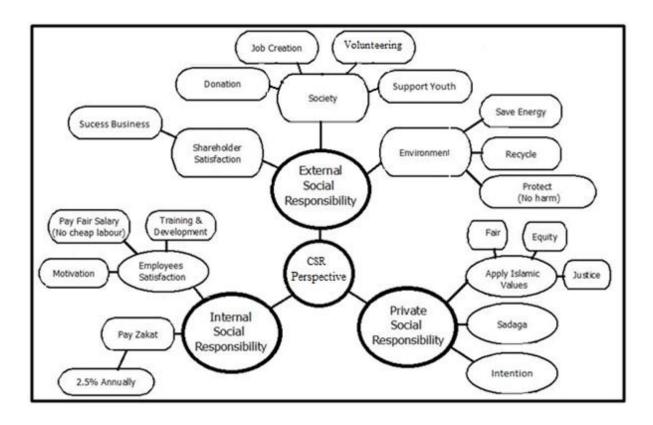


Figure 15 Summary of the findings (Author)

# **CHAPTER 6: DISCUSSION**

#### **6.1 Introduction**

This is the discussion chapter and will be divided into three parts; the first part will discuss the participants' view in relation to Carroll's CSR pyramid in order to develop the Islamic CSR Pyramid, then the Islamic CSR Tree model will be developed. The final part of the chapter will discuss the three research questions of this study. The first question concerns the perceptions of Muslim youth in Saudi Arabia of the concept of the CSR and seeks to understand what the concept means to them. The aim of the second question is to find out if the concept of CSR from an Islamic perspective is different from the Western concept found in the literature. The third question concerns how organisations in Saudi Arabia should apply CSR, whether organisations need to modify their CSR practices in an Islamic context or whether they can use the same strategies that they used in other countries.

# **6.2 Islamic CSR Pyramid Model**

Based on the discussion of participants' views regarding the Carroll CSR Pyramid in the last chapter, the views of participants support the applicability of Carroll's CSR pyramid model. However, they have different view toward the four types of responsibility in the model. The participants believe that Islamic values should underpin all decisions made by organisations and that all organisations practices should be complied with Islamic law (Shariah).

According to the literature review, it can be argued that the main difference between the western CSR and Islamic CSR is that western CSR is derived from ethics and morality, while the Islamic CSR is derived from Islam's teachings (Darrag & E-Bassiouny, 2013). The principle of vicegerent in Islam requires "businesses and wealthy individuals to see themselves as stewards or caretakers, not just of shareholders' financial resources, but also of society's economic resources (Dusuki, 2008, p.20). "By so doing, the firm will be blessed by God and will achieve ultimate happiness in this world as well as in the Hereafter" (Dusuki, 2008, p. 20). According to the research findings, participants believe that in Islam the interests of society are more important than the interests of the organisation. For example, Amjad goes on to say "businessmen should not be greedy and should take into consideration the interests of society". This means that organisations should not maximise their profit if that

would have a negative impact on the society. As a result, an organisation must always operate in a socially responsible manner regardless of the financial consequences. In addition, "since Saudi Arabia is an Islamic state, its judicial system is based on Shariah" (Embassy of Saudi Arabia, 2014, p. NA). In the literature review, Arham (2010) claims that every aspect of Muslim life should be according to the "Sharia" which is Islamic law. In the same way, Dusuki (2008) argues that if an organisation embeds the "Shariah" principles in its operations, by default it will be practicing CSR as that is part of the Islamic spirit. Participants supported these arguments, for example Ali mentions that "Muslim companies should be honest, not cheat, and avoid any Haram transactions such as selling alcohol or dealing with interest" where Haram means prohibited in Islam according to the Sharia.

In the Holy Quran, the prophet Mohammed is described as "a Prophet of good ethics" (Abuznaid, 2009, p. 280). The concept of good values are described in the Holy Quran using many terms such as: Adl (justice), Haqq (truth and right), Maruf (known and approved), Salihat (pious action), and Quist (equity) (Abuznaid, 2009; Rizk, 2008). Justice, truth and equity are considered the three most important values in Islam. In addition, the holy Quran mentions that organisations can grow their economic success when they are driven by moral principles, and organisations are advised to "... give full measure when you measure, and weigh with a balance that is true..." (Quran, 17:35). Indeed, Islam has linked morality with business success, and encourages honesty and justice. Ethical responsibility was considered an important responsibility by the majority of participants (23 participants). This could be due to the frequent discussions of ethics that take place in the Islamic context (Rizk, 2008). Accordingly, participants strongly believe that organisations should always behave in an ethical way and should apply Islamic values in every aspect of an organisation's operations.

The concept of corporate philanthropy in Islam has some differences to the existing concept. The concept of corporate philanthropy in Islam is far more nuanced as there are two kinds of philanthropy: Zakat and Sadaqa. The first kind is Zakat, and it is an Islamic obligation. Sadaqa is the second kind and is optional, although Islam encourages Muslims to pay it privately. Muslim businessmen in Saudi Arabia consider the payment of Zakat as an Islamic obligation and they consider it as part of their CSR practices (Al-Ajmi et al., 2009). There is a system for collecting and distributing Zakat in Saudi Arabia and all profitable organisations should pay it. Accordingly, the philanthropic responsibility in CSR pyramid should be extended to include the two different kinds of Islamic philanthropy.

The views of participants support the applicability of Carroll's CSR pyramid model. However, the results indicate that the pyramid should be slightly modified to better fit the Islamic context. From an Islamic perspective, organisations must always operate in a socially responsible manner. The majority of participants (23 participants) believe that organisations should balance profit and societal values, and organisations 'decisions must be based on societal values. Lama define the Islamic Economics as "a balanced system which is against capitalism and communism, [which] forbid[s] usury and ha[s] certain conditions for sale that serve both the seller and the buyer". This should be the fundamental block, and this should replace the economic responsibility in CSR pyramid. Apart from this, In Islam Sharia is the total entity of legal system, thus in the Islamic CSR pyramid it should replace the legal responsibility.

The third block in the Islamic CSR pyramid should be Islamic ethics which have been discussed extensively in the literature review. "The determination of what is beneficial and what is harmful cannot be left to human reasoning alone (as most Western theorists have advocated, e.g. the social contract theory and the normative stakeholder theory). Human reasoning plays a role only within a framework of guidance provided by the Sharian" (Nyazee, 2000 cited in Dusuki, 2008, p. 13). The fourth block in the Islamic CSR pyramid should be the Islamic philanthropy which is divided into two parts: zakat and sadaqa. Based on the above discussion, the CSR Pyramid from an Islamic perspective should be slightly modified. Figure 16 show how Carroll's CSR pyramid has been modified in order to better fit the Islamic context.

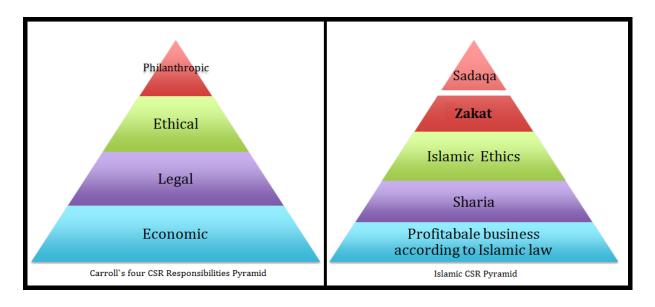


Figure 16 Islamic Perspective of CSR Pyramid (Author)

According to Figure 16, the majority of participants (30 participants) concurred with the components of Carroll's (1991) pyramid; however the four building blocks are modified to better fit the Islamic context. Based on the above model, any organisation that practices CSR in Saudi Arabia should understand the Islamic law, and it should always behave in an ethical way as they are the fundamental building blocks. It should only focus on paying zakat and sadaqa after fulfilling the three other types of responsibilities. The findings suggest that philanthropic responsibilities should be extended as there are essential and optional donation in Islam.

#### 6.3 The Islamic CSR Tree Model

In the literature review, two perspectives of CSR were identified: external social responsibility and internal social responsibility as has been discussed previously. However, based on the findings and the analysis of participants' perceptions of CSR, a new perspective, private social responsibility, was added to the two current aspects. This term is used in explaining the perceptions of Saudi youth regarding CSR, which has been influenced by their Islamic background. The term "private" was used, as part of Islamic CSR is hidden while the other part is visible. To explain the private or hidden part, the researcher has developed an "Islamic CSR Tree Model" which can be seen in Figure 17 This model was based on the concept of the tree which consists of three parts: roots, trunk, and crown. The roots are hidden, while the trunk and crown is visible. Thus the tree was used to explain Islamic CSR,

where the roots represent the hidden part, while the trunk and crown were used to represent the visible part. This model can enhance the concept of CSR in academic literature as it provides new insights. Each part of the tree will be discussed separately in the following sections.

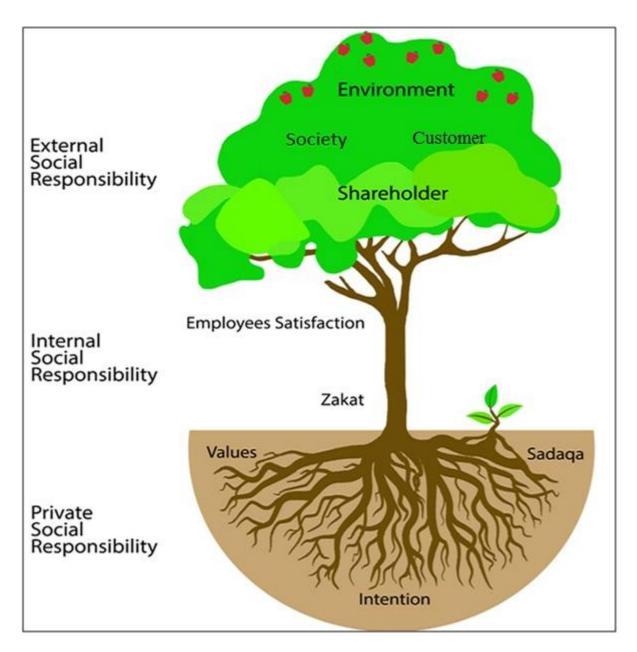


Figure 17 Islamic CSR Tree Model (Author)

#### **6.3.1** The Roots (Private Social Responsibility)

The roots are fundamentally important for any tree as they keep the tree alive. Trees without roots cannot live and would fall down. As the roots are in a tree, the concept of private social responsibility is a very important part in the strategies of any organisation. Private social responsibility is hidden and cannot be seen by anyone as it consists of values and intention. Organisations may support CSR; however, it is very difficult for society to decide whether an organisation implements CSR really to benefit society or to benefit itself. Society may develop positive or negative perceptions based on what they can see of an organisation, or of an organisation's CSR practices. Darrag and E-Bassiouny (2013) argue that "In Islamic nations, the CSR concept is ideally and ultimately based on divine revelation stemming from Islam's teachings, whereas in Western nations, the CSR concept is derived from secular ethics and morality where such ethics are inevitably transitory" (Darrag & E-Bassiouny, 2013, p. 267). Organisations should apply CSR to benefit society not only in the short term, but also in the long term. The best type of strategy for CSR would be sustainable CSR strategy. Thus CSR should be integrated at every level of a company, and an organisation's values and decisions should be based on CSR.

It was noted that the Islamic background of participants affected their perceptions regarding the concept of CSR; this support the view that "Islam is not only a religion, but is also a guideline for the complete way of life" (Siwar & Hossain, 2009, p. 290). Thus according to Islam organisations should engage in CSR if they think that this is the right thing to do or if they have a sense of responsibility toward others. They should engage in CSR to benefit society and not to improve corporate reputation or maximise shareholder values. The concept of Tawhid and the Islamic reward system should be the key elements behind engaging in CSR from an Islamic perspective (Darrag & E-Bassiouny, 2013; Wilson, 2012). Participants firmly believe that individuals should help each other and organisations should consider society without expecting anything in return, and that they should only seek rewards from God. Accordingly, organisations should always consider the concept of Tawhid in their CSR strategies as the concept of CSR in Islam is based on this.

As has been discussed in the literature review chapter, the main benefits of CSR to organisations from a Western perspective are to improve their reputation, to develop good relationships with their customers and society, and to maximise shareholder value. However,

from an Islamic perspective, the benefits which members of organisations gain from engaging in CSR are that they meet Islamic obligations such as Zakat, and they obtain rewards from God in the hereafter for their good deeds. Thus it can be argued that the benefits of Islamic CSR are based on private social responsibility and that organisations that espouse Islamic CSR should be focused in the hidden aspect as this is the fundamental part, while from Western perspective organisations can benefit from external social reasonability and thus the focus is more on the external part.

The Islamic CSR model argues that organisations should focus on private social responsibility and that their intentions in engaging in CSR should really be to help society and not themselves. If an organisation would like to develop its CSR tree, it should mainly focus on private social responsibility which represents the roots; if a tree has solid, strong roots, it will be based on solid foundations. To also have solid foundations, an organisation should act ethically and morally all the time, its intention in implementing CSR should be to help society, and it should donate money privately. Islam encourages Muslims to give money privately to receive more rewards from God and to avoid Riya (showing off) which is prohibited in Islam. In addition, the fundamental concept in Islam is Tawhid, thus Muslims are vicegerent of Allah on this earth and they consider this in all aspects of their lives. Accordingly, the best Islamic CSR practice is to support society without involving the media in order to avoid Riya.

#### **6.3.2** The Trunk (Internal Social Responsibility)

The trunk is the middle part that connects the crown and roots to each other. The trunk in the Islamic CSR Tree Model represents internal social responsibility. This part is visible for employees, managers and people who deal directly with the organisation. The trunk supports the crown and both are supported by the roots. This part of tree is related to the responsibility of organisations toward their employees as organisations should consider the organisations from inside before considering the outside. Furthermore, this part includes Zakat. As mentioned earlier, Zakat is an Islamic obligation and is something which every organisation in Saudi Arabia must pay. In Saudi Arabia the Department of Zakat and Income Tax is responsible for collecting Zakat from organisations. Thus paying Zakat is visible.

The majority of participants (23 participants) believe that organisations should support and care for employees as they are an important part of any organisations. In the literature,

Wilson (1985 cited in Mohammed 2007) examined the market behaviour of Islamic businesses and pointed out that loyalty is extremely crucial in it, which means that it spreads into various relationships in all business operations such as relationships with employees, clients and other businesses. Apart from this, since the 1980's, it has been recognised that employers in Muslim societies have a paternalistic attitude toward their employees (Farid, 1980) and are expected to act as "father figures"; indeed the participants also expect organisations to encourage all employees and managers to together work as a family. The findings from the participants support these observations.

Employees are important for any organisations and participants argue that if employees are happy then they will be positive representatives of their company. In addition, employees are part of society and organisations should care about them before turning to external responsibilities. If an organisation is considerate of its employees this will help it to attract excellent employees (Greening, 1997). Some of the participants who work in companies make negative statements about their employers and mentioned that their companies engage in CSR by protecting the environment to develop their reputation; however they do not care about their employees. Thus, the organisations are considering their external social responsibilities and completely ignoring their internal ones. The trunk connects the roots and the crown; if organisations ignore this part of the tree then there will be no connection between the other two parts. According to the Islamic CSR Tree, roots are the fundamental building block, but if there is no trunk, then organisations cannot have a crown. Under those circumstances, organisations that adopt the Islamic CSR Tree should pay Zakat and be considerate of their employees as the relationship between an organisation and its employees is crucial.

#### **6.3.3** The Crown (External Social Responsibility)

The crown is the highest or top part of a tree and it is the most visible part. This part represents external social responsibility in the Islamic CSR Tree Model. In addition, this part is the most visible part of any tree and represents the corporate image. People evaluate each tree according to how it looks; if the crown is big and green this shows that the tree is healthy, however if it looks weak then it could be a sign of poor health. Thus every organisation has its own tree, and organisations should take care of their 'tree' so that it will look healthy and should present the company in the right way. Organisations can enhance

their external social responsibility by considering society, shareholders, customers and the environment. By considering these, it will develop its reputation and create a positive perception in the minds of the community.

External social responsibility has been the focus of many studies and research in the literature as has been mentioned in the literature review chapter as its benefits can be used to promote CSR in organisations. For example, organisations with active involvement in CSR can benefit from positive support by consumers who are more likely to buy their product (see, for example, Dusuki & Tengku, 2008; Auger, Devinney, & Louviere, 2003). Thus there is less focus among researchers on the area of internal social responsibility, and there is more emphasis on external stakeholder responsibilities (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008). These researches consider external social responsibility and focus on how society develops its perceptions of different organisations; however they did not consider or possibly ignored the importance of internal social responsibility and private social responsibility. However the best strategy would be to balance internal and external responsibility, and to bear in mind that private responsibility should be the motivation and consider applying CSR to benefit society.

#### **6.3.5 Summary of Islamic CSR Tree Model**

The Islamic CSR Tree should be green, healthy, and have strong roots to support the crown and the trunk. This can be achieved if organisations take into consideration the three perspectives of CSR, namely private social responsibility, internal social responsibility, and external social responsibility. It has been argued that organisations should mainly focus on private social responsibility that represents the roots of the tree as this is the fundamental part of Islamic CSR. The concept of Tawhid that has been discussed previously is the key elements behind engaging in CSR from an Islamic perspective; organisations should avoid Riya or 'showing off' as it is considering others' opinions more important than God's and this contradicts the concept of Tawhid. In Islam, the opposite of Tawhid is "Shirk" or idolatry (Khan, 2014). The Western conceptualisation of CSR that is based on profit maximisation at any cost could lead to Shirk. From an Islamic perspective the intention of engaging in CSR should be to benefit society and not to benefit from it. Accordingly, organisations should focus on private social responsibility rather than external social responsibility.

Organisations that focus on private social responsibility and internal social responsibility but not external social responsibility, would have strong roots and a healthy tree that has all the potential to grow. However, organisations that focus on external social responsibility and not internal social responsibility and private social responsibility, might have a tree that looked healthy and green, but with no roots, so that this would be an artificial tree, as it does not have roots, but could fall down at any time. Thus the organisation that aims to develop a CSR Tree without roots is showing off; this contradicts the fundamental concept of Islamic CSR which is Tawhid. Thus this research argues that rather than continue with the overt CSR strategies used by Western marketing managers a more covert approach to CSR which embeds within it Islamic principles of modesty should be followed.

# **6.4 Discussion of Research Questions**

The previous two sections have shown how the CSR pyramid has been modified to reflect the order of the types of responsibilities in the perceptions of Islamic consumers, and how the Islamic CSR Tree Model has been developed; this summarised the findings of this research and conceptualised the concept of CSR from an Islamic perspective. This is the third part of the discussion chapter, and aims to discuss the research findings based on the research questions. There are three research questions for this research. Each of the research questions will be discussed separately in the next sections.

# 6.4.1 Research Question I: What does CSR means to Muslim youth consumers in Saudi Arabia?

The population of Saudi Arabia is one of the youngest in the world (Arab News, 2012); however limited research has looked at the youth; indeed more research is needed to explore this segment as they are the future of the region. This is the first study that has considered their perceptions of the concept of CSR, so will enhance the academic literature. As mentioned earlier, Saudi Arabia has a unique economic structure, so organisations that target Saudi consumers or who would like to target them should understand their perceptions of socially responsible organisations as companies might need to modify their CSR practices to better fit the Islamic market. The majority of participants (25 participants) did not know the term CSR, however, most of these participants (23 participants) talked about organisations' social responsibilities and believed that organisations have different responsibilities and should always fulfil them. Only a few participants (9participants) were aware of the term

CSR; they mentioned it during the interviews spontaneously without being asked about it by the researcher as has already been discussed in the findings chapter. These participants have developed their knowledge of CSR by studying in international schools or universities, or during their work experience. They tended to mainly link CSR to donation and ecology. In addition, many CSR definitions were given by participants; these were merged together to provide a CSR definition that summarised their different definitions. According to the participants, CSR can be defined as "every initiative a company considers that could have a positive impact on employees, shareholders, society and the environment".

As mentioned in the previous chapter, participants identified different responsibilities that organisations should consider and shared their perceptions of different organisational activities. From their perspectives, organisations should help society, protect the environment, care about its employees, and not mainly focus on profit or maximising shareholder value. Accordingly, participants had opinions about what organisations should do in terms of their different responsibilities although the majority of participants (25 participants) were not aware of the term CSR. This could mean that they have a different name for or concept of such activities. It must be observed that they mentioned some Islamic practices such as Zakat or Sadaqa and that these two concept share similar features with the concept of CSR.

CSR meant to the participants that organisations' first priority should be society and that organisations should always give back without expecting anything in return. In addition, participants believed that Islamic values should underpin all decisions of organisations, and that CSR should be based on these values. As the Islamic philanthropy is based on the Islamic values, it underpins the concept of CSR in Islam. Thus Islam is the fundamental building block of CSR. The majority of participants (23 participants) believe that CSR is a voluntary activity, but only a few participants believe that it should be essential and that governments should force organisations to apply it in their businesses. In addition, corporate responsibility toward employees was considered one of the main responsibilities of organisations and it was thought that organisations should not only consider society and should not forget about its employees who are also part of society. From the participants' perspectives, it can be summarised that the concept of CSR is considered to relate to positive voluntary activities, CSR is mainly linked to the Islamic concept of philanthropy, and

organisations should first fulfil their internal responsibilities then consider their external responsibilities.

#### **6.4.1.1 Volunteering**

CSR was considered as a voluntary activity as most participants believe that individuals and organisations should work together to help society on a voluntary basis. They suggest that organisations should help society even if there are no rules or legal obligations that they should do so, and believe that responsible organisations consider it to be their responsibility genuinely to help society and not to undertake CSR activities just to improve their reputation or to increase their sales or profits. The majority of participants (26 participants) had volunteered in different ways and they shared their experiences. This is significant as they are expecting organisation to do the same and believe that helping others is the duty of every individual as every individual in society should cooperate with each other. In general, Saudi youth expect organisations and individuals to work together as a family and believe that this would have a positive impact on society. In addition, they believe that organisations should help society without expecting to get anything in return. Example of voluntary activities that were mentioned by participants are: helping children in need, organising social events, raising money for charity, giving blood, and providing free teaching.

As mentioned in the findings chapter, there were two main motives that encouraged participants to engage in voluntary work: religious beliefs and family background. All participants who took part in this study were Muslims by faith. The majority of participants (30 participants) agree that Islam encourages people to do their best in order to benefit themselves and others as this can help build a positive relationship between individuals in society, and this should also apply to organisations. Moreover, they also state that their family taught them and encouraged them to help others, especially people in need. Thus Saudi youth will have a positive perception of organisations that take into consideration their social responsibilities especially if they are fulfilling them on a voluntary basis.

#### **6.4.1.2** Philanthropy

There was some confusion between understandings of the terms CSR and donation among participants, as some of the participants used the terms as synonyms. On the other hand, some participants differentiated between the concept of CSR and the concept of donation.

From the participants' perspective, CSR as a concept was linked with the concept of Islamic philanthropy, and this could explain why participants confused the terms CSR and donation. Participants believe that philanthropy is very important and that all organisations must fulfil their philanthropic responsibilities. As has been discussed in a previous chapter the concept of philanthropy is perceived in different ways by Saudi youth as this concept in Islam has two components. The two types of corporate philanthropy in Islam are: Zakat and Sadaqa. Zakat is an Islamic obligation and is a specific amount that must be paid by all Muslim individuals and organisations once every year to specific people in need as prescribed by the Quran. Thus organisations must pay Zakat; this is the minimum requirement for donations in Islam. If organisations would like to donate more, then they can give Sadaqa which is an Islamic term for voluntary donation. Zakat aims to redistribute the wealth between individuals in society; thus money will be taking from rich people and then given back to the poor in order to close the gap between them (Nur-Barizah, 2006). There is some similarity between the aims of Zakat and CSR as both aim to help society. It has been argued in the literature that Zakat discourages greed and selfishness (Nur-Barizah, 2006; Adnan & Abu-Bakar, 2009). The majority of participants (22 participants) support this view as they argue that Islam encourages generosity. Saudi youth will have a positive perception of organisations that practice Zakat by paying a fixed percentage of their profits to people in need every year as they are helping society and supporting such people. In contrast, organisations that do not pay Zakat are considered greedy and it is believed that they are only thinking about what benefits them. Thus Saudi youth believes that organisations must pay Zakat and they consider this practice the most important social responsibility as this is an Islamic obligation which all Muslims should practice. Therefore, Zakat is the minimum requirement of CSR from the participants' point of view. If organisations would like to become more involved in CSR, they should first consider their internal responsibilities and then their external ones.

#### **6.4.1.3** Consider both Internal and External Stakeholders

The majority of participants (23 participants) believe that every organisation should first consider its internal responsibilities then its external ones. They support Albdour et al.'s (2010) argument that the internal dimension of corporate social responsibility refers to "CSR practices which are directly related with the physical and psychological working environment of employees" (Albdour, Ellisha, & Lin, 2010, p. 933) as they firmly agree that organisations

must always consider their employees and deal with them fairly and ethically. Thus internal CSR practices are related to corporate responsibilities inside the organisation such as employees. Participants mentioned that organisations should pay employees a fair salary, provide them with the necessary training, consider their safety, and pay their salary on time. Accordingly, being considerate to employees is part of an organisation's CSR and participants consider this an important dimension.

On the other hand, organisations should also consider their external responsibilities. The external dimension of corporate social responsibility "extends beyond the doors of the company into the local community and involves a wide range of stakeholders" (Commission of the European Communities, 2001, p. 11). Thus external CSR practices related to corporate responsibility toward society, stakeholders, and the environment and Saudi youth linked CSR with supporting the society and protecting the environment. They mentioned that organisations have responsibilities toward society such as creating new jobs in the market, supporting society in general and youth in particular, and engaging in social activities. Moreover, participants argue that organisations should help the government reduce the unemployment rate. Organisations could help tackling this issue by job creation and by providing unemployed people with new skills through free training and internships. Apart from this, Saudi youth expect organisations to be responsible in relation to their products or services by making sure that these will not have any negative impact on customers, and that they consider the environment by saving energy, recycling, and protecting the environment.

Saudi youth also argued that organisations should always use CSR to help society and not to improve their reputations or to maximise their shareholder value. Thus Friedman's (1970) claim that an organisation's main objective should be to make money and maximise their profits was not supported by the majority of participants (31 participants) as they believe that CSR should be motivated by organisations purely wanting to help society and not trying to help themselves. On the other hand, they support Carroll's views (1991) that organisations should consider society rather than focus on profit maximisation.

In conclusion, from the participants' perspective, CSR is indeed every initiative that a company might consider which could have a positive impact on employees, shareholders, society and the environment. In addition, CSR means that organisations not only consider

their own benefit but also the benefit of all stakeholders which includes employees, customers, shareholders, and society in general. Thus Saudi young people have argued that the concept of CSR is all about helping society and giving without expecting anything in return. The concept of CSR has been linked mainly to giving back to and helping society, and CSR should be implemented by an organisation to support its internal and external stakeholders. Organisations that practice CSR in an Islamic context should first consider philanthropy as participants linked the concept of CSR with Islamic philanthropy, and this indicated that organisations should first pay Zakat which is an Islamic obligation and could pay Sadaqa if they wanted to do more, and only then should other CSR responsibilities be considered.

# 6.4.2 Research question II: Is the concept of CSR from an Islamic perspective different from the Western concept?

As has been discussed in the research findings chapter, the Islamic backgrounds of the participants have clearly affected their perceptions of the concept of CSR. This indicates that although there are many similarities between the concept of CSR in the literature and the concept of CSR from an Islamic perspective, there are some differences. This research has added a new aspect of CSR, which is private social responsibility, and argues that there is a hidden part of CSR. This hidden part explains the concept of CSR from an Islamic perspective. The hidden part consists of the intention to engage in CSR and private practices that organisations consider such as paying Zakat and/or Sadaqa. The participants had negative perceptions of organisations that use the CSR only to improve their reputations and which usually use the media to publicise any social activities they are involved in. The participants argue that some organisations which use the media to improve their reputations by promoting their social activities are hypocritical, as they firmly believe that an organisation should engage in CSR to genuinely benefit society and not itself. Thus if an organisation is perceived to be communicating its good acts, this in effect can trigger public suspicion and scepticism and damage any positive perception of CSR activity. From the Saudi youth perspective, the interests of organisations cannot be prioritised above the interests of society if this doing so would have a negative impact on society. According to the participants, this view has been learned from Islam's teachings. Thus the interests of society are always more important than the interests of organisations; indeed organisations should always consider the impact on society in their decisions.

In the literature, Darrag and E-Bassiouny (2013) compared the concept of CSR from an Islamic perspective with the current concept of CSR in the West; their argument was supported by this study. They say that "in Islamic nations, the CSR concept is ideally and ultimately based on divine revelation stemming from Islam's teachings, whereas in the Western nations, the CSR concept is derived from secular ethics and morality where such ethics are inevitably transitory" (Darrag & E-Bassiouny, 2013, p. 267). They also argue that organisations should be driven by the guidance of Islam in order to achieve "ultimate felicity in this life and in the Hereafter" (Darrag & E-Bassiouny, 2013, p. 267). Participants expect all organisations in Saudi Arabia to follow Islamic values and embed these values in their businesses. Many Islamic values were mentioned by participants such as honesty, fairness, non-discrimination, respect, and credibility. Thus Islamic values are very important to the majority of participants (30 participants). One of the respondent states "I will not work in a company that does not comply with Islamic values...if I work in a company that does not comply with Islamic values I will contradict my own beliefs". In the literature Siwar and Hossain (2009) go on to say that "Islam is not only a religion, but is also a guideline for the complete way of life" (Siwar & Hossain, 2009, p. 290). This argument was supported by the research as it was observed that participants' Islamic background affected their perceptions of organisations and could affect their actions as they applied Islamic values in every aspect of their lives and expected organisations to do the same. For example Salman states that "Islam and your life should not be separated". Thus Saudi youth usually evaluate organisations in relation to whether they want to deal or work with them, and here whether the organisation is complying with Islamic Shariah or Islamic law is an important factor.

It can be argued that Saudi youth would have negative perceptions of organisations that do not comply with Islamic law as this would be considered as unethical practice even if they do help society and engage in CSR; therefore organisations that apply CSR should first comply with Islamic law and should always behave in an ethical way. The literature review has indicated that the concept of CSR from an Islamic perspective has been discussed and is considered to be linked with Islamic ethics (Almoharby, 2011; Saeed et al., 2001; Rizk 2008; Abuznaid, 2009). This study supports this view, as the majority of participants (23 participants) mentioned that individuals and organisations should always behave in an ethical way and that ethics is an important part of corporate social responsibility. Similarly, Abuzunaid (2009) goes on to say that the two dimensions of Islamic ethics are: ethics in

relation to God and ethics in relation to others. Therefore, believing in and worshipping God is the first dimension of ethics for a Muslim, while maintaining good relationships and dealing ethically with people is the second (Abuzunaid, 2009). This could explain the importance of ethics to Saudi consumers. Thus the concept of God-consciousness in Islam is one of the factors that affect the perception of Muslims of the concept of CSR. Apart from this, Islamic law is one of the most important dimensions that youth consumers in Saudi Arabia consider in developing their own perception of a company. In addition, the majority of participants (28 participants) consider CSR a strategy that would enhance the credibility of organisation in their minds if the concept of CSR has been adopted into the heart of the organisation. This means that CSR should not only be a tool to promote the organisation; it should be included in the organisation's strategies, and all an organisation's decision and activities should be based on their CSR strategies.

The participants stated that they practice and follow the Islamic guidelines in order to be rewarded by God. Thus they firmly believe that they should help other individuals in society without expecting anything in return from them; however they should receive their rewards only from God. Thus Ziyad talks about Islam teaching not to advertise good deeds but to do them in secret so as to have more Ajer, or rewards from God. Abdul-Aziz also mentions a businessman he know who has funded the construction of ten mosques and helps support orphans, purely motivated by his wish to live by Islamic values and to receive Ajer. This was also confirmed by Lama who states "Muslims will get Ajer for every positive thing they do. And I should do everything for God's sake. These activities can lead me to Heaven and enable me to develop a good relationship with God". Thus the majority of participants (30 participants) firmly believe that organisations should do things to benefit society in order to get Ajer from God and that they should not expect anything in return from society. In the literature review chapter, Darrag and E-Bassiouny (2013) argue that there are two main elements that encourage Muslims as individuals and organisations to consider their social and moral responsibilities: Taqwa or God-consciousness and the concept of rewards. This argument was supported by the findings of this study as these two dimensions were mentioned by the majority of participants (30 participants) who confirmed that Muslims help society and each other to please God in order to receive rewards from him. Similarly, this was also supported by Wilson and Hollensen (2013) who argue that "the psyche of such a person does not terminate with benefit seeking, and there is value in the afterlife" (Wilson & Hollensen, 2013, p. 67). Thus Muslims believe in the afterlife and are looking for rewards in the hereafter.

To better understand the concept of CSR from an Islamic perspective, the concept of philanthropy in Islam must be understood as it is based on Islamic values and underpins the concept of CSR in Islam as explained in the Islamic CSR pyramid model (Figure 16). According to the findings chapter, the concept of philanthropy in Islam is different from the Western concept as it has two layers: one is visible while the second is hidden. The visible layer is Zakat which every organisation in Saudi Arabia must pay to the Department of Zakat and Income Tax and can be considered the minimum that organisation should do in terms of their CSR strategies. Saudi youth describe Zakat as being prescribed to bring society together and improve the relationship between individuals. In addition, participants who are aware of the concept of CSR believe that Zakat in Islam is similar to the current CSR concept in the West. Thamer states "CSR is part of Islam, because by giving back you are helping others and you are improving and making positive impact on society and the world whatever your target and this part of the plan of Islam". While some people do not think that, as Zakat is an Islamic obligation it is not part of an organisation's CSR, others disagree and argue that Muslims, who own a company in non-Muslim countries and pay Zakat, are practising CSR. Thus Zakat is the minimum practice of Muslim organisations in terms of supporting society.

Organisations can financially support society more by giving Sadaqa which is the second mechanism of Islamic philanthropy and is optional. In addition, Sadaqa can be visible or hidden. According to the reward system in Islam, Muslims will get rewarded by God for any donation they make; however they will get a greater reward if they give Sadaqa privately (Darrag & E-Bassiouny, 2013). As an organisation consists of individuals; then shareholders, employees, and owners will get reward if they give back to society and fulfil their different responsibilities. Although organisations are advised to pay Sadaqa in private to get greater rewards they can still pay it in public and will still receive some rewards. Here however the most important thing that should be considered when making a donation is the intention behind it. The intention should genuinely be to support society and to only seek a reward from God. Thus, the findings support Almoharby's (2011) work which emphasised that CSR in Islam is to be regarded as a religious and moral obligation and is to be considered spiritual engagement.

The majority of participants (30 participants) argue that Islam encourages the concept of donation, "Sadaqa", without the expectation of receiving anything in return. Donations are not limited to money; but can be anything that can help society in general and people in need such as food. Amjad mentions that "donation is optional, but Muslims must do it as Prophet Mohammed PBUH says 'money does not decrease from donation' so they are encouraged to donate and give back to society". Another response was from Thamer: "donation is one of the things that Islam asks you to do; by doing this you are helping your soul by helping people". Thus many participants expect individuals and organisation to donate and help people in need, as Islam encourages Muslims to do so.

In summary, Islamic values underpin the concept of CSR in Islam. Furthermore participants consider that Islamic philanthropy which is based on Islamic values is the minimum requirement of CSR. Accordingly, from an Islamic perspective organisations must first fulfil their philanthropic responsibilities by paying Zakat and should always behave in an ethical way; as has been previously said, "God's unity must be maintained spiritually, intellectually and practically in all facets of human life" (Rassool, 2000, p. 14). Moreover, in connection with God, "Shirk", the opposite of Tawhid, will not be forgiven; furthermore all Muslims must believe that God is united and God is one. Accordingly, the concept of Tawhid should be the key element behind engaging in CSR from an Islamic perspective; organisations are advised not to focus on how to increase their profit at any cost as this could lead to Shirk, instead they should always remember that that they are vicegerents of Allah on this earth (Khan, 2014).

# 6.4.3 Research Question III: How should organisations that target Saudi youth' consumers apply CSR in their organisations?

This research has investigated Saudi youth consumers' perceptions of the concept of CSR, and has indicated that there are some differences in this perception of the concept compared to the Western concept found in the literature. Saudi youth consumers identified many different types of responsibilities and practices that every organisation should consider. According to the literature review, there are two aspects to CSR: external and internal (see for example Murillo & Lozano, 2006; Albdour, Ellisha, & Lin, 2010; Commission of the European Communities, 2001). External CSR practices relate to corporate responsibility toward society, shareholders, and environment, while internal CSR practices relate to

corporate responsibility within the organisation such as to employees. A significant aspect of CSR, private social responsibility, has been explored in this study and then added to the other two aspects of CSR. The private aspect of CSR is more closely related to the Islamic perspective on the concept of CSR. According to the previous chapter, this aspect named private CSR is part of the CSR which should be hidden and which is invisible. Although it is hidden, it is very important and it underpins the concept of CSR from an Islamic perspective. This hidden part consists of the intention to engage in CSR and the private practices that organisations implement to benefit society without expecting anything in return. Organisations that would like to practice CSR in Saudi Arabia should consider all three aspects of CSR and not focus on one aspect and ignore the others.

Organisations that target Muslims or operate in Saudi Arabia, an Islamic country, should be mindful of the Islamic values which were discussed previously and should be aware of these differences. From Saudi youth consumers' perspectives, organisations should practice CSR to benefit both the organisation and society. In addition, the benefit should be a win-win situation. Thus it was considered that the concept of CSR should be a strategy used by organisations to give back to society without expecting anything in return and that all individuals and organisations should work together as a family to help each other. Moreover, they should always cooperate and not compete. It has been argued in the literature that CSR is a strategy used as a marketing opportunity to enhance reputation or to increase sales or profit (Hall & Vredenburg, 2004; Kassinis & Vafeas, 2006). The findings of this study did not support this argument in this context, as it was found that participants thought that organisations should engage in CSR to truly benefit society, and, when doing so, should not use the media to publicise their CSR activities or to promote themselves as socially responsible organisations. Many participants mentioned that in Islam, Riya (showing off) is prohibited especially if an organisation only promotes its positive practices and ignores or hides the negative ones. This is supported in the Quran "Have you seen the one who denies the Recompense? ... Those who make show [of their deeds] and withhold [simple] assistance" (Quran, 107; 6-7). Accordingly, the righteous or believers "give food in spite of love for it to the needy, the orphan, and the captive, [Saying], 'We feed you only for the countenance of Allah. We wish not from you reward or gratitude' " (Quran, 76: 8-9). This means that organisations should avoid showing off and should do good deed only to be seen by God. However, some organisations were described by the participants as "bad organisations" as

some of these organisations use CSR to enhance their reputations while others use it to hide their negative impact. Using CSR to enhance reputation can result in hypocrisy which is something organisations should avoid in the Saudi market. Thus organisations that operate in Saudi Arabia or target Muslims should be aware of this important principle that could damage the impact of their CSR practices. CSR should not only be the concern of the marketing or public relations department in any organisations; it should be the concern of every employee and manager; and every decision within organisations should be based on what benefits society.

It has been discussed in the literature that managers' commitment and awareness regarding CSR are generally recognised as key elements for the successful execution of environmental and social initiatives (Weaver et al., 1999; Mamic, 2005; Jenkins, 2006). Similarly, Pedersen and Neergaard (2009) go on to say that CSR will be likely to remain at the rhetorical level if managers are not willing to allocate the required financial and human resources to environmental and social improvement and make this a priority. In addition, the actions of managers can influence the organisational implementation of a CSR strategy and their actions are influenced by their beliefs, value systems, and perceptions (Hambrick & Mason, 1984; Weaver et al., 1999). These arguments are supported by this study, because, without active support from managers, it is difficult to institutionalise CSR in a firm. Top managers can support organisations' CSR and encourage every individual in an organisation to take it into consideration. CSR can be achieved if an organisation considers every aspect of CSR and makes it a priority and responsibility for every department in the organisation and not the responsibility of only the marketing or public relations departments.

Luan (2005) states that CSR practices can be divided into four categories: improving community well-being, meeting basic ethical standards, sustaining the company as a corporate citizen, and an organisation taking responsibility for its actions and the consequences. The findings of Luan's (2005) study are similar to the findings of this research; however, Luan's (2005) study should be extended to cover all the categories. For example, the findings chapter of this study indicates that corporate responsibility toward employees is one of the most important categories of CSR practices; therefore it should be added to the four categories. In addition, Luan (2005) states that organisations should meet basic ethical standards; however, organisations that target Saudi Arabia should not only meet the basic standard but should always behave in an ethical way as ethical responsibility is a

very important aspect of the concept of CSR in the participants' perceptions. Ethical responsibility is the third block of Carroll's CSR Pyramid model, while it is the second block of the CSR Pyramid model from an Islamic perspective; this shows the importance of ethics in Islamic CSR.

According to the findings chapter, many themes emerged from the interviews conducted. Some of these themes explained the view of Saudi youth consumers of how organisations could better adopt the concept of CSR. These themes could answer this research question and the researcher has chosen five themes which will help to answer it (Figure 18). As shown in the figure below, there are five responsibilities that should be considered by organisations that operate in Saudi Arabia which are as follows: corporate responsibility in relation to society, corporate responsibility in relation to the environment, corporate responsibility in relation to the shareholder, corporate responsibility in relation to the employees, and corporate responsibility in relation to philanthropy. Each of these types of responsibility will be discussed separately in the next section.



Figure 18 Participants' Perceptions of CSR (Author)

#### **6.4.3.1** Corporate Responsibility toward Society

There was a general consensus among the participants in this research that organisations should consider the benefit of society and that the interests of society are more important than the interests of an individual company. Thus the interests of an organisation cannot be prioritised if this will have a negative impact on society. Organisations' responsibilities toward the society involve ensuring they always consider the interests of society, support society through job creation, and provide free training for the unemployed to help them develop their skills and help them find jobs. In addition, it was expected from organisations in Saudi Arabia that they would show consideration for Saudi youth by creating jobs for them as fifty seven percent of the total population in Saudi Arabia is below the age of thirty (Arab News, 2012), and the unemployment rate is high. Furthermore, the International Monetary Fund (2013) states that the economy in Saudi Arabia has been growing rapidly in recent years. However, the unemployment rate in Saudi Arabia is still high, particularly among the youth. Thus creating new jobs and helping the government in tackling this issue is considered by Saudi youth consumers to be one of organisations' corporate responsibilities toward society. This view is supported in the literature by Munilla and Miles (2005) who believe that one of the main objectives of organisations is "to create jobs and develop wealth in their local economy" (Munilla & Miles, 2005, p. 381). Participants expect that organisations will support society morally and financially. However this does not mean that organisations should only be considerate of the youth; they should be considerate of society as a whole.

Although the majority of participants (23 participants) agree that organisations have a responsibility toward society to create new jobs in order to decrease the number of unemployed, some of the participants (9 participants) consider this an optional strategy. Abdul-Rahman states "job creation and employing Saudis is a must for all organisations. They have a responsibility to decrease the unemployment rate in our country". On the other hand, Ziyad states that "organisations should introduce new jobs, provide free courses and training on a voluntary basis; they should not be forced to do so". Thus the voluntary basis is crucial in applying CSR from some participants' perspectives as they believe that, if organisations are forced to do something, then they will do it to keep the legal requirements and not to help society. This indicates that participants think that organisations should exercise initiative and help in solving issues in society on a voluntary basis. This harmonises

with the European Union (EU) definition, which defines CSR as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis" (European Union, 2004, p. 15). Accordingly, organisations in Saudi Arabia should be involved in CSR even if there are no laws forcing them to, as being involved in CSR on a voluntary basis will result in a positive perception among Saudi consumers.

From the participants' perspective, organisations that operate in Saudi Arabia and target youth consumers should work on their development and training. They also should organise cultural and entertainment events for the youth. Similarly, Eman states that organisations should "support youth by providing internship, scholarship, free training. These activities will improve the whole society". Thus sharing knowledge and helping Saudis develop new skills is an important responsibility for organisations in Saudi Arabia; internships and free training are examples of how this could be done. In addition, Nawal names an organisation that supports the youth in Saudi Arabia by sponsoring a social event that targets them. The sponsorship includes all the expenses needed to organise the entire event. Thus there are many ways to support the youth in Saudi Arabia, and participants are looking for more engagement from organisations especially large ones.

In the literature review chapter it is explained that Spence (2007) suggests that corporate responsibility for small- and medium-size enterprises should be focused on the local community and concern for employee satisfaction rather than considering the global context or humanitarian issues. Similarly, Sarbutts (2003) supports the argument that small- and medium-size enterprises can put CSR into practice differently as they are less complicated companies and can therefore take action quickly in response to society's demands. However, it has been argued that financial resources is an obstacle to a small business engaging in CSR compared to large companies, and the level of interest in engaging in CSR activities among small organisations is less as they are more concerned with enabling the business to survive, and they expect the government to deal with social issues (Lepoutre & Heene, 2006). The findings of this research support these arguments as they indicate that the participants believe that CSR activities in large rather than small and medium organisations are different. Accordingly, the expectations of the participants are high regarding large organisations, while the expectations regarding small and medium organisations are lower.

A socially responsible organisation was described by participants as an organisation that offers many jobs to people in Saudi Arabia and offers sponsorship programmes. Similarly, Suliman states that it should "[work] in job creation to decrease the ... unemployment rate in the country, employ young people and develop their skills by providing a good training". Talal goes on to say: it "gets involved in the community, has Saudi employees, provides services not only for profit but to help the society, and is honest". Based on these quotations, organisations should be involved in the local community and should help society in every country that they operate in. Organisations should also provide free training for the unemployed to develop their skills and help them find jobs.

# **6.4.3.2** Corporate Responsibility toward the Environment

According to participants, organisations should be considerate of the environment by recycling, protecting the natural resources, and saving energy. This responsibility should be fulfilled as it has a positive impact on the planet. Nalband and Alamri (2013) examine CSR in Saudi Arabia and their findings indicate that consumers in Saudi Arabia consider looking after the environment an important part of organisations' CSR. The findings of the current study support Nalband and Alamri's (2013) study as they confirmed that Saudi youth consumers also consider environmental responsibility important. However, Saudi youth consumers expect more from organisations that have a direct impact on the environment such as oil and gas companies. In contrast, some participants do not expect an organisation that does not deal directly with the environment to make any effort in connection with protecting the environment. Faisal states "If a company has a negative impact on the environment, then it has a responsibility toward the environment. But if a company does not affect the environment and does not deal with the environment then it does not have any responsibility". Accordingly, Saudi youth consumers linked the responsibility for the environment with the core of the business as their expectations are low regarding organisations that do not deal with the environment directly and do not have any industrial factories.

The level of awareness regarding the importance of energy saving and decreasing CO2 emission is high. Mohammed states "we are part of this world and companies should really consider the environment as global warming is becoming a big issue in the world". Similarly Talal goes on to say "global warming is affecting our environment negatively due to high

consumption of fuel; the cars we use here in Saudi Arabia consume a lot of fuel, and the engines emit a lot of CO2". Faisal states that organisations that want to protect the environment should "support alternative energy research and preserve the environment by using recycled materials", and Salman state that they should do everything they can to ensure that no creatures that could be negatively affected, such can be the case with marine life when they are drilling for oil Similarly, Ahmed goes on to say "organisations should go ecofriendly; we need to preserve our environment and make it as safe as we can". In addition, Lama states "organisations should consider the environment and make sure not to harm it or produce products that have negative impact on the environment". Thus every organisation that operates in Saudi Arabia should recycle, save energy and try not to harm the environment. Two different verses in the Quran as discussed in the literature review chapter highlight the important of looking after the environment in Islam "And cause not corruption upon the earth after its reformation" (Quran, 7: 56); "And when he goes away, he strives throughout the land to cause corruption therein and destroy crops and animals. And Allah does not like corruption" (Quran, 2: 205). The findings indicate that all individuals and organisations should look after the environment; as mentioned earlier, it seems that their Islamic background has affected their attitudes toward the concept of CSR, and their strong views on the environment have probably also developed from Islamic teachings.

Sara believes that looking after the environment is not only the responsibility of organisations; she state "company should use less paper and save energy, but these values should be taught to all people in community not only companies, so it is not only something which organisations should do, but should be done on a personal level". Thus the environment is not only the responsibility of organisations; every individual in the society should be mindful of the environment and organisations should encourage their employees to be as well. The literature review indicates that managers' commitment and awareness regarding CSR are generally recognised as key elements for the successful execution of environmental and social initiatives (Weaver et al., 1999; Mamic, 2005; Jenkins, 2006). This argument is supported by the findings which indicate that participants believe that organisations should encourage members of society and their employees to play a part in protecting the environment; this could not be achieved without the commitment of managers to their responsibility to the environment. Additionally, Faisal states "most companies impact on the environment as they have waste and use environmental material such as paper. So,

companies should try to minimise their negative impact on environment but it is not a responsibility". This participant rejected using the word responsibility as he believes that the word "responsibility" means something essential, and environmental responsibility should be optional. Nawaf agrees with Faisal as he states "environmental responsibility is a plus. It is optional; if the company practices it, then good; if they do not, they will not be harmed".

It has been noted that the majority of participants who discussed environmental responsibility have a positive perception of organisations that are mindful of the environment; however, when they directly deal with a company, if, for example, they would like to purchase a service or a product, this will not affect their purchase decision and they will only consider and focus on the quality; only if there is more than one organisation that provides similar products or services will environmental responsibility be considered. Thus the majority of participants who discussed environmental responsibility care about the product's functions and quality more than environmental issues when they want to buy a product. Although they do not consider the environment when they buy a product, they still expect organisations to be mindful of the environment. In fact, there is a gap between their awareness of environmental issues and their actual behaviour. Thus further research to investigate this is needed. The implication for organisations in terms of environmental responsibility is that they can develop a better image for their companies among Saudi youth consumers; however, this would not guarantee that companies will sell their products to them. Thus if organisations are considering the environment because they really care about it, then they will benefit from a positive and better image. On the other hand, if they are only hoping to make money with this, then this strategy may not work in Saudi Arabia.

### 6.4.3.3 Corporate Responsibility toward Shareholders

The findings of this research have indicated that Saudi youth consumers believe that the owner or shareholders of any organisations should consider CSR an important strategy and should strive to fulfil their responsibilities toward society; this will help organisations to better engage in CSR as this would encourage top managers to always consider society and make that their first priority. This argument has been supported in the literature; Hambrick and Mason (1984) and Weaver et al. (1999) argue that when top managers of an organisation consider CSR a priority, then this organisation would always be mindful of society as a whole. They also add that the managers' beliefs, value systems, and perceptions influence the

organisational implementation of a CSR strategy (Hambrick & Mason, 1984; Weaver et al., 1999). As mentioned in Chapter 3 there is an argument in the literature about whether organisations should only focus on how to maximise their shareholder value or whether organisations should strike a balance between profit and society's interests. As discussed in the findings chapter, both arguments were supported by participants, although the majority (23 participants) believe that organisations should strike a balance between profit and society's interests. Both arguments will be explained in the following paragraphs.

The first argument is led by Friedman (1970) who believed that "the social responsibility of business is to increase its profit". He also argued that the main objective of shareholders is to increase their wealth and that organisations' managers are employed to achieve this goal rather than engage in charitable activities. This argument was supported by only a few participants. Hamad states "I have no issue with maximising profit; I would do it myself if I owned a company". Similarly, Talal goes on to say "the definition of a company is an organisation that sells product and makes profit; it doesn't have any social duties, and does not need to offer something for free for society". However only a few participants firmly believe that an organisation's main and only responsibility is to maximise profit.

The second argument is that businesses can fulfil social responsibility and maintain their profits at the same time (Carroll, 1991; Wood, 1991). The majority of participants (23 participants) support this argument. They argue that ethical responsibility is important and that the interests of society are more important than the individual's or company's interest. Alia states that "focusing in profit is something wrong, because then organisations benefit themselves but harm the community". In addition, Husain goes on to say "businessmen should not be greedy and should take into consideration the interests of society". Thus the majority of participants expect organisations to always behave ethically and strike a balance between profit and the needs of society.

The findings have also indicated that Saudi youth consumers consider ethical responsibility very important and believe that organisations must always behave in an ethical way; however, according to Carroll's (1991) CSR Pyramid, ethical responsibility is the third most important responsibility which should only be considered after an organisation has fulfilled its economic and legal responsibilities. This is one of the main differences between the perceptions of Saudi consumers which have been influenced by Islamic values and the

current conception of CSR which is based on Western cultures and values. Consumers in Saudi Arabia consider the ethical responsibility to be a very important responsibility; according to the modified model of CSR pyramid (Figure 16), it is the second most important and comes after philanthropic responsibility. Thus organisations that operate in Saudi Arabia should understand that unethical actions should be avoided, even if they are legal, as consumers could develop negative perception toward organisations if are not and this could affect the organisations' reputations.

An example of an unethical practice that might be legal is maximising shareholder value by maximising profit. This practice was perceived by the majority (30 participants) of participants as unethical as they believe that this practice can have a negative impact on society. However, this practice was supported by Friedman (1970) who believes that organisations' CSR is based on economic responsibility and that organisations' main aim should be to maximise shareholder value. According to his argument, maximising shareholder value is acceptable if it does not break the law. Thus he argued that organisations should benefit themselves while always obeying the law. Indeed, Friedman ignores ethical responsibility and encourages organisations to be greedy. On the other hand, the participants describe a telecommunication company in Saudi Arabia as a "bad company" and "greedy" because it only thinks about earning a profit and does so by charging high prices without being mindful of the interests of society; the participants state that that this company is taking advantage of the situation as there is no law in Saudi Arabia to set the maximum price that organisations can charge. Thus this organisation does not break the law, but it was thought that it is harming society. According to the majority of participants (30 participants), organisations should strive to avoid greediness and selfishness and the interests of society should be their first priority.

Organisations that target Saudi youth should be aware that, Friedman's (1970) argument is only supported by few participants (3 participants), while the majority of participants (30 participants) have negative perceptions regarding it and they expect organisations to consider the interests of society and not focus on how to maximise shareholder value. Thus, Saudi youth consumers have negative perceptions toward organisations that focus on maximising shareholder value as this is linked with greed. Thus organisations that operate in Saudi Arabia should strike a balance between profit and society, and should always consider the impact of maximising shareholder value on society.

## **6.4.3.4** Corporate Responsibility toward Employees

Saudi young people strongly believe that organisations have responsibilities toward their employees, and that they need to be considerate of them because they are very important to their success. Some of the participants argue that if employees are happy then they will be positive representatives of their company. Hassan goes on to say that, good organisations "give great attention to the employees and try to develop them because this results in the development of the company". This has been supported in the literature review where Turban and Greening (1997) argue that CSR helps organisations to attract excellent employees. Similarly Choi and Wang (2009) go on to say that if organisations follow the stakeholder approach and focus on what is to the benefit of all the stakeholders, employees would work harder in order to increase the effectiveness of the organisation as they will feel that they are part of the company.

Organisations should not only consider their corporate reputation, they should also consider their corporate identity. Thus Saudi youth have a negative perception toward organisations that consider their external responsibilities and ignore their internal ones. This has been discussed and presented in the Islamic CSR Tree Model (Figure 17). Although the majority of participants are students (21 participants), many corporate responsibilities in relation to employees have been identified. Thus the majority of participants (23participants) expect organisations in Saudi Arabia to deal with their employees fairly, to offer equal opportunities for all employees, and to pay fair salaries. They should avoid discrimination, cheap labour, and asking employees to work long working hours without adequate compensation. Thus Saudi youth give much attention to the relationship between an organisation and its employees. According to Janggu et al. (2007) CSR is a strategy that organisations adopt in order to fulfil their social commitment to both employees and the wider community; this can take the form of compliance with social requirements and regulations, contributions to charity, and donations. Similarly, Spence (2007) suggests that corporate responsibility should focus on the local community and concern for employee satisfaction. Thus corporate responsibility toward employees has been highlighted in the literature review and organisations that operate in Saudi Arabia should take this into consideration.

Many of the working participants argue that the relationship between an organisation and its employees should be a win-win situation. This means that if the employees are happy then

they will do their utmost to develop the company. Mohammed goes on to say that it is important for organisations to support their employees so that they will then support the organisation if it is having difficulties. This thought reflects a similar view to that of Peloza (2006) who went on to say that CSR can help organisations in time of crisis, which can affect their financial performance; thus it can act as insurance and can help protect them. Similarly Beurden and Gossling (2008) support the view that organisations will get economic benefits and develop the relationships with their stakeholders if they are socially responsible, as CSR activities can improve their returns. Thus both the literature review and participants agree that there are many benefits for socially responsible organisations which care about their employees. In addition, Sara describes one of the companies as being such an excellent working environment with such good facilities that employees are happy to spend most of their time there even when they are not working. This company was mentioned by other participants and all agreed that this company cares about employees as it provides all the required facilities that encourage employees to be more innovative and give them more freedom at work. This company offers competitive salaries, provides flexible working hours for employees, gives them excellent training, and encourages employees to work together to help each other and help in developing the community. Thus this company has developed a positive perception among participants based on how it deals with its employees. The perceptions of Saudi youth consumers are similar to those of consumers of the Netherlands and India who believe that an organisation should improve employees' working conditions (Planken et al., 2013).

Based on the interview analysis, many participants argue that several organisations have set up production in China to lower production costs; however these companies do not pay fair salaries to their employees and some of them use child labour. The working environment in these manufacturers is unhealthy and many employees suffer. Hamad goes on to talk about one company which mistreats its employees so badly that there is a very high suicide rate. He also accuses of them treating their employees like 'animals' and of paying low wages for long working hours. Ahmed supports this view when he state "cheap production is good for the company's profit as it cuts down the costs, but it is a bad for people who work there and earn low salaries". Thus organisations should avoid supporting cheap production companies which do not deal with their employees in an ethical way; furthermore organisations should act responsibly when they chose their suppliers. Organisations can damage their reputation in

the Saudi market if they deal with unethical suppliers. In the literature Du et al. (2010) argue that the rise of social media has caused consumer boycotts and almost instantaneous coverage of negative corporate behaviour to proliferate. Similarly, the socially responsible organisation must be prepared to respond to consumer concerns in order to maintain their corporate image and therefore public goodwill (Abd-Rahim et al., 2011). The awareness level of Saudi consumers regarding issues related to cheap production is high; this could be due to the power of the social media.

In the literature review chapter, Farid (1980) argues that employers in Muslim societies are well-known for their paternalistic attitude toward their employees. This indicates that Islamic values play a major role in the relationship between organisations and their employees which affects the organisations' cultures. Similarly Abuzunaid (2009) has examined how Islamic ethics impact on organisations, and argue that these ethics can increase efficiency and effectiveness, and can lead to better quality products and better care for employees. Thus it can be seen that responsibility toward employees is part of the Islamic attitude to CSR, and this is clearly shown in the perception of Saudi youth consumers. Therefore, it can be concluded that participants' perceptions have been affected by their Islamic background and that the relationship between organisations and their employees is one of the most important factors that organisations should consider in their CSR strategies.

# **6.4.3.5** Corporate Responsibility for Philanthropy

The concept of philanthropy in Islam has two layers and has some differences to the Western concept. This has been explained in the previous section. Thus organisations that target Muslims or operate in Saudi Arabia should understand Islamic philanthropy because it is based on the Islamic values and underpins the concept of CSR. Due to the private and public layers of Islamic philanthropy, organisations are advised to pay Zakat in public and pay Sadaqa in private. However, if organisations encourage others to also take part, then they nay give Sadaqa in public. For example, if a company decides to raise money to tackle a social issue such as poverty, then they have the option either to donate money privately or to make it public so other companies and individuals can take part in the initiative and raise more money.

Zakat is an Islamic obligation which all organisations must pay. In Saudi Arabia, Zakat must be paid to the Department of Zakat and Income Tax as it is a legal obligation and is the

minimum that an organisation should do in terms of their CSR strategy. However, in other countries there is no legal obligation to pay it although Muslims everywhere pay it as it is one of the five pillars of Islam, that is intended to help society and encourage rich people to support the poor and is thus part of Islamic CSR. Every organisation operating in Saudi Arabia must pay Zakat. If organisations pay Zakat but would like to do more in terms of philanthropy, then they should consider paying Sadaqa.

# **6.5 Summary**

This chapter has discussed the findings of this study which have been examined in the previous chapter and has presented the research model. In addition, this chapter has discussed the three research questions. The discussion was based on the thirty-four in depth interviews with Saudi young people that were carried out in Saudi Arabia. In addition, this chapter has linked the findings with the previous literature by comparing the results in order to find out whether the findings are supported by other studies in the literature or whether it challenges the current literature. The aim of this research is to better understand the perception of Muslim Saudi youth of the concept of CSR. In addition, the research also aims to investigate whether the concept of CSR from an Islamic perspective differs from the Western one. This research has fulfilled the objectives of this research as it has answered the three research questions of the study.

The findings of this research indicated that participants' Islamic background has influenced their views on the concept of CSR, and that, although there are many similarities, there are some differences in their perception of the concept from an Islamic perspective compared to the current Western concept of CSR in the literature. The Islamic CSR Tree Model which has been developed in this chapter represents the perceptions of Saudi youth consumers of the concept of CSR; this could be used to explain the concept of CSR from an Islamic perspective as the concept has two layers or components: the first layer is visible while the other is hidden. Organisations that operate in Saudi Arabia or target Muslims in different countries should be aware of the hidden part of the CSR and should also be mindful of Islamic values as these underpin the concept of CSR in Islam. It has been suggested that philanthropic responsibility is the fundamental responsibility as it is based on Islamic values; furthermore it should be practiced privately. This means that using the media to promote CSR

initiatives or activities is not recommended as this could trigger public suspicion and scepticism which could damage the impact of any CSR activity in Saudi Arabia.

## **CHAPTER 7: CONCLUSION**

#### 7.1 Introduction

The purpose of this research is to investigate the concept of CSR from an Islamic perspective using Saudi Arabia as the context. The main objective is to examine the impact of different religious variables on the perception of CSR and to examine how CSR from an Islamic perspective differs from the Western concept. This chapter aims to summarise the research findings and discussions which include the Islamic CSR Tree Model. In addition, the contribution of the study from both theoretical and managerial perspectives will be highlighted. After that, the research limitations will be discussed, and further research will be suggested that would advance the understanding of Muslim consumers' perceptions of the concept of CSR.

## 7.2 Summary of Research Findings

As has been discussed in the literature review chapter there has been an increase in interest in the subject of CSR recently. However, there is still no universally agreed definition for the concept. This research has defined the CSR as "every initiative companies consider that has a positive impact on employees, shareholder, society and the environment". The arguments of Pratten and Mashat (2009) that the view of society from an Islamic perspective should be consistent with the concept of CSR along with those of Almoharby (2011) who writes that CSR in Islam is to be regarded as a religious and moral obligation and is to be considered spiritual engagement were both supported by the findings of this study. In addition, the research findings confirmed that the majority of participants (23 participants) thought that individuals should engage in voluntary work to give back to society without expecting anything in return as they believe that every individual should help others and should only seek rewards from God. This is based on the Islamic reward system which has been discussed by Darrag and E-Bassiouny (2013) and Wilson (2012) and also included organisations as they consist of individuals.

The exploration of CSR within the growing Middle East markets has been overlooked. In particular, the lack of scholarly research on CSR in Saudi Arabia seems particularly concerning given its recent development as an emerging global economic power due to the

critical role it plays in managing the global economy via its oil and petroleum sectors. This research has discussed the perceptions of Muslim Saudi youth regarding CSR, which have some similarities and some differences to the Western concept of CSR. In addition, it has met the three objectives of the study which were, first, to investigate whether participants' Islamic background would influence their attitude toward CSR, secondly, to understand their views regarding socially responsible organisations, and, thirdly, to examine the impact of different religious variables on the perception of CSR. According to the research findings and analysis these three objectives have been accomplished as the three research questions which were based on these three objectives have been answered in the discussion chapter.

Based on the discussion chapter, the use of Carroll's (1991) CSR pyramid model is supported. The results lead to minor modifications of the pyramid to better fit the Islamic context. Accordingly, a modified CSR pyramid has been developed from an Islamic perspective. Based on this model (Figure 16 in Chapter 6), any organisation that practice CSR in Saudi Arabia should take into consideration Islamic Sharia and Islamic ethics as they are the fundamental building blocks. It should only focus on paying Zakat and Sadaqa after fulfilling the three other types of responsibilities. Organisations that practice CSR, should always behave in an ethical way, should apply Islamic values in every aspect of the organisation, and should pay Zakat, which is an Islamic obligation.

This research has investigated the perception of CSR from the perspective of consumers represented by Saudi youth; the findings have confirmed that their Islamic background has affected their attitude toward the concept. To better explain the concept of CSR in Islam and enhance the academic literature, the Islamic CSR Tree Model has been developed (Figure 17, Chapter 6). This research has added a new aspect to the current two aspects of CSR. Private social responsibility is the new aspect and is a hidden feature, while the current two visible aspects are internal social responsibility and external social responsibility. Due to the visible and hidden aspects of the concept of CSR from an Islamic perspective, the concept of the tree, which consists of three parts, roots, trunk and crown, has been used to demonstrate these three aspects.

The first and fundamental aspect of the Islamic CSR Tree Model is the roots which are hidden; this part represents private social responsibility. Roots are important and must be strong to keep a tree alive longer. Organisations that would like to practice Islamic CSR

should practice the CSR privately and should think of their CSR activities as support to the different stakeholders and society. Furthermore their reason for engaging in CSR should really be to help society and give back without expecting anything in return. There is a reward system in Islam, and Muslims will get their reward from God for any of their good deeds. They will still get rewarded if they do good deeds in public; however they would get greater rewards if they do them privately. In addition, the concept of CSR in Islam is based on the concept of Tawhid. According to this concept, Muslims are vice-regents of Allah on this earth and it is their duty to protect the environment and preserve resources for the well-being of all creatures, and to fight corruption in all organisations.

The second part of the Islamic CSR Tree Model is the trunk which links the roots with the crown; this part is visible and represents internal social responsibility. Zakat is an Islamic obligation and is the visible part of Islamic philanthropy. In Saudi Arabia, all organisations must pay Zakat which is the minimum that organisations should do in terms of CSR as has been discussed in the findings chapter. Apart from this, organisations should be considerate of their employees, as they have responsibilities toward them. Organisations must take care of internal social responsibility before considering external social responsibility.

The third part of the Islamic CSR Tree Model is the crown which the most attractive part of the tree. This part represents external social responsibility. It is based and depends on the trunk and roots. Indeed the roots and trunk must be strong enough to support the crown. Society, shareholders, and the environment are the three main focuses of external social responsibility. Organisations are advised to consider all these three parts as they are interconnected and depend on each other. Focusing on one part and ignoring the other is not the recommended strategy and may damage the reputation of an organisation. Every organisation should consider their 'CSR Tree' and should aim to develop a healthy and sustainable tree that can live for long time and stand firm without falling over. In addition, organisations should avoid developing artificial trees which look good but are not real and can be damaged much more easily than real healthy trees.

This research has assessed the philosophical foundation and ethical implications of the research in the methodology chapter. An interpretivist paradigm has been chosen for this research after examination of the differences between the different paradigms and how they can be applied to the research in the methodology chapter. The aims and objectives of the

research have been considered and linked to the chosen paradigm. In addition, the issues for this research have been discussed, and the research approach, strategy, and sample have been identified based on the chosen paradigm. As has been discussed in the methodology, the inductive approach has been used and the primary data has been collected through in-depth interviews. The sample is made up of thirty-four Saudi young people from two different cities: Riyadh and Tabouk. Non-probability technique and judgmental sampling was considered for this research. In addition, ethical issues that could occur when the research is being conducted have been discussed and recommendations on how to solve them have been suggested.

## 7.3 Research Contribution

This study has contributed to both theoretical and practical perspectives.

#### 7.3.1 Theoretical Contribution

This research has examined young consumers' perceptions of the concept of CSR from an Islamic perspective. Organisations have recognised that it is crucial to be seen to be acting responsibly as this reinforces the corporate brand. Most CSR literature is based on the Western context, and only a small number of studies have attempted to evaluate whether CSR practices differ according to country (Hopkins, 2004). Therefore it is crucial to examine CSR from different religious and cultural contexts. Accordingly, this research has addressed this gap by conceptualise the concept of CSR in Islam by seeking an understanding of the perceptions of young Muslims consumers in Saudi Arabia of CSR. The key findings of this study have indicated that Saudi consumers recognise the responsibilities articulated by Carroll (1991), who identifies four different types of responsibilities, economic, legal, ethical, and philanthropic, as important components of the CSR concept. However, the results lead to minor modifications of the pyramid to better fit the Islamic context. Accordingly, a modified CSR pyramid has been developed from an Islamic perspective. Thus this research makes a contribution to the academic literature by proposing that Islamic-based CSR is fundamentally concerned with the need for covert forms of CSR.

This research has added a new perspective, private social responsibility, to the current two perspectives of CSR. Thus the concept of CSR has been extended and has been divided into two main parts. The first part is hidden, while the second part is visible. This is the first study

that points out the hidden part. In addition, this research developed the Islamic CSR Tree Model which better demonstrates the concept of CSR from an Islamic perspective by indicating that there is a hidden and visible part, and also discusses the differences between private social responsibility, internal social responsibility, and external social responsibility. Thus this model enhances the current literature as it provides a different view of the concept of CSR in terms of philanthropy and motivation which encourages organisations to engage in CSR. There are two main differences between Islamic CSR and Western CSR. First, from an Islamic perspective, there are two types and two different layers of philanthropy as has been discussed in detail in the discussion chapters. The second difference is that Islamic CSR is based on the concept of Tawhid; this should be considered in the Islamic context.

### 7.3.2 Managerial Contribution (Implication)

The implications for the research findings are twofold; firstly, concurring with the earlier literature on cultural contexts, Carroll's core responsibilities are consistent across cultures although there is a different emphasis placed on the order of responsibilities. Secondly, practitioners must be aware that a CSR strategy that works in one country may not work in another as there are clear differences between perceptions of CSR around the world. However, this is more complex in Islamic countries as there is a more nuanced interpretation of philanthropy, with Zakat and Sadaqa, which are two different types of philanthropy, both of which are underpinned by Islamic values. However, Zakat is the minimum and is in some Islamic countries a legal requirement, while the Sadaqa is personal and driven by the individual's own conscience. Moreover, any CSR activities that include Sadaqa should not be publicised unless this would set a good example and encourage others to exhibit this same type of behaviour. Thus the organisational need to use CSR as a marketing tool and the concomitant publicity it brings contrasts with the Sadaqa requirement of anonymous donation, and has the potential to create a dilemma for the organisation. This has important implications for CSR practice which have not been articulated in the extant literature.

This poses challenges for the Western marketing manager who uses marketing communications tools such as public relations tools to promote the organisation rather than practicing CSR for the good of society. Thus, rather than continue with the overt CSR strategies used by Western marketing managers, this research argues for a more covert approach to CSR which is embedded in Islamic principles of modesty. Thus if an

organisation promotes their 'good acts' this could be seen as self-serving rather than as supporting society in order to help, and this practice would be considered by Muslim consumers to be Riya or showing off, which is prohibited in Islam. Therefore, in the Saudi context it is necessary to embed Islamic values in the organisation's CSR foundations, allowing this internalisation to develop throughout the organisation and create its own flow of communications. This natural flow of CSR activity is more in synergy therefore with Islamic principles in comparison to many Western-based CSR practices which report CSR but without the underlying values embedded throughout the fabric and very existence of the organisation.

These are important issues in Saudi Arabia as it has only recently opened up markets and privatised a number of organisational sectors including telecommunications and banking as has been discussed previously. So if organisations are to be successful they need to be mindful of Islamic values and not just transfer Western style of CSR onto corporate practice. Moreover, the modified CSR pyramid has suggested that organisations should consider paying Zakat an obligation, should always behave in an ethical way and should consider society's interests as their first priority. Hence Carroll's (1991) model is useful if modified. In addition, organisations should balance the three aspects of CSR: private social responsibility, internal social responsibility, and external social responsibility. Focusing on one responsibility and ignoring the other is not recommended as this could damage the corporate image and/or reputation.

Organisations that operate in Saudi Arabia or target Muslims in different countries are advised to consider the Islamic CSR Tree Model which was developed after analysing the participant perceptions of the concept of CSR. Organisations should first consider private then the internal and external social responsibility. An organisation that only focuses on external social responsibly and ignores internal and private social responsibility may benefit in the short-term but not in the long-term, as its tree does not have any roots and can be considered an artificial tree which will easily fall down. Thus organisations should consider the three aspects of CSR and should be aware of the differences between the visible and hidden part of Islamic CSR in order to develop a sustainable tree that looks healthy and can live for long time.

### 7.4 Research Limitation

One of the main objectives of this research is to conceptualise an Islamic-based perspective of CSR. Although Muslim consumers' views should be similar as they share the same Islamic beliefs, cultural and geographic differences may impact on their perceptions. The sample of this research is from one Islamic country only. Therefore, a limitation of this research is that the sample is limited to one Islamic country only, Saudi Arabia, so the results of this study may not represent the views of Muslims in different countries. However, the result of this study has supported some previous studies in the academic literature which took place in other Muslim countries. Thus the Islamic CSR Tree Model which has been developed by this study could be valid in other countries around the world, although further research is needed to examine this.

Every research approach has its own positive features and drawbacks. As qualitative research is being applied in this research, it is important to highlight the limitations of this strategy. Therefore, the limitations will be highlighted, then how these issues have been resolved will be discussed. The researcher is part of the study and this approach means that the researcher is subjective. In addition, the reflexivity of the researcher is an important element as he will interpret the data based on his understanding. Thus the researcher used an audio recorder and then transcribed the interviews after listening to each interview; everything mentioned by participants has been transcribed as Zikmund (2003) argues that researchers should not be selective about which data is reported. In addition, after transcribing all interviews, they were translated into English, and the English version, along with the Arabic one, was checked by a professional translator to ensure the validity of the translation. Apart from this, as has been discussed in the methodology chapter, the researcher has followed the suggestions of Auerbach and Silverstein (2003) who argue that transparency, communicability, and coherence must be achieved to increase the reliability of the qualitative study.

This research is limited to the consumers' perceptions of the concept of CSR, and did not consider the views of managers or organisations regarding the concept in Saudi Arabia. It could be argued that understanding the perception of CSR from different angles could strength the findings of this study. However, due to the time constraints and the research strategy, it was difficult to interview consumers and managers. The researcher reached saturation point after interviewing thirty-four consumers in three months in Saudi Arabia, and

would have needed another three months if managers had been included in the sample. This had already been considered when developing the research strategy, and could be an area for further research.

The sample of this research includes males and females. However, the numbers of males were more than females, and only a third of the total sample were females. This could be considered gender bias in the sample and could affect the result. However, all interviews took place in Saudi Arabia and, due to cultural barriers, it is difficult for a male researcher to interview female participants. In order to tackle this issue, the researcher made great efforts to include females and managed to interview members of both sexes as has been explained in the methodology chapter. However, the researcher could not interview males and females in equal number. Based on the findings of this research, there were no differences between the perceptions of males and females of the concept of CSR and the findings indicated that both genders share similar views.

# 7.5 Research Agenda for Further Research

Further research examining the perception of philanthropy and how it is interpreted in different Islamic countries would help to build a deeper understanding of the concept. In addition, as this study develops the Islamic CSR Tree Model which explains the concept of the CSR from an Islamic perspective, further study is needed to test this model quantitatively in order to further its validation, as this study was based purely on qualitative data. It would be necessary to test the model quantitatively in order to generalise the study. Thus a quantitative study with larger sample from different Islamic countries is recommended to test the model.

This study has focused on the perception of Saudi Muslim youth and only took into consideration participants aged between eighteen and twenty five; further study is required to explore the perception of different segments in Saudi Arabia to investigate whether the perception is different among other segments in the same country. Apart from this, it has been suggested that the perception of CSR from organisations' point of view should be explored to better understand the perception of organisations' managers of the concept to find out whether there is a gap between organisations' practices and consumers' expectations.

Given the "billion plus" market potential of Muslims (E-Bassiouny, 2013), the development of knowledge concerning CSR from a Muslim perspective appears timely and necessary. This study has investigated the perception of Muslims; however, it only considered Muslims in Saudi Arabia due to the time and cost constraints. Clearly, further research could examine other Islamic countries to see if the priorities are similar; this could be achieved with cross sampling. In addition, a new aspect of CSR, private social responsibility, has been developed by this research, an aspect which is hidden compared to the other two aspects which are visible. This study reveals the hidden aspect of CSR and could be considered the basis of further study to research deeply the hidden part of CSR. In addition, it would be important to explore this area within organisations and examine managers' view of it.

Corporate responsibility toward the environment was considered an important responsibility; however participants did not take this into consideration when dealing with an organisation. In other words, participants had a positive perception of organisations that protect the environment; however they would still buy from organisations that do not consider the environment. Thus there was a gap between customers' perception and behaviour; further research is needed to investigate this gap in consumer behaviour and identify why these consumers would buy from an organisation if they have a negative perception of it.

## 7.6 Summary

This chapter has summarised the result of this research, highlighted the theoretical and managerial contribution of the study, discussed the research limitations, and suggested recommendations for future research. In conclusion, this research investigated the perceptions of Muslim Saudi youth consumers of the concept of CSR. The findings have suggested that their Islamic background has clearly affected their perceptions of the concept. In addition, the research modified Carroll's (1991) CSR Pyramid and developed the Islamic CSR Tree Model which better represents the concept of CSR in Islam. Applying Western-based conceptualisations of CSR to target Muslim consumers risks not activating salient emotional and psychological individual levers and thus not appreciating the socio-psychological dynamics which govern CSR from the Muslim consumers' perspectives. Therefore, it has been suggested that organisations should be mindful of Islamic values if they operate in Saudi Arabia as Islamic values are deeply embedded within the socio-psychological fabric of Saudi Arabia.

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### Appendix One: Semi-structured interview guide

### **Interview Guide**

Interview Date:	
Background of research participants:	
Age, sex, education, marital status, occupation, income	. hobbies

#### Topic 1: Exploring participants' values and their lifestyles:

- Do you travel?
  - o Where? How long? How often?
- Do you speak any other languages?
  - o If yes, where did you learn them?
- Can you tell me about your family? Do you live with them?
- What do you do in your spare time?
- Do you like volunteering?
  - o Have you volunteered?

#### Topic 2: Discuss participants' consumption of products/services

- What product/service do you use a lot?
  - o How/When do you use them?
  - o What is your experience with them?
  - o How do they affect your life?
  - o Do you know about the organisations that manufacture/provide them?
- Have you had any negative experiences with products/services?
  - o If yes, can you give more details? Did you speak to other people about it?

#### Topic 3: Define a responsible organisation

- What sort of business organisation do you like?
  - o What is their role?
  - o What are the characteristics of these organisations?
  - o How do these organisations present themselves?

- Which organisations do you dislike?
  - o Can you tell me more about these organisations?
  - o What are the characteristics of these organisations?
  - How do these organisations present themselves?

### Topic 4: How should organisations behave?

- Should an organisation act responsibly? How?
- How should organisations engage in society?
- How could organisation work with society?

#### Topic 5: What is the relationship between Islam and responsible organisations?

- How do you believe that organisations' practices are driven by Islamic values?
  - o Can you give me some examples?
  - o How are these practices related to Islamic values?

#### Topic 6: Understanding of Corporate Social Responsibility (CSR)

- Do you know anything about CSR?
  - o What does it mean to you?
  - Do you know any organisations that practice CSR?
    - How do these organisations practice CSR?

# **Appendix Two: Examples of quotations supporting codes**

Codes	Example from the interviews
	"Cheap production is good for company profits and
	cuts down costs, but it is a bad for the people who
	work there and get low salaries" (Ahmed).
Pay fair salary	"Organisations should follow the rules and that they
	are responsible for their employees; I searched for a
	new job recently and the salaries for all the jobs I
	found are less than the minimum wage" (Abdul-Aziz).
	"Caring about employees can result in a successful
	company as satisfied employees will work harder and
	will try to do their best for the company" (Lama).
Motivation	"Organisations should deal with their employees fairly
	and should listen to them all, even the smallest
	employee such as the doorman. They should be like a
	family" (Amjad).
	"Organisations must focus on Saudi youth and work
	on their development and training. They also should
	organise cultural and entertainment events for the
Support youth	youth" (Yossef).
	"There is no Saudi company that targets the Saudi
	youth as does a certain international video game
	company. I would be glad if I would see such a Saudi

	gaming company" (Nawaf).
	"Employing Saudis is a must for all organisations.
	They have a responsibility to decrease the
Job creation	unemployment rate in our country" (Abdulrahman).
Job creation	"A company that has a big impact on society helps the
	government in decreases the unemployment rate in the
	country" (Suliman).
	"Volunteering made me a better person. It also helped
	me meet new people. I had a good time, and I felt as
	though I achieved something" (Hamad).
Volunteering	"I like helping people; I like serving people; I like
	connecting and communicating with people.
	Volunteering is a good way to spend your time and it
	is a good deed" (Ahmed).
	"Convenience store should not distribute plastic bags,
	and should recycling its cardboard boxes in order to
Recycle	save the environment" (Haifa).
Recycle	"It is the responsibility of organisations if products are
	non-recyclable or may affect the environment by
	increasing CO2 emissions" (Nawal).
	"Most companies affect the environment as they have
Protect the enviroment	waste and use environmental materials such as paper.
1 Total the chynolich	Thus, companies should try to minimise the negative
	impact on environment" (Faisal).

	"We need to preserve our environment and make it
	safe as much as we can" (Ahmed).
	"I like companies that show appreciation and respect
	to its employees and always support them by provide
	them with training abroad. It is important to support
Employees training & development	employees so employees can support the company in
Employees training & development	its black days" (Faisal).
	"All companies should employ young people and
	develops their skills by providing good training"
	(Suliman).
	"Donations are very important and should not be given
	to just anyone; they should only be given to people
Donation	who really need it" (Amjad).
Donation	"Donation is one of the things in Islam that asks you
	to do; by doing so you are helping your soul by
	helping people" (Thamer).
	"I believe that philanthropy activities should not be
	shared in the media and it should be done secretly,
	because PR can lead to hypocrisy" (Ziyad).
Give privatly	"There are some companies that help society but they
Give privary	don't tell others as they don't want to advertise their
	charity work in the media to avoid any publicity. I
	personally know a businessman who donates
	generously; he has built 10 mosques, and supports

orphans. He has done this work as he is a real Muslim
and follows Islamic values. All he wants is Ajer"
(Abdul-Aziz).

# Table A

SN	Pseudonym	Age	Sex	Other Languages	Travelled	Hobby	Volunteered
1	Nawal	19	F	English	Yes	NA	Yes
2	Faisal	18	M	English	Yes	Sport, art, science	Yes
3	Hamad	18	M	English	Yes	Cars, social networks	Yes
	Nawaf			English, beginner in			
4	Nawai	18	M	Japanese	Yes	Video game, learn new stuff	No
5	Talal	18	M	English	Yes	Poet, writing	Yes
6	Salman	18	M	English	Yes	Reading, football, programming,	Yes
	Ahmed			English, beginner in			
7	Aimed	18	M	Spanish	Yes	Reading. Football, swimming, GYM	Yes
8	Ali	18	M	English	Yes	Football	No
9	Amjad	22	M	English	Yes	Mechanics	Yes
10	Saud	20	M	No	Yes	Internet	Yes
11	Husain	19	M	Beginner in English	Yes	Cars, football	Yes
	Thomas			English, beginner in			
12	Thamer	19	M	French	Yes	Art, writing, film making	Yes
13	Lama	23	F	English	Yes	Internet, social networks	Yes
14	Yara	23	F	English	Yes	Reading, internet	Yes
15	Mashael	21	F	English	Yes	Reading novel	Yes
16	Reem	24	F	English, beginner in	Yes 25	<sup>2</sup> Design, drawing, programming	yes

				French			
	Haifa			English, beginner in			
17	Папа	18	F	French	Yes	Football, & basketball	Yes
18	Sara	24	F	English	Yes	Reading, attending conferences	Yes
19	Saad	20	M	English, French	Yes	Football	Yes
20	Abdullah	21	M	English	Yes	Exploring	Yes
21	Mohammed	25	M	English	Yes	Reading	Yes
22	Suliman	25	M	No	No	NA	No
23	Ibrahim	25	M	No	Yes	Internet	No
24	Abdul-Aziz	25	M	No	Yes	Cars	Yes
25	Yossef	24	M	No	No	NA	No
26	Hassan	25	M	English	Yes	Drawing, reading	Yes
27	Ziyad	24	M	No	No	Computer	No
	Abdul-						
28	Rahman	23	M	No	Yes	NA	No
29	Reemah	24	F	English	Yes	Internet	No
30	Eman	21	F	Beginner in English	Yes	Reading	Yes
31	Afnan	22	F	English	Yes	Internet	Yes
32	Munerah	20	F	English, Urdu	Yes	NA	Yes
33	Reyoof	19	F	English	Yes	Art	Yes

34 Alia	19	F	English	Yes	Swimming	Yes	

# Table B

	Danidani	Product used a	Favourite		
SN	Pseudonym	lot	company	Responsible company	Dislike company
1	Nawal	Perfumes	Burberry	Zain	NA
2	Faisal	GYM	Golden gym	Google, apple, Redbull, Aramco	NA
3	Hamad	Mobile, internet	Apple, STC	Volks Vagen, Google, Goody	Foxcon
	Nawaf	Video game,	Nintendo,		
4	Nawai	mobile	Samsung	Google, Nintindo	Apple
5	Talal	Internet	STC	Aramco, Google	KSA Banks
6	Salman	Mobile, Perfume	Apple	Fitch, Aramco, McDonald	Blackberry
7	Ahmed	Medicine	NA	Almaraii, Herfy	M&S
8	Ali	IPad, car, internet	Apple, Ford	Almamlakah, Bab rizq, Othaim, Aramco	Toyota
9	Amjad	Mobile, internet	Apple	Aramco, Alrajhi	Toyota
10	Saud	Mobile	Samsung	Aramco, Almajd channel	Audi, Toyota
	Husain				Altaawuniyah
11	Husaiii	Mobile	Blackberry	Apple, Aramco, Sabic	insurance
12	Thamer	Mobile	Apple	Panda, Coca Cola, Saraya restaurant	Pepsi

13	Lama	Mobile	Apple	NCB, STC	BP, Apple
14	Yara	Mobile	Apple	Alsalhiah	NA
15	Mashael	Laptop	Apple	Apple, Gheras	STC
16	Reem	Mobile	Apple	Google, Microsoft,	Ericsson
17	Haifa	Laptop	Sony	Hy-Vee	Wall Mart
18	Sara	Moile	Apple	Google, STC	NA
19	Saad	Water	NA	Aramco, Atheeb	NA
20	Abdullah	Mobile	Samsung	Mobily, Alrajhi, Aramco, Dallah	Saudi Airlines
21	Mohammed	Tobacco	Philip Moris	Apple, Almaraii, Savola	NA
22	Suliman	NA	NA	Ali Hafez	STC
23	Ibrahim	NA	NA	Bab Rizq	Astra
24	Abdul-Aziz	NA	NA	NA	NA
25	Yossef	NA	NA	Astra	NA
26	Hassan	Mobile	HTC	Aramco, Panda	NA
27	Ziyad	NA	NA	NA	NA
	Abdul-				
28	Rahman	NA	NA	none	Astra
29	Reemah	Mobile	Apple	Apple, NCB, Bab Rizq	Alrajhi
30	Eman	NA	NA	Alhosan	NA
31	Afnan	Mobile	Apple	Almamlakah, Coca Cola, McDonald, Panda, Bab	NA

				Rizq	
32	Munerah	Dairy products	Almaraii	STC	Alsafi
33	Reyoof	NA	NA	Herfy	NA
	Alia				Redbull, Saudi
34	71114	Mobile	Apple	Apple, Atheeb	Airlines

# **Table C**

	Pseudonym	Company that	Organisation		CSR optional or
SN		focus in profit	priority	Why CSR	essential
1	Nawal	STC	Customers	Reputation	NA
2	Faisal	NA	Customers	Reputation, legal, help society	optional
3	Hamad	All	Profit	Reputation, hypocrites	NA
4	Nawaf	STC	Customers	Add vales, develop image	optional
5	Talal	NA	Profit	To get money	optional
6	Salman	NA	Profit	Attract customers	optional
7	Ahmed	NA	Customers	Develop image	optional
8	Ali	NA	Profit	Cover the negative impact, reputation	essential
9	Amjad	Toyota	Employees	Support society	optional
10	Saud	Toyota	Society	Benefit society	optional

11	Husain	All	Society	Increase sales, reputation, give back to society	optional
12	Thamer	Pepsi	Employees	Better image, legal, help society or give back	optional
13	Lama	NA	Employees	Return in investment, develop image, help society	essential
14	Yara	All	Profit	PR, help society,	essential
15	Mashael	STC	Profit	Every organisation have responsibility toward the society	optional
16	Reem	Ericsson	Employees	Marketing, develop image,	essential
17	Haifa	Wall-Mart	Employees	Help society	optional
18	Sara	NA	Employees	Media, develop image	optional
19	Saad	NA	Customers	NA	essential
20	Abdullah	All	Employees	Sympathetic, sustainable reputation, close gap between company and society	optional
21	Mohammed	All	Profit	Give back	optional
22	Suliman	All	Society	Attract customers, reputation,	optional
23	Ibrahim	All	Employees	PR, to avoid zakat	essential
24	Abdul-Aziz	All	Employees	Attract customers, reputation	essential
25	Yossef	All	Employees	Sales	essential
26	Hassan	None	NA	Help society	optional
27	Ziyad	All	Employees	Marketing, PR, hypocrisy	optional
	Abdul-				
28	Rahman	All	NA	NA	optional

29	Reemah	NCB	Employees	Reputation, show that it is Islamic bank	optional
30	Eman	None	Customers	Help society	optional
31	Afnan	Most	Employees	Reputation, give back	optional
32	Munerah	Make up	Customers	Develop country economy, help society	essential
33	Reyoof	Most	NA	NA	optional
34	Alia	None	Society	NA	optional