THE UNIVERSITY OF HULL

The Role of CSR Perception in Consumer Behaviour: the Influence of Perceived Value in Saudi Banking Industry

Being a Thesis submitted for the Degree of Doctor of Philosophy in Marketing, the University of Hull

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Abstract

Corporate Social Responsibility (CSR) has received increasing attention and is thought to have a significant impact on consumer behaviour. Many businesses consider this an important factor in maintaining strong relationships with their customers. A considerable amount of attention has been given to the perception of CSR, but a number of theoretical gaps have been identified for further research. First, previous studies of CSR either explored the perception of CSR or examined the limited aspects of CSR on consumer behaviour, so there is a theoretical gap in examining the full construct of CSR on consumer behaviour. Second, the perceived value of CSR has been implicitly assumed and, therefore, neglected in previous studies. Third, only a limited number of studies have measured consumers' CSR awareness levels before investigating consumers' perceptions of CSR. Fourth, the majority of CSR studies examined the concept within the manufacturing industry, while studies in service industries are scant. Fifth, the majority of CSR studies examined the concept within developed countries, so there is a lack of research investigating this perception in developing countries.

This study investigated the CSR perception of socially responsible banks in Saudi Arabia and examined how this influences customer loyalty; examined the perceived value of CSR and its influence on customer loyalty; and then analysed customer CSR awareness levels and how this impacted customer support or scepticism. The dyadic nature of this study advances CSR knowledge by investigating CSR from the perspectives of both banks and customers. A mixed method approach was adapted to gather the required data. First, the CSR managers in Saudi Arabian banks were interviewed to understand their perceptions of CSR and the motives and challenges they face, and to identify the constructs necessary to examine the influence of CSR on consumer loyalty. A thematic analysis technique was employed to achieve these goals. The identified constructs included customer expectations, awareness, support, and satisfaction. The perceived value was added to these constructs because of the contradictory findings among these relationships and a lack of studies that fully examined the perceived value of CSR. Second, an online survey was conducted to examine the proposed hypotheses, and this generated a total of 418 responses. The online survey was distributed by three large databases: CSR in Saudi Arabia, Saudi Banks customers, and Saudi Abroad. The link was sent through their Facebook accounts, Twitter accounts, and email databases. An SEM-PLS technique was employed to analyse the data, and the findings were classified into three groups: descriptive, casual, and structural. The findings of this study confirmed that

Saudi CSR perceptions follow Carroll's (1979) model. It also found that Islam has an influence on the understanding of CSR. The structural analysis showed that CSR consists of two dimensions: economic and non-economic responsibilities (legal and ethical). It also showed that customers have a low level of CSR awareness, but they are willing to support responsible businesses. It also demonstrated that customers are generally neutral about dealing with socially responsible businesses, and the only value they perceive is emotional.

Two frameworks were generated from this study. First, based on the qualitative research, a presentation of banks' CSR perceptions was developed. This framework has advanced the body of knowledge in a number of ways: it describes structural levels and relationships between the CSR domains; it identifies the key themes used to analyse CSR; it reports the complexity of CSR; it provides a blueprint for understanding how perception emerge and the implications of these new perceptions; and it draws the findings together in a holistic view. Second, based on an extensive review of literature and the extracted constructs from the qualitative study, a new conceptual model was developed. This model is one of the first to examine CSR perceptions, starting from awareness and ending with loyalty. Previous models have not explained the relationships between CSR perceptions and expectations. This study also investigated the full construct of the perceived value, which had not been investigated before. Finally, this model responded to the calls to investigate customer awareness and their support towards responsible businesses in the same context.

This study contributes to our understanding of the perception of CSR by examining the perceived value of CSR. It also contributes to the methodology by employing a mixed method research and adopting the pragmatic approach, which has not been widely used in examining CSR perceptions. The dyadic nature of this study allows the researcher to investigate the phenomenon from two different perspectives. This study is one of a few studies to employ the SEM PLS to examine the structural nature of CSR and the construct of perceived value. Finally, it provides insights for policymakers and CSR managers to better embed CSR in the Saudi banking industry.

Dedication

This thesis is dedicated to;

My parents

Suhail Ajina & Alawiyah Baharoun,

who were my first mentors for their inspirations, love and wisdom

My parents in laws

Moh'd Jamal Alhossani & Nuha Aboamara,

who were always with me supporting and encouraging

My wife and daughters

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Table of Contents

List of Tables

List of Figures

1. Introduction

1.1. Introduction

1.2. Background

1.3. Context of the Study

1.4. Research Problem and Researcher Motives

1.5. Aims and Objectives

1.6. Research Questions

1.7 Research Significances

1.8 Structure of the Thesis

1.1. Introduction

This chapter provides an introduction to this study, which is concerned with the perception of socially responsible banking and how it will lead to customers' loyalty via value creation. This chapter is intended to familiarise the reader with the rationale of this study. It briefly discusses the concept of corporate social responsibility (CSR) and introduces the context of the study. Then, it explains the research problem and the motives for conducting this research. After that the aims, objectives and research questions of this research will be established. The significance and the expected contribution of this study will be clarified. Finally, the thesis structure will be explained.

1.2. Background

CSR is a fast growing concept that has been intensively discussed by academics and business practitioners. The debates in the literature have ranged whether firms should adopt CSR to how they can maximize their CSR impact (Du, Bhattacharya, and Sen, 2007). CSR has been generally understood as business commitments to contribute to society and the environment on voluntary bases, alongside their fundamental business role. There are increasing societal calls for corporate to adopt different forms of responsibility towards a variety of stakeholders' groups, e.g. employees, customers and environment. These calls indicate that the societal awareness of corporate harm to societies and the environment has been increased. It also suggests that societies are more aware of corporate power and willing to support or punish corporations according to their social performance. Therefore, the social performance of a firm can affect its economic performance. Thus, it is critical for managers to decide carefully how they should interact with societies.

The global financial crisis has affected the world economy and made a negative impact in almost every country (Dembinski, Lager, Cornford & Bonvin, 2005). According to Francis (2010), one of the major causes of the global financial crisis was the unethical and illegal behaviours of businesses e.g. the collapse of Enron and the bankruptcy of Lehman Brothers. The failure of Enron in Early 2000s provides a lesson for corporate governance to avoid risk management systems including insecure transactions and unethical behaviours (Kirkpatrick, 2009). Daianu & Lungu (2008) stated that:

> *"the company presented false and misleading pictures of its financial health and results of operations. Most of these operations were complex structured finance transactions rolled via through off-books financial entities such as special purpose vehicles (SPVs)"p.28*

The key trigger that caused the financial crisis was the bankruptcy of Lehman Brothers caused by the investing the high risk subprime deals which recently has been classified as irresponsible practices (Mishkin, 2010 and McKibbin & Stoeckel, 2010). Societies became more conscious of corporate behaviours and more supportive for responsible businesses (Podnar et al., 2007). CSR is strategic domain for businesses where they can rebuild the trust between business and society (Dembinski et al, 2005).

The concept of CSR was introduced in the early 1950s and continues to develop. CSR notion has shifted from profit making, to obeying legal requirements, to voluntary activities, to concerns for a broader social system, to sustainability. Although a number of authors have attributed these changes in CSR to the nature of CSR, as it has not reached a mature form, they can also be attributed to the rapid

changes in societal needs and the increase of societal power resulting from the dramatic growth of social media. In each of these stages, different dimensions and typologies of CSR were proposed. However the most commonly used dimension is Carroll's (1979) which has been regarded as the "lowest common denominator of CSR" (Matten & Moon, 2007 p. 182). Carroll (1979) suggested that CSR consists of four main categories of responsibilities, i.e., economic, legal, ethical, and philanthropic. The order of these dimensions was developed according to their importance.

The importance of CSR stems from the impact that CSR could have on different stakeholder groups; previous studies suggested that CSR has direct impact on the corporation, customers, and social causes (Bhattacharya et al., 2004). For example, CSR is assumed to build corporate reputation and positively influence customers' loyalty and satisfaction. It can also contribute to customers' well-being and positively modify customers' social behaviours. Along with these advantages, CSR helps to increase the awareness of social causes and ease the impact of the social problems (Kurucz et al., 2008; Siltaoja, 2006; Minor & Morgan, 2011).

From marketing perspective, previous studies that investigated CSR were limited in a number of ways; they investigated limited dimension of CSR; they deeply investigated CSR, but they did not link them to consumer behaviour; they linked limited aspects of CSR to consumer behaviour, or they isolated CSR from its context. According to Isa (2012), these limitations are a result of simplistic methodological designs used to investigate the CSR phenomena. Another issue with previous studies is that the majority assumed that customers are aware of what CSR is, what the current social initiatives conducted by firms are, and what are the current social problems? The awareness of these three issues is critical as it could influence

the findings of research. Although some studies investigated the awareness level (Abdeen, 1991; Daughtery 2001; Mohr 2001; Saleh et al., 2008), the question of how customers' would react depending on their awareness level, is still valid. Customers with a high level of awareness may be either supportive or sceptical.

It has been noticed in the previous literature (e.g. Gjolberg, 2012; Dahlsrud, 2008) that these discussions lack a common understanding of what CSR is. Another issue with the previous studies is their contradictory findings on how CSR would influence consumer behaviour. The first of these might be related to the nature of CSR as a context-related issue, differences among different industries and cultures, while inconsistent findings might be due to the absence of moderators or mediators that influence the relationships between CSR and other consumer behaviour concepts. Most of the previous research in CSR was conducted in developed countries and examined the phenomenon in manufacturing industries.

1.3. Context of the Study

This study took place in Saudi Arabia banking industry. CSR is regarded as a contested and context related concept, meaning that it is complicated and cannot be isolated from the boundaries within which it is investigated (Isa, 2012). Therefore, explaining the context of the study will help the reader to judge the ability of the findings to be generalized. Saudi Arabia is the largest oil exporting country in the world. It exports between 8.5 and 12.5 million barrels a day. It has 25% of the world oil reserve and it produces 30% of OPEC's (Organization of Petroleum Exporting Countries) annual production. Almost 91% of the Saudi government revenue comes from oil exporting. The trade balance of Saudi Arabia in 2010 was imports US $100 billion, exports US $235 billion. In 2010, the GDP of Saudi Arabia was US $ 625

billion. The local currency is Saudi Riyal which is pegged to the US dollar (1 US Dollar = 3.75 Saudi Riyal) (SAMA, 2011; Fackbook, 2011; and AlRayes, 2006).

Saudi Arabia has been chosen to as the context for this study for a number of reasons. First, there is the lack of CSR studies in developing countries in general and in Saudi Arabia in particular. According to Visser (2007), researchers need to examine the perception of CSR in developing counties for the following reasons: (1) social and environmental crises commonly take place in the developing counties; (2) social and environmental crises usually create greater harm in the developing countries; (3) the types of challenges that face CSR implementation in developing countries are different from those facing developed countries; (4) most of the highest growing economies are among developing courtiers in which corporations are rapidly expanding their businesses. Second, the rich and strong economy of Saudi Arabia has risen bar for expectations for Saudi Arabia become an example for social initiatives (Alrajhi et al., 2012). Third, being the source of Islam, Saudi Arabia is perceived as a leader among Muslim countries, who they will be interested in the perception of CSR in Saudi Arabia (Al-Rasheed, 2010). Fourth, personal interest and access ability to the researcher motivated him to conduct this research in Saudi Arabia. Although Saudi Arabia is classified as a developing country (United Nations, 2015), it has also ranked the 11th richest countries based on the GDP per capita (IMF, 2014). This distinguishes Saudi Arabia from both developed and developing counties as social and environmental needs are different from both groups. Another factor that distinguishes Saudi Arabia is its conservative nature (Al-Rasheed, 2010). The conservative nature of Saudi Arabia affects the social life and social structure (Al-Rasheed, 2010). This suggests investigating the perception of CSR in Saudi Arabia

to widen the current understanding of what socially responsible organization is and to examine the concept in relatively different context.

1.4. Research Problem and Researcher Motives

The majority of researchers have theoretically suggested that CSR activities have positive influence on consumer behaviour; however empirical evidence shows contradictory findings on this relationship (de los Salmones et al., 2009). Bouldstridge and Carrigan (2000) stated that "the link between consumer purchasing behaviour and corporate behaviour is not proven" (p. 365). Moreover, Cardigan and Attalla (2001) rejected the findings of previous studies that suggest constant positive consumers' responses to ethical behaviours of corporations. Another research found that "consumers choose products mainly on the basis of their quality and price, they are not aware of CSR, do not always consider it while purchasing products, but are increasingly interested in it" (Gigauri, 2012 p. 106). Similarly, Rizkallah et al. (2012) concluded that consumers regarded companies' social and environmental practices as less important to them compared with quality, price, convenience, brand image, and brand attitudes, respectively. Other researchers have indicated positive relationships between CSR and various aspects of consumer behaviour (Brown and Dacin, 1997; Creyer Ross, 1997; Ellen, Webb, and Mohr, 2000; and Du et al., 2007). There is a need to find out when, how and for whom CSR activities would work (Sen and Bhattacharya, 2001).

Since loyalty is one of the long-term ultimate goals of profit-oriented businesses, corporate social initiatives should be linked to consumers' loyalty to ascertain whether or not CSR initiatives contribute to business profit. A number of studies have investigated the relationship between CSR and loyalty (such as Barone et al.,

2000; Becker-Olse et al., 2006: Levy, 1999; Brown and Dacin, 1997; Sen and Bhattacharya, 2001; Ellen et al., 2000). However, the majority of these studies address limited aspects of CSR for example corporate donations or viewed CSR as a unidimensional construct (Bigné et al, 2012 & Maignan, 2001). Only a few researchers attempted to fully examine CSR perceptions by adopting Carroll's (1991) multidimensional model to measure the perceptions of CSR to fully capture different aspects of corporate responsible behaviours rather than just interrelating the perception of CSR to other constructs (Bigné et al, 2012). Another limitation of previous studies is that they did not study consumers' perceptions and expectations of CSR in the same context. None of the previous studies have measured the perceptions and the expectation of CSR in the same conceptual model. Furthermore, previous studies have not fully investigated the perceived value of CSR and how it influence consumers' loyalty. Also, most of the studies that investigated consumers' perceptions of CSR were conducted in developed countries (Gugauri, 2012). Hence, there is still a need to investigate the perceptions of CSR within the developing countries (Arli et al., 2009). Lastly, much attention has been paid to investigating perceptions of CSR within manufacturing industry, and for less to services industry. Only a limited number of studies examined perceptions of CSR within services industry. According to Rahman (2011), the perception of CSR is a highly context related subject, i.e. perceptions and the expectation of CSR differ from context to context and culture to culture.

In 2008, the researcher was working at Alrajhi Bank which is one of the leading local banks in Saudi Arabia and was the largest Islamic bank in the world at that time. After the subprime financial crisis and the sharp decline in the Saudi stock market, the research heard a number of accusations and criticisms about the role of

banks in societies. In general, these criticisms fell into three categories: banks are not educating societies about the risk involved in their products; banks are not taking enough measures to minimize risks; and banks are not giving back to the societies in which they operate. At the same time, newspapers and media campaigns were focusing on the greediness and aggressive competition on the banking industry that deviated them from looking to the social welfare. The researcher noticed that Saudis were divided into three groups. The first group had high social demands from banks, they expected banks to build schools and hospitals, contribute to poverty and unemployment eradication, and finance some government projects. The second group believed that corporations should compulsorily pay a certain amount of their income to the government to contribute to social welfare, as they operate in a tax free environment in Saudi Arabia. The third group believed that corporations should not be expected to contribute to society when the government is rich and able to serve the public needs. The debate among these three groups, however, was lacking in evidence and knowledge about CSR and social needs. The researcher's friends and relatives tried to get him involved in this discussion, to represent the banks' perspective in this debate. The researcher, however, was not able to participate in this discussion, as he was not aware of many aspects of the issue, such as what corporations' role in society is, what the government role is, why corporations should contribute to society, and how to manage social demands. This motivated the researcher to investigate the role of businesses in societies and how it will influence consumer behaviour.

1.5. Aims and Objectives

This study has four aims: first, to explore the perception of socially responsible banks; second, to examine CSR influence on consumer behaviour; third, to investigate the perceived value of CSR; fourth, to find out how it relates to relevant aspects of consumer behaviour. To achieve these aims the following objectives were developed:

Objective One: To review and evaluate banks' perception of CSR within the Saudi Arabian banking industry.

CSR is a contested concept widely debated among different culture and industries without a common agreement on how to define responsible organizations. Therefore, it is necessary to review and evaluate how CSR is perceived in Saudi Arabia, as the context of this study and how banks can be perceived as responsible organizations. The special characteristics of Arabic culture and Islamic values dominating the Saudi society are expected to form a unique view of CSR. This objective will respond to the lack of studies of the CSR concept in developing countries, especially Saudi Arabia. The industry type may form a distinctive view of the concept; for example oil production industries are expected to have higher environmental responsibilities compared to services industries (Rahman, 2011). The majority of previous studies focused on exploring the perception of CSR from manufacturing industries which calls for investigation of the perception in services industry, to expand the view of CSR. Investigating CSR perception in a homogeneous industry such as banking (all banks provide similar products and services) would help finding out how consumers respond to social initiatives while minimizing the influence of product attachment. This objective was be achieved by interviewing local banks' CSR managers and analysing their perceptions of what constitutes a socially responsible organization.

Objective Two: To identify and explore the factors that motivate and challenge banks to become socially responsible.

Identifying these factors will help to better understand why and how banks can become more socially responsible in a given context. Investigating the motives and barriers is central for understanding organizations' intensions and ability to adopt new strategies (Fagan, Neill & Wooldridge, 2008). This objective was achieved reviewing the current literature in CSR motives and limitations and then interviewing local banks' CSR managers to find out how banks and the Saudi context differ from previous studies. Fulfilment of objectives one and two will help establish a basic understanding prior to measuring the influence of CSR on consumer behaviour.

Objective Three: To investigate the role of customers' CSR perception on influencing consumer behaviour.

This objective aims to examine how the perception of CSR influences different aspects of consumer behaviour. The majority of previous studies either investigated the perception of CSR or examined limited aspects of CSR in relation to consumer behaviour (Maignan, 2001). A need still exists to examine the influence of the full dimension of CSR as formative construct into consumer behaviour. This study focuses on three aspects of consumer behaviour; perceived value, satisfaction and loyalty. This objective can be achieved via analysis quantitative data; to test to the extent these aspects are affected by CSR perception.

Objective Four: To examine the perceived value of CSR and its effects on consumer behaviour.

Examining the perceived value of CSR that customers perceived while dealing with socially responsible organizations assists in evaluating the ultimate benefits organizations acquire by positioning themselves as social responsible organizations. In the literature, it was theoretically proposed that customers perceive different types, of value while dealing with socially responsible organizations, such as economic value and emotional value. The lack of studies about the perceived value of CSR suggests a need to investigate this construct and find out how it would influence other aspects of consumer behaviour. For this reason, the full construct of perceived value will be examined as an antecedent of customers' satisfaction and customers' loyalty. This objective is achieved quantitatively by measuring four dimensions of perceived value.

Objective Five: To provide insights for policymakers and business practitioners to embed CSR more effectively in the Saudi Arabian banking industry.

Providing insights for policymakers and business practitioners is central as it allows for better embedment of CSR in Saudi Arabia banking industry. The lack of studies that explore both organizations' perception and customers' perception of CSR in the same context and industry suggests the value of adopting a mixed method approach to conduct this study. Accordingly, this objective can be achieved by combining both qualitative and quantitative methods to understand what is meant by the perception of socially responsible banks from the banks' perspective and to examine customers' perspective of socially responsible banks.

1.6. Research Questions

The aforementioned objectives can be achieved by answering the following questions:

1. **How CSR is perceived within a Saudi Arabian country context from banks and customers perspective?**
    (The perception of socially responsible banking, to achieve objective number 1).

2. **What factors motivate banks to engage in socially responsible banking?**
    (Motives/Drivers of CSR, to achieve objective number 2).

3. **What factors challenges banks to engage in socially responsible banking?**
    (Challenges/Limitations of CSR, to achieve objective number 2).

4. **How does CSR perception influence consumer behaviours?** *(Relationships between CSR and different aspects of consumer behaviour, to achieve objective number 3).*

5. **What values do customers perceive from dealing with socially responsible banks?** *(The perceived value of CSR, to achieve objective number 4).*

6. **How does perceived value of CSR influence consumer behaviour?** *(The relationships between PV and other aspects of consumer behaviour, to achieve objective number 4).*

7. **How can CSR be better embedded in Saudi Arabian banking industry?**

    *(Insights for policymakers and business practioners, **to** achieve objective number 5.)*

1.7 Research Significance

The significance of this research stems from three main sources: theoretical contribution, methodological contribution, and the managerial contribution.

1.7.1 Theoretical contribution

The importance of this study comes from the lack of studies that investigate the CSR perception in developing countries and in service industries. The majority of CSR

studies investigated the CSR perception in developed countries and within manufacturing industries. The distinctive characteristics of Saudi culture, as well as the clean and the homogeneous nature of the services offer by banks, will contribute to the current view of CSR and will extend the current literature of CSR.

Previous studies in the CSR field have either focused on investigating CSR perception or investigating the influence of limited aspects of CSR into consumer behaviour. This research fills this gap by deeply investigating CSR in relation to consumer behaviour to provide better insights in how CSR can influence consumer behaviour.

Also, research that investigated perceptions of CSR and the expectations of CSR in the same context is scant. Examining customers' perceptions and customers' expectations within the same conceptual framework would make it possible to judge which of these two constructs the better predictor of customers' loyalty is.

The need still exists to investigate explicitly the awareness level of CSR. The majority of studies implicitly assumed that customers are aware of CSR, without assessing their awareness (Dolnicar et al., 2007). The few studies that explicitly assess customers' awareness level fail to differentiate between supportive awareness and sceptical awareness. This study looked at the influence of the awareness level on customers' support to responsible business to contribute towards filling this gap.

The existing literature of CSR produced contradictory findings on the influence on CSR on consumer behaviour. This study looked at the perceived value of CSR as the mediator between customer satisfaction and customer loyalty. The full construct of perceived value of CSR has not been investigated previously. This original

contribution is expected to open new horizons for the relationships between CSR and consumer behaviour.

1.7.2 Methodological Contribution

Only a limited number of studies have utilized the partial least square (PLS) technique to evaluate the structural nature of the tested variables (Wetzels et al. 2009). The technique has been used to evaluate the structural level of CSR by running the PLS algorithm test on CSR perception and CSR expectations. It was also used to evaluate the structural nature of perceived value. This technique enables the formative nature of the construct to be confirmed.

The dyadic nature of this research enables CSR perceptions to be investigated from both company and customers' perspectives. The majority of CSR researchers tend to investigate the perception of CSR from one stakeholder's perspective. Investigating companies' and customers' CSR perceptions will help to improve the current understanding of the CSR concept in the Saudi Arabian banking industry rather than relying on a single point of view. Dyadic researches allow phenomena to be explored from the perspectives of different groups that have different interests. The current study explores the CSR perception from the company and customers' perspective. These two perspectives view the CSR differently; for example, customers' demand for more social initiatives, while companies complain about lack of support from customers. This conflict of interests represents a genuine issue that faces policymakers and CSR managers (Carroll, 1991).

The pragmatic approach adopted in this study allows the researcher to be free from philosophical assumptions that restrict the research to a certain type of data. The abductive nature of pragmatism allows for moving from qualitative to quantitative

data and from observation -theory formation to theory-observation-confirmation (Saunders et al. 2012). Dealing with different sets of data enriches the findings of this research and the discussion at the end of it.

1.7.3 Managerial Contribution

Understanding the current perception, motives, and challenges that face responsible initiatives in Saudi Arabia will help policymakers to promote better embeddedness of CSR within the country. It will also help in providing insights about how to maximize the role of the private sector in social issues. It will also support the CSR managers to understand customers' expectations of corporate social contributions. This will open a horizon for businesses to evaluate customers' responses to responsible activities.

Another industrial contribution of this study is that it will assess the current awareness level of CSR in the Saudi Arabian banking industry, which will provide banks with statistical evidence of customers, awareness of their social initiatives. This is expected to help CSR managers to evaluate their current CSR promotion campaign.

Finally, insight into the perceived value of CSR will help CSR managers in improving CSR value proposition and value creation strategies in order to propose different aspects of value such as economic, social, functional, and emotional.

1.8 Structure of the Thesis

The thesis is divided into a further ten chapters, as show in the following fingers.

Chapter 1:
Introduction
Explains the research background
Context of the study
Research Problem and Motives
Aims and Objectives
Significance of the research

Chapter 2, 3 & 4:
Literature Review
Lays out the theoretical underpinning of this study.
Chapter 2: Understanding CSR
Chapter 3: Context of the Study
Chapter 4: Consumer behaviours
Summary of Identified gaps

Chapter 5:
Methodology
Discusses the research design and the ethical considerations of this study.
Explains how qualitative and quantitative phases have been employed

Chapter 6:
The Qualitative Find. & Analysis
Presents the findings of the qualitative phase.
Analysing these findings

Chapter 7:
The Development of Quan. Study
Builds on the previous literature and the qualitative data to develop; the conceptual framework, hypotheses development, constructs development and instrument development.

Chapter 8, 9:
The Quantitative Find. & Analysis
Presents the findings and analysis of the quantitative research i.e. descriptive analysis, factor analysis, hypotheses testing, mediator effects and group moderators.

Chapter 10:
Discussion
Discusses the objectives of this research with according to the findings and previous studies

Chapter 11:
Conclusion
Provides the contribution of this study, limitations and future area of research

Figure 1.1 Structure of the Thesis

2. The Notion of CSR

2.1. Introduction

The literature review section is divided into three chapters: the notion of CSR, the context of the study, and consumer behaviour. The literature review will explain the relevant academic works in the area of CSR, the context of the study, and consumer behaviour. This chapter focuses on the notion of CSR and how CSR is perceived. To investigate CSR notion, number of issues have been identified and discussed. These issues includes the emergence of CSR concept, contextual dimensions, building the case for CSR, different views of CSR, dimensions of CSR, history and development of the concept, types of CSR, level of embeddedness, motivations and challenges facing CSR concept. These issues help to address the notion of CSR from different angles to better evaluating the concept.

2.2. Background

Before investigating the concept of CSR, it is essential to begin by discussing what CSR is to establish an overview of the phenomena investigated in this study. Despite the rapid increase in the use of the term "corporate social responsibility" among academics and professionals, not all users understand it in the same way (Van Marrewijk, 2003). For example, one group argues that the CSR we have today is not genuine, as "the world is not getting better fast enough, and it's not getting better for everyone" (Kerr, 2008, p. 1). In reality, it is tailored for corporate benefits of creating new business opportunities, rather than a true concern for social wellbeing (Sklair & Miller, 2010). Another group argues that CSR is subject to unrealistic assumptions that paint it as corporate virtue or "noblesse oblige," which is actually wrong and will harm the economy by over-regulating the business environment

(Henderson, 2009; Mintzberg, 1986, p. 3). The question that must be asked is why CSR is perceived so differently?

According to Rahman (2001), there is still no common, worldwide agreement of what CSR and socially responsible organizations are, as their definitions are tied to context. Recent studies have highlighted four main reasons for the lack of a single standard, worldwide definition of CSR. First, the concept is not yet mature, so there are on-going debates as new ideas and initiatives accrete to the CSR notion (Godfrey et al., 2007; Kakabadse et al., 2007). CSR is still an embryonic concept; i.e., its theoretical background, measurements, and empirical evidence are still developing (Moneva et al., 2007). Second, different industries and businesses require different forms of CSR, and so each business tailors CSR to its own industry and organizational strategy (Rowley et al., 2000). Third, rapid changes in consumer expectations and cultural differences draw the interest of CSR scholars, and their studies contribute in turn to rapid and vast changes in the understanding of the phenomenon (Nijhof et al., 2006). Fourth, because CSR has been recognized by different academic disciplines (e.g., business management, sociology, and law), its definition depends on the interests of these disciplines. That is, scholars have adapted CSR definitions to fit the concerns of their own disciplines; i.e., CSR has been adapted to the interests of marketing, finance, and human resources according to the interests of the business management resources (Isa, 2012). Smith (2003) states:

> *Clearly, a firm's social responsibility strategy, if genuinely and carefully conceived, should be unique, despite the sameness of the growing number of corporate reports on CSR. As well as a fit with industry characteristics, it should reflect the individual company's mission and values, and thus be different from the CSR strategy of even its closest competitors (p. 67).*

This implies that the notion of CSR should be investigated within a defined set of industry and cultural boundaries, e.g., the Saudi Arabian banking industry. Even with these factors challenging the existence of a common understanding of CSR, the core notion of CSR is widely perceived as a firm's commitment towards social and environmental issues in addition to their fundamental economic responsibilities towards shareholders. The Confederation of British Industry (2001a) reported:

> *Corporate Social Responsibility requires companies to acknowledge that they should be publicly accountable not only for their financial performance, but also for their social and environmental record (cited in Saleem, 2009, p. 32).*

The question that should be asked is, why should firms adopt CSR and why should they have social responsibility? To understand the importance of this concept, the emergence of the concept must be discussed.

2.3. Emergence of CSR

CSR was born and developed in a capitalist context, as the majority of early discussions on CSR were raised by American authors (e.g., Bowen, Carrell, Friedman, Freeman and Davis). Capitalism does not claim equality; it creates opportunities for individuals to shape their own economic freedom (Friedman, 2002). It has contributed to the increased gap between the rich and poor classes and between rich and poor countries, ecological stress, and widening social gaps (World Bank, 2006). According to Kazmi, Leca & Naccache (2008), CSR is a tool for capitalism to respond to the crisis it has created in society and the environment; i.e., corporations must make up for their amoral and unsustainable behaviours by giving back to society. Unfortunately, CSR has been widely used to advocate the aggressive expansion of business and to respond to failures of capitalism (Aras & Crowther,

2011). However, the problems that capitalism has created still remain unsolved and they need to be addressed by more than simply acknowledging CSR (Carroll and Shabana, 2010). As a result, there are an increasing number of calls for "modern capitalism" to include social and environmental issues in corporate business practices in order to respond to changes in societal expectations (Kazmi et al., 2008, p. 13; Davis, 2006; Kotler and Lee, 2005; Prahalad, 2005). The question is, how does the context of this study—the Saudi Arabian banking industry—differ from the American and European context in which the notion of CSR notion was born and developed?

2.4. Contextual Dimensions

Friedman (1962) proposed the economic argument that the only responsibility for businesses is to generate a profit, which ultimately leads to an increase the amount of tax paid to the government. This idea, however, is simply not applicable in the Saudi Arabian banking industry, as local businesses operate under a tax-free business policy in Saudi Arabia (Rice, 2004). Thus, the direct financial contribution of an US$8 billion industry to the society is limited (Tadawul, 2014). Although local banks pay Zakat ("a part of wealth with certain prerequisite that is compulsion on the owner to give it to the rightful receivers under the certain prerequisite"), Zakat is different from tax in two main ways: first, Zakat is a fixed percentage of 2.5% of net income, while corporate taxes are much higher (e.g., in the UK it was 30% in 2008 and 21% in 2014, and in the USA it has been 40% for the last 10 years); and second, tax is given to the government to spend according to its developmental plan, while Zakat is paid to only specific groups of people, e.g., the poor and needy, and to free slaves (Wiliasih et al., 2011 p. 174; Aziz et al., 2013; Nur Barizah, 2008; KPMG, 2014). Therefore, only limited groups of stakeholders benefit from Zakat.

As one of the top 20 economies in the world, with of US$927 billion and a population of less than 28 million, Saudi Arabia enjoys huge government investments in social development. For example, the Saudi government allocated about US$55 billion for the education sector in 2012 (World Bank, 2014; SAMA, 2014). This raises the question of how these huge investments influence corporate social activities. Do they encourage firms to follow their example, or would it discourage further donations under the view that the government is already taking care of social development? This question prompts an investigation to understand this phenomenon within the Saudi context.

Saudi Arabian culture is dominated by Islamic values, which urge individuals to contribute to the public interest and emphasise ethical behaviours (Rice, 2004). Little is known about how these values work on organizations with a legal status that differentiates them from their shareholders.

The Polluter Pays Principle (PPP), sometimes referred to as Extended Polluter Responsibility (EPR), suggests that organizations are obligated to bear the responsibility for the negative impact they cause to society and the environment (Sanders, 2008). Banks in general are not polluters; i.e., they operate in a clean industry (RARE, 2005). Banks in Saudi Arabia in particular operate under Shariah law, which ensures no harm and no ambiguity or betrayal can be made in banking transactions. In addition, local banks are generally proactive in financing local businesses, especially SMEs, due to the high completion in the market (De la Torre et al., 2010). This implies that banks are socially responsible, as they are not doing any harm and they are doing some good in society. These specific characteristics of the Saudi Arabian banking industry raise the question of what constitutes a socially responsible bank in Saudi Arabia. Are they all perceived as socially responsible? Or

there are other domains for social responsibility for the Saudi Arabian banking industry?

Finally, Saudi Arabia is not a capitalist country. It has adopted a mixed system which carefully selects economic and social policies in accordance with Shariah law (Wilson, 2004; Alrajhi et al., 2012). Friedman's article (1970) begins with the statement, "In the free enterprise system"—which is not the case in Saudi Arabia. The social, economic and political system in Saudi Arabia is different from the American or European context in which the notion of CSR was born and developed. The question is whether, given the aforementioned contextual differences between the birthplace of CSR and Saudi Arabia, CSR is still valid.

2.5. Building the Case for CSR

With the dramatic growth of globalisation and the increase of corporate power's influence on political and economic policies, a direct impact on social welfare has been noticed in some cases, e.g., employment and health care policies are adjusted to give the maximum benefit to corporate demands (Sklair & Miller, 2010). At the same time, there is a growing societal awareness of corporate power which calls for more corporate initiatives to benefit society (Lee et al., 2010). The question is whether the increase in CSR signals a heightened awareness in society of growing corporate power or if it is a sign of the failure to stop the increase in corporate power so society calls for compensation in return (Sklair & Miller, 2010).

Since the emergence of CSR, it has been an unsettled subject between supporters and opponents. According to Carroll et al. (2010), the economic argument against CSR was first proposed by Friedman (1962), who suggests that the only responsibility of organizations is to maximize their shareholders' equity. This argument has been

supported by a number of authors, including Davis (1973) and Hayek (1969). Both Carroll (1979) and Friedman (1962) agree that corporations need to make profit in order to survive, however they did not agree on whether corporate responsibility is limited to economic responsibility. Smith & Colgate (2007a) explained Carroll's (1979) point of view by using human beings as a metaphor—i.e., every person needs to eat in order to survive; however, that does not mean that the purpose of life is eating. Friedman (1962) explained his economic argument that "the only business of business is business" by stating that:

> *Only people have responsibilities. A corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in this vague sense (p. 133).*

Five logical reasons support the case against CSR (Carroll et al., 2010). First, social problems are government responsibilities that should be solved by regulation, and corporations should not be blame for these issues. Second, corporate managers are not qualified to make social decisions, i.e., they do not have the required experience and skills to improve social welfare. Third, CSR is accused of causing organizations to deviate from their main goals and of generating less productive organizations, as these organizations will be distracted by focusing on social and environmental development. Fourth, CSR permits corporate power to increase by adding social power to the existing political and economic powers, which opens a door for organizations to be able to control societies. Finally, CSR will limit organizations' ability to compete internationally. These five logical reasons are consistent with Henderson's (2009) argument that CSR does not rest on legitimate ground. According to Henderson (2001), despite the appealing sound of CSR, it is simply a

false concept. The advocates for CSR claim that it can solve social issues, as if the solutions to these issues are well-defined. This belief is "oversimplifying" the complexity of world we live in (Henderson, 2001, p. 29). In order to believe in CSR, enough evidence of its ability to solve social, environment, and economic problems must be reported (Kerr, 2008).

Regardless of the arguments against the notion of CSR, organizations should get involved in responsible activities as this is firmly expected by society (Carroll et al., 2010; Henderson, 2009). Smith (2003) stated that CSR is a prominent phenomenon that cannot be ignored regardless of the uncertainty and ambiguity around its case, as businesses need to gain public support to retain customers and ensure business continuity. Although the case against CSR was argued in the 1960s and 1970s (e.g., Friedman, 1962 & 1967; Davis, 1973; Hayek, 1969), this argument continues today (e.g., Henderson, 2001 & 2009; Carroll et al., 2010). In the business world, managers need to justify their decisions economically to the shareholders (Kurucz et al., 2008). Therefore, the need to develop a solid business case for CSR in response to the economic argument is crucial.

According to Mintzberg (1987), pure CSR is conducted for the sake of nobility; however, due to greed and aggressive competition in the market, CSR is adjusted to meet an organization's business interests. In another words, organizations should act responsibly towards their stakeholder groups even though this may sacrifice some profits in the short run to meet ultimate long-run financial interests (Bernstein, 2000). According to Kotler et al. (2005), although CSR becomes a necessity for businesses, it also creates great business opportunities. This implies that the case for CSR can be built around how CSR will contribute to the financial performance of organizations. In this case, the notion of CSR does not contradict Friedman's (1962,

p.133) argument that "the only business of business is business" as CSR becomes a part of the business equation, especially because customers demand more than products and services (Smith, 2003).

According to Kurucz et al. (2008), evidence supporting CSR from previous studies can be grouped into four main categories: cost and risk reduction, competitive advantage, reputation and legitimacy, and synergistic value creation. According to Carroll et al. (2010), 73% of business executives admitted that they adopted CSR activities for cost saving reasons. CSR can also facilitate the elimination of future business risks, e.g., adopting equal employment opportunity policies is responsible for reducing employee turnover rate (Smith, 2005). These two statements indicate that the argument that CSR diverts businesses from their original goals and results in less productive firms is not always true. These pieces of evidence also disprove the counterargument that CSR leads to the burden of extra costs. CSR is not just a cost-saving tool—it also can be used as a positioning strategy for businesses to differentiate themselves from competitors by creating competitive advantages (Kurucz et al., 2008). Empirical evidence from the literature proved the ability of CSR to attract customers and enhance customers' relationships with the firm (e.g., Mohr et al., 2005; Creyer et al., 1997). If everything else is equal, customers support firms that meet their social demands (Carroll et al., 2010). This suggests that CSR can be economically justified to shareholders as a marketing tool that can financially contribute to the business.

Another advantage of CSR is that it helps to build and improve brand image (Kurucz et al., 2008). CSR enhances brand values by adding a responsible aspect to the brand image (Smith, 2005). In doing so, firms will gain better reputations and legitimacy for their brand names (Carroll et al., 2010). Empirical evidence from the literature

showed that CSR has a positive impact on brand reputation (e.g., Siltaoja, 2006; Minor & Morgan, 2011). Finally, CSR helps generate win-win situations between organizations and their stakeholders by creating "synergistic value" (Kurucz et al., 2008, p. 91). CSR helps to satisfy stakeholders' demands and establish congruency between stakeholders and organizations, which ultimately has a positive influence on the customer-corporate bond (Sen et al., 2001).

These four categories support the case for CSR by providing managers with business justifications for adopting CSR initiatives. However, this does not repudiate the fact that there are also ethical values that motivate firms to engage in socially responsible activities (Carroll et al., 2010). Given the limited ability of consumer power to support socially responsible organizations, how can the arguments for CSR resist the economic demands of shareholders (Valor, 2008 and Rezabakhsh et al. 2006)? Another concern is that the most of the evidence supporting the business case for CSR has been developed in an American or European context, which raises the question as to what extent this case will hold up in the context of this study, i.e., the Saudi Arabian banking sector. In more detail, how would factors such as Islamic values, the modernity of the concept, huge returns of the banking industry, the economic position of the country, and the infrastructure development status of the country influence the strength of the business case for CSR? This prompts an exploration of the different views of CSR in order to identify the common understanding that supports the business case for CSR from the perspective of different stakeholders.

2.6. Different Views of CSR

The first attempt to review different views of CSR was made by Carroll (1979). In this study, various views of CSR from 1962 to 1976 were listed. Table 2.1 presents these views.

Views of Social Responsibilities	Authors
Profit Making Only	Friedman (1962)
Going Beyond Profit Making	Davis (1960) and Backman (1975)
Going Beyond Economic and Legal Requirements	McGuire (1963)
Voluntary Activities	Manne (1972)
Economic, Legal, and Voluntary Activities	Steiner (1975)
Concentric Circles, Ever Widening	CED (1971), Davis and Blomstrom (1966)
Concern for the Broader Social System	Eells and Walton (1961)
Responsibility in a Number of Social Problem Areas	Hay, Gray, and Gates (1976)
Giving way to Social Responsiveness	Ackerman and Bauer (1976), Setti (1975)

Table 2.1: Different views of CSR. Adapted from Carroll (1979).

During this time period, development of CSR concept went through several transformations; e.g., profit making only, going beyond profit making, and giving way to social responsiveness. Later, Munilla et al. (2005) developed a CSR continuum, aiming to determine the ambition level by identifying relationships between Van Marrewijk's (2003) motives and Carroll's (1991) pyramid. This continuum actually ranked the current corporate implications of CSR, rather than the ways in which various disciplines understand the concept of corporate social responsibility. Munilla et al.'s (2005) continuum identified five levels of ambition: 1) compliance driven, 2) profit driven, 3) caring, 4) synergistic, and 5) holistic. This helps firms to focus on the relevant CSR dimensions according to their motives for conducting responsible actions. For example, companies that believe CSR is a strategic action to develop a competitive advantage tend to focus on the economic

dimension, while firms that believe CSR is part of corporate culture tend to adopt the four dimensions of CSR. See Table 2.2.

CSR ambition level	CSR Category (Carroll, 1991)	Motives (Van Marrewijk, 2003)
Compliance Driven	Legal	Duty to society, CSR as a social obligation, perception of CSR expenditures as simply a cost Economic responsibility is paramount
Profit driven	Economic	CSR as a strategic initiative, using CSR to create competitive advantage and superior financial performance CSR expenditures perceived as an investment in the creation and renewal of competitive advantage, resulting in an enhanced stream of future profits Economic responsibility is paramount
Caring	Ethical and Philanthropic	Use of CSR to balance the triple bottom line of profits, people, and planet Explicitly stating that the corporation will operate for social welfare, not simply create wealth for shareholders Social and/or environmental responsibility trumps economic responsibility
Synergistic	Economic, legal, ethical, and philanthropic	Use of CSR to attempt to create a sustainable corporation Social and/or environmental responsibility are strategically used to create a competitive advantage and meet the corporation's economic responsibilities
Holistic	Economic, legal, ethical, and philanthropic	CSR as a corporate culture, similar to when a firm adopts a marketing, entrepreneurial, or quality orientation Social and/or environmental responsibility is strategically used to create a competitive advantage and meet the corporation's economic responsibilities

Table 2.2: CSR continuum, adopted from Munilla and Miles (2005, p. 377).

Munilla et al. (2005) suggested that CSR concept is shaped by corporate motives for conducting social activities. Similarly, Parker (2005) believes that different views of CSR can be extracted from the actual corporate embeddedness of social activities, as a corporate understanding reflects implications that contradict Carroll's (1979) argument that an understanding of CSR is driven by societal expectations. According to Parker (2005), corporations react to CSR in seven ways that represent their various understandings of their role towards stakeholders. This contradiction

between the societal view and the corporate view of CSR suggests the need to investigate this concept from the perspective of different stakeholders' views. These views are summarized in Figure 2.1.
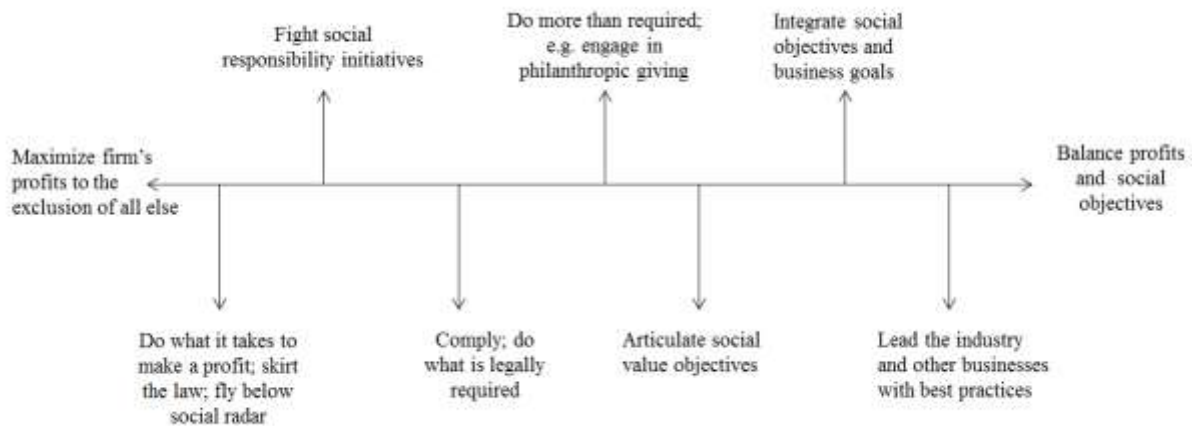
Figure 2.1: CSR Continuum. Parker (2005, p. 436).

To reduce the ambiguity about CSR, its dimensions are reviewed to deeply evaluate the concept for better judging the ability of the business case to survive in the Saudi Arabian banking context.

2.7. Dimensions of CSR

Different views of CSR are also reflected by the CSR dimensions that shape the concept. This section discusses previous works that have tried to identify the dimensions of CSR; e.g., Carroll (1979), the triple bottom line (Elkington, 1994), Schwartz et al. (2003), Dahlsrud (2006), and Isa (2012). Table 2.3 summarizes these dimensions.

Author	Year	Dimensions
Carroll	1979	Economic, legal, ethical, and discretionary (philanthropy)
Elkington	1994	People, profit, and planet
Schwartz et al.	2003	Economic, legal, and ethical
Dahlsrud	2006	Social, economic, environmental, stakeholders, and voluntariness
Isa	2012	People, policy, environment, personal, profit, values, process, products, political, and philanthropy

Table 2.3: Summary of attempts to identify the dimensions of CSR.

Matten and Moon (2007) stated that "Carroll's definition captures probably the lowest common denominator of CSR" (p. 182). Similarly, Wood and Jones (1996, p. 5) regarded Carroll's definition as the "leading paradigm" on understanding CSR (Wood and Jones, 1996, p. 5). Carroll (1979) suggested that corporate obligations are addressed by a number of responsibilities that can be categorized in four dimensions: economic, legal, ethical, and philanthropic responsibility. These four non-mutually exclusive dimensions reflect society's expectations from businesses (Carroll, 1979). These dimensions are ordered according to their "fundamental role in the evolution of importance," rather than being cumulative or additive (Carroll, 1979, p. 55). These dimensions are summarized in Table 2.4:

Dimensions	Explanations
Economic responsibilities:	"The first and foremost social responsibility of business is economic in nature. Before anything else, the business institution is the basic economic unit in our society. As such it has a responsibility to produce goods and services that society wants and to sell them at a profit. All other business roles are predicated on this fundamental assumption."
Legal responsibilities:	"Just as society has sanctioned the economic system by permitting business to assume the productive role, as a partial fulfilment of the 'social contract', it has also laid down the ground rules—the laws and regulations—under which business to fulfil its economic mission within the framework of legal requirements."
Ethical	"Are ill defined and consequently are among the most difficult

responsibilities:	for business to deal with. In recent years, however, ethical responsibilities have clearly been stressed—though debate continues as to what is and is not ethical. Suffice it to say that society has expectations of business over and above legal requirements."
Discretionary (philanthropic) responsibilities:	"Are those about which society has no clear-cut message for business even less so than in the case of ethical responsibilities. They are left to individual judgement and choice. Perhaps it is inaccurate to call these expectations responsibilities because they are at business's discretion; however, societal expectations do exist for businesses to assume social roles over and above those described thus far."

Table 2.4: Carroll's (1979) Dimensions of CSR, p. 500.

Although these dimensions are one of earliest attempts to define CSR dimensions, they are among the most common and agreed-upon dimensions. They have been adopted by a large number of theorists (e.g., Wartick and Cochran, 1985; Wood, 1991), and have been applied in a large number of empirical studies (e.g., Spencer and Butler, 1987; Strong and Meyer, 1992) and business ethics books, such as those by Boatright (1993), Buchholz (1995), and Schwartz et al. (2003). These dimensions capture the nature of CSR from the perspective of their motives—i.e., the economic dimension represents the responsibilities that are conducted for the sake of financial concerns, while the legal dimension represents the responsibilities that are conducted to obey the law, and so on.

In 1994, Elkington introduced the triple bottom line to represents the areas that CSR activities contribute to, i.e., economic, social and environmental. This work emphasized the importance of environmental responsibility as a distinct duty of firms as the social and economic responsibilities had been pointed out in the United Nations World Commission on Environment and Development (UNWCED) report of 1987 (Elkington, 2004). The triple bottom line model suggests that corporations should equally include the three dimensions of CSR (i.e., people, planet, and profit, sometimes referred to as social, environment, and economic) into their business

missions (Milne et al., 2011). Elkington (2004) has since critiqued his work of 1994, and stated that there is still a need to develop a more comprehensive approach to conceptualizing CSR dimensions, and that the triple bottom line model is just the beginning. Milne et al. (2011) called for more transformative change on the triple bottom line because it regards the three dimensions of CSR (people, planet, and profit) as separate entities that should be addressed separately. These three dimensions are completely different from each other, which makes it difficult for companies to include them all on one bottom line. The triple bottom line pays attention to measurable items only. The boundaries of these dimensions are ill-defined, and the systemic nature of sustainability makes the task of reporting of the triple bottom line problematic (Milne et al., 2011).

Schwartz et al. (2003) suggest the need to improve Carroll's (1979) model rather than to develop a new model to conceptualize CSR due to the common acceptance of Carroll's (1979) work among scholars, theorists, and business professionals. The new model was built on Carroll's own words critiquing his model; i.e., it is "inaccurate" (Carroll, 1979, p 500) and a "misnomer" (Carroll, 1993, p. 33) to label discretionary or philanthropy concerns as a responsibility, as society does not expect this from businesses (Carroll, 1993). Schwartz et al. (2003) argued that corporate philanthropic initiatives can fall under the heading of other responsibilities according to the motives of the initiatives, such as economic, legal, or ethical. That is, corporations may conduct philanthropic activities for profit-driven reasons, to satisfy legal requirements, or for ethical reasons. Moreover, it is difficult to establish theoretical and empirical boundaries between the ethical and philanthropic dimensions of Carroll's (1979) model, or to measure and evaluate philanthropic initiatives (Schwartz et al., 2003; Clarkson, 1995).

Dahlsrud (2006) proposed another set of dimensions by conducting a content analysis for the existing CSR definitions. This helps to provide a set of dimensions that is consistent with CSR definitions. The findings show that the existing definitions of CSR contain five main dimensions: environmental, social, economic, stakeholder, and voluntariness. A strong point of Dahlsrud's (2006) approach is that it included 37 definitions from America, Europe, the UK, India, and China in the analysis to cover a wide range of views of CSR. Dahlsrud (2006) did not attempt to define what is meant by each dimension, but example quotes from each of these definitions were provided to support the proposed dimensions. Table 2.6 explains Dahlsrud's (2006) dimensions of CSR.

Dimensions	Definitions	Example phrases
The environmental dimension	The natural environment	"a cleaner environment" "environmental stewardship" "environmental concerns in business operations"
The social dimension	The relationship between business and society	"contribute to a better society" "integrate social concerns in their business operations" "consider the full scope of their impact on communities"
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	"contribute to economic development" "preserving profitability" "business operations"
The stakeholder dimension	Stakeholders or stakeholder groups	"interaction with their stakeholders" "how organizations interact with their employees, suppliers, customers and communities" "treating the stakeholders of the firm"
The voluntariness dimension	Actions not prescribed by law	"based on ethical values" "beyond legal obligations" "voluntary"

Table 2.5: Dahlsrud's (2006) Dimensions of CSR, p. 4.

Although Dahlsrud's (2006) dimensions were extracted from existing definitions in the literature, these dimensions are not expected to carry equal weight as their appearances in the definitions were not equal. For instance, the social dimension was

reported by 33 of the 37 analysed definitions, whereas the environmental dimension was reported only 22 times. This significantly lower reporting of environmental issues as a main dimension of CSR can be attributed to its not having been included in early attempts to capture CSR (Carroll, 1999). The systematic approach adopted by Dahlsrud (2008) is limited, as it does not include CSR definitions from before 1980 (Isa, 2012). According to Isa (2012), the previous attempts to develop CSR definitions (i.e., Carroll (1979) and Dahlsrud (2006)) were limited due to "the lack of a proper construct" and the lack of "systematic review of these definitions" (p. 328). Although CSR is classified as an essentially contested concept, the need still exists to identify a "common reference point," which can be established by determining the proper CSR dimensions (Isa, 2012). The 10 dimensions identified are; people, environment, profit, process, politics, policies, personal, values, product, and philanthropic. Table 2.7 presents the items under each of these dimensions:

Dimensions	Items included
People	• Quality of life (e.g., healthy, motivated) • Human resource development • Fulfil and satisfy society's needs • Social obligation • Stakeholders and shareholders
Environment	• Protection of the environment • Managing natural resources • Managing waste • Recycling
Profit	• Economic obligations • Monetary value • Company efficiency and effectiveness • Investment • Shareholder value
Process	• Innovation • Culture development • Long-term outcome • Education • Information
Political	• Triple bottom line • Window dressing

	• Corporate governance
Policy	• Compliance with law
	• Ethical conduct
	• Regulation
	• Business standards
Personal	• Attitude
	• Behaviour
	• Perception
Values	• Image
	• Identity
	• Reputation
	• Corporate benchmarking
Product	• Quality
	• Safety
Philanthropy	• Donation
	• Charity
	• Sponsorships

Table 2.6: Dimensions of CSR (Isa, 2012).

Although understanding the dimensions of CSR contributes to understanding the social expectations domains of CSR and reduces ambiguity of the concept, the nature of CSR as an essentially contested concept plays a major role in creating disagreement about how CSR should be depicted (Isa, 2012). This sheds light on the importance of defining CSR within context barriers (i.e., the industrial and cultural differences among contexts) and the importance of engaging different stakeholders' groups while coming to an understanding of CSR, as each group of stakeholders defines CSR according to their own points of interest (Moneva et al., 2007; Smith, 2003). Another important issue about the disagreement on CSR dimensions is that they have emerged in different time periods. The question is whether the concept of CSR is still immature (developing) or if different time periods evolve new aspects of CSR. This calls for a review of the history and development of the CSR concept in order to understand how CSR has evolved.

2.8. History and Development

Companies such as Cadbury Schweppes and Quaker were pioneers in developing the modern concept of corporate social responsibility. For instance, Cadbury Schweppes adopted a corporate culture that is equally concerned about the environment, ethics, and financial profit (Hemingway and Maclagan, 2004). According to Maignan and Ferrell (2003), the Great Depression motivated organizations to pay more attention to workers' rights. Eupen (2009) pointed out that the academic theory of CSR has been developed through four overlapping stages, identified and represented by Bowen (1953), Friedman (1976), Carroll (1979), and Freeman (1984). The first stage was introduced by Bowen (1953), who is called "the father of CSR" (Carroll, 1999). This stage initially defined the responsibility of businessmen to make positive contributions to society. The second stage was introduced by Friedman (1976). This stage has been regarded as a backward step in the development of CSR, as it limited the corporate responsibility of a business to the economic benefit for shareholders; i.e., "the only business of business is business" (Friedman, 1962, p.133; Eupen, 2009). This implies that being a good business means creating economic welfare through employment and the payment of taxes, and that social welfare is then the government's responsibility; e.g., taxes are used for the operation of hospitals. The third stage is known as the conceptualization stage of CSR, when the question, "What is CSR?" was discussed in depth for the first time. The basis of CSR academic literature was developed during this stage. Carroll (1979) built up the first reliable CSR model to provide a basic definition of CSR, clearly offering examples of social issues to be addressed, and offering an argument contrary to Friedman's theory (Eupen, 2009). In the early 1980s, the question shifted from "What is CSR?" to "How can corporations be responsible and profitable at the same time?" This led

to the importance of understanding the role that different stakeholder groups play in supporting the development of CSR. In the fourth stage, the strategic management of the stakeholders' approach was introduced by Freeman (1984). Here, the question shifted to "To whom should CSR activities be directed?" Freeman (1984) answered this question by defining stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman 1984, p. 46). However, in 1994 Freeman changed his definition of stakeholders to:

> *Those groups who have a stake in or a claim on the firm. Specifically include suppliers, customers, employees, stockholders, and the local community as well as management in its role as agents for these groups (p. 39).*

Moura-Leite and Padgett (2011) suggested that in order to fully understand the concept of CSR, it is crucial to comprehend its progression. CSR is a relatively new concept in Saudi Arabia and most of the studies that have investigated CSR were conducted in developed countries. The concern emerges as to whether Saudi Arabian banks are in the same stage of CSR as those in developed countries or if they are lagging behind. The concept of CSR has developed dramatically over the last century. In almost every decade a new contribution has been added to it. There have recently been many initiatives aiming to link CSR activities to core business principles, a concept that goes beyond philanthropy and advocates the right way of doing business; i.e., the United Nations Global Compact 1999, ISO 26000, and the European Union Green Paper 2005 (Singh Das, 2011). The focus of CSR shifted away from the welfare state to companies' responsibilities (rather than their leaders' responsibilities), to stakeholders theories, to sustainability. Table 2.8 summarizes the development of the CSR concept over the past century:

From	To	Development of the Concept
1930	1940	First corporate responsibility texts appear, including the work of Berle and Means, 1932.
1935	1950	New Deal and start of the welfare state
1945	1960	Continued nationalization (Europe), state enterprises (former colonies, Communist bloc) and post-war consensus (US)
1960	1970	Return of business and society debate
1970	1980	Shift from responsibility of leaders to responsibility of companies
1975	1985	Debate about the nature of responsibilities
1975	1990	Corporate responsibility as management practice
1980	1990	Introduction of stakeholder theory, including the work of Edward Freeman in 1984
1990	2000	Environmental management
1990	2000	Corporate social performance
1995	Now	Stakeholder partnerships
2000	Now	Business and poverty
2000	Now	Sustainability

Table 2.7: The development of the CSR concept over the last century (Blowfied et al., 2008).

Sweeney (2006) reported that corporations responded to CSR in different ways, reflecting the evolution of CSR over the past 50 years. First, during CSR's childhood, it was ignored by greedy capitalist companies in order to satisfy the demands of their shareholders (Yakovleva, 2005). Second, during its youth, corporations began to realize the importance of contributing to society. This contribution has undoubtedly enriched the relationship between corporations and consumers. CSR is credited with rehumanising a business world that had become perilously detached from the physical and cultural environment in which it operated (Sweeney, 2006). During this time, CSR added ethical, social, environmental, and human rights practices to business practices. Currently, a large number of academic scholars believe that CSR must be upgraded to include sustainability in order to live up to its lofty goals (Sweeney, 2006; Yakovleva, 2005). Similarly, Visser (2010) has identified the ages and stages of CSR. Table 2.9 shows the ages and stages of business responses towards responsibilities and contributions to society.

Business Age	Stage of CSR	Modus Operandi	Key Enabler	Stakeholder Target
Greed	Defensive	Ad hoc interventions	Investments	Shareholders, government & employees
Philanthropy	Charitable	Community	Projects	Communities
Misdirection	Promotional	Public relations	Media	General
Management	Strategic	Management systems	Codes	Shareholders & NGOs/CSOs
Responsibilit	Systemic	Business models	Products	Regulators &

Table 2.8: Ages and stages of CSR (Visser, 2010).

To deeply evaluate the phenomena in the context of Saudi Arabian banking, it is important to understand the current stage at which CSR is practiced in Saudi Arabia. Another question emerges as to whether these different views, dimensions, stages and the development of the concept still refer to exactly the same notion or if there are different types of CSR. This prompts an investigation of the types of CSR and how they could influence the notion of CSR.

2.9. Types of CSR

CSR is implemented according to two different means: the institutional underpinning and voluntary CSR initiatives. Reviewing these perspectives helps to better understand the corporate perception of a responsible business, to embed CSR within organizations more effectively, and to involve firms more deeply in CSR activities (Matten et al., 2008; Gamble et al., 2000).

2.9.1. Explicit vs. Implicit CSR

Firms can be classified into two groups according to their institutional underpinnings of CSR policies and procedures: explicitly and implicitly CSR-oriented firms. Explicit CSR policies are standards commonly adopted by American companies, as they operate according to specific policies and procedures (Matten et al., 2008). On

the other hand, implicit CSR policies, which are commonly used in European countries, tend to be associated with few CSR-related initiatives. Table 2.10 highlights the main differences between the two CSR operating policies.

Explicit and Implicit CSR Compared	
Explicit CSR	**Implicit CSR**
Describes corporate activities that assume responsibility for the interests of society	Describes corporate activities within the wider formal and informal institutions oriented towards society's interests and concerns
Consists of voluntary corporate policies, programs, and strategies	Consists of values, norms, and rules that result in (often codified and mandatory) requirements for corporations
Incentives and opportunities are motivated by the perceived expectations of different stakeholders of the corporation	Motivated by societal consensus on the legitimate expectations of the roles and contributions of all major groups in society, including corporations

Table 2.9: Explicit and Implicit CSR (Matten et al, 2008, p. 11).

However, a number of European organizations have recently shifted from implicit CSR policies to explicit CSR policies. According to Matten et al. (2008):

> *The recent adoption of explicit CSR among European MNCs is related to the wider national (and supranational) European institutional re-ordering which provides incentives to adopt corporate level managerial solutions (p. 17).*

2.9.2. Soft vs. Hard CSR

CSR activities adopted by firms can also be classified according to the origin of the regulations which govern them: soft CSR (self-regulated) or hard CSR (government regulated). In reality, firms tend to adopt CSR activities that also fulfil their business interests (Naidu, 2008). Thus, some firms have developed a concept of nonproduct-based CSR activities, in which they apply the CSR concept only to issues that are not directly related to production, such as labour and human rights issues. Such an attitude contradicts the comprehensive nature of the CSR notion (Gamble et al., 2000). These are firms that undertake CSR insincerely, for marketing purposes only.

Other scholars believe that it is time to establish a mandatory CSR programme in order to unify and process the outcomes of CSR activities. These latter scholars call for official government interference to force corporations to apply a set of standards and guidelines. The mandatory CSR standards are called hard CSR, while the self-regulated CSR standards are called soft CSR (Naidu, 2008). Governments can benefit from a number of existing international standards for CSR activities, such as ISO 26000 (International Organization for Standardization) and CSR standards published by the BSI (British Standards Institutes), or they may develop their own standards and guidelines (Naidu, 2008).

Soft CSR consists of self-regulated CSR standards that are initiated by the corporate code of conduct. It is sometimes referred to as "beyond-the-law CSR standards," since the firm commits to behaving in a moral way subject to it is own ethical beliefs (Utting, 2005; Naidu, 2008; Warwyk, 2003). In this form of CSR, corporations base their standards on their own views of their obligations toward their stakeholders. According to Naidu (2008), there are four advantages of implementing soft CSR standards: 1) these standards are tailored to the interests of the corporations and their stakeholders, and take into consideration the specifics of the culture and industry; 2) soft CSR helps corporations to be creative in developing activities that are newer and more attractive than the ordinary activities; 3) soft CSR standards are more elastic and responsive to the changes in economic, social, and environmental trends; and 4) soft CSR minimizes the conflicts between CSR activities and business objectives (Naidu, 2008).

After reviewing current soft CSR standards, specialists in the CSR field have developed a number of criticisms of these standards. While these issues are common among soft CSR standards, they do not always hold true (Naidu, 2008). These

criticisms include the following concerns: 1) in most cases, these standards cannot be globalized or applied to the overseas branches of the corporations, as they are developed on the basis of local culture, needs, and interests; 2) soft CSR standards are not usually recognized as readily as are hard CSR standards; 3) the same applies for the credibility and visibility of these standards, which are not globally recognized; 4) soft CSR standards are generally seen as non-comprehensive, as they do not cover all aspects of CSR; 5) soft CSR standards sometimes do not take all the stakeholder groups into consideration; 6) soft CSR is not consistent and usually does not last a long time, since the activities are optional and can be stopped or changed without notice; and 7) soft CSR is run on an ad hoc basis in some organizations. These issues arise due to a lack of communication about how these standards are developed, and due to the conflicting interests of stakeholders and management regarding the priorities of CSR activities.

> *The weaknesses of soft CSR "force the question of when and how the myriad voluntary 'codification' can be turned into binding legal provisions or uniform standards. Voluntary standard setting lacks features found in public rule making mechanisms" (Naidu, 2008, p. 35).*

Hard CSR standards are mandated by law, NGOs, or other civil societal bodies. Corporations that apply hard CSR standards often win the credibility of their stakeholders, as they are compliant with well-established and recognized standards that are viewed as fair and transparent in process (Utting, 2005). According to Naidu (2008), hard CSR standards are developed by different stakeholder groups who specialize in the setting of standards and guidelines. Moreover, these standards are subject to criticism and changes in some of the more developed countries, in accordance with stakeholders' views. Also, when firms adopt hard CSR standards,

they ensure consistency, which means that these standards do not contradict local or international laws.

Hard CSR policies react slowly to changes in economic, social, and environmental trends because of the formality of their structure and the number of departments involved. In addition, some locally-developed standards cannot be globalized because of their particular geographical or cultural contexts. Furthermore, the limitations of governmental resources allocated to these standards affect their development. Also, there is an on-going argument concerning whether taxpayers should pay for the development of these standards. Businesses also lobby aggressively against rules that conflict with their dynamic business plans. Lastly, if CSR standards are set by the government, no single company has a competitive advantage, as every organization in the market has to apply the same standards (Naidu, 2008).

The power that forces organizations to become more socially engaged comes mainly from five sources: government regulation, shareholders' values, media and academia, consumer behaviour and civil society (e.g., consumers' rights and employees' rights). Each of these sources has power to urge the advancement of CSR in developed countries (Karnani, 2010). The question is whether these forces are able to move CSR forward in Saudi Arabia.

In Saudi Arabia, setting hard CSR regulations is a challenge, as CSR is a relatively new concept and there is not enough government regulation to force or motivate firms to become involved in CSR activities. The absence of a civil society, the lack of support from media and academia, and the inadequate backing from customers

also makes soft CSR a challenge. We must determine how to overcome these challenges.

Soft CSR can be encouraged by increasing societal awareness of the negative impact of corporations on society and the environment. This will motivate the media and academics to address CSR issues and to push civil societies and consumers to respond positively to corporate behaviours. Table 2.11 summarizes the differences between soft and hard CSR.

	Soft CSR	Hard CSR
Concept	Voluntary CSR (self-regulated). Initiated from corporate codes of conduct, i.e., beyond law.	Mandatory CSR (government-regulated). Compliant with law.
Advantages	- Tailored to corporate interests - Allows for creative ideas and programmes - More flexible and responsive to changes in economic, cultural, and social trends. - Minimizes conflicts	- Well recognized by society - Credible and highly visible - Comprehensive on different aspects - Covers different stakeholders' groups - Approved budget and action plans
Disadvantages	- Cannot be generalized - Not well recognized by society - Not comprehensive - Does not cover all stakeholders' groups - Runs on an ad hoc basis	- Not tailored to firms' interests - Does not encourage creativity - Less flexible and not responsive to economic, social, and cultural changes - May conflict with organizations' objectives

Table 2.10: Comparison between Soft and Hard CSR.

2.10.   Level of CSR Embeddedness

This section does not aim to identify the actions and processes through which CSR can be embedded in Saudi local banks. Instead, it aims to identify the stages that organizations go through before they become socially oriented. In reality, a bank's

perception of CSR is a reflection of its current stage of CSR, and understanding these stages will facilitate a better evaluating of the existing perceptions.

According to Scheffer et al. (2010), it is hard to find a perfect CSR organization, as the CSR concept itself is not yet perfect. In addition, adopting CSR standards is a process that requires time and effort. Therefore, corporations should measure their steps as they shift to CSR compliance (Scheffer et al., 2010). For this reason, the CSR level frameworks were developed. According to Gordon (2006), there are two commonly used frameworks to evaluate the level of CSR within organizations. These frameworks were developed by Roberts (2003) and Zadek (2004). These two models were developed on the basis of initial work by Elkington (1994), who suggested that corporations' approaches to CSR evolve through a number of phases: ignorance, awakening, denial, guilt reduction (displacement behaviour and tokenism), conversion, and integration.

Roberts (2003) stated that organizations go through four levels before they become socially responsible. These levels progress through negative, ethics of Narcissus, the responsible director, and dialogue with the vulnerable. In the first level (negative), organizations begin to realize negative feedback is coming from a number of stakeholders, such as customers, suppliers, employees, and civil and environmental societies. This level sparks the firms to begin CSR activities. In the second level (ethics of Narcissus), the organizations comply with the basic industry standards to minimize the number of compliance issues regarding their operations. In the third level (the responsible director), organizations try to distinguish themselves through the social and environmental activities in their agenda. Organizations at this level also seek to receive rewards and accreditations for their CSR programmes. Zadek (2004) argued that the responsible director stage is divided into two sub-stages:

managerial, when firms act as good citizens; and strategic advantage, when firms adopt CSR to develop competitive advantages and embed CSR in their core business. This implies that organizations are expected to resist the notion of CSR in the early stages. In the last level (dialogue with the vulnerable), organizations engage in a dialogue with other groups to receive feedback on what is expected from corporations, what they can improve upon, and how to prioritize their activities (Roberts, 2003). It remains to be determined how to accelerate the change from one stage to another and what the implications of each stage are for the stakeholders' CSR perceptions. Table 2.12 represents the stages presented by Roberts (2003) and Zadek (2004).

Levels	Zadek (2004)	Roberts (2003)	Conviction	Example Practice/Activity
1	Defence	Negative	"It's not our job. We didn't do that."	
2	Compliance	Ethics of Narcissus	"We comply with industry standards. It's the cost of doing business."	• Compliance with laws, standards, etc., currently in place
3	Managerial	Responsible Director	"It's good business. We are trying to be active citizens."	• Survey employees and customers about CSR initiatives and satisfaction • Initiate NGO partnership • Open and respectful culture
4	Strategic Advantage		"CSR gives us a competitive edge. It's part of our core business strategy."	• Chemical recycling program to collect and recycle waste
5	Civil	Dialogue with the Vulnerable	"It's good for society. We need to promote broad participation by other companies."	• Cooperate with universities to create CSR courses and research into CSR • Participate in CSR business forums • Contribute to the dialogue to create CSR standards

Table 2.11: Similarities and differences between the models of Roberts (2003) and Zadek (2004). (Gordon, 2006, p. 40).

2.11.   Motives for CSR

Identifying the driving forces that motivate organizations to become CSR-oriented should contribute to better evaluations of their perceptions of and commitment to CSR (Sharma & Kiran, 2013). These drivers have an impact on how the notion of CSR is conceived by different stakeholder groups (Haigh et al., 2006). According to Daly (1997), there is a real need for a systems-thinking approach to configure the factors that impact corporations and their stakeholders' CSR activities. According to Kotler and Lee (2005), firms gain a number of tangible and intangible benefits by engaging in CSR activities, such as boosting sales and market value, improving brand positioning and corporate image, attracting new customers, retaining and motivating employees, and cutting costs. The question is whether these motives are always similar among different countries or if there are different aspects that influence these motives.

Visser (2008, p. 481) believes that CSR motives differ between developed and developing countries, as the concepts of philanthropy and charity have been rooted in the cultures of developing countries for more than a thousand years, due to the traditional values of Hinduism, Buddhism, Islam, and Christianity, which all express "ethical condemnation of usurious business practices." Zadek et al. (2008) argue that these driving forces are practically the same among different countries, cultures, and nations regardless of their economic and industrial development, as philanthropic behaviours are common among cultures.

The findings of previous studies that explored the motivation behind CSR activities can be classified into five streams: 1) increasing pressure on corporate activities, which creates corporate motivation; 2) stakeholder motives; 3) national vs.

international motives; 4) the 3C motives (company, customers, and cause); and 5) ethical vs. instrumental motives.

First, corporations receive increasing pressure on their daily activities, which motivates them to consider different levels of stakeholder issues and thereby avoid undesired circumstances (Zadek et al., 2008). Corporations become more socially involved due to increasing social, environmental, and business pressure coming from seven main areas: 1) the huge growth of the private sector; 2) the damaged corporate image and the need to improve it; 3) the increasing number of activists who highlight the negative impacts of corporate activities through the use of media; 4) the increase in stakeholder concerns about corporate activities; 5) the limited role of government due to resource constraints; 6) the increase in global challenges such as climate change; and 7) the increase in awareness of the criticality of intangible assets such as goodwill, value, innovation, and customer relationships (Zadek et al., 2008).

Second, Haigh et al. (2006) state that the pressure on corporations to adopt CSR activities comes from local competition among six major stakeholder groups: corporations, investors, customers, the public sector, regulatory requirements, and civil societies (Haigh et al., 2006). Each of these groups' plays a significant role in motivating firms to become socially responsible, as satisfying these stakeholder groups is expected to have positive consequences for business continuity (Haigh et al., 2006).

The third group of motives introduced by Visser (2008) include ten CSR drivers, which can be categorized into two main driving forces: national and international. National drivers spring from the local culture, laws, and current situation of a certain

51

country, while the international drivers spring from global circumstances. Tables 2.13 and 2.14 present the national and the international drivers, respectively.

National Drivers	Description
Cultural tradition	CSR often draws strongly on deep-rooted indigenous cultural traditions of philanthropy, business ethics, and community
Political reform	CSR cannot be divorced from the socio-political policy reform process, which often drives business behaviour
Socio-economic priorities	CSR is often most directly shaped by the socio-economic environment in which firms operate, and the development priorities this creates.
Governance gaps	CSR is often seen as a way to plug the "governance gaps" left by weak, corrupt, or under-resourced governments that fail to adequately provide various social services.
Crisis response	CSR responses can be catalysed by economic, social, environmental, health-related, or industrial crises.

Table 2.12: National Drivers of CSR (Visser, 2008) in Oxford Handbook of CSR, pp. 475-478.

International Drivers	Description
International standardization	CSR codes, guidelines, and standards are key drivers for companies wishing to operate as global players.
Investment incentives	CSR is encouraged by the trend of socially responsible investment (SRI), where funds are screened on ethical, social, and environmental criteria.
Stakeholder activism	CSR is encouraged through the activism of stakeholder or pressure groups, often acting to address the perceived failure of the market and government policy.
Supply chain	CSR activities among small and medium-sized companies are boosted by requirements imposed by multinationals on their supply chains.

Table 2.13: International Drivers of CSR (Visser, 2008) in the Oxford Handbook of CSR, pp. 475-478.

The fourth group is identified as the 3C motives for CSR. According to Bhattacharya (2004), CSR initiatives benefit not only firms, but customers and causes as well. Thus, there are three main benefit streams: benefits to the company, benefits to customers, and benefits to the cause. These three benefit streams can be divided into two levels of outcomes: internal and external. Table 2.15 summarises these benefits.

Beneficiaries	Internal Benefits	External Benefits
Company	• Awareness • Attributions • Attitude • Attachment	• Purchase • Price Premium • Loyalty • WOM • Resilience
Customers	• Well-being	• Behaviour • Modification
Cause	• Awareness • Attitude	• Support: Time, Money, WOM

Table 2.14: Streams of CSR Benefits. Adapted from Bhattacharya et al. (2004).

These streams of benefits can be viewed as motives that encourage firms to become socially responsible. Clearly, both internal and external company benefits provide direct motivation for firms to become more involved in socially responsible activities.

The fifth group includes the ethical and instrumental motives. As reported by Khan (2009), there are two main motivations for banks to consider CSR initiatives in their business strategy: the market requirement and the social requirement. The market requirement views CSR initiatives as a marketing tool in order to satisfy consumers and attract their attention to the company's brand. The social requirement, in contrast, views CSR initiatives as moral issues that represent the citizenship of the organization (Khan, 2009).

According to Smith et al. (2007a), there are on-going debates about whether the main drivers of CSR activities are financial or ethical. The ethical theorists believe that ethical values are the core drivers of the relationships between business and society. The instrumental theorists believe that financial benefits are the core drivers of these relationships. Profit making is key for corporations to conduct any business or social activities (Smith et al., 2007a). Corporations always seek financial benefits by increasing shareholder value, and corporations can be called responsible only if

they generate profit to shareholders. Profit making is therefore essential to ensure business continuity (Bansal, 2005). CSR concepts can be utilized to satisfy corporations' desires to generate financial benefits by increasing sales, enhancing brand image, and developing competitive advantages without contradicting their ethical values (Bansal, 2005).

On the other hand, the former group argues that corporations should contribute to society by paying back the loan they take out by consuming the country's resources and using its public utilities; e.g., infrastructure and national resources. They should not seek any financial benefits from their CSR activities. This group believes that CSR should be driven only by moral duties. According to Hemingway et al. (2004), financial benefits do not always explain corporate social activities. In many cases, it is the managers' and investors' personal values and beliefs that drive firms to become socially responsible. Managers' and shareholders' sense of altruism could influence organizational behaviours (Hemingway et al., 2004). However, financial and ethical motives do not necessarily contradict each other, and they can be joint motivations for corporations to become socially responsible. Smith et al. (2007a) stated that:

> *The motives for CSR actions are often mixed, it is impossible to claim either one motive or another. There are no particular motives that can be authorized to have an advantage over another. Many strategies and instruments for social actions can be used in harmony with one another (Smith et al., 2007a, p. 3).*

According to Visser (2008), reviewing the motives and the challenges that face CSR helps in figuring out why CSR is perceived and practiced in certain ways within given contexts. The unresolved issues about the factors that influence CSR motives

in different contexts need to be explored. This suggests investigating the motives of local banks in Saudi Arabia for becoming involved in social activities, as this could lead to better evaluations of how CSR is perceived.

2.12. Challenges for CSR

In order to evaluate the perceptions of CSR (and what social initiatives banks actually undertake), it is crucial to understand the factors that limit firms' ability to become more involved in social activities. Thus, this section will discuss a number of factors that make an organization less inclined to become socially oriented. According to Den Hond et al. (2007), challenges facing corporations that concern their CSR activities can be grouped into three main categories: governmental, business, and stakeholder challenges. Governmental challenges include developing regulations and providing incentives to promote CSR activities. Business challenges include conflicts between business orientation and social orientation. Stakeholder challenges include awareness and support of different groups of stakeholders (Den Hond et al., 2007). This section will discuss governmental challenges and business challenges, while stakeholder challenges will be discussed in the chapter on consumer behaviour.

According to Petkoski et al. (2003), governments are expected to perform certain duties in order to facilitate corporate social initiatives. Failure to perform these duties would limit corporate ability to become more socially involved. These duties include mandating, facilitating, partnering, and endorsing (Štreimikienė & Pušinaitė, 2009). Mandating duties include command and control legislation, regulators and inspectorates, and legal and fiscal penalties and rewards. Facilitating duties include enabling legislation, creating incentives, capacity building, and support funding,

raising awareness, and stimulating markets. Partnering duties refer to providing an official umbrella for corporations to operate under by combining resources, inviting different groups of stakeholders to engage with corporate social activities, and initiating dialog. Endorsing duties refer to governmental support and approvals for the social activities of corporations. They also include political support, publicity, and praise. These roles are summarized in table 2.16.

Public Sector Roles			
Mandating	'Command and control' legislation	Regulators and inspectorates	Legal and fiscal penalties and rewards
Facilitating	'Enabling' legislation	Creating incentives	Capacity building
	Funding support	Raising awareness	Stimulating markets
Partnering	Combining resources	Stakeholder engagement	Dialogue
Endorsing	Political support	Publicity and praise	

Table 2.15: The role of the public sector (Petkoski et al., 2003, p. 5).

The limitations and challenges of responsible businesses can be classified into four main issues: organizational, structural, budgetary, and management (Singh Das, 2011). First, organizational issues can be referred to as the lack of awareness of what CSR means, and what CSR initiatives are within the organization. Unlike other business activities, CSR initiatives are known to have overlapping responsibilities across different departments. These sorts of activities require full cooperation between different units (Singh Das, 2011). Second, there are structural issues as some companies do not have units dedicated to developing CSR action plans. This limits the corporate ability to plan, implement, and evaluate CSR initiatives. Third, budgetary issues also limit organizational ability to conduct a number of CSR activities. Shareholders are generally willing to donate to charity organizations rather than shifting the core business of the organization to become more CSR oriented, or even green (Singh Das, 2011). Budgets for charitable activities are usually paid from

the marketing or public relations budget. However, embeddedness of the CSR notion into operations is a long-term goal, which requires an on-going review of the business model and related expenses. Fourth, managerial issues refer to the amount of time and effort that managers need to spend in order to implement CSR initiatives. Like other strategic decisions, CSR implementation requires continuous review and action. In reality, managers tend to focus on short-terms goals to show shareholders short-term profits. However, CSR activities are strategic goals that require time to demonstrate their full impact on financial statements. As a result, managers do not tend to allocate enough time and effort to CSR activities (Singh Das, 2011). These limitations may differ from one country to another in accordance with established social regulations, the level of business ethics within the industry, and the level of customer support towards responsible businesses. For example, governmental limitations are directly related to the country's ability and resources for mandating and partnering. This calls for exploring the challenges that businesses face in becoming more socially responsible before investigating the perception of CSR. The question is, after reviewing these limitations, how can a cooperative environment be created in order to overcome these limitations?

2.13. Conclusion

Although CSR has received increasing attention from academics and practitioners, there is still a major debate about what CSR is, what its dimensions are, and how it should be conceptualized. The key point is, CSR is firmly expected by stakeholders. This chapter started with a brief background about CSR and how it emerged, explained the contextual differences and built the case for CSR. Then, it introduced the reader to the notion of CSR, the development of the CSR concept over time, and the types of CSR. After that, it tackled the level of CSR embeddedness, motives, and

challenges that responsible businesses face. This chapter provided the necessary theoretical background to achieve the proposed objective of the research in relation to the concept of CSR. It drew from the literature a number of areas that need discussion prior to investigating the perception of CSR, such as the CSR concept from different stakeholders' points of view, and exploring the motives and challenges that face responsible businesses. The next chapter will discuss the context of this study; i.e., Saudi Arabia and the banking industry.

3. The Context of the Study

3.1. Introduction

This chapter introduces the context of the study—Saudi Arabia and the banking industry—to better understand the empirical data gathered in this study. This study was carried out in Saudi Arabia and focuses on investigating the perception of CSR within the banking industry. The aim of this chapter is to illustrate how distinctive characteristics of Saudi Arabia and its banking industry will contribute to the findings of this study. This chapter starts with a brief background discussion of the role of local culture on influencing the understanding of CSR and on influencing business practices. Then, it will introduce the uniqueness of the Saudi Arabian context. After that, it will outline the banking sector of Saudi Arabia. Finally, CSR within the Saudi context will be presented. Explaining the economic and cultural-religious atmosphere in Saudi Arabia is relevant for two main reasons. First, the booming and stable economy of Saudi Arabia raises the bar for governmental and corporate social initiatives expected by people living in Saudi Arabia, and even by socially concerned people around the world. Second, Saudi Arabia's religious status as the source of the message of Islam, and the mainland where the first events of Islam took place, has made Saudi Arabia an example for Muslims around the world.

3.2. Background

According to Nijhof & Jeurissen (2006) cultural differences, combined with the social structure of societies, have a clear impact on understanding CSR. Azmat (2010) emphasized that there is considerable evidence to suggest that CSR is culture-bound. Globalization studies have highlighted the need to understand every culture separately in order to meet the maximum expectations of consumers (Jamali and Mirshak, 2007). Local culture can be defined as the "coherent, learned, shared view

of a group of people about life's concerns, expressed in symbols and activities, that rank what is important, furnishes attitudes about what things are appropriate, and dictates behaviour" (Beamer and Varner, 2008, p. 6).

It is understood that an organization's culture is a mix of the local culture where firms are operating, staff religious beliefs, the background of local and expatriate employees, and the values and norms that are ingrained as part of the corporate identity (Hunt, 1996). Importantly, the result of this mix should not conflict with stakeholder values (Al-hamadi, 2007). According to Flannagan (2011), cultural factors such as individualism versus collectivism, power distance, uncertainty avoidance versus uncertainty tolerance, masculinity versus femininity, person-nature orientation and high context versus low context (Hofstede, 2011), all clearly affect the views of CSR from one culture to another. This highlights the importance of investigating CSR within cultural boundaries. HRH Prince Sultan Bin Salman Al-Saud stated that "the CSR culture cannot be exported specially in societies that have rich values…" and "… CSR does not come from scratch, it comes from the existing values and beliefs embedded in the society" (Key Speech on the Second CSR Conference, 2012). The values of Islam dominate culture and society in Saudi Arabia with 95% Sunni and 5% other (Royal Embassy, 2011; Aarts et al., 2005). In general, Arab states are classified as closed societies (very conservative), as they used to live in a challenging environment which always relied on the Bedouin roots of the tribes. As one of the most conservative Arab societies, Saudi citizens still practice pre-Islamic traditions such as poetry, storytelling and the men's sword dance (Rubin, 2005). Regardless of the fact that local culture plays a major role in the way social issues are perceived, delineated and tackled, Saudi citizens are less reactive toward social issues as compared to citizens of the United States due to the fact that Saudi

Arabians perceive a lower magnitude of social problems, less social condemnation, less perceived frequency, and less perceived mutability (Hunt, 1996). Since 1996 not must has been conducted on how Saudi Arabians react to social and environmental issues. This suggests investigating the case for CSR within the Saudi context to find out whether or not CSR's case is supported within the boundaries of Saudi Arabian society. The question emerges as to what cultural factors influence the perceptions and customers' responses of the notion of CSR.

3.3. The Local Culture

In order to deeply understand the social issues, neither individual characteristics nor subcultures can be neglected (Deresky, 2006). Faith plays a major role in most Arab cultures, especially in Saudi Arabia (Aarts et al., 2005). This implies that Islamic values are expected to influence culture, and consequently influence the perception of CSR. Therefore, in is necessary to shed some light on these cultural factors. Saudi Arabia is known for its very conservative culture and high uncertainty avoidance factors (Metz, 1993). Saudi society is regarded as one of the most homogenous societies in the world. According to Barakat (1993);

> *Saudi citizens share the same type of cultures, values, language,*
> *ethnic, religion believe and the sectarianism (p. 15).*

Hofstede (2011) has pointed out that most Arab countries share the same cultural values, which are derived from their Islamic beliefs. However, there is on-going debate that recommends the exclusion of countries such as Lebanon and Morocco from this group, because they do not really socially or culturally represent Arabic values (Sedan et al., 2000; Ali et al., 1995). Even though Saudi society is known for its homogeneity, stereotypes are still hard to establish (Deresky, 2006). Nevertheless,

the homogeneity of Saudi citizens provides an excellent starting point for understanding its culture.

Arab society is categorized as a high context society where commitments are made by interpretation of traditions, history, values and background rather than by receiving a direct message in verbal or written form (Samovar et al., 2009). According to Deresky (1994):

> *In high-context cultures, feelings and thoughts are not explicitly expressed and key information is embedded in the context rather than made explicit (p. 441).*

One major characteristic of high-context societies is that

> *People depend heavily on the external environment, situation, and non-verbal behaviour in creating and interpreting communications and one needs to be able to read between the lines and interpret covert clues as much meaning is conveyed indirectly. Because of the strong and implicit ties binding people to organizations, information spreads freely, informally and rapidly in high-context cultures. Further, high-context cultures are characterized by relatively long-lasting relationships, a clear distinction between members of the group and outsiders with a premium placed on one's loyalty to the group, and managers are personally responsible for the actions of their subordinates while agreements tend to be spoken rather than written (Mead, 1998, p. 29-30).*

Saudi society is different to other Arab societies, as they apply their own special understanding of Islamic law to daily life. There are seven major examples of regulations which are referred to as the "uniqueness of Saudi Society" (Champion, 2003, p. 15). First, unlike other Arab states, cinemas and theatres are forbidden in

Saudi Arabia except for a limited number of in-school activities. This law has directly increased the demand for coffee shops and movie rental shops. Second, the separation between genders starts from the first primary school grade. This concept also applies to gyms, universities, workplaces, places of worship, restaurants, and even in family and social activities, such weddings and birthdays. Thirdly, the Religious Police forces citizens to perform worship by applying the principles of the promotion of virtue and prevention of vice. Fourth, alcohol is prohibited to drink, sell, or serve. Violation of this law exposes one to the risk of imprisonment. According to this law, bars and pubs are not allowed in Saudi Arabia—even hotels are not allowed to serve alcohol or beer. This law has increased the demand for soft drinks dramatically. The same applies to pork products, which are also prohibited by law, and which increase the demand for turkey ham. Fifth, shops are asked to close five times a day for half an hour for prayer time. Sixth, women are not allowed to drive cars. Therefore, drivers are required in order for women to go from one place to another. Finally, women are only allowed to work in workplaces specifically designated for women (where men are not allowed to enter), like girls' schools and colleges, female bank branches and women's government offices. Women are not allowed to work in positions where they are exposed to members of the other sex, like supermarket cashiers, customer service positions, receptionists, secretaries, or as sales persons. However, there are limited exceptions in the medical and health sectors, so that women are allowed to work as doctors, nurses and pharmacists. According to the Census 2010, Saudi women represent 49.1% of the Saudi population; however, they only form 7% of the Saudi workforce (Rubin, 2005; Busheled, 2009; Metz, 1993; Aarts et al., 2005; Al-Hazimi et al., 2006; Jones, 2010; Shelley, 2010; Deresky, 2006; Census, 2010; Ministry of Labour (MOL), 2011).

This unique aspect of Saudi society shapes social life and is expected to form the understanding of social phenomena as these unique aspects control social and leisure activities (Rubin, 2005). This implies different needs and different expectations for the social initiatives proposed by the government and private sectors. The concern is how these differences would affect the soundness of the CSR case, taking into consideration that Saudi citizens do perceive a lower magnitude of social problems, less social condemnation, less perceived frequency, and less perceived mutability (Hunt, 1996). More information about Saudi Arabia can be found in Appendix 13.1.

3.4. The Banking Industry

After introducing the local culture of Saudi Arabia as a context of this study, this section will introduce the banking industry in Saudi Arabia, as the empirical data are gathered from banks' CSR managers (interviews) and bank customers (questionnaire). This section establishes an overview of the banking sector, banks operating in Saudi Arabia, and the role of banks in society.

3.4.1. The Banking Sector in Saudi Arabia

Saudi Arabia stands firmly with one foot in the developed industrial world (economy), and the other foot still tenaciously in the third world (Metz, 1993). The Saudi banking sector is seen as vital to and a pillar of the local economy, although the banking sector in Saudi Arabia represents only 58% of GDP, which is relatively small. The credit ratings of Saudi Arabia are shown in Table 3.1.

The Country Rating	Fitch	Moody's	S&P
Kingdom of Saudi Arabia	AA-	A1	A-

Table 3.1: Credit Ratings of Saudi Arabia (BankScope, 2012).

In general, banks provide relatively similar services and it is hard to confirm consumer behaviour (especially customer loyalty) in highly homogeneous industries such as the banking sector, due to the small amount of differentiation between the services which are offered and the high costs of switching banks (Mandhachitara et al., 2011; de los Salmones et al., 2005). This suggests a need to examine the value of CSR within banking industries and its consequences on consumer behaviour to determine its ability to differentiate and add competitive advantages among homogeneous services. Investigating CSR—which is commonly viewed as a non-service related concept—in the context of a service industry such as banking should contribute to better investigation the concept without the influence of external product-related factors (Mandhachitara et al., 2011; de los Salmones et al., 2005). Therefore, banking industry has been choosing to be the context of the current study. More details about this gap are provided in section 4.6.

3.4.2. Banks Operating in Saudi Arabia

Currently, there are a total of 23 banks licensed to operate in Saudi Arabia. The banking sector consists of 12 local banks and 11 banks licensed to operate as foreign banks. Half of the local banks have foreign partnerships with international banks, while the other half is 100% local capital. All of the local Saudi banks have their head offices in Riyadh except for the National Commercial Bank and AlJazira, which have head offices in Jeddah (SAMA, 2014). According to SAMA (2014), Banks in Saudi Arabia provide advanced banking services to their customers, such as online banking, mobile banking, customer service 800 numbers, credit and debit cards, and Automatic Teller Machines (ATMs). Please see Appendix 13.2 for the financial statistics of these banks. According to Demirgüç-Kunt et al. (1999) and Claessens et al. (2001), banks from developed countries are less interested in

providing retail banking services abroad than in providing corporate banking, private banking, wealth management and investment services, due to the fact that they do not have enough customer data to help them generate high-volume income from the retail banking sector. As a matter of fact, there is equal competition in both retail and corporate banking; however, the high volume deals in corporate banking make even a very small marginal income attractive for foreign banks (Tschoegl, 2002). This is also the case in Saudi Arabia. Nine of the eleven foreign banks in Saudi Arabia avoid the retail banking sector as they consider it saturated, requiring a customer database and big network branches, high risk (since they do not have access to credit history), and difficult to achieve high volumes that make the retail sector attractive in the short run.

3.4.3. Banks' Interaction with Society

Carroll et al. (2010) stated that societies firmly expect businesses to react responsibly. The question is why organizations should be concerned about society's expectations. According to Marshall (1993), business and societies interact in three main areas: 1) customers, 2) employees and workers, and 3) environment and materials. Improperly interacting with any of these groups directly impacts the sustainability of the business based on a wide range of evidence—e.g., ignoring customers' social expectations undermines the company's brand image to the extent of losing its reputation (Marshall, 1993). Accordingly, embedding social expectations into the company's business model is a business decision that ultimately contributes to maximize shareholders' portfolios. This highlights the importance of businesses in expressing their social concerns to different groups of stakeholders. The question is, where does the government lie between the society and public sector?

The Saudi government realized the critical role that some industries play in the social and economic development of the country (e.g., banking and financial industries), thus it decided to become a member of the ownership structure, in addition to its role in regulating and monitoring these industries.

In terms of capital, the Saudi government owns a minimum of 5% from all the local banks apart for the smallest banks (i.e., Bilad and Jazirah), which allows the government to be present in the board meeting (Tadawul, 2014).

Bank Name	Government Ownership	Bank Name	Government Ownership
Riyadh Bank	52.0%	Saudi Investment	38.8%
Saudi National	75.0%	Saudi Hollandi	32.1%
Saudi British	9.70%	Saudi Faraci	13.2%
Samba	49.6%	Arab Bank	11.2%
Alrajhi Bank	10.1%	Alinma Bank	30.7%

Therefore, the ownership of the public sector in the private sector must be taken into consideration when discussing the social contributions of the Saudi banking industry, especially for banks with high government ownership. Given this fact, how should business interact with societies? And what is the role of business in societies at large?

Firms interact with societies according to their industry type. Empirical evidence shows that corporate social performance differs according to the industry type (Gao et al., 2009). More importantly, CSR is regarded as an industry-related concept; i.e., different industries have different social obligations (Rowley et al., 2000). This implies different types of interactions between businesses and their customers, employees and workers, and environment and materials. The key question is what are the roles of banks?

Banks not only perform an intermediary role between borrowers and depositors, they also play an active role in the money market, bond market, equity market and risk and insurance markets (Allen, Chui, and Maddaloni, 2004). According to Meyer-Reumann (1995):

Commercial banks are the single most important source of external credit to small firms. Small businesses rely on banks not just for a reliable supply of credit, but for transactions and deposit services as well. Because of their needs for banking services on both the asset and liability sides of their balance sheets, small businesses typically enter into relationships with nearby banks (p. 1110).

Knowing the role of banks, how can they perform socially? Local banks in Saudi Arabia operate under the principles of the Organisation for Economic Co-operation and Development (OECD), which ensure protection and fairness for bank transactions (SAMA, 2014). Table 3.2 represents these principles.

Principle 1	Equitable and fair treatment	Banks should deal fairly and honestly with consumers at all stages of their relationship, so that it is an integral part of the culture of a bank. Care should also be made and special attention given to older people and those with special needs of both sexes.
Principle 2	Disclosure and transparency	Banks should update information about products and services provided to consumers, so that they are clear and concise, easy to understand, accurate and not misleading, and customers can easily access this information without unnecessary inconvenience, especially the key terms and features.
Principle 3	Financial education and awareness	Banks should develop programmes and appropriate mechanisms to help existing and future consumers develop the knowledge, skills and confidence to appropriately understand risks, including financial risks and opportunities; make informed choices; and know where to go for assistance when they need it.
Principle 4	Behaviour and work ethic	Banks should work in a professional manner for the benefit of clients during their relationship, where a bank is primarily responsible for the protection of the financial interests of the client.
Principle 5	Protection against fraud	Banks should protect and monitor consumer deposits and savings and other similar financial assets through the development of control systems with a high level of efficiency and effectiveness to reduce fraud, embezzlement or misuse.
Principle 6	Protection of privacy	Consumers' financial and personal information should be protected through appropriate control and protection mechanisms. These mechanisms should define the purposes for which the data may be collected, processed, held, used and disclosed (especially to third

		parties).
Principle 7	Handling of complaints	Consumers should have access to adequate complaint-handling mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient and based on SAMA rules.
Principle 8	Competition	Consumers should be able to search, compare and, where appropriate, switch between products, services and providers easily and clearly at a reasonable cost.
Principle 9	Third parties	Banks and their authorised agents should have as an objective to work in the best interest of their consumers and be responsible for upholding financial consumer protection. Banks should also be responsible and accountable for the actions of their authorised agents.
Principle 10	Conflicts of interest	Banks must have a written policy on conflicts of interest, and ensure that this policy will help to detect potential conflicts of interest. When the possibility of a conflict of interest arises between the bank and the third party, this should be disclosed to the consumer.

Table 3.2: Organisation for Economic Co-operation and Development's (OECD) principles. Adopted from SAMA (2014).

These principles provide general outlines for banks to act responsibly toward their customers and potential customers (SAMA, 2014). Another set of principles are available at the Ministry of Work (MOW), which provides the guidelines for employees' rights, and the Capital Market Authority (CMA), which governs the shareholders' role and their relationships with the banks. The relationships between banks and members of society who do not fall into any of these groups are left for the management to decide, as long as they do not contradict any written regulations in the country. This room for contribution differentiates banks socially from each other and creates a competitive advantage based on their social presence. The main questions that should be asked by banks while designing their social programmes are: 1) who are the beneficiaries of these programmes? 2) What should banks do for them? And 3) how much do banks allocate for these programmes?

3.5. CSR in Saudi Arabia

After establishing the significance of the local culture and the industry types on how they may influence the CSR perception among different stakeholders' group, this

chapter reviews the understanding of CSR within the Saudi context. This section will discuss how CSR is perceived in the Saudi context, how CSR domains are perceived in the MENA region, and how consumers react towards banks' social initiatives in Saudi Arabia.

3.5.1. CSR within the Saudi Context

The Riyadh Corporate Social Responsibility Council (RCSRC) (2010) selected the World Business Council for Sustainable Development's (2008) definition of CSR to become the official definition of CSR in Saudi Arabia. It defines CSR as the "continuing 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 of the local community and society at large" (Holmes & Watts, 1999 p.8). This definition identifies an understanding of CSR in Saudi Arabia which can be broken down into five main areas: continuing commitment, ethical behaviours of businesses, contribution to economic development, improving the quality of life of the workforce and their families, and improving quality of life for society. Although this is a good start as a first attempt to establish a Saudi common understanding of CSR, there are a number of issues with this definition. First, the Riyadh Corporate Social Responsibility Council did not explain how and why this definition has been selected to represent the Saudi perception of CSR. Second, it is not clear if the Riyadh CSR council is the official body to define the Saudi perception of CSR, or if it is just attempting to provide a starting point for firms operating in the Riyadh area. Third, this definition just provides an overview of the CSR dimensions. It does not provide any practical guidelines for how these dimensions can be achieved. This implies that interpretation of this definition may differ widely among practitioners.

71

Therefore, it would not be helpful in providing a general agreement of what CSR is in Saudi Arabia.

Another attempt to understand CSR within a Middle East and North African (MENA) context was conducted to explore how Carroll's (1979) CSR domains differ from one context to another. Ararat's (2006) study pointed out the different perceptions of corporate social responsibility among different groups of stakeholders in Europe, America and MENA. It allows for a better understanding of how different domains of CSR are perceived differently in different parts of the world. For example, the economic responsibility of a firm is perceived as "good governance" in American context, legal framework codifying corporation constitution in Europe, and corruption and unfair competition in MENA. Table 3.5 below summarizes these differences.

	American Context	European Context	MENA Context
Economic Responsibilities	Corporate policies with regard to "good governance," "remuneration," or "consumer protection." Market driven	Legal framework codifying corporate constitution, minimum wage, sector-based legislation and regulations. Institutionalized	Corruption, Unregistered/Informal economy, unfair competition, minority rights, disclosure, manipulation and insider trading. Needs to be institutionalized since markets are largely inefficient.
Legal Responsibilities	Relatively low level of legal obligations. Market driven	Relatively high levels of legislation on business activity. Institutionalized	Enforcement, enforcement, enforcement. Laws need to be enforced and market forces should be able to act; balanced view.

72

	Corporate policies with regard to local communities.	High levels of taxation in connection with high levels of welfare state provision of public services.	Voluntary practices of better treatment of employees, customers and minority shareholders; protecting the environment; obeying the law.
Ethical Responsibilities	Individual Choices	Corporate Codes	Education awareness, wait and see.
Philanthropic Responsibilities	Corporate initiatives to sponsor art and culture or fund education. Widely present	High level of taxation sees governments as the prime provider of culture, education, etc. Limited	Filling the gap, supporting education, health care, etc., where public funds are limited. Altruistic traditions

Table 3.2: Regional Comparison of the Private Sector's Role in Society (Ararat, 2006).

Having admitted these differences, would this distinctive understanding of CSR domains in Saudi Arabia influence stakeholders' behaviours towards CSR?

CSR is perceived in Saudi Arabia as a source of support for people in need in accordance with Islamic values, but these initiatives should not always be presented in a religious form (YSRI, 2009). The same study reported a positive correlation between CSR engagements and loyalty of customers and employees. The respondents of this study believe that in the banking sector in particular, the credibility and trust of the banks are heavily affected by CSR initiatives. Employees feel proud of their banks when they are socially and environmentally active. More than that, they are keen to get a chance to work in such active CSR banks. It also affirms that communication channels and trust are the most important factors in affecting the perception of consumers toward corporations that are active in CSR. Half of the respondents believed that banks that are active in CSR are adopting high business ethics standards into their operations. Investors in the local banks perceive

CSR initiatives of their banks as "a sense of being a co-contributor" to society without affecting returns on investments (YSRI, 2009, p. 5). They consider CSR activities to be a competitive advantage that increases their market share by retaining and attracting customers. According to the study, more than 40% of investors would recommend banks that are involved in CSR activities to other investors (YSRI, 2009).

According to YSRI (2009), active CSR banks in Saudi Arabia are driven by Islamic values as well as bank values. Banks aim to enhance corporate reputation, gain community trust, build their brand to lead to additional business opportunities, and enjoy positive responses from approving government agencies. Banks in Saudi Arabia have chosen to focus on the areas of health, safety and environment, ethics and corporate governance, commitment to the communities in which they operate, and commitment to their employees (YSRI, 2009). The respondents also believe that there is always a gap between the social and environmental service provided by government organizations and that provided by non-profit charitable organizations. This gap must be filled by corporate contributions. Customers' awareness of banks' CSR initiatives is quite "widespread;" however, the priorities of CSR initiatives are different across different geographical locations (YSRI, 2009). Generally, Saudi citizens have positive opinions toward the influence of CSR activities on corporate reputation and consumer behaviour. According to the findings of this study, CSR should be directed mainly toward corporate donations to improve the quality of life for those in need, reduce poverty and unemployment, and encourage SMEs, start-ups and entrepreneurs. A concern emerges as to whether the aforementioned findings of YSRI (2009) about influence of CSR on employees, investors and customers are limited to corporate donations only or if they will also hold valid for other aspects of

CSR. Knowing this will help to support and develop the case of CSR in the Saudi Arabian banking industry.

3.6. Conclusion

This chapter focused on three sections: Saudi Arabia as the context for this study, its banking sector as the industry being examined, and the current views of CSR within Saudi Arabia. Islamic values are dominant in Saudi culture and they influence different aspects of social life and leisure. CSR is perceived in Saudi Arabia as a source of support for people in need in accordance with Islamic values, but these initiatives should not always be presented in a religious form (YSRI, 2009). There are three predominant characteristics of Saudi culture: large power of distance, high uncertainty avoidance, and masculinity, which are highly expected to influence the understanding of the concept. Arab society is categorized as a high-context society. Although a large number of researchers have generally discussed Arabic culture as one culture, there are a number of characteristics that differentiate Saudi Arabia from other Arab countries, such as the religious police and separation between males and females. Saudi Arabia has been chosen as a context of the study because of its distinctive characteristics i.e. developing, but rich and very conservative with dominant influence of the Islamic values. These factors generate social needs and domains for responsible activity for the Saudi context which is expected to widen the understanding of CSR perception and to examine the influence of CSR in consumer behaviour taken into considerations new research settings. Banks in general are not polluters, not directly harming the environment, provide financial solutions to support people and businesses, and providing homogeneous products. These characteristics of banking industry distinguish their business model and the social expectations held against their practices.

4. Consumer Behaviour

4.1 Introduction

As explained in section 2.5 (building the case for CSR), CSR is a tool to gain public support and business justifications for CSR can be drawn. However, these justifications can only be achieved based on the support that socially responsible organizations received from their current and potential customers. This implies that importance of linking CSR into consumer behaviour. Therefore, this chapter examines aspects of consumer behaviour that have been captured in the conceptual framework and provides a theoretical background of how these aspects work together under the umbrella of CSR. These aspects include customer awareness, customer support, customer perception, customer expectations, perceived value, customer satisfaction, and loyalty. This chapter discusses the hierarchy of effects models to explain the underpinning theory that integrates all consumer behaviour aspects under the proposed conceptual framework. At the end of this chapter, a summary of the theoretical gaps in the literature will be provided.

4.2 Consumer Behaviour

Consumer behaviour is generally understood as the way in which consumers seek, purchase, use, evaluate and dispose of products and services that they expect will satisfy their personal needs (Wilkie, 1994, p. 9). Although consumer behaviour concentrates on the way consumers think, feel and act in regard to a certain product or service, others argue in the social science literature that consumer behaviour is limited to "observable actions" (Solomon et al., 2009). The latter view excludes the way consumers think and feel from consumer behaviour literature. In reality, in order to understand the "observable actions" of consumers, it is essential to understand the reasons behind these actions. Thus, consumer behaviour should be defined as "the

study of how individuals make decisions to spend their available resources (money, time and effort) on products and services" (Schiffman et al., 2005, p. 2).

Consumer behaviour is regarded as a separate discipline as it cannot always be explained by economic theories (Schiffman et al., 2005). Recently, different disciplines such as psychology, sociology, social psychology, cultural anthropology, and economics have been engaged to better investigate consumer behaviour. Despite the fact that economic theory is not always the driving force behind customer response, evidence from the literature suggests that customers show high sensitivity to economic theories in the banking industry (Manrai and Manrai, 2007; Rizkallah, 2012; McDonald, 2008). Thus, economic and non-economic drivers should be investigated to better understand consumer behaviour.

4.3 CSR and Consumer Behaviour

There is growing evidence that shows a positive influence from corporate social initiatives on different aspects of consumer behaviour such as purchase intentions (Mohr et al., 2005), purchasing behaviours (Creyer et al., 1997), brand evaluation (Brown et al., 1997), improving brand image and reputation (Tan et al., 2006), and customer loyalty (de los Salmones et al., 2005). Despite the growing evidence that confirms the relationship between CSR and consumer behaviour, researchers are still observing contradictory findings. These findings inspire scholars to further investigate the phenomenon. The following sections will discuss different aspects of consumer behaviour and how they can influence or be influenced by CSR.

4.3.1 Customer Awareness

Consumers' knowledge about CSR activities introduces customers to corporate values and is responsible for satisfying customer congruence, which leads to

customer-corporate affiliation (Sen et al., 2001). Although researchers allude to the importance of awareness of CSR as an antecedent of consumer behaviour, there has not been enough empirical evidence that examines the relationship between consumers' awareness of CSR and their perception of responsible businesses (Du et al., 2007). In the past, some companies chose not to promote CSR initiatives; e.g., JP Morgan and Sara Lee used to have internal policies preventing them from promoting CSR activities, as they believed such activities should not be conducted as marketing activities (Ali et al., 2010). According to Marx (1992), only one of every 10 companies promoted their CSR activities to their stakeholders. The choice to not promote CSR activities was due to the common understanding that customers should not bear the cost of promoting the company's contribution to society (Ali et al., 2010). According to Carrigan (1997), only 35% of UK companies promote their CSR activities. However, several researchers stated that CSR activities should be promoted because they positively influence consumer behaviour (Abdeen, 1991; Daughtery 2001; Mohr 2001; Saleh et al., 2008). Corporate social disclosures and social publicity are, in fact, found to significantly influence consumer awareness and consumer perception of an organization (Schuler and Cording, 2006; Sen and Bhattacharya, 2001).

Pomering et al. (2009) regarded customer awareness of CSR as a prerequisite of consumer response. Maignan (2001) calls for more investigation of the influence of awareness level on consumer behaviour. Again, theoretically, increasing CSR awareness is believed to be positively related to consumer behaviour. For example, Lee et al. (2010) pointed out that consumer awareness of CSR activities is positively related to consumer purchase intention. The same study also found that consumer perception of CSR activities are also positively related to purchase intention.

Interestingly, Lee et al. (2010) differentiated between awareness of different CSR activities, i.e., the awareness of corporate social contributions and local community contribution significantly influence purchase intention, while awareness of environmental contributions does not influence purchase intention. The limitation of the Lee et al. (2010) study is that it examined the influence of CSR on consumer intention rather than on actual behaviour. Similar to the findings of Lee et al. (2010), Sen et al. (2006) stated that customers responded positively to CSR only if they were made aware of firms' social initiatives. According to Bhattacharya et al. (2004):

> *Clearly, consumers' awareness of a company's CSR activities is a key pre-requisite to their positive reactions to such activities. Notably, the findings from both our focus groups and survey research show that there is significant heterogeneity among consumers in terms of awareness and knowledge of companies' CSR activities: while there certainly are a handful of "CSR mavens," large swaths of consumers do not seem to be aware that by and large most companies engage in CSR initiatives (p. 14).*

Sen et al. (2006) consistently pointed out that customers' awareness of firms' CSR initiatives is the missing key that stops customers from being active and supportive of responsible businesses. In general, consumer ability to identify corporate social responsibility is quite low. The majority of early CSR research has implicitly assumed that consumers are aware of CSR practices rather than testing this assumption explicitly (Mohr et al. 2001; Berens et al., 2005; Dolnicar et al., 2007). Consumer awareness of the CSR activities of the banks they are dealing with is generally quite low, despite the offer made by banks to promote their social activities (Dolnicar et al., 2007; Pomering et al., 2009). Ditlev-Simonsen (2006) attributed the lack of consumer response towards responsible businesses to a lack of awareness of corporate social initiatives. Consumers in developing countries are less aware and

less demanding of socially responsible corporate initiatives as compared to consumers in developed countries (Gigauri, 2012). Although consumer awareness of CSR activities and social issues is quite low, it is increasing (Albareda et al., 2007). Since the awareness of CSR is a fundamental construct for consumers to be able to respond to responsible businesses, especially in the banking industry and developing countries, the results of the studies that implicitly assumed this awareness are questionable (Dolnicar et al., 2007). Investigating consumer awareness of CSR before measuring its influence on consumer behaviour is expected to enhance theoretical understanding; thus, awareness of CSR is the spark of any consumer response to responsible businesses (Dolnicar et al., 2007). Balqiah et al. (2013) stated that "customer's awareness of CSR activity will influence their loyalty through their perception" (p. 73). Similar findings were reported by Du et al. (2007). Pomering et al. (2009) suggested that researchers should differentiate between "productive" and "destructive" awareness, i.e., customers who are aware could be either "sceptical" or supportive of responsible businesses. Thus, it is essential to investigate customer support levels while measuring customer awareness in order to evaluate the value of that awareness. The call for measuring consumer awareness of CSR activities has been raised by a number of scholars (e.g., Maignan, 2001; Mohr et al., 2001). Therefore, the current study will investigate the current awareness level of CSR prior to measuring CSR perception. More details about this gap are addressed in section 4.6.

In order to better investigate consumer behaviour towards responsible business, the level of consumer awareness of CSR must be measured (Mohr et al., 2001). The term "awareness of CSR" has been widely used in the academic literature to refer to three different phenomena: awareness of CSR as a concept, awareness of CSR

activities or initiatives, and awareness of social issues. Each one of these three phenomena has been evaluated and measured by adopting different techniques. Despite the importance of measuring customer awareness of the CSR concept, Mohr et al. (2001) have pointed out that it had not previously been measured due to the complexity of the concept. However, a number of recent attempts have been made to measure CSR in different ways. More details about measuring CSR awareness are discussed in section 7.5.

4.3.2 Customer Support for Responsible Businesses

As explained in the previous section, evaluating customer support will contribute to a better evaluation of consumer responses towards responsible businesses. Customer support towards responsible businesses is addressed as customer readiness to react positively toward socially responsible activities (Maignan, 2001). It can be explained through a number of attitudes and sacrifices made by customers to favour responsible businesses, such as commitment to purchase from this brand, making this brand a first choice of purchase, becoming loyal to these brands, resilience to negative information about the company, giving positive word of mouth about the brand, and willingness to pay a price premium (Bhattacharya et al., 2004). Maignan (2001) identified five main items to assess customer support: 1) being willing to pay more to buy products from socially responsible firms; 2) considering ethical reputation while shopping; 3) avoiding purchases from immoral firms engaged in immoral activities; 4) being willing to pay more to companies that care for social well-being; and 5) when choosing between two products of the same quality and price, selecting the one that is associated with a company's socially responsible reputation. According to Gilbert et al. (2006), firms attain tangible and intangible benefits from their CSR activities, some of which are forms of customer support,

e.g., increased customer loyalty, increased support from the community, increased sales, and minimal criticism from the public. Table 4.1 shows the perceived benefits of the public perception of CSR.

Perceived Benefits	%
Improve public image/reputation	81.70%
Increase brand image	74.00%
Increase support from the community	69.70%
Improve employee morale	53.80%
Increase customer loyalty	46.20%
Lower criticism from public	40.90%
Enhance investors' confidence	39.40%
Attract quality employees	35.60%
Enhance employee loyalty	32.20%
Increase sales	25.00%
Minimize regulatory problems	25.00%
Minimize restrictive regulations	15.40%
Improve market price of shares	14.40%
Others	3.40%
No benefit	1.90%

Table 4.1: Public Perception of the CSR Benefits of Organization (Gilbert et al., 2006)

Gilbert et al. (2006) found strong evidence to support the argument that CSR helps corporations gain customer support. However, this support is a function of how CSR is perceived (Green et al., 2011). Maignan et al. (2005) stated that firms may enjoy significant support from consumers for their brands as a result of their investment in CSR activities as long as customers are made aware of these initiatives. Although customer support for responsible businesses is different from customer willingness to punish irresponsible corporate social behaviours, Creyer et al. (1997) reported that customer readiness to reward responsible behaviours is the same as their readiness to punish irresponsible behaviours.

According to Maignan (2001), only a limited number of researchers have tested whether customers actually do support corporate responsibility. The majority of researchers who examined customer support towards responsible business did not

investigate how customers actually do perceive responsible businesses in the same context. In reality, a great number of these studies were limited to one aspect of CSR, such as corporate donations or ethical practices, e.g., Podnar et al. (2007). As the common understandings of CSR were driven by societal expectations of what constitutes a responsible business (Carroll, 1979), it is highly expected that customers are willing to support corporate initiatives that match their expectations (Podnar et al., 2007). Creyer and Ross (1997) empirically confirmed that customers' reactions and responses towards corporate social initiatives are a function of their expectations, i.e., customers reward firms that meet their social expectations and punish those that do not.

> *Customers tend to become personally involved—and morally repelled—if they perceive companies are not doing what they believe is the right thing. The problem for companies is that there is little agreement among customers about what is good corporate behaviour. And although customers support CSR, they increasingly want companies to downplay their CSR activities in the communication strategy. . . . Consumer boycotts have proven efficient in pushing companies to take more CSR initiatives. Shell experienced a 50 per cent fall in sales in some markets as the Brent Spar incident unfolded (Morsing, 2005, p. 85-86).*

Korschun et al. (2013) pointed out that CSR activities need to receive internal (managerial) and external (customer) support. Although the aim of their study was to examine employee perception of customer support and how it would influence employee-customer identification, it highlighted the importance of CSR support for responsible business and its effects on employees and organization. Managers who need to boost corporate social performance need to design CSR initiatives that are "merely attractive" to both employees and customers simultaneously in order to gain

their support and positive responses (Korschun et al., 2013). Despite the fact that customers have different levels of expectations towards CSR dimensions, their willingness to support these expectations does not necessarily follow the same order. For example, economic responsibility earns the highest level of expectation among the dimensions of CSR; however, customers are least willing to support firms just for fulfilling their economic responsibility. Similarly, customers are greatly supportive of ethical and philanthropic responsibilities, whereas these areas have the lowest customer expectations among the CSR dimensions (Podnar et al., 2007). This indicates that firms should promote their ethical and philanthropic activities to gain better support from their customers.

Mohr et al. (2005) pointed out that consumers find greater congruency with organizations that support CSR domains that they are interested in. This congruency is the key for customer support. In other words, customers will react positively towards socially responsible organizations if these organizations tackle their areas of interest—e.g., environmental activists are expected to be more supportive of organizations that conduct environmental initiatives as compared to other organizations that undertake domestic violence initiatives.

> *Consumers generally are not extremely sceptical of cause-related marketing efforts, but regard them as legitimate actions with a combined societal and business goal. In fact, Youn and Kim (2008) even found that the more sceptical consumers are about advertising in general, the more supportive they tend to be toward cause-related marketing (Beernes and Popma, 2014, p. 391).*

Although Ramasamy and Yeung's (2008) empirical results show higher customer support in the Chinese context as compared to France, Germany, and the USA, in

Maignan (2001) the study stated that direct comparison between studies is problematic due to the time difference between studies and different sampling techniques. Empirical evidence affirmed that cultural factors play an important role in customer support for responsible businesses, i.e., collective societies tend to be more supportive of responsible businesses as compared to individualistic societies (Ramasamy et al., 2008). According to Maignan et al. (2005), managers need to be aware that promoting CSR activities to stakeholders will help to gain (or increase) their support.

> *When stakeholders get a chance to understand that a business acts upon issues that they value, they may be appreciative of the firm's efforts, and may be willing to support organizational CSR initiatives (Maignan et al., 2005 p.973).*

Rethinam et al. (2013) pointed out that studies exploring the factors that influence customer support towards responsible businesses are scant. There is a need to investigate further into why customers react actively or passively towards responsible businesses. Rethinam et al. (2013) found that there is significant influence from customers' expectations of the ethical-philanthropic, legal and economic dimensions of CSR on their support for responsible businesses. There are only two studies that suggested factors that may influence customer support towards responsible businesses (i.e., Rethinam et al., 2013; Gao et al., 2009). The Rethinam et al. (2013) study only examined whether CSR dimensions influence customer support without aiming to identify the factors that influence customer support, while the Gao et al. (2009) study put forward four propositions based on the CSR literature (no empirical studies were carried out). These propositions suggest that customer support for responsible businesses depends on four main factors: social issues/causes addressed by CSR, different forms of CSR adopted by the firm, commitment to

CSR, and timing of CSR. These factors are moderated by competitors' CSR, negative social impact of the company, past corporate social performance, and CSR ability. Although the Gao et al. (2009) study was developed based on an extensive literature review, three important factors were not discussed: CSR communication and customer awareness; customer expectations; and individual social responsibility.

4.3.3 Perceptions and Expectations of CSR

The different views of CSR described in sections 2.6 and 2.7 introduce wide range of beliefs hold for CSR perceptions and expectations. This section aims to explain what is meant by customer perceptions and expectations as marketing concepts and how they influence consumer behaviour. The term "customer perception" has been widely used in marketing literature to refer to both perceived quality (Zeithaml et al., 2013) and customer associations (Brown and Dacin, 1997). Since this study is concerned with investigating the link between consumer perception and perceived value, rather than the traditional link between perceived quality and perceived value, the need to distinguish between perceived quality and consumer perception is critical. The distinctive characteristics of Saudi culture and its banking industry may influence the understanding and societal response towards CSR. Therefore, this chapter will also consider these differences and question how they may influence consumer behaviour. The following section will distinguish customer perception from perceived quality or customer association and will define customer perception and customer expectations of CSR.

I. *Defining Customer Perception and Expectations*

Perceived quality (also referred to as perception of service and perception of quality) has traditionally been used as an antecedent of perceived value (Zeithaml, 1988). Perceived quality can be defined as "the consumer's judgment about a product's

overall excellence or superiority" (Zeithaml, 1988, p. 3). Unlike perceived quality, objective quality is "the measurable and verifiable superiority on some predetermined ideal standard or standards" (Zeithaml, 1988, p. 4). The main challenges facing the utilization of objective quality concepts are difficulty in finding an agreement on what the ideal standards are, and the fact that the valuation process of quality is subjective (Zeithaml, 1988). Therefore, customers' perceived quality of services in the banking industry is their own judgement, which differs from one customer to another, while the objective quality is the measurable variables that are commonly agreed upon among customers, such as the number of branches and the process required to complete a transaction.

Others argue that consumer perception is one form of corporate association that might affect consumer behaviour. According to Brown and Dacin (1997), corporate associations can be defined as

> *A generic label for all the information about a company that a person holds. For example, corporate associations might include perceptions, inferences, and beliefs about a company (p. 69).*

However, in this study, customer perception is defined as customer beliefs about what services firms have delivered, while customer expectations refer to the standard of service that customers want to receive (Zeithaml et al., 2013). More precisely, customer perception of CSR in this context is defined as the customer's point of view of "what the firms actually do with regard to social responsibility," while customer expectations of CSR are defined as the customer's point of view of "what firms should do" with regard to their social responsibility (de los Salmones et al., 2005, p. 374). In other words, customer expectations of CSR are "customer beliefs of

what is to be expected from companies regarding their [firm's] CSR" (Pérez et al., 2014, p. 228).

II. Background

Customer perception is the way in which consumers differentiate between different service providers (Sureshchandar et al., 2002). Schiffman and Kanuk (2000) have emphasised the importance of consumer perceptions on the decision-making process and on their purchasing behaviours as these perceptions influence the way individuals view reality. Customer expectations are equally important, as they serve as a reference point for customers to assess the performed services (Zeithaml et al., 2013). Scholars have addressed the perception and the expectations of CSR from different stakeholders' points of view, e.g., customers (Pérez & Bosque, 2014; Poolthong & Mandhachitara, 2009), managers (Nalband and Al-Amr, 2013), shareholders (Flammer, 2013), and employees (Nejati & Ghasemi, 2012). A number of researchers have proposed theoretically that consumer perception about corporations has an impact on consumer behaviour, e.g., Dutton et al. (1994), Maignan et al. (2001), de los Salmones et al. (2005) and Sureshchandar et al. (2001). This relationship has also been confirmed empirically. For example, Brown et al. (1997) have analysed the relationships between CSR perceptions and corporate image, while Sen et al. (2001) have investigated the moderating relationship between CSR association and purchase intension, and Bhattacharya et al. (1995) studied the impact of CSR on product and corporate valuation.

III. Influence on Consumer Behaviour

After the financial crisis of 2007, when consumers lost their trust and confidence in the capital markets, firms found themselves in need of reforming their corporate

identities to regain customer trust (Roth, 2009). Thus, CSR initiatives have been adopted for their ability to improve intangible assets such as market reputation, brand image, and customer trust (Pérez et al., 2014; Dawkins and Lewis, 2003). About 90% of Fortune 500 companies have adopted social initiatives and about 80% of these companies address some social issues and initiatives on their websites (Pérez et al., 2014). In Saudi Arabia, all the local banks have adopted some social initiatives, and all of them have addressed these initiatives in their websites. These circumstances have raised the bar for customers' expectations. According to Dawkins and Lewis (2003), the ability of CSR to improve intangible assets such as market reputation, brand image, and customer trust is subject to the congruence between customer expectations of CSR and the social initiatives performed. Evidence showed that customers' perception of ethical and responsible behaviours of firms is taken into account during their purchasing process (Podnar and Golob, 2007). Dawkins and Lewis (2003) pointed out that as customers' expectations about CSR are increasing, customers react sternly towards irresponsible behaviours of businesses. In other words, customers are ready to punish firms that fail to fulfil their CSR expectations (Creyer et al., 1997).

> *Expectations of companies are high and unrealised, and these findings suggest that the media and their mass audience are not predisposed to be tolerant of companies who are allegedly failing their obligations (Dawkins and Lewis, 2003, p. 187).*

Sureshchandar et al. (2001) pointed out that consumer behaviour is significantly influenced by perception. This is confirmed empirically with regard to corporate social behaviours by studying different aspects of consumer behaviour, i.e., trust (Aaker, 1996), satisfaction, loyalty (Lichtenstein et al., 2004), and corporate goodwill (Handelman and Arnold, 1999). According to Maignan (2001), the

majority of CSR researchers have one of two limitations: either they focus on one aspect of CSR only, such as corporate donations (e.g., Brown and Dacin, 1997), or they discuss CSR broadly instead of investigating perceptions of CSR (e.g., Smith, 1996). Therefore, previous research has generated conclusions without taking into consideration different dimensions of CSR perception that could affect consumer behaviour (Maignan, 2001). Customer expectations have been regarded as antecedent or precedent for customer support for responsible businesses (Pérez et al., 2014; Sen and Bhattacharya, 2001; Podnar and Golob, 2007). Scholars have paid a great deal of attention to the perception of CSR, whereas empirical academic works on customer expectations are sparse (Pérez et al., 2014). Customers' perceptions and customers' expectations have not previously been investigated in the same study.

IV.   *Analysis of the perception studies*

To define the research gap, studies that investigated the influence of CSR perception on consumer behaviour have been identified and analysed (see Appendix 13.3). In general, the findings of this analysis agree with Maignan's (2001) claim that the majority of CSR studies have either investigated only one aspect of CSR (such as philanthropic) or they broadly discuss CSR without considering its dimensions. Moreover, findings of this study are also consistent with the statement of Podnar et al. (2007) that the majority of CSR studies in the context of consumer behaviour regarded CSR as a unidimensional construct, as they only aim to examine the relationship between CSR and consumer behaviour rather than investigating the perception of CSR and its influence on consumer behaviour. Therefore, the current study examined the full construct of CSR perception into consumer behaviour. More details about this gap are discussed in section 4.6.

CSR has become socially expected by different stakeholders' groups (Carroll et al., 2010; Henderson, 2009). Evidence from the literature showed that customers hold high levels of CSR expectations in both developed and developing countries (Ramasamy et al., 2008; Pomering & Dolnicar, 2009). In order for firms to achieve customer satisfaction, managers should be able to exceed customers' expectations (Hoffman et al., 2010). At the same time, managers should balance customers' expectations so they do exceed the business objectives (Hoffman et al., 2010). In order to better manage customers' expectations, it is critical to understand the dynamic of customers' expectations and the factors that influence them (Ojasalo, 2001). According to Wilson, Zeithaml, Bitner & Gremler (2012, p. 49), "customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged". The level of expectation explains why customers may report higher satisfaction levels for an organization that performs at a lower level of service. In more detail, customers hold different level of expectations for each service: desired service and adequate service, and the area between these two levels are called the tolerance zone (Wilson et al., 2012). In general, customers' expectations are defined by word of mouth, personal need, past experience and external communication (Zeithaml, Parasuraman and Berry, 1990). Specifically, customers' desired levels of service are defined according to lasting service intensifiers and personal needs, while adequate levels of service are defined according to: (1) temporary service intensifiers; (2) perceived service alternatives; (3) the customer's self-perceived service role; (4) situational factors; and (5) predicted service (Zeithaml et al., 2012, p. 61). Factors such as explicit service promises, implicit service promises, word-of-mouth communications and past

experience all influence both the desired level and the adequate level (Zeithaml et al., 2012, p. 65). Figure 4.1 below presents these factors.
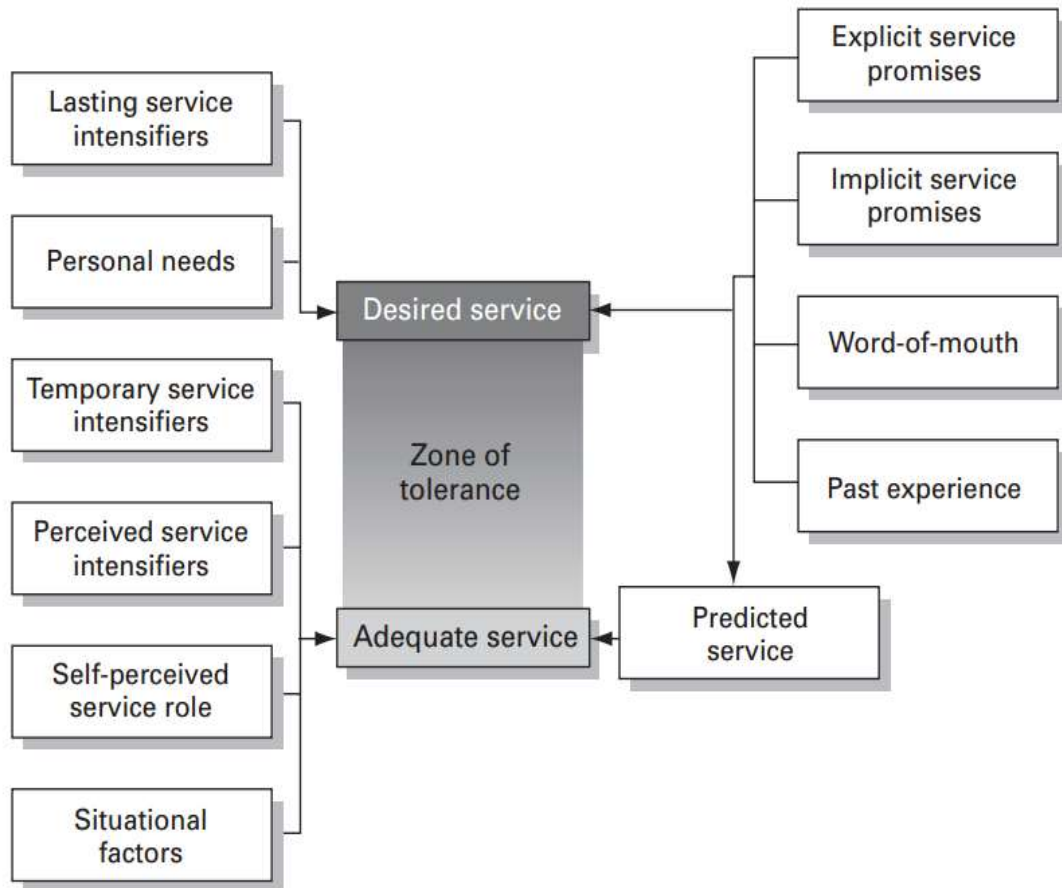
Figure 4.1: Factors that influence desired and predicted levels of service. Adopted from Zeithaml et al. (2012, p. 64).

The question emerges as to whether the factors that influence customers' expectations of the perceived quality of service would differ from the factors that influence customers' social expectations of organizations.

According to Pérez et al. (2014), customers can be grouped according to their CSR expectations into three main categories: customer-centric, legally oriented customers, and CSR-oriented customers. The majority of bank customers are customer-centric oriented; therefore customer-centric initiatives have a greater influence on consumer

behaviour (McDonald et al., 2008; McDonald et al., 2011). Understanding the differences between these groups facilitates the segmentation targeting process for organizations who aim to use CSR as a positioning tool (Pura, 2005; Kotler et al., 2013). In the 1970s, societal marketing (i.e., firms should consider social interests in their marketing activities) and holistic marketing (i.e., firms should incorporate stakeholders' views while marketing their products and services) were introduced to go beyond maximizing shareholders' wealth and add new value for customers (Podnar et al., 2007). Before 2005, the majority of CSR expectations literature was limited to specific aspects of CSR (e.g., corporate donations) due to the complexity of the CSR concept (Beckmann, 2006). After 2005, researchers started to acknowledge Carroll's (1979) framework to capture customers' expectations of CSR as it is now regarded: as "the lowest common denominator" of all CSR understanding (Matten and Moon, 2005, p. 182; Podnar et al., 2007). These spectrums of studies focus on what customers' expectations are and how they influence consumer behaviour, but still the factors influencing customers' expectations are unknown (Beckmann, 2006; Podnar et al., 2007). Swaen (2002) adopted the GAP model (i.e., Parasuraman, Zeithaml and Berry, 1985) and found that customers and managers' expectations of CSR differ in three main areas: how CSR is perceived, how customers react to it, and which social issues matter the most. This points out that there are different factors that influence CSR expectations for managers and customers without addressing why they differ. There is little evidence available about how social expectations emerge (Mohr et al., 2001; Poolthong & Mandhachitara, 2009). Golob et al. (2008) provide insights in understanding customers' expectations. First, they generally hold high expectations of CSR. Second, economic CSR expectations are negatively correlated with other CSR

expectations (i.e., legal, ethical and philanthropic). Third, customers' involvement in CSR and self-transcendent values are responsible for increasing customers' expectations. Although Golob et al. (2008) suggest that managers should consider customers' self-transcendent values and involvement levels to predict customers' social expectations; this study did not investigate other cultural factors that influence social expectations. Another study by Pérez et al. (2014) found that the nature of the bank type significantly influences customers' CSR expectations, i.e., customers have higher CSR expectations for savings banks as compare to commercial banks. This implies that more pressure is exerted upon savings banks due to the nature of their business. There is still a need to explore the factors that influence CSR expectations in a given context in order to manage customers' expectations and keep customers satisfied.

4.3.4 Perceived Value

I. *Background and Importance*

Since the first appearance of the principle of perceived value in the early 1990s, this principle has received increasing attention among managers and academic scholars and has become the core concept of marketing practices (Holbrook, 1994). The area of perceived value was one of the priority research areas of the Marketing Science Institute from 2006 to 2008 (Sánchez-Fernández and Iniesta-Bonillo, 2007). During the last two decades, the concept of value creation has gained a great deal of recognition as a strategic management tool (Spiteri et al., 2004). Customers' perceived value is regarded as a major source for developing competitive advantages that help the continuity of business (Wang et al., 2004). The notion of perceived value gains importance as it evolves around two essential areas of consumer behaviour, economic and psychological values. Furthermore, consumers' perceived

values play a major role in consumer behaviour (Patterson & Spreng, 1997). Thus, it is critical to better understand different aspects of consumer behaviour such as purchase intention, product selection, and customer loyalty (Gallarza and Saura, 2006).

II.   *What is the Perceived Value?*

According to Lapierre et al. (1999), even given the aforementioned importance of perceived value, the term "perceived value" is ill-defined and often mixed with other marketing terms such as perceived quality, price, utility and value. Sánchez-Fernández and Iniesta-Bonillo (2007) stated that:

> *The concept has become one of the most overused and misused concepts in the social sciences in general and in the management literature in particular (p. 428).*

Even one of the most commonly cited definitions of perceived value (i.e., Zeithaml, 1988) fails to capture and conceptualize the whole construct of perceived value (Sánchez-Fernández and Iniesta-Bonillo, 2007). Zeithaml (1988) defines consumers' perceived values as "the overall assessment of the utility of a product based on a perception of what is received and what is given" which indicates a relationship between perception and perceived value (Zeithaml, 1988, p. 14). Zeithaml's (1988) definition was based on in-depth qualitative exploratory research, but did not go beyond this to further investigate the relationship between consumer perception (rather than perceived quality) and perceived value quantitatively. Similarly, others defined perceived value as a trade-off between what is gained and what is given, which can be represented by difference or ratio equations (Benefits–Sacrifices) or (Benefits/Sacrifices) (Monroe, 1990; Smith et al., 2007a). In more detail, customer value can be understood by considering attained values (i.e., product value, service

value, employee value, and image value) and forgone costs (i.e., monetary cost, time cost, energy cost and psychic cost) (Kotker, 1996). Both Zeithaml (1988) and Monroe (1990) viewed perceived value as a unidimensional construct that can be assessed by asking customers to evaluate the value they gained from purchasing a specific brand, which is a narrow understanding of the phenomenon of value creation (Sánchez-Fernández and Iniesta-Bonillo, 2007). Despite the fact that conceptualizing the perceived value as a unidimensional construct makes it simple to understand and easy to measure, this concept does not encompass the whole idea of the construct (Leroi-Werelds & Streukens, 2011). Ruiz et al. (2008), Sweeney et al. (2001) and Holbrook (1994) argue that due to the complexity of perceived value, it should be conceptualized as a multidimensional construct to cover different domains of perceived value. For example, Sweeney et al. (2001) suggested that the global construct of perceived value can be captured by four main domains: quality (also referred to as functional value); price (also referred to as economic value); emotional; and social. It has been suggested that these dimensions of perceived value are "independent, and that they relate additively and contribute incrementally to choice," i.e., they should be represented by a formative multi-dimensional model (Sanchez-Fernandez et al., 2007, p. 439). Although Cronin et al. (1997) reported that perceived value works better as a unidimensional construct in moderating the relationships between a set of antecedents and customer loyalty, the unidimensional nature of perceived value will fail to capture the complexity of perceived value (Sweeney et al., 2001). This calls for an examination of the perceived value of CSR as a multidimensional construct and testing the global construct of perceived value as a mediator between the antecedents (i.e., perception and expectation of CSR) and customer loyalty. Sweeney et al.'s (2001) scale for perceived value was developed

based on robust methodological procedures, is widely accepted and adopted in marketing literature, and has been examined in the banking industry (Gallarza et al., 2006; Sanchez-Fernandez et al., 2007). Table 3 defines these dimensions:

The Dimension	The definition
Emotional value	The utility derived from the feelings or affective states that a product generates.
Social value (enhancement of social self-concept)	The utility derived from the product's ability to enhance social self-concept.
Functional value (price/value for money)	The utility derived from the product due to the reduction of its perceived short term and longer term costs.
Functional value (performance/quality)	The utility derived from the perceived quality and expected performance of the product.

Table 4.2: Defining the Dimensions of Perceived Value. Adopted from Sweeney et al. (2001, p. 211).

Holbrook (1994) differentiated between the terms "value" and "values" in respect to perceived value. The former refers to the personal preferences and judgment regarding offered products and services, while the latter refers to the personal criteria used to make these judgments and preferences. Perceived value helps researchers to better understand consumer behaviour (Ostrom and Iacobucci, 1995). According to Smith et al., (2007a), even though there is no unique definition of customers' perceived value, there are common themes with regard to what customers' perceived value may include. These include: 1) it refers to the gap between the gain that customers perceive when using the product and the cost they have paid for it; 2) it refers to the balance between quality and price paid to obtain this level of quality; 3) it is very subjective and situational, i.e., it can be influenced by the time and place where the experience occurs; and 4) it is dynamic and changing over time (Smith et al., 2007a).

III. Perceived Value to Customer Satisfaction

A number of attempts have been made to relate perceived value to other marketing constructs. Table 3 summarizes these attempts:

Authors	Year	Direction of the relationship
Bolton and Drew	1991	Satisfaction→ Service Quality→ Service Value→ Behavioural Intentions
Dodds, Monroe and Grewal	1991	Quality → Value → Willingness to Buy
Chang and Wildt	1994	Price → Quality → Value → Purchase Intention, and Price → Value → Purchase Intention
Sun	1996	Perceived Price→ Service Quality→ Service Value→ Willingness to Buy, and Perceived Price → Value → Willingness to Buy
Jayanti and Ghosh	1996	Transaction Utility → Service Value, and Service Quality → Service Value
Bojanic	1996	Satisfaction ↔ Service Value (i.e., Correlation)
Wakefield and Barnes	1996	Quality → Value → Recommending Intentions
Naylor	1996	Satisfaction→ Service Value→ Word of Mouth
Fornell, Johnson, Anderson, Cha, and Bryant	1996	Quality→ Value→ Satisfaction →Complaints–Loyalty, and Quality→ Satisfaction.
Cronin, Brady, Brand, Hightower and Shemwell	1997	Service Quality → Service Value; Sacrifice → Service Value, and Service Value → Behavioural Intentions
Grewal, Monroe, and Krishnan	1998	Quality → Acquisition Value → Willingness to Buy, Transaction Value → Acquisition Value → Willingness to Buy, Acquisition Value → Search Intentions
Sweeney, Soutar, and Johnson	1999	Quality → Value → Willingness to Buy, Price → Value → Willingness to Buy
Petrick	1999	Satisfaction → Perceived Value → Intention to Revisit, Satisfaction → Intention to Revisit
Kashyap and Bojanic	2000	Perceived Price → Service Value → Intention to Revisit, Service Quality → Service Value → Intention to Revisit
Oh	2000	Perceived Price → Service Value → Purchase and Search Intention, and Service Quality → Service Value → Purchase and Search Intention
Cronin, Brady, and Hult	2000	Service Value →Behavioural Intentions, Satisfaction→ Behavioural Intentions, Service Quality →Behavioural Intentions, Service Quality→ Service Value→ Behavioural Intentions, and Service Value→ Satisfaction→ Behavioural Intentions

Petrick, Duarte, and Norman	2001	Satisfaction → Perceived Value, Satisfaction → Intentions to Revisit Destination, and Perceived Value → Intentions to Revisit Destination
Brady and Cronin	2001	Overall Service Quality → Satisfaction, Overall Service Quality → Value, Overall Service Quality → Behavioural Outcomes, Satisfaction → Behavioural Outcomes, and Value → Behavioural Outcomes
Eggert and Ulaga	2002	Perceived Value = Satisfaction (PV as a substitute for Sat)
Kim, Kim, Im and Shin	2003	Experience →Perceived Value→ Intention
Snoj, Korda and Mumel	2004	Perceived Quality→ Perceived Risk→ Perceived Product Value
Chiu, Hsieh, Li and Lee	2005	Financial Bond→ Utilitarian Value→ Hedonic Value → Loyalty Social Bond → Utilitarian Value→ Hedonic Value → Loyalty Structural Bond → Utilitarian Value→ Hedonic Value → Loyalty
Chen and Quester	2006	Staff Performance→ Perceived Value of the Store → Store Loyalty
Ledden, Kalafatis and Samouel	2007	Personal Value → Perceived Value
Chen	2008	Perception→ Perceived Value→ Hotel satisfaction
Taylor and Strutton	2009	Perceived Value→ E-consumer behaviour
García-Acebrón, Vázquez-Casielles and Iglesias	2010	Perceived Value→ Consumers' Price Tolerance
Hur, Yoo, Chung	2011	Perceived Value→ Purchase Intention (Consumer Innovativeness as a moderator)
Mayr and Zins	2012	Perceived Value→ Loyalty Perceived Value→ Satisfaction Perceived Value→ Word of Mouth Perceived Value→ Reputation
Nsairi	2012	Store Atmosphere →Perceived Value Time of Visit to Store → Perceived Value
Mason and Simmons	2012	Expectation →Perceived Value→ Evaluation Expectation →Perceived Value →Commitment
Sun, Chuan, and Song	2013	Cultural Values→ Perceived Values → Decision Making
Inoue and Kent	2014	Corporate Social Marketing→ Perceived Value Congruence
Song	2014	Emotional Perceived Value→ Satisfaction Emotional Perceived Value→ Loyalty

Table 4.3: Previous attempts to relate perceived value to other marketing aspects. Adapted from Duman (2002). From 2002 onward was updated by the researcher

For this study, the relationship between perceived value and customer satisfaction will be reviewed. There are on-going academic debates about the causal relationships between perceived value and customer satisfaction, i.e., regarding customer satisfaction as either the antecedent or the consequence of the perceived value. It is noticeable from the marketing literature that this causal relationship is controversial. Bojanic (1996) and Naylor (1996), for example, pointed out that customer satisfaction is an antecedent to perceived value, whereas Fornell et al. (1996) and Cronin et al. (2000) found that it is a consequence of perceived value. Others, such as Bojanic (1996), reported a high correlation between these two constructs. According to Gallarza and Saura (2006):

> *Although some authors will also propose a superiority of value over satisfaction (Lovelock, 1996; Woodruff, 1997; Sweeney, Soutar, & Johnson, 1999), we believe that the potential overlap between these two constructs is still a topic of discussion where more learning is yet to come. A review of past consumer value research reveals several voids from a theoretical standpoint as well as some methodological shortcomings (p. 438).*

Customer perceived value and customer satisfaction are very much alike and may easily be confused, as both aspects "describe evaluation and judgements of product is use situation" (Spiteri et al., 2004, p. 679; Sweeney and Soutar, 2001). However, perceived value is responsible for the formation of the feeling of satisfaction (Luo et al., 2006; Ravald & Gronroos, 1996; Kotler and Levy, 1969). Moreover, it has been empirically proven that customer perceived value has a positive impact on customer satisfaction, product valuation of service, and the financial performance of the organization (Gallarza and Saura, 2006; Khalifa, 2004; Eggert and Ulaga, 2002). Having said that, Faryabi et al. (2012) highlighted the need for further investigation

of this relationship to clear up the ambiguity about how these two constructs are related to each other and whether they form two distinct constructs or can be used as substitutes for each other. The main findings of Faryabi et al. (2012) reported that perceived value and customer satisfaction represent two distinct constructs; customer satisfaction mediates the role of perceived value, and customer satisfaction is a better predictor of loyalty than perceived value. A major limitation of this work is the way that perceived value is measured. The study adopted the 7 P's of service marketing to capture customer perceived value. There is little evidence to suggest the validity of such dimensions to capture perceived value. Thus, the generalization of Faryabi et al. (2012) is questionable. The need still stands to investigate this relationship using proper dimensions of perceived value. Therefore, the current study will investigate these two construct in the same conceptual model. Further details about this gap are provided in section 4.6.

IV.   Value Creation

Again, customer values refer to customers' perceptions of what they receive in relation to what they give up (Zeithaml et al., 1988). From a marketing perspective, firms should identify the values that customers seek and see what other competitors are offering prior to developing their own value propositions (Shanker, 2012). By measuring the current level of perceived value markets can develop a value-driven segmentation strategy, which is proven to be significantly more effective as compared to the traditional segmentation strategies and is also better at explaining customers' motives (Pura, 2005; Holbrook, 1994). Although scholars have paid attention to the importance of the influence of value creation on consumer behaviour, there is still little known about how these values are strategically created due to the complex and highly subjective nature of the perceived value (Smith & Colgate,

2007a; Jonikas, 2013). This raises the importance of identifying the factors that influence customers' perceived value so marketers can consider these factors when offering their value proposition. According to Pura (2005), customers do have different perceived values based on their personal values, personal needs, personal usage and income level. This suggests that the context of this study could play a major role in influencing customers' perceived value—e.g., Saudi customers may perceive certain values differently as compare to European customers due to divergence in their personal values and needs, represented by cultural differences. Although the previous studies exploring perceived value identified different values for different industries, the majority agrees on functional, value for money, emotional and social values (Škudienė et al., 2012). This implies that the development of a value proposition must take into consideration the industry specifications. According to Škudienė et al. (2012), emotional value is significantly the highest-rated value in retail banking. Therefore, marketers in the banking industry should focus on offering emotional value propositions to their customers by ensuring that they provide a positive atmosphere, relaxed feeling, assurance regarding the security of their funds, a sense of confidence, and happiness for customers in dealing with banks (Barnes & Howlet, 1998; Škudienė et al., 2012).

V.   *Perceived Value of CSR*

The important questions need to be addressed here are does CSR create value for consumers? What is the importance of investigating the perceived value of CSR? In the business and academic worlds, increasing attention is paid to perceived value as a source of strategic factors that help to build the competitive advantage for organizations. Evidence from the literature shows that customers' loyalty is directly related to perceived value (Sánchez-Fernández et al., 2007). Perceived value has

been regarded as one of the most fundamental factors in evaluating consumer behaviour (Holbrook, 1994). It also has been regarded as a major construct in relationship marketing in order to create positive attitudes for consumers (Monroe, 1991). Eggert & Ulaga (2002) established that perceived value might be used as a substitute for customers' satisfaction. Although the value-adding approach is increasingly being adopted by organizations to improve their products and services, managers should carefully consider whether these added values are appreciated by customers. In other words:

> *Far too many companies alienate themselves from the customers and the value added has consequently nothing to do with the actual needs of the customers. A constant "adding more value" approach in those terms can be questioned. Introducing "extras" which are not driven by the needs of the customers can never be more than a short-term solution (Ravald & Grönroos, 1996, p. 20).*

With respect to perceived values, there is a lack of studies that have investigated the influence of CSR on customers' perceived value (Peloza et al., 2011). The work on the perceived value of CSR is very limited (only the studies listed in Table 4.4 have investigated this relationship).

Authors	Year	Stream	Consequence	Method	Main Findings
Ferreira et al.	2010	CSR	Purchase Intention	Quan	Consumers perceive high values from socially responsible firms.
Gatti et al.	2012	CSR	Purchase Intention & Perceived Quality	Quan	Perceived CSR positively influences purchase intention and perceived quality.
Green et al.	2011	CSR	Value Proposition	Qual	CSR creates social, emotional, functional values which enhance or diminish VP.

Peloza et al.	2011	CSR	Stakeholders' Relationship	Qual	High potential to improve stakeholders' relationships with the firm.
de los Salmones et al. (2005)	2005	CSR	Valuation of Service and Loyalty	Quan	The valuation of service mediates the relationships between CSR and loyalty.
Chen et al.	2012	Green	Purchase Intention & Trust	Quan	PV of green positively influences purchase intention and trust.
Hur et al.	2012	Green	Satisfaction	Quan	Social, emotional, and functional values of green influence customers' satisfaction.
Papista	2013	Green	Loyalty	Conceptual	Proposed PV of green will influence loyalty.
Creyer et al.	1997	Ethics	Rewarding and Punishment	Quan	Corporate ethical behaviours influence customers' product perceived value.

Table 4.4: List of studies that have investigated perceived value of ethical behaviours.

No study thus far has fully investigated the perceived value of CSR and its influence on customers' loyalty. Actually, only four out of the nine studies in Table 4.4 investigated the perceived value of CSR; the other four studies focused on green and ethical behaviours. For example, Chen et al. (2012) confirmed the direct relationship between perceived value of green practices and purchase intention, and the indirect relationships between them via consumer trust. This study was limited to green practices rather than CSR, and it broadly discussed the perceived values of green practices without taking into consideration the perceived value dimensions. The other CSR studies were limited to certain aspects, i.e., investigating limited aspects of perceived value, or exploring (without testing) the influence of CSR on consumer behaviour. For example, de los Salmones et al. (2005) indicated an indirect positive relationship between the perception of CSR and customer loyalty via the overall valuation of quality, which was measured by adopting aspects of perceived quality (i.e., functional and technical) and perceived price. Ferreira et al. (2010) broadly discussed CSR perception (unidimensional) and related it to unidimensional

perceived values by conducting a four-scenario experimental study. These limitations suggest a need to thoroughly investigate the relationship between the two multidimensional constructs of perceived values and CSR. It also calls for a methodological investigation to confirm or challenge the findings of Ferreira et al. (2010) by examining different dimensions of perceived value. The lack of studies on the perceived value of CSR implies that further investigation is required to better understand the perceived value of CSR. More details about this gap are discussed in section 4.6.

4.3.5 Customer Satisfaction

I. *Definition of Customer Satisfaction*

As one of the most popular marketing terms among academics and practitioners, customer satisfaction is regarded as the key to retaining customers in highly competitive markets (Fornell, 1992; Luo et al., 2006). It is derived from the old Latin words *satis* and *facere* which mean "enough" and "make," respectively (Oliver, 1997). According to Anderson and Sullivan (1993a), customer satisfaction encompasses a customer's overall assessment and judgment, comparing their expectations with the level of service performed. On the other hand, Oliver (1997) stated that "satisfaction is the consumer fulfilment response. It is a judgment that a product or service feature, or product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment" (p. 11). The former definition represents overall satisfaction (cumulative satisfaction based on overall experience), whereas the latter represents transactional satisfaction (post-choice evaluative judgement) (Spiteri et al., 2004, p. 679). Due to the fact that consumer behaviour and relationship marketing is a continuous and long-term objective, most of the academic work in this area is based on overall satisfaction rather than on transactional

106

marketing (Ravald & Gronroos, 1996). Kotler et al. (2008) simplified the definition of customer satisfaction as the difference between the provided level of service and the expected level of service, i.e., customer satisfaction = performed level of service – expected level of service. If the performed level of service is higher than the customers' expectations, customers will be satisfied; otherwise, customers will be dissatisfied.

II. *Satisfaction and Consumer behaviour*

According to Awwad (2012), one of the most remarkable attempts to relate customer satisfaction to other consumer behaviour was the American Customers Satisfaction Index (ACSI) by Fornell et al. (1996). It has been widely accepted and adopted in a large number of academic studies for two main reasons: first, it has identified and linked the key aspects which affect (antecedence) or are affected by (consequence) customer satisfaction with regards to organization performance. Second, it was developed based on solid theoretical underpinnings and robust methodological work (Awwad, 2012).

Satisfied customers tend to buy more products, give positive word of mouth, and become loyal customers (Fornell, 1992). Furthermore, customer dissatisfaction is one of the key reasons why customers switch from one bank to another (Mcdonald, 2008). According to Anderson (1994), customer expectation is the fundamental variable that defines customer satisfaction. In other words, "the anticipation of customers' satisfaction is based on prior experience" (Oliver, 1997, p. 69). Oliver (1980) stated that customer expectations function as an anchor of customer satisfaction. Others have affirmed that customer satisfaction is a dominant antecedent of customer loyalty, and it has a direct positive influence on this loyalty

(Anderson and Sullivan, 1993a; Anderson and Fornell, 1993b; Cronin and Taylor, 1992).

III. Satisfaction and CSR

Studies have linked the growing interest of organizations in becoming socially responsible to the business benefits they gain from being responsible (Anderson, 1994; Brown and Dacin, 1997; Creyer and Ross, 1997; Sen and Bhattacharya, 2001). According to Luo et al. (2006), there are three legitimate theoretical underpinnings suggesting the positive influence of CSR on customer satisfaction. First, both stakeholders' theory and institutional theory suggest that responsible initiatives attract customer attention. These customers are more likely to be satisfied by dealing with socially responsible organizations (Daub and Ergenzinger, 2005). Second, the empirical evidence affirmed that CSR activities improve customer attitudes towards firms and boost customer valuation of firms and their products and services (Brown and Dacin 1997; Sen and Bhattacharya, 2001). These positive influences on consumer behaviour are expected to lead to enhanced customer satisfaction. Third, the perceived value literature indicates that customer satisfaction is a result of perceived value. Thus, it is anticipated that CSR activities will allow customers to obtain additional value (Fornell et al., 1996). All else being equal, these values are expected to boost customer satisfaction, as CSR will work as a value-added cause— see section 4.3.4 for more information on the relationship between customer satisfaction and perceived value (Lou et al., 2006). Empirical evidence confirms the influence of corporate social behaviours on customer satisfaction (e.g., Brown and Dacin, 1997; Creyer and Ross, 1997; Sen and Bhattacharya, 2001).

Although banks are investing more and more money in their social activities, recent studies show that a number of major banks and large corporations are experiencing a

decrease in the levels of their retail customers' satisfaction—e.g., Westpac (Australian bank), ANZ (Australian bank), MUFG (the largest bank in Japan), Mitsubishi UFJ, and IBM (McDonald, 2008). Manrai and Manrai et al. (2007) suggest that an increase in fees is one of the major reasons for customer dissatisfaction. Allocation of funds towards CSR activities seems not to be the best decision if this allocation leads to an increase in customer fees (McDonald, 2008). Such a decision is expected to have a negative impact on customer satisfaction, as customer satisfaction is positively related to market capital and the share price, i.e., the relationship between CSR and customer satisfaction is fully mediated by the market value of the firm (McDonald, 2008; Luo and Bhattacharya, 2006). In reality, consumers rank their personal wellbeing before other social considerations for high involvement service industries such as banking (Pomering and Dolnicar, 2006). In other words, CSR activities have low reported sensitivity and reactivity in the banking industry as compared to production industries due to the relatively high cost of switching banks (Pomering and Dolnicar, 2006; King and Mackinnon, 2002). Rizkallah (2012) found that among the factors that customers consider when choosing a bank to deal with, quality and operational fees outweigh corporate social responsibility factors. Although a number of studies attributed the absence of a positive influence by CSR on customer satisfaction to a lack of awareness and poor customer response, there is still ambiguity in this relationship which merits further investigation (Pomering and Dolnicar, 2006; Pomering and Dolnicar, 2008). As banks are facing a decrease in satisfaction levels despite increased spending on CSR activities, more investigation into the influence of CSR on customer satisfaction is required to explain the contradictory reported results (McDonald, 2008). One proposed solution to improve customer satisfaction is derived from investigating the

factors that influence customer satisfaction in the retail banking industry. According to Chakrabarty (2006), in the retail banking industry, customer satisfaction is considerably linked to the direct benefits for customers. This finding is also confirmed by Manrai and Manrai (2007) and Rizkallah (2012). Thus, a customer-centric approach is required for banks when developing CSR initiatives (McDonald, 2008). Eggert and Ulaga (2002) states that customers' satisfaction and their perceived values are highly correlated with each other. The question is whether the local cultural values would influence customers' satisfaction of CSR directly or indirectly via perceived value? In other words, how would the context of the Saudi Arabian banking industry influence customers' satisfaction and customers' perceived value of CSR?

4.3.6   Customer Loyalty

I.   *Defining customer Loyalty*

Customer loyalty is one of the most recognized and well-established concepts in the marketing literature and has been regarded as one of the key factors contributing to the success of businesses (de los Salmones et al., 2005; Kotler and Armstrong, 2008). Previous attempts to define customer loyalty can be grouped into three streams according to the way that loyalty is distinctive: behavioural constructs, attitudinal constructs, and a combination of both (Mandhachitara et al., 2011).

In early studies, customer loyalty originally was perceived and measured as a behavioural construct (Rundle-Thiele, 2005). Behavioural loyalty can be defined as "the consumer's tendency to repurchase revealed through behaviour which can be measured and which impacts directly on brand sales" (Rundle-Thiele, 2005, p. 497). It was mainly measured by repeat purchases and recommendations given to friends

and families (Mandhachitara et al., 2011). The disadvantage of behavioural loyalty is that it fails to distinguish between real and fake loyalties, which calls for an investigation of attitudinal loyalty (Oliver, 1997).

Later on, the shift was made to investigate customer loyalty based on cognitive attitudes and feelings towards a brand (Fornier, 1994). Attitudinal loyalty can be defined as "a customer feeling or a customer attitude of devoted attachment and affection towards the service brand or retailer" (Rundle-Thiele, 2005, p. 497). Bodet (2008) pointed out the importance of attitudinal loyalty as it helps to better explain the psychological part of consumer behaviour.

Others argue that consumer loyalty consists of both behavioural and attitudinal measures (Evanschitzkyet al., 2006). According to Mandhachitara et al. (2011), the combination of both behavioural and attitudinal loyalty is the most commonly accepted the most appropriate, and the most robust approach to measuring customer loyalty. This combination approach to measuring customer loyalty has been adopted by a number of early and late scholars (Day, 1976; Oliver, 1999; Chaudhuri and Holbrook, 2001). In this sense, composite loyalty (encompassing both behavioural and attitudinal loyalty) is defined as "customer loyalty [that] is predicated on the customer's attitude and behavioural intentions towards the goods/service offered and actual repeat purchasing behaviour" (Mandhachitara et al., 2011, p. 123).

II. Satisfaction and Loyalty

The relationship between customer satisfaction and loyalty has been theoretically established and the empirical evidence has affirmed this relationship (e.g., Sen and Bhattacharya, 2001). The stream of research on customer satisfaction and customer loyalty can be classified into three main groups: service management, individual

level with loyalty intention, and individual level with actual purchase behaviour (Bodet, 2008). The first stream of studies investigate this linkage at an "aggregated company-wide level" by using actual financial data (i.e., total sales and profits) to indicate customer loyalty, e.g., Anderson et al., (1994); Henning-Thurau and Klee, (1997). The technical approach used in this stream of research is methodologically invalid for examining the relationship between customer satisfaction and loyalty due to two legitimate reasons: first, it does not involve any customer analysis to assess their loyalty, and second, profit is influenced by many others factors and does not necessarily represent customer satisfaction (Henning-Thurau and Klee, 1997).

The second stream of research links customer satisfaction to customers' intentions of being loyal, e.g., Oliver (1980). The limitations of this approach are: 1) the validity of loyalty intention is questionable, as it is influenced by the type of products or services examined, the measurement scale used, the nature of respondent and the time frame; 2) high correlation has been reported between customer satisfaction and loyalty intention, which indicates that these two sets of measures are actually measuring the same thing; and 3) the gap between actual behaviour and customer intention (Chandon et al., 2005; Bolton, 1995; Henning-Thurau et al., 1997).

The third stream of research is concerned only with the actual behavioural loyalty of customers. According to Bodet (2008), only a limited number of researchers have utilized this approach, e.g., Bolton (1998). This approach is also limited due to two main reasons: the difficulty in differentiating between fake loyalty and real loyalty, and the fact that it only measures behavioural loyalty and not attitudinal loyalty (Oliver, 1997; Bodet, 2008). Due to the difficulties and the market sensitivity of customers' profile information, this study investigated the influence of CSR perception on loyalty intention.

III.   Perceived Value and Loyalty

Building on the consumption-value theory (i.e., "Why we buy what we buy," by Sheth, 1991) a number of dimensions were extracted and then tested according to their relationship with consumer behaviour. There are three main contradictory findings about the relationship between perceived value and customer loyalty: 1) no significant relationship; 2) perceived value influences customer loyalty; and 3) customer loyalty influences perceived value. Sweeney et al. (2001) identified four distinct perceived values: quality, emotional, social and price. All of these dimensions (apart from social value) were then found to significantly influence customer satisfaction, and none of them were found to influence loyalty (Wang et al., 2004). Similarly, Pura (2005) failed to confirm a relationship between any of these values and either attitudinal or behavioural loyalty. On the other hand, Wakefield and Barnes (1996) found considerable evidence that loyal customers tend to perceive greater value from their favourite brands. This is the only study that has pointed out the direction of this relationship between loyalty and perceived value. Petrick et al. (2001) and Parasuraman (1997) have theoretically suggested that since perceived value has an influence on customer satisfaction, it is anticipated to influence its consequences as well (i.e., customer loyalty). Murphy et al. (2000) have empirically confirmed that the global construct of perceived value has a significant influence on customer intentions to revisit the same destination again within a period of two years. The study interpreted the intention to revisit as loyalty. Heskett et al. (1997) found empirical support to affirm that greater value from a specific brand will lead to higher customer loyalty. Sirohi et al. (1998) found that perceived value for the money also has a significant influence on consumer loyalty intention. However, even with all of aforementioned studies, recent researchers are calling for more

investigation of the relationship between perceived value and customer loyalty (Sanchez-Fernandez et al., 2007).

The majority of marketing literature focuses on business-related issues as an antecedent of loyalty (e.g, customer satisfaction and switching costs). Since CSR is widely used as a marketing tool, the need to investigate its influence on consumer loyalty is vital (de los Salmones et al., 2005). The direct relationship between these two aspects is contradictory. For example, Maignan et al. (2001) proposed a positive relationship between CSR and loyalty, whereas Mandhachitara et al. (2011) confirmed a positive influence of CSR on attitudinal loyalty but not on behavioural loyalty. On the other hand, de los Salmones et al. (2005) did not observe any significant evidence to support this relationship directly. However, customer valuation of service (including technical and functional qualities as well as price) is found to fully mediate this relationship. As the de los Salmones et al. (2005) study was conducted in the mobile telecommunication sector (technical industry), it was appropriate to investigate technical quality as part of the valuation of service. In contrast, in the current study, only perceived value dimensions will be investigated (not perceived qualities).

4.4 Hierarchy of Effects Models

In 1960, Rosenberg & Hovland made one of the early attempts to capture customer attitudes. They have suggested that customer attitude consists of three main components: affect (feeling), behaviour (doing), and cognition (knowing). This model was later widely accepted and adopted in different disciplines and is

commonly referred to as the hierarchy of effects model, or the ABC model (Solomon, 2009; Wirga and DeBernardi, 2008). This model suggests that in order to fully evaluate consumer attitudes towards a product or service, marketers need to deeply investigate these three components. The importance and the interrelation of these components (i.e., cognitive, belief and actions) are determined by the individual's motives. Accordingly, three hierarchies of effects models have been developed, as shown in Table 4.5.

The Model	Hierarchy of Effects	What are attitudes based on?
The high-involvement hierarchy	Cognitive→ Affect→ Behaviour	Cognitive information process
The low-involvement hierarchy	Cognitive→ Behaviour→ Affect	Behavioural learning process
The experiential hierarchy	Affect→ Behaviour→ Cognitive	Hedonic consumption

Table 4.5: Hierarchy of Effects Models. Adapted from Solomon (2009).

The affect component refers to the customer's physical feelings, emotions and instincts such as happiness and anger. In reality, customers are imprecise about their emotions and generally cannot distinguish them from their beliefs. In fact, the majority of customers rely on their emotions rather than on their beliefs during the purchasing process. The behaviour component refers to the observable actions and responses of customers. Since the behaviour component is overt, it is easier to measure and evaluate as compared to affect and cognition. Cognition encompasses beliefs, knowledge and awareness, values and culture, and perceptions (Solomon et al., 2009).

According to Solomon et al. (2009), attitudes are lasting and general as they tend to endure and apply to many events. Understanding attitudes contributes to a better evaluation of how individuals think and feel and how they will respond. The

functional theory of attitudes was developed based on the pragmatic philosophy, which suggests that:

> *At the psychological level the reasons for holding or for changing attitudes are found in the functions they perform for the individual, specifically the functions of adjustment, ego defence, value expression, and knowledge (Katz, 1960, p. 163).*

In other words, attitudes are formed based on individual motives and they only exist because they serve a specific function for the individual. The reason why two different customers may have different attitudes toward the same products or services can be explained by the functions of attitude (Katz, 1960). These functions are the utilitarian function (customers develop their attitudes based on the pleasure or pain they experience when they use the product or service); value-expressive function (customers develop their attitudes based on what the product or service will say about them); ego-defensive function (customers develop their attitudes toward a product or service in order to protect themselves from criticism); and knowledge function (customers develop their attitudes based on their individual need to understand) (Solomon, 2009; Katz, 1960). It is possible for customers to form their attitudes on the basis of more than one function; however, one function usually acts as the dominant function.

When customers are highly involved with products or services, the process starts with a cognitive component (belief, perception, and awareness), which leads to the creation of emotional consequences. These emotional consequences will then lead to overt behaviours (Wirga et al., 2008). Although Sojka and Giese (1997) suggested that customer beliefs and emotions may occur simultaneously but separately, the majority of studies affirm that they exist and are processed in sequential order (Shiv

and Fedorikhin, 1999; Shiv and Fedorikhin, 2002; Scarabis, Florack, & Gosejohann, 2006).

According to Carrington, Neville & Whitwell (2010), there is a noticeable gap between customer intentions and their actual behaviours in regard to supporting responsible businesses. It is proven that their intentions are driven by their beliefs; however, intention does not always lead to actual behaviours. This can be due to the absence of the affect (emotion) component of their attitude (Wirga et al., 2008). For green marketing to customers, the link between a customer's environmental values (beliefs) and that customer's emotions has been established, as has the link between customer emotions and customer behaviours (Paço, Alves & Shiel, 2013). Thus, the proposed conceptual framework for investigating the influence of customer perception on customer loyalty was built on the basis of the high-involvement hierarchy of effects model, as the banking industry is a high-involvement sector (Pomering and Dolnicar, 2006). It proposed that the cognitive component (customer awareness, perceptions, and expectations) leads to the emotional component (satisfaction and perceived value), which will then lead to the behavioural component (customer support and loyalty). The functional theory of attitudes that explains the high-involvement hierarchy of effects model is consistent with the research philosophy of this study, as both of was developed according to the pragmatic philosophy.

4.5 Summary of theiries adoped and justification

Construct	Theories	Adopted theory and Justification
Customer Awareness	1. Corporate should not promote CSR activities because as they believed such activities should not be conducted as marketing activities and due to the common understanding that customers should not bear the cost of promoting the company's contribution to society (Ali et al., 2010). 2. Corporate social disclosures and social publicity are, in fact, found to significantly influence consumer awareness and consumer perception of an organization (Schuler and Cording, 2006; Sen and Bhattacharya, 2001).	This study adopted the second argument because it has been empirically tested that awareness has significant influence on perception ((Schuler and Cording, 2006; Sen and Bhattacharya, 2001), awareness is the spark of consumer behaviour (Dolnicar et al., 2007), it is the new argument and most of the recent study adopted it (Pomering et al., 2009).
Customer Support	1. CSR only plays a minor role in consumers' purchasing decisions (Mohr, 2001). 2. Gilbert et al. (2006) found strong evidence to support the argument that CSR helps corporations gain customer support.	This study adopted the second argument because the majority of recent studies adopted supporting this argument (Maignan et al.,2005), the measurement scales was adopted from papers supporting this argument (to ensure consistency) and empirical evidence has confirmed the influence of CSR expectation into customers' support (Podnar et al., 2007 and Creyer et al., 1997) and lack of studies that examine CSR awareness and customers' support in the same model to investigate if the high awareness level will lead to either "sceptical" or supportive customers.
CSR	1. Uni-dimensional construct 2. Multidimensional construct (People, profit, and planet) (Elkington, 1994). 3. Multidimensional construct (Social, economic, environmental, stakeholders, and voluntariness)	This study adopted the fourth model because the first argument was not able to capture the complexity of the construct (Beckmann, 2006), Carroll's (1979) model was the most commonly used dimension, and it has been regarded as the "lowest common denominator of CSR" (Matten & Moon, 2007 p. 182).

	(Dahlsrud, 2006). 4. Multidimensional construct (Economic, legal, ethical, and philanthropy) (Carroll, 1979).	
PV	1. Uni dimensional construct (Zeithaml, 1988) 2. Multidimensional construct (Ruiz et al., 2008, Sweeney et al. 2001 and Holbrook, 1994).	Despite the fact that conceptualizing the perceived value as a unidimensional construct makes it simple to understand and easy to measure, this concept does not encompass the whole idea of the construct (Leroi-Werelds & Streukens, 2011). Ruiz et al. (2008), Sweeney et al. (2001) and Holbrook (1994) argue that due to the complexity of perceived value, it should be conceptualized as a multidimensional construct to cover different domains of perceived value. Number of studies proposed different dimensions for perceived value. The current study adopted Sweeney et al. (2001) dimensions of CSR as it has been examined in banking industry.
Satisfaction	1. Measured based on the transactional ((post-choice evaluative judgement) satisfaction (Oliver, 1997). 2. Measured based on the overall (cumulative judgement) satisfaction (Anderson and Sullivan, 1993a).	Due to the fact that consumer behaviour and relationship marketing is a continuous and long-term objective, the current study was based on overall satisfaction rather than on transactional marketing (Ravald & Gronroos, 1996).
Satisfaction	1. Customers satisfaction and perceived value are highly correlated and measuring very similar aspects (Bojanic, 1996 and Gallarza and Saura, 2006). 2. Customers satisfaction is an antecedent of perceived value (Petrick, 1999). 3. Customers satisfaction is consequence of the perceived value ((Spiteri et al., 2004, p. 679; Sweeney and Soutar, 2001).	This study adopted the third argument because perceived value is responsible for the formation of the feeling of satisfaction (Luo et al., 2006; Ravald & Gronroos, 1996; Kotler and Levy, 1969). Moreover, it has been empirically proven that customer perceived value has a positive impact on customer satisfaction, product valuation of service, and the financial performance of the organization (Gallarza and Saura, 2006; Khalifa, 2004; Eggert and Ulaga, 2002).
Loyalty	1. Loyalty is a behavioural construct (Rundle-Thiele, 2005). 2. Loyalty is attitudinal construct (Bodet, 2008).	This study adopted the third argument because the first argument fails to distinguish between real and fake loyalties, while the second argument does not explain the actual behaviour (Oliver, 1997).

	3. Loyalty is formed of both (Evanschitzkyet al., 2006 and Mandhachitara et al., 2011).	According to Mandhachitara et al. (2011), the combination of both behavioural and attitudinal loyalty is the most commonly accepted, the most appropriate, and the most robust approach to measuring customer loyalty. This combination approach to measuring customer loyalty has been adopted by a number of early and late scholars (Day, 1976; Oliver, 1999; Chaudhuri and Holbrook, 2001).
Loyalty	1. Loyalty is measured by the influence in the financial data (Anderson et al., 1994) 2. Loyalty is measured by the actual behavioural loyalty (Bodet, 2008). 3. Loyalty is measured by customers intension	The current study adopted the third argument because of the technical approach used in the first argument is methodologically invalid due to two legitimate reasons: first, it does not involve any customer analysis to assess their loyalty, and second, profit is influenced by many others factors and does not necessarily represent customer satisfaction (Henning-Thurau and Klee, 1997). And, the second argument is also limited due to two main reasons: the difficulty in differentiating between fake loyalty and real loyalty, and the fact that it only measures behavioural loyalty and not attitudinal loyalty (Oliver, 1997). Due to the difficulties and the market sensitivity of customers' profile information, this study investigated the influence of CSR perception on loyalty intention.
Loyalty	1. Loyalty is not related to perceived value (Pura, 2005). 2. Loyalty is an antecedent of perceived value (Wakefield and Barnes, 1996). 3. Loyalty is a consequence of perceived value (Petrick et al., 2001 and Parasuraman, 1997).	This study adopted the third argument because Petrick et al. (2001) and Parasuraman (1997) have theoretically suggested that since perceived value has an influence on customer satisfaction, it is anticipated to influence its consequences as well (i.e., customer loyalty). Murphy et al. (2000) have empirically confirmed that the global construct of perceived value has a significant influence on customer intentions to revisit the same destination again within a period of two years. The study interpreted the intention to revisit as loyalty. Heskett et al. (1997) found empirical support to affirm that greater value from a specific brand will lead to higher customer loyalty. Sirohi et al. (1998) found that perceived value for the money

		also has a significant influence on consumer loyalty intention.
Loyalty	1. CSR positively influences the overall loyalty (Maignan et al., 2001). 2. CSR positively influences attitudinal loyalty only (Mandhachitara et al., 2011). 3. CSR does not influence loyalty (de los Salmones et al., 2005).	This study aimed to investigate the contradictory findings between the CSR and loyalty using PV as a mediation of this relationship.
Hierarchy of Effects Models	Attitude is consist of three parts (affect, behaviour and cognitive) and the relationships between these parts are (Solomon, 2009); 1. The experiential hierarchy (Affect→ Behaviour→ Cognitive) in which the attitudes are based on the hedonic consumption 2. The low-involvement hierarchy (Cognitive→ Behaviour→ Affect) in which the attitudes are based on the behavioural learning process 3. The high-involvement hierarchy (Cognitive→ Affect→ Behaviour) in which the attitudes are based on the cognitive information process	This study adopted the third argument. According to Carrington, Neville & Whitwell (2010), there is a noticeable gap between customer intentions and their actual behaviours in regard to supporting responsible businesses. It is proven that their intentions are driven by their beliefs; however, intention does not always lead to actual behaviours. This can be due to the absence of the affect (emotion) component of their attitude (Wirga et al., 2008). For green marketing to customers, the link between a customer's environmental values (beliefs) and that customer's emotions has been established, as has the link between customer emotions and customer behaviours (Paço, Alves & Shiel, 2013). Thus, the proposed conceptual framework for investigating the influence of customer perception on customer loyalty was built on the basis of the high-involvement hierarchy of effects model, as the banking industry is a high-involvement sector (Pomering and Dolnicar, 2006). It proposed that the cognitive component (customer awareness, perceptions, and expectations) leads to the emotional component (satisfaction and perceived value), which will then lead to the behavioural component (customer support and loyalty). The functional theory of attitudes that explains the high-involvement hierarchy of effects model is consistent with the research philosophy of this study, as both of were developed according to the pragmatic philosophy.

4.6 Summary of the Identification of the Knowledge Gap

Despite the increasing number of studies on the influence of CSR on consumer behaviour, the mixed results encourage researchers to investigate further in order to better adopt CSR as a marketing tool (de los Salmones et al., 2005). This suggests a crucial need to investigate the phenomenon in a different context or different industry and to identify new mediators that control these relationships. Based on the literature review, the following knowledge gaps have been identified:

1) Lack of studies that fully investigate CSR in relation to marketing aspects.

2) The full construct of perceived value of CSR has not been examined.

3) Scant number of researches that explicitly measure CSR awareness.

4) Contradictory findings for the relationships between satisfaction and perceived value.

5) Limited number of studies that investigate the social responsibility of service industries.

These gaps listed in more detail:

1. The majority of marketing CSR studies aim either to examine the perception of CSR or to relate CSR to other consumer behaviour. Only a limited number of studies investigate both aspects in the same context. Researchers tend to measure CSR as a unidimensional construct while investigating its influence on consumer behaviour. It should be noted that there is a lack of depth in previous studies, as they are limited to corporate donations and philanthropy. Among these limited studies, the influence of consumer perception of CSR (as a multi-dimensional construct) on customer loyalty has not been studied (apart from de los Salmones et al., 2005). de los Salmones et al. (2005) have fused the ethical and legal dimensions of CSR into one domain and reduced their items from the original scale of Maignan (2001). The findings of de los

Salmones et al. (2005) suggest that the economic domain is not an actual part of the global construct of CSR, as a result of low correlation between economic and non-economic dimensions of CSR. Therefore, the de los Salmones et al. (2005) study dropped the economic dimension from the conceptual model and fused the two legal and ethical dimensions of CSR. This might not be the case in the banking and financial sectors, where the economic dimension are key. This prompts an investigation of the four dimensions of CSR and examines how the perception of CSR could influence other consumer behaviour concepts.

2. The full construct of perceived value of CSR has not been deeply empirically investigated. Green et al. (2012) explored different consumer values in dealing with socially responsible organizations and called for further investigation in this area. Although Ferreira et al. (2010) pointed out that consumers perceive additional benefits when buying from socially responsible organizations, the study has generally looked at perceived value without examining the different aspects of perceived value (unidimensional) and did not investigate the perception of CSR. In addition, both Hur et al. (2012) and Chun et al. (2012) examined the perceived value of green practices rather than the global construct of CSR. Although de los Salmones et al. (2005) examined the perceived value of price as one dimension of the overall valuation of service, the study did not show a separate analysis for each dimension. Finally, it is important to clarify that despite the fact that Gatti et al. (2012) found significant evidence to confirm the influence of perceived CSR on perceived quality, corporate reputation and purchase intention; this study did not actually study perceived value. Rather, it studied

perceived CSR (perception of CSR). According to the systematic literature review of perceived value by Sanchez-Fernandez et al. (2007), the following areas were recommended for further investigation:

> *the formative nature of the relationship between this multi-dimensional construct and its constituent dimensions (especially the role of such value components as ethical value and spiritual value in consumer behaviour) and causal modelling of value in relation to other variables (such as satisfaction, comparative value, commitment, and loyalty) (p. 444).*

This indicates the importance of investigating the perceived value of CSR and its influence on other marketing constructs.

3. The majority of CSR research has implicitly assumed that consumers are aware of CSR practices rather than testing that assumption explicitly (Mohr et al., 2001; Berens et al., 2005; Dolnicar et al., 2007). Although a number of recent studies have measured customer awareness of CSR, they did not examine whether this awareness is productive or destructive. According to Pomering et al. (2009), customers may become either supportive or sceptical of the corporate social activities they are aware of. Another issue with customer support is that the majority of researchers who examined customers' support towards responsible businesses did not investigate how customers actually do perceive responsible businesses in the same context. In reality, a great number of these studies were limited to one aspect of CSR, such as corporate donations or ethical practices, e.g., Podnar et al. (2007). The question is, would the awareness level lead to a positive support or would it create sceptical customers? This suggests a need to investigate

customers' support while measuring customer awareness in order to evaluate the value of awareness. None of the previous works have measured customer awareness, customer support and the perception of CSR in the same study.

4. There is a need to remove the ambiguity about the relationship between customer satisfaction and perceived value. Are they substitutes for each other, or do they form distinct constructs? If the latter is true, what is the direction of this relationship? (Faryabi et al., 2012). The main findings of Faryabi et al. (2012) reported that perceived value and customer satisfaction represent two distinct constructs; customer satisfaction mediates the role of perceived value, and customer satisfaction is a better predictor of loyalty than is perceived value. A major limitation of this work is the way that perceived value is measured. It adopted the 7 P's of service marketing to capture customer perceived value. The validity of such dimensions to capture perceived value has not established. Thus, the generalization of Faryabi et al. (2012) is questionable. The need still stands to investigate this relationship using valid dimensions of perceived value. This suggests investigating this relationship in an industry that provides similar services in order to ensure the minimum effects from product and services associations on this relationship.

5. The majority of CSR studies have investigated the notion of CSR within manufacturing industries. Only a limited number of studies have investigated the notion of CSR within a services industry (McDonald et al., 2008). According to Rahman (2011), CSR is a context-related subject and is highly influenced by the context of the study. Despite the importance of customers' satisfaction in influencing consumer behaviour, little is known about the

influence of CSR on customers' satisfaction (Luo et al., 2006). McDonald et al. (2008) call for investigating the notion of CSR within the services industry and to investigate the influence of CSR on customers' satisfaction:

> *Of the existing empirical research into consumers' responses to CSR activities, much has been on consumer goods, with little research on services such as banking. The study by Luo and Bhattacharya (2006) highlighted the fact that the relationship between CSR and satisfaction is not always straightforward. To date, the effectiveness of banks' CSR strategies in promoting retail banking customer satisfaction is only marginally understood (p. 174).*

This calls for investigating the notion of CSR in the Saudi Arabian banking industry and examining the influence of CSR expectations on customers' satisfaction levels.

4.7 Conclusion

In summary, this chapter familiarized the reader with the discipline of consumer behaviour and how it is influenced by CSR. Moreover, it explained different aspects of consumer behaviour related to this study. These aspects are customer awareness, customer support, customer perception and expectations, perceived value, customer satisfaction, and customer loyalty. For each aspect, the research aimed to define it, highlight its importance, identify its dimensions, and relate it to other aspects of CSR. The researcher highlighted the contradictory arguments and mixed findings of each point. After that, the hierarchy of effects models were introduced to explain how these aspects relate to each other theoretically. Finally, summary of gaps were presented. As the identified gaps required qualitative and quantitative data to fill it,

the current study curried out a mixed method approach. These gaps have been addressed in the following way;

1. To fully investigate the perception of CSR, banks' perception was explored and the customers' perception was examined.

2. A formative second ordered construct of perceived value was adopted

3. Awareness of CSR initiatives were measured, awareness of CSR concept was read from customers' willingness to support socially responsible organizations, and awareness of social issues was assumed.

4. Both customers' satisfaction and perceived value were examined in the conceptual framework.

5. A context of services industry and a developing country was selected.

Filling these gaps will provide comprehensive understanding of the CSR phenomenon and will extend the current literature of CSR, better understanding of how CSR can influence consumer behaviour by full investigate CSR influence on loyalty, make it possible to judge which of these two constructs is the better predictor of customers' loyalty by examining customers' perceptions and customers' expectations within the same conceptual framework, identify the role of customers' awareness on customers' support, and open new horizons for the relationships between CSR and consumer behaviour by examining the perceived value of CSR.

 The next chapter will discuss the methodology used in this research.

5. Research Methodology

5.1 Introduction

The methodological discussion in this study is addressed in two chapters; Research Methodology (Chapter 5) and Instrument and Conceptual Frame Development (Chapter 7). The aim of this chapter is to discuss the methodological steps adopted to conduct this research. This chapter is divided into three main sections: research design, administrating the qualitative study, and administrating the quantitative research. The first section details the process used to design, collect, and analyse the data in this research. It provides justification for the methodological approach chosen. The second section explains the process in taken to conduct the qualitative research; it outlines the pilot research, population, sampling, interviews process, data quality, data preparation, data analysis and the linkage between two data sets. The third section explains the process undertaken to conduct the quantitative study, such as questionnaire translation, pilot study, and population and sampling. As the nature of this study is developmental, the development of the quantitative phase was built on the findings and analysis of the qualitative phase. Therefore, the methodological development of the quantitative study was discussed in Chapter 7 i.e. after the qualitative findings and before the quantitative findings.

5.2 Research Design

This section discusses the process undertaken to design this study and explain the different layers of research design to develop an appropriate research framework. This section will discuss the research purposes, philosophical assumptions, research strategy, and research choices. After that, it will elaborate on the mixed-method approach and the pragmatism paradigm.

5.2.1 Research Purpose

The research purposes can be classified into three main purposes, as follows: exploratory, explanatory or descriptive (Kerlinger, 1986). This study adopted both the exploratory and the explanatory research purposes, as it aims to explore the perception of CSR within the Saudi Arabian banking sector and the factors that may influence this perception. It then examines the influence of these factors on customers' loyalty, i.e., customers' awareness, support and perceived value. The need to conduct a dyadic research was essential to understand the phenomena within its context and to identify the constructs that needs to be investigated prior to examining the proposed relationships.

Exploratory research aims to familiarize the researcher with a certain subject. According to Schull (2009), it "seeks to find out how people get along in the setting under question, what meanings they give to their actions, and what issues concern them. The goal is to learn what is currently happening? And to investigate social phenomena without explicit expectations" (Schutt, 2009 p.31). It is mainly used when the research problem is not well-defined but the researcher is seeking definite findings. In the current study, the researcher aims to understand CSR within Saudi Arabian banking industry and to identify aspects of consumer behaviour that in order to improve customers' loyalty. It focuses on how, why and when questions rather than on how often or how many. It is commonly used in interpretive research such as grounded theory and qualitative approaches (Saunders et al., 2007). Exploratory research can be conducted by literature reviews, interviewing (discussing) experts in the field, running focus-group interviews, or using case studies. The process of exploratory research starts with data collecting and then goes on to define questions, surveys, and the data-analysis method (Saunders et al., 2007).

Explanatory research (also called causal study) is used when the research is interested in how and why these phenomena are happening by explaining their causes and effects (Ruane, 2005). Unlike exploratory research, explanatory research requires a well-established understanding of the phenomena before testing it. However, it is commonly used for quantitative research and mainly employs surveys. It is usually built on descriptive research or well-studied problems which help to set up the hypotheses for it (Ruane, 2005). According to Babbie (2007), the main characteristics of explanatory research are as follows: enriching existing theories, determining the best explanation for the phenomena, validating existing theories and understanding, finding the cause and effects of certain phenomena, extending exiting theories and understanding, and providing evidence to accept or reject predictions.

5.2.2 Research Philosophy

This study adopts the pragmatism philosophy as it is proven to be the most-appropriate philosophy for mixed-method research due to its ability to generate superior results and its ability to utilize both qualitative and quantitative data (Johnson et al., 2004). The research questions and objectives that have been explained in Chapter One require a qualitative (semi-structure interviews) and quantitative (questionnaires) set of data. The nature of the research objectives underpins the need to adopt a pragmatic paradigm, where the researcher needs to give more attention to the research questions rather than to the philosophical paradigm (Creswell, 2003). The pragmatism paradigm was chosen as it is not committed to any philosophy of view reality (positivism or interpretivism); it is used for mixed-methods studies that require researchers to be free from the positivism or interpretivism philosophy; it gives researchers the option to choose between different methods, techniques and procedures that suite their aims, objectives, and research

questions; it recognizes that researchers do not have a uniform way of viewing the world, but they try to find the right approaches and the data analysis techniques that suite the research rather than following one way; and it enables researchers to view truth as "what works as at a time" (Creswell, 2003p. 11).

To better understand the pragmatism paradigm, the ontology and the epistemology of this paradigm needs to be discussed. The ontology refers to "the researcher's view of the nature of reality or being" (Saunders et al, 2007 p. 119). The pragmatist's view of reality suggests that reality is multiple and external. According to Creswell et al. (2003 p.40), the pragmatists' ontological assumption suggests that the reality is pluralistic which enables the researcher to better answer research question as they implement "consequence of actions" and investigate CSR perception from "practice oriented" point of view.

The epistemology refers "the researcher's view of what constitutes acceptable knowledge" (Saunders et al, 2007 p. 119). The epistemological assumption of the current study allows the researcher to utilize both observable measures and subjective meanings. The focus of this researcher was on practical, applied research, integrating different perspectives to help interpret the data (Saunders et al, 2007). The Axiology assumption ("the researcher's view of what role values have in the research") of this study suggests that values play a large role in interpreting results, the researcher adopting both objective and subjective points of view (Saunders et al., 2007, p. 119). Although the pragmatic philosophy is relatively new, it is well-developed and increasingly used by researchers.

> *"Pragmatism offers an epistemological justification (i.e., via*
> *pragmatic epistemic values or standards) and logic (i.e., use [of]*
> *the combination of methods and ideas that helps one best frame,*

address, and provide tentative answers to one's research question[s]) for mixing approaches and methods. A pragmatist would reject an incompatibility thesis and would claim that research paradigms can remain separate, but they also can be mixed into another research paradigm" (Johnson et al., 2007, p. 126).

5.2.3 Research Approaches

A research approach can be defined as a "path of conscious scientific reasoning" (Daft et al., 1986, p. 19). Since this study adopts pragmatism paradigm which allows the researcher to work with different sets of data, this section will compare between positivism and interpretivism research approach. The positivism philosophy usually takes the quantitative, objective, and deduction research path while the interpretivism philosophy adopts the qualitative, subjective and inductive research path. Since this research is conducted via a mixed-method approach, the next sections will briefly discuss and compare both approaches.

I. *Qualitative vs. Quantitative*

Selecting the research method is a critical stage directly linked to the paradigm of the research. The two commonly used methodologies are the qualitative and the quantitative methods. The qualitative data allows the research to extrapolate meanings through words, while the quantitative data allows examining the causal effects of the proposed relationships (Bryman et al., 2007). The researchers adopted the qualitative method as it allows exploring CSR perception deeply and in more detail compared to quantitative research. It becomes helpful as the research goal is to explore a wide range of dimensions and to identify factors associated CSR in Saudi Arabia. On the other hand, quantitative research is also relevant as the need is to

determine examine the influence of these aspects and the correlations between factors (Yin, 2003).

> *"Quantitative methods are particularly helpful when conducting research on a broad scale, since results obtained through a well-conducted statistical testing are safer for purposes of generalisation, whereas results of qualitative research will depict the reality in more detail, but may have limited generalizability" (Young, 2007, p. 10).*

According to Yin (2003), the qualitative research method mainly provides answers to the "how" or "why" questions, while a quantitative approach provides an answer to the "what" question. Since the current study employ how and what questions, the need to adopt both approaches exists;

> *"If the research question does not suggest unambiguously that either positivist or interpretivist philosophy is adopted, this confirms the pragmatist's view that its perfectly possible to work with both philosophies" (Saunders et al., 2007, p. 110).*

I. Subjective vs. Objective

Research needs to carefully decide the role of its value as subjective or objective. The subjective approach can be defined as the research approach where the research depends on the interpretations of what the researchers can see or hear. Thus, the researcher was an active player during the process of understanding CSR within Saudi Arabian context (McNabb, 2008). It also explores deeper meanings behind the interview responses and new issues (Neergaard et al., 2007). On the other hand, the objective approach (the research method designed to avoid interpretation by the researchers) is considered relatively less complex, simpler, and more direct when it comes to causal connections (Neergaard et al., 2007; McNabb, 2008). Due to the

nature of the current research, the researcher will adopt the approach the best help the phase i.e., subjectivism for the qualitative phase and objectivism for the quantitative phase.

II.   Inductive vs. Deductive

This research adopts abductive approach which allows the researcher to switch from subjective and objective approaches (Saunders et al. 2012). The inductive approach uses empirical data to develop the theory (Young, 2007). According to Gill et al. (2002), the inductive approach can be viewed as hill climbing, where the process starts with observation by collecting qualitative data, designing a pattern that shapes these data, developing tentative hypotheses, and then building a theory, while the deductive approach which can be viewed as a waterfall uses hypotheses which are driven from existing theories, which can later be compared with the outcomes of the study to be accepted or rejected. To a certain extent, it is impossible to completely separate these two approaches from each other (Young, 2007). For the current study, the researcher started with collecting qualitative data by interviewing CSR managers in the local banks, analysing these data and identifying the themes and constructs, and developed an insight for the conceptual framework and proposed hypotheses i.e. mainly to understand CSR perception within Saudi banking industry and to identify the constructs that required further investigation in the quantitative phase. These insights have then been used with the help of literature to identify relevant theoretical underpinning of the conceptual framework, developing hypotheses and distributing a questionnaire to measure consumers' perception and behaviours towards CSR initiatives to confirm the proposed hypotheses.

5.2.4 Research Strategy

Research strategy refers to the general orientation adopted in the research to answer the research objectives (Saunders et al., 2007). There are six main commonly used strategies in academic research: surveys, experiment, grounded theory, case study, ethnography, and action research (Saunders et al., 2007). This research adopted two different types of surveys as a strategy, i.e., semi-structured interviews and questionnaires. The interview strategy has been adopted according to its ability to explore the phenomena within its own context, while the questionnaire strategy has been adopted because they are suitable when the research aims for quantitative data, data specific and known to the respondents, and a significantly large population (Bryman et al., 2007). According to Akbayrak (2000), interviews are superior to questionnaires in their access to information, flexibility, reliability, response rate and validity. On the other hand, questionnaires are superior to interviews in their anonymity, application skill, bias, confidentiality, cost, data analysis, and sampling and time saving (Akbayrak, 2000).

5.2.5 Research Choices

This study adopts a mixed method choice. Research choices refer to the process of combining one or more data-collection and data analysis techniques in the same study (Saunders et al., 2007). There are three main research choices commonly used by researchers: mono-methods (a single data-collection and data-analysis process), multi-methods (two or more data-collection and data-analysis processes of a similar data type), and mixed methods (two or more data-collection and data-analysis processes of different data types). Since answering the research questions requires different sets of data, this research conducted a mixed method choice. The need and

the shortage mixed method researches were also motives for the researcher to conduct this kind of research (Spratt et al., 2004).

The mixed method helps to maximize the outcomes and findings of the research by employing both quantitative and qualitative methods as it allows the researcher to generate meanings from words and numbers in the same study (Creswell et al, 2007). It can be conducted by performing two different data-collection and data-analysis methods of different paradigms of research i.e., conducting unstructured interviews with a judgmentally selected few expert people and then randomly distributing large-scale, structured questionnaires. Another example can be when researchers randomly distribute large-scale, structured questionnaires and then conduct unstructured interviews with judgmentally selected few expert people (the order matters) (Spratt et al., 2004).

		Time Order Decision	
		Concurrent	Sequential
Paradigm Emphasis Decision	Equal Status	QUAL + QUAN	QUAL → QUAN QUAN → QUAL
	Dominant Status	QUAL + quan QUAN + qual	QUAL → quan qual → QUAN QUAN → qual quan → Qual

Table 5.1 Mixed Method Matrix. Adopted from Johnson et al., 2004.

Both QUAL and qual terms refer for qualitative research, while both QUAN and quan terms refer to quantitative research. The capital-cased letters symbolize the dominant method, whereas the lowercased letters symbolize the inferior method. The plus sign (+) means that the data have been collected concurrently, while the arrow sign (→) represents a sequential order of data collection (Johnson et al., 2004).

The mixed-methods approach allows researchers to utilize words and observations to add meaning to numerical data, provide a deep and more comprehensive investigation of the phenomena by answering a wide range of research questions, overcome the weaknesses of a single-method approach by the use of additional methods, provide stronger evidence, include a discussion and conclusion, increase the generalizability of the results, and enrich the knowledge by performing two sets of analyses, which help to test a grounded theory (Johnson et al., 2004; Spratt et al., 2004).

The majority of academic research is based on a mono-method approach due to the difficulties of collecting and analysing two different sets of data, which is more expensive, more time-consuming, and difficult in designing the appropriate mix of methods (Johnson et al., 2004). Despite these difficulties, some scholars believe that the number of contributional purposes can only be achieved by mixed methods i.e., triangulation, complementarity, development, initiation, and expansion.

Purpose	Rationale
Triangulation: Seeks convergence, corroboration and correspondence of results from different methods.	To increase the validity of constructs by counteracting or maximizing the heterogeneity of irrelevant sources of variance attributable to inherent method bias, inquirer bias or biases in the inquiry context.
Complementarity: Seeks elaboration, enhancement, illustration and clarification of the results from one method with the results from the other method.	To increase the meaningfulness and validity of constructs by capitalizing on inherent method strengths and counteracting inherent method biases.
Development: Seeks to use the results from one method to help develop or inform the other method, where development is broadly construed to include sampling and implementation, as well as measurement decisions.	To increase the validity of constructs and inquiry results by capitalizing on inherent method strengths.
Initiation: Seeks to discover paradox and contradiction, new framework-based perspectives, the recasting of questions or results from one method with questions or results from the other	To increase the breadth and depth of inquiry results and interpretations by analysing them from the different perspectives of different methods and paradigms.

method.	
Expansion: Seeks to extend the breadth and range of inquiry by using different methods for varying inquiry components.	To increase the scope of inquiry by selecting the methods most-appropriate for multiple inquiry components.

Table 5.2: Purposes for mixed-method evaluation designs. Adapted from Greene et al., 1989, p. 259.

This study adopted an equal-status, sequential, mixed-method approach for developmental purposes, i.e., both qualitative and quantitative phases are equally important, and the results of the qualitative study helped to develop the quantitative study. Practically, the qualitative exploration phase of the perception of CSR has to be conducted prior to the quantitative data in order to establish the basic agreement of the phenomena. Since the two data collection phases cannot be conducted in parallel, the sequential order has been adopted. As it has been explained in first chapter, this study has two broad aims; explore the perception of CSR and to investigate its influence on consumer behaviour. These two aims have received equal attention and placing equal emphasis on the qualitative and quantitative phases of this study. The developmental purpose has been adopted as it helps to better construct the second method and to increase the validity of the overall research. According to Creswell et al. (2003), if the aim is to use the qualitative findings to build to quantitative data; the researcher should follow the exploratory mixed method design which suggests the sequential order (qualitative first) and the mixing strategy occurs in two places; after analysing the qualitative data to design the quantitative study (i.e. developing research questions, population, and data collection techniques) and in the discussion phase.

5.2.6 Ethical Issues

Ethics has been established mainly by two steps: First, the University of Hull ethical committee approved the data collection for the qualitative data (the decision was received in Feb 2012), and the quantitative ethical committee approved the online

questionnaire before it was launched (decision was received in March 2013). The university ethical research approval was based on the evaluation of the research objectives, data-collecting approach, age of the respondents, and developing of the interviewees' consent letters to formally document the participants' approval for the data to be used in the academic research. For the online questionnaire, the cover page (the first page of the online questionnaire) stated, "Please note that the completion of the survey constitutes consent" to satisfy the ethical committee's approval. The participants have also been given the right to withdraw their responses at any time after the data collection and before publishing the data. The contact details for the researcher and supervisor have been given to the respondents in case they want to complain or comment on the research process.

The second step to establish research ethics was to ensure that the process of collecting the data was compatible with ethical consideration. According to Neuman (2006), the ethical considerations of data collection can be tackled by examining a number of ethical issues, as follows: deception, confidentiality of respondents' identity, power, and privacy of information. 1) In order to avoid deception, the aims and objectives of the research were introduced to the participants before any information was collected. For the qualitative study, a letter from the supervisor and Saudi Arabia Cultural Bureau (my sponsor) was given to the interviewees. 2) All of the participants' information was made anonymous. For the qualitative researcher, the interviewees' identities or bank information was not made known. However, as the current study interviewed 11 out of 12 local banks in Saudi Arabia, a list of collaborating banks has been given without linking the interviewees' responses to their identity. 3) The matter of power deals with interviewing the poor, children and patients which are not applicable in this research. 4) The privacy of information has

been established by limiting the use of this data to academic purposes only (Neuman, 2006).

5.3 The Qualitative Phase

The need to investigate the perception of socially responsible banks and to explore the antecedence and consequence of this perception calls for qualitative data. According to Leedy et al. (2005), to capture the full picture and comprehend a given phenomenon, digging deeply through qualitative data is essential. Thus, the current study started with a qualitative phase, where the data was collected by interviewing CSR managers of local banks. The role of the researcher's values and experience in this research should be explained prior to discussing the data collection process (Creswell, 2003). The researcher is a Saudi citizen who obtained his Bachelor degree in Marketing from King Fahd University of Petroleum and Mineral (KFUPM). He proceeded to work in one of the local banks in Saudi Arabia in the international department. His role was to market the bank to foreign-correspondent banks. Part of his job was to assess the foreign banks' financial reports and their countries to recommend the credit-line limits in dealing with these banks. Before leaving the bank to pursue higher study, he held a position in foreign trade as a finance manager. The researcher then travelled to Scotland to study MSc Marketing from the University of Stirling. His dissertation was about promoting Saudi Arabia as an investment destination. As a citizen of Saudi Arabia, Islamic values and beliefs influence the researcher's personality; however, the researcher aimed to minimize the interaction of his own values and beliefs with this study by establishing the research quality (See section 5.3.6). Before he started the data collection, he conducted an intensive literature review to identify gaps in his research and refine the research question. This step has contributed to the researcher's knowledge and understanding

141

of the CSR and its implementation in different contextual settings. Clear credibility procedures were established to increase the trustworthiness of the findings and to avoid bias.

5.3.1 The Interviews

Interviews are one of the most common qualitative-data collection tools (Spartt et al., 2004). They are defined as "an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social situatedness of research data" (Kvale, 1996, p.14). Interviews are appropriate for this study, as it has an exploratory nature requiring deep investigation of the existing perception of CSR in Saudi Arabia, the need to understand the meaning of socially responsible banks in the Saudi context and the way that the interviewees describe CSR and its dimensions. Investigating these matters through interviews will help to discern the antecedence and consequence of CSR, and identify the limitations and the motives for socially responsible banks in Saudi Arabia (Gillham, 2000; Gray, 2004).

There are three main types of interviews based on the way questions are designed, i.e., open-ended or closed-ended. These three types are structured, unstructured, and semi-structured interviews (Kent, 2007). This research conducted semi-structured interviews for the data-collection method of interviewing. A data-collection instrument was developed from four sources, as follows: previous work and literature, research objectives and questions, asking expert groups (i.e., supervisors and CSR consultants in Saudi Arabia), and the comments received in the pilot study (Saunders et al., 2007).

5.3.2 Pilot Study

The pilot study can be defined as a small data-collection study prior to the actual data-collection trail, mainly intended to guide expectations to better refine the data-collection instrument (Hislop et al., 2014). Pilot study allows the research to assess the data-collection instrument to increase its validity and reliability. Preliminary analysis of the pilot studies provides insight into the depth of the data intended to be collected and whether the researcher needs to add more questions (Saunders et al. 2007). The researcher benefited from the Second CSR Conference and the attached exhibition held in Riyadh (15-17 April 2012) to collect as much information as he could about the current CSR initiatives in Saudi Arabia and people's perceptions of CSR. Most of the pilot interviews took place during this conference. The researcher has conducted 13 interviews for the sake of pilot research.

Name	Designation	Institution
Prof. Michael Gagern	National Commercial Bank Research Chair for Corporate Social Responsibility	Chair Holder King Saud University (Business School).
Dr. Salah Alothman	Head of CSR	ARAMCO (The biggest oil company in the world)
Mr.Askar Alharthi	Secretary-General	Riyadh Corporate Social Responsibility Council (RCSRC)
Mr. Talat Hafiz	Secretary-General	The Media and Banking Awareness Committee at Saudi Banks
Mr. Tariq Alnahdi	Responsible Competitiveness Index Coordinator	SAGIA (Saudi Arabian General Investment Authority)
Mr. Nawaf Ibrahim	Head of Social Responsibility	Chambers of Commerce
Mr. Abdullah Alzahrani	CSR Manager	National Commercial Bank
Ms. Loulwah Alsudairy	CSR Coordinator at BMG	Financial Services
Mr. Mubarak Albugami	Head of CSR Department	Saudi Telecommunication Company
Mr. Omar Halabi	CEO	Meras (CSR Consultant Company)
Mr. Marcel Staphan	CSR Projects Manager	House of Sustainability (CSR Consultant Company)
Mr. Ashoor Almazloom	CSR Coordinator	Meras (CSR Consultant Company)

Mr. Abulrahman Alhussani	Head of PR at Warif	Community Service Organization

Table 5.3: List of pilot research interviewees.

The pilot study has helped the researcher in number of ways;

- Increased the researcher's confidence before conducting the main interviews.

- Rewording of certain questions for clarity and asking and removing some questions.

- Improved the researcher's knowledge about the current CSR initiatives in Saudi Arabia and how people perceived them.

5.3.3 Population and Sampling

The exploratory phase of this study investigates the perception of CSR within the local banks. The population of this study is the CSR managers of the 12 local Saudi banks. As there is only a limited number of local banks in Saudi Arabia (i.e., only 12 banks), all were contacted for interviews to avoid sampling issues related to sampling errors and non-representative sampling. It will also help to provide a sufficient amount of qualitative data to better explore the perception of CSR, the factors that influence it, and its consequences. One bank (SAMBA) refused to be interviewed at all and claimed that CSR is a highly confidential subject which they are not allowed to discuss with media or researchers. Thus, the data have been collected from 11 out of the 12 local banks in Saudi Arabia.

5.3.4 Prior to the Actual Interviews

All local banks were contacted by email or telephone to arranged for a meeting date, time and place; provide the interviewee with a clear picture of the purpose of the interview (i.e., the academic nature and main aim of this study); and confirm that the

data generated would be anonymous and for academic purposes only, and the interview will last for less than 90 minutes (Gillham, 2000; Gray, 2004). In the beginning, the majority of banks were not welcoming to perform the interviews. However, after number of attempts and receiving letters from the University of Hull and Saudi Arabian Culture Bureau they showed their initial interest.

5.3.5 Conducting the Actual Interviews

The current research aims to interview the CSR managers or community-service managers at all 12 local banks in Saudi Arabia. However, only five banks out of the 12 have CSR or a Community Service Department (i.e., National Commercial Bank, Alrajhi Bank, Aljazira Bank, Saudi Hollandi Bank and Alinma Bank). Seven banks out of the 12 do not have CSR or community services Department, therefore, the interviews have been conducted with the Public Relations Departments (PRDs) or Marketing Department, as they are the responsible departments within these banks to conduct some CSR activities, such as following up with charity organizations, providing donations, conducting educational campaigns, and sponsoring social activities. These banks are as follows: Riayd Bank, Saudi British Bank, Saudi Fransi Bank, Albilad Band, Arab National Bank, Saudi Investment Bank.

The interviews were conducted face-to-face at the interviewees' offices, so that they do not feel detached from work. Only one female interviewee asked to meet in the bank's main lobby due to the cultural and religious tradition of not being alone with men. The majority (10 out of 11) of the interviews were conducted in Riyadh (the capital of Saudi Arabia), as 10 out of the 12 banks' CSR and community-service departments are located in Riyadh. Only the National Commercial Bank's interview was conducted in Jeddah. These interviews were convened between 21 April 2012 and 30 May 2012. Before the interview started, the researcher introduced himself

and gave the interviewees a business card with his full details. After that, the researcher explained the research aims and objectives to the interviewees, followed by an explanation of the conditions on the consent letter, which he asked them to sign. Only one bank refused to sign it, saying, "We are more than happy to do the interview, but we are not willing to sign any paper until it goes to our legal department for approval." Consent form can be found in Appendix 13.5.

The researcher encouraged the interviewees to deeply answer the questions. He let them talk freely and did not interrupt them. He only probed when it required some clarifications or the interviewees were not answering the same question, in which case, he directed them back to the question. The researcher understands that recording the interviews would allow him to collect much data; however, it would limit the respondents to answer freely. Hence, the researcher was aiming to deeply understand the CSR concept and preferred not to record the interviews to allow more freedom to talk. To overcome missing some data, the researcher was taking notes during the interviews and started writing the transcription right after he left the bank to avoid losing some data. The interview questions were printed on six pages so the researcher would have enough space to write comments and take notes for every question. The interview started with an opening question that asked the interviewees about their education level, their role in the bank, and the role and structure of their department, thus easily leading the interviewees into the next question. Confidentiality and anonymity were ensured so that the interviewees felt free to talk and provide in-depth information. On average, the interviews took between 45 minutes to an hour. The longest interview took about 80 minutes, while the shortest interview took 35 minutes, because the bank claimed that it does not have CSR activities, since the management views CSR as an unjustified expense.

5.3.6 Data Quality

It has been widely argued that the terms validity and reliability are associated with the positivism paradigm. However, the meanings of these terms "have to be refined" in order to become relevant to qualitative studies (Golafshani, 2003). Although qualitative validity and reliability contribute to maximizing the *truth* by reducing the chances of receiving wrong answers and asking irrelevant questions, they differ entirely from quantitative validity and reliability (Neuman, 2006). The refined term for reliability is dependability, while validity is discussed in terms of confirmability, trustworthiness, credibility, and transferability, which are equivalent in quantitative research to objectivity, validity, internal validity, and external validity, respectively.

I.   *Dependability*

Reliability means repeatability or replication of answers, i.e. if two researchers with similar research objectives investigated the same phenomenon, they would receive similar findings (Gummesson, 2000). The only reasons that these researchers would come up with different answers would be due to error and bias (Robson, 2002) However, this understanding is rejected in the interpretivism paradigm, as the phenomenon is investigated within its environment and findings are not often generalizable. According to Creswell et al. (2003), the reliability of qualitative research can be established by assessing the process consistency among the conducted interviews. This process is widely defined among qualitative researchers as dependability rather than reliability. Dependability is defined as the evaluation of the data collection procedures, determining whether the evaluation was systematic, well documented and accurate (Collis and Hussey, 2009).

According to Saunders et al. (2007) neutral times chosen for interviews, the structure of the interviews, and an act of defining formality are helpful in establishing the

dependability of the research. To increase the dependence of the qualitative study, the researcher conducted all the interviews in the morning, before the interviewees get into their work routines, so they were focused and full of energy. The researcher introduced himself and handed a business card to the interviewee to keep the meeting formal. The research objectives were communicated to the interviewees, and they were asked to sign the interview consent form. The researcher has kept the research process and all steps of data collection transparent to the reader to increase the dependability, e.g. the coding process, piloting, translation and transcription, contacting banks to arrange for interviews, and the actual interviews. To reduce sampling errors, the researcher contacted all the local banks in Saudi Arabia. Finally, the researcher minimized the data reduction process to include a much data as possible. This action is expected to increase dependability, as the data collection process is usually very subjective.

I. Confirmability

Objectivity refers to "the extent to which a study is independent of the researcher's bias" (Armstrong, 1982, p. 84). In this sense, objectivity is rejected in a qualitative study, as subjective meanings provide acceptable knowledge and the context of the study is not separable from the phenomena (Merriam, 1998). Indeed, it is neither desirable nor feasible for the researcher to stand outside his/her context or to undertake value-free investigation, as values are expected to play a role in designing and interpreting the results for the pragmatic paradigm (Saunders et al., 2003).

> *Qualitative research of all sorts relies on those who conduct it.*
> *We are not passive receptacles into which data are poured.*
> *(Charmaz, 2006, p. 15)*

Although the current research does not intend to claim objectivity, the researcher has attempted to maximize the confirmability of this study. Confirmability refers to "the considerable efforts devoted to ensure that research results truly represent the respondents' views" (Gauthier et al., 2005 p.116). In order for the researcher to establish confirmability and maximize the chances of truly representing the respondents' views he has attempted to clarify and justify the choices made while collecting, analysing, and interpreting the data and to explain his reasons for rejecting other arguments (Lincoln & Guba, 1985).

II.   Trustworthiness

Validity can be defined as "the degree to which the test actually measures what it purports to measure" (Sartori, 2007 p. 259). It is essential to examine the quality of the quantitative research; however, the quality of qualitative research is assessed differently. According to Neuman (2006), the term validity in qualitative research refers to truthfulness. Indeed, qualitative researchers are concerned more about authenticity than about the actual truth, as the qualitative researcher believes that there is no such thing as absolute truth about a given phenomenon. The validity of qualitative research is not rejected, but it refers to the honesty, fairness, and accuracy of the research in reporting the participants' views (Neuman, 2006). The qualitative paradigms widely refer to a trustworthiness that is defined as "the researcher checks for the accuracy of the findings by employing certain procedures" (Creswell, 2009 p.190). To increase the trustworthiness of the reported findings for the perception of socially responsible banking in Saudi Arabia while making sense of and interpreting the interviewees' answers, the researcher gave the interviewees' time to speak freely and articulate their answers. To ensure accuracy, the researcher used probing

questions to deeply investigate the respondents' views without directing or influencing those views. In some cases the researcher had to rephrase questions or ask them in a different way to ensure that the interviewee understood the question correctly. A declaration of consistent process throughout the qualitative study can minimize bias and errors, e.g. in this study the pilot study, contacting the interviewees, conducting the interviews, translation, transcription, and data reduction (Denzin and Lincoln, 2011). There are two main factors used to assess trustworthiness: credibility and transferability. These factors work accumulatively to help warrant confidence in the claims concluded by the researcher (Denzin et al., 2011).

III. Credibility

Lincoln & Guba (1985, p. 290) state that internal validity in quantitative research is defined as "the extent to which variations in an outcome variable can be attributed to controlled variation in an independent variable". It is assessed by mathematical equations to provide explicit empirical evidence of the causal relationships between dependant and independent variables (Bowden et al., 2013). This understanding is not rejected in the qualitative approach, but it is measured differently, i.e. the extent to which the results are congruent with the actual reality (Merriam, 1998). This is widely referred to as the credibility. Credibility is a major factor that distinguishes qualitative research as it improves the ability to provide a comprehensive understanding of the participants' views (Bryman et al., 2003). Lincoln et al. (1985) identify a number of steps to increase the credibility of the research: prolonged engagement, triangulation, peer debriefing and negative case analysis. For the current study, prolonged engagement was established in two steps. First, the researcher read the transcript eight times before starting to extract the codes. This

process helped the researcher to become immersed in the data. Second, the researcher typed the transcript into an Excel spreadsheet where the first row represents the interview questions and the first column represents the interview number. Then, participants' responses were entered into the relevant cells. This helped the researcher to dig deeply into the data. Allowing interaction and overlap between questions and asking the same question in different ways helped the researcher to improve credibility across the same interview. Moreover, the researcher discussed some of the themes and categories identified with his PhD colleagues to cross-check his understanding and interpretation of the data (Lincoln et al., 1985).

IV. *Transferability*

External validity refers to "the ability to generalize from experimental research to settings or people that differs from the specific conditions of the study" (Neuman, 2000, p. 510). Qualitative research often relies on a small sample size and intends to investigate the phenomena within their social context of this sample. The notion of taking the phenomena outside their contexts and generalizing the findings to different settings is often rejected in qualitative research (Merriam, 1998). Generally speaking, qualitative researchers claim locality (Saunders et al., 2007). The term "transferability" does not refer to the applicability of the findings to different settings, which is a common characteristic of the positivism approach. It rather intends to clarify the research setting and make it transparent to the readers, and to thoroughly explain the process undertaken in the study (Saunders et al., 2007). Therefore, the current qualitative research does not aim to generalize the Saudi perception of CSR to different settings, or to confirm that the perception of socially responsible banking is applicable in different contexts. Transferability is established by clarifying the research context and the process undertaken throughout the

research to the readers, and allowing the readers to judge the generalizability of the findings. Although the main reason for the researcher to conduct mixed method research was developmental, the quantitative data of Saudi Arabian local bank customers were examined within the same settings.

5.3.7 Data Preparation

This section will discuss the processes undertaken to prepare the qualitative data for analysis, i.e. translation, transcription, and data reduction.

I. Translation

Translation is the "process of expressing words or text in another language" (Oxford English Mini Dictionary & Treasure, 2008, p. 705). Translation processes happened twice in the qualitative research study: translation of the interview questions into Arabic, and translation of the interview responses back into English. The interview questions were initially designed in English and then translated into Arabic to minimize any miscommunication or misunderstanding that might happen, as Arabic is the primary language in Saudi Arabia and English is not widely spoken in rural areas (Royal Embassy of Saudi Arabia, 2013). The researcher believes that the translation process is critical and could affect the outcome of the research, so the translation was performed by the researcher himself, as he is an Arabic native and speaks fluent English. The researcher received his BSc, MSc, and PhD from English-medium universities. In addition to that, he is capable of writing to a high standard of academic English and Arabic style. Also, the researcher is aware of the important technical terms in both languages (English and Arabic) that might not be direct translations of the words used. The translated version of the interview questions was cross-checked by a Saudi marketing PhD student (from the University of Hull) who is fluent in both languages and aware of technical and cultural differences.

152

Twinn (1994) states that the translation process is likely to affect the quality of data as well as data interpretation because it is difficult to find the exact meaning of the words and the differences in the grammar structure. The researcher was particularly careful during the translation process to translate not only the words but the meanings behind them, so nothing would be lost in translation (Twinn, 1994). The English and the Arabic versions of the interview questions are included in the Appendix 13.6. After conducting and analysing the interviews in Arabic, the researchers had to translate the findings and the analysis into English. Analysing the data in Arabic was convenient for the researcher, as the Arabic transcription was relatively long and the researcher did not want to lose any ideas while translating the whole interviews.

II. Transcription

Transcription can be defined as "the written format of what have been communicated verbally and nonverbally" (Wetherell et al., 2001, p. 36). Transcription is an essential step in which the researcher prepares the qualitative data to be analysed. The researcher has to carefully decide on what should be included in the transcript and what should not be. This process depends on the ability of the researcher to judge what information is important in respect to the research questions (Wetherell et al., 2001). The researcher started to develop the transcript from the notes taken as soon as he finished each interview, to avoid losing data. The transcript was developed and analysed in Arabic (the medium of the interviews), then the findings were translated to English. The researcher utilized his understanding gained from the literature review and previous research along with the relevancy of the information to the research objective to decide what to include in the transcript and what to leave out. The researcher intended to include as much data as possible in the transcription

so he would not lose any important ideas. Following the transcription process, the researcher created an Excel spreadsheet. He typed the interviews questions in the first row and the interview number in the first column. He then wrote the answers to each interview questions in the relevant cell. After that, he printed it in a readable font (10-point Times New Roman). He ended up with a table of 4 X 6 A4-size pages (24 sheets). The aim of printing this table was to enable the researcher to view all the interview responses at the same time, which would facilitate his job during the code extraction stage.

III.   Data Reduction

Data reduction is the process of "identifying quotes or expressions that seem somehow important—these are called exemplars—and then arranging the quotes/expressions into piles of things that go together" (Ryan et al., 2002, p. 63). Data reduction is a continuous process that the researcher will carry out from the beginning of qualitative research until the presentation of the final report (Miles et al, 1994). Some scholars classify the conceptual framework, research questions, and research approach as the early stages of data reduction, as they limit, reduce, and focus the data before gathering.

There are different techniques can be used to reduce qualitative data, and there are many similarities among these techniques. Ryan et al. (2002) suggest that the researcher utilize small cards to write down quotes that were cut out from the transcription. The researcher should include full details (reference) for the quotes, i.e. who said it and what the context was. Then, similar quotes should be grouped together to form themes. The researcher began by familiarizing himself with the data by reading the transcription through eight times. During the eighth reading, the researcher felt he became fully aware and engaged within the data and believed more

reading would not add more understanding, so he decided to start working on the data. The researcher benefited from entering all the interviewees' responses into an Excel spreadsheet and printing it. This allowed him to easily highlight key words and important phrases.

5.3.8 Qualitative Data Analysis

Creswell (2009) states that data analysis is the "ongoing process involving continual reflection about the data, asking analytic questions and writing memos throughout the study……the aim of data analysis is to make sense out of the data collected" (p. 183). Data analysis is the backbone of any research study, as it brings theory and practice together. In order to prepare the qualitative data for analysis, researchers must work through five main stages: transcription, translation, familiarization with the data, representation, and interpretation (Creswell, 2009). This process can run simultaneously, i.e. researchers could start familiarizing themselves with the data and taking memos while they conduct interviews (Creswell, 2009). Researchers prefer to manually analyse the data rather than utilizing computer software (e.g. NVIVO), because computer software cannot extract the meaning from textual data nor can it carry out the analysis (David et al., 2004). Software programs only facilitate searching and viewing the data. Moreover, the machine analyses are limited to the frequencies of the words, and do not contribute any intellectual or theoretical meanings (Basit, 2003).

According to Wilson (2010), selecting the research approach is subject to the research nature, research objective and the personal preference of the researcher. Different approaches of qualitative data serve different purposes, generate different set of data, and different requirements are needed to conduct them i.e., longer time, many rounds of analysis, languages evaluation, interpretation skills, and

demographic and context investigation (Punch, 2013). The most common qualitative analysis approaches can be classified into three groups; explanatory analysis which aims to investigate chain of events or stories that explain the phenomena e.g. narrative analysis, conceptualization or categorization analysis which aims to develop and construct variables by identifying themes and code e.g. thematic analysis, and content analysis which aims to quantify the data to objectively compare and evaluate e.g. frequency analysis (Steren, 2010).

The current study has adopted two analytic approaches; thematic analysis to conceptualize CSR perception and identify the factors that motives, challenges CSR, and the content analysis identify the most common CSR activities conducted by local banks and find out the most frequent stakeholders' groups mentioned in the interviews. Most of the critiques that criticize are related to the way that the approach has been conducted with rather than the approach itself (Braunand & Clarke, 2006). However, the approach itself is limited in number of ways; it does not allow the research to make claims about the use of languages, can very subjective on selecting codes and does not have strong analytic power. The thematic analysis was mainly selected for its ability to develop models and identify the causal relationships between factors which are consistent with the developmental nature of the current study (Mathews and Ross, 2010). It allows wider evaluation of CSR, deeper investigation of its dimensions, and identifying the factors that need further investigation in the quantitative phase (Alhojailan, 2012). It is also known for its flexibility and suitability for large data sets and ability to generate "unanticipated insights" (Braunand et. al, 2006 p. 37). The current study does not aim to analysis the language, and has adopted a systematic way to extract the codes to minimize subjectivity. Content analysis allows the researcher to objectively evaluate the data

and systematically generate findings (Sekaran & Bougie, 2010). This approach was consistent with the objective approach on the quantitative phase i.e. identifying customers' awareness items.

I. Thematic Analysis

Thematic analysis can be defined as the process of highlighting codes, categories and themes from qualitative data, then analysing and discussing them (Ryan et al., 2002; Mathews et al,, 2010). The process of analysing qualitative data consists of five main stages: identifying themes and codes, explaining these codes within the research context, designing the structure of themes and codebooks, deconstructing the qualitative data text into the structure of themes and codebooks, and linking themes into theories and previous research (Wilson 2010; Ryan et al., 2002). The process of identifying themes is a subjective practice based on the interpretation of the research in the context of the qualitative data. In order to minimize the bias of identifying codes, a systematic approach must be followed to identify these codes.

II. Process of Coding

According to Miles et al. (1994) and Ryan et al. (2002), codes can be identified by their frequency of appearance in the qualitative data, by previous mention in literature reviews, by the importance and meaningfulness of the codes, and by unexpected information that might lead to new understandings of the phenomena. Similarly, Ryan et al. (2002) and Mathews et al., (2010) state that qualitative researchers should look for repetitions, indigenous typologies or categories, metaphors and analogies, transitions, similarities and differences, linguistic connectors, missing data and theory-related material. The researcher should begin by reducing and representing the qualitative data, then extract the key words and list

them, note word co-occurrence, and conduct meta-coding (Ryan et al., 2002, p.65). This process is called "open coding", as researchers are only interested in generally identifying the codes and bringing them from the deep sea of transcription to the surface with no intention of finding connections between them (Neuman, 2007; Strauss & Corbin 1990). The next stage (called axial coding) is concerned with grouping and identifying common factors among the identified codes to form themes and categories (Neuman, 2007; Strauss et al., 1990).

The researcher has adopted the manual approach for identifying the codes and analysing the qualitative data rather than electronic software such as Nvivo. According to David and Sutton (2004), electronic software is unable to provide meaningful findings from the data as the personal interpretation of the researcher is essential. Similarly, Coffey and Atkinson (1996) stated that the findings of the electronic software are mainly developed based on the frequencies of the codes and there is little theoretical understanding can be drawn from these findings. After deep understanding the data, the researcher started to identify the relevant key words that help to answer the research question. A list of about 80 key words was developed. This process is called open coding (Neuman, 2007). During this phase the researcher was only concerned about finding the codes, relabelling them and grouping them into themes. The next stage, the researcher was looking for the relationships between these codes to develop the appropriate themes. Later, these themes have been grouped together in to categories. This process is called "Axial Coding" (Neuman, 2007). More explanations about the coding are provided in section 6.3 (Main Findings). Table 5.4 represents the open and axial codes of the qualitative research.

Open	Axial
World Bank Definition World Business Council for Sustainable Development	Definition

No Defining is required	
Serving stakeholders Doing No Harm Business-Related Responsibility Culture and Industry Generic Term Personal and organizational values Concessions for public interest Altruism Ihsan Social Hypocrisy	Interpretation of the concept
Work experience/Practice Memberships/Associations ISO26000 Culture Religion/Islamic Values Family Education/University/Academic/Theory Books/Journals' Articles Voluntary work Bank Value Interaction with the Society Internet & TV	Sources of Information
Sustainability/Continuous Development/Support/Improve Compulsory Vs. Voluntary	Elements of the definition
Legal Ethical Economic	Dimensions
Shareholders Managers Employees Customers Society Charity Organization Government	Stakeholders' Issues
Enhancing brand-customers' relationships Brand promotion tool Relieving banks from social and media pressure Human duty Religious duty National duty Social duty Coordination Information Regulation Incentives Conflicts between business and social orientation Compliments and favouritism	Business Related Issues

Lack of professionalism Customers' expectations Customers' awareness Customers' support Social programme Economic programme Environmental programme	

Table 5.4: Open and Axial Codes

5.3.9   Linking the Two Phases

As explained in Section 5.2.5 (Research Choices), the purpose of adopting mixed method approach in this research is developmental i.e. "seeks to use the results from one method to help develop or inform the other method" (Greene et al., 1989, p. 259). According to Creswell et al. (2003), developmental mixed methods approach uses the findings of the first phase to build to the second phase of the study. Besides the fact that the qualitative phase helped to understand the current perception of CSR, the motives and challenges that face CSR in Saudi Arabia, and indicated the influence of Islamic values in CSR understanding; it enriched the quantitative phase in number of whys. First, it identified the factors needed to be investigated in the conceptual frame work i.e., customers' awareness, customers' support to responsible businesses and customers' expectation of responsible business. Second, a content analysis technique was adopted to identify the most frequent CSR activities claimed by banks which have been used to measure the customers' awareness of these activities. Also, it helped to identify the importance and the priority given to each stakeholders group. More explanations about linking the two phases of the current study are provided in section 6.4 (Conclusion of the qualitative analysis) and 7.2 (conceptual framework development).

5.4 The Quantitative Phase

After exploring the perception of socially responsible banks in Saudi Arabia, the factors affecting this perception, and the motives and challenges for local banks in Saudi Arabia to become socially responsible, the findings of the exploratory phase were then examined empirically. Although the questionnaire is often associated with the positivism approach according to its objectivity nature, it has been argued that the pragmatic paradigm believes that "either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question" (Saunders et al., 2007, p. 119). In this phase, a transition was made from exploring the perception of CSR to examining the causal relationships among the identified constructs, i.e., customers' awareness of CSR, customers' support of responsible businesses, CSR perception, CSR expectation, perceived value, customers' satisfaction and loyalty. The qualitative phase provided the basis of developing the conceptual framework by highlighting the need to investigate a number of constructs, i.e., customers' support, customers' awareness and customers' expectations. The qualitative findings were used to identify what constructs should be capture in the proposed conceptual framework. Despite the fact that the qualitative phase contributed to the development of the conceptual framework, all the causal relationships were theoretically supported and undertook a value-free process. Thus, the quantitative phase is constructed based on the objective approach.

5.4.1 The Questionnaire

A questionnaire as one of the most-common data collection methods can be defined as "a set of questions on a form, which is completed by the respondent in respect of a research project" (Bryman et al., 2007, p. 66). It is commonly used to generate quantitative data, allows a researcher to have more control over the number of

variables that may affect the research findings, and tests the significance level of the proposed causal relationships (Saunders et al., 2007). The dramatic increase in Internet usage has promoted the adoption of technologies and data-collecting methods. The online questionnaire helped the researcher during the data-collection process. First, it allowed the researcher to collect data from different areas of Saudi Arabia and not only limited to one geographical location. Second, it facilitated the researcher's role in collecting data from female participants, according to the difficulties of a male researcher collecting data from female respondents in Saudi Arabia. Third, it was convenient to collect the data online compared to the use of self-administrating, paper-based questionnaires which must be printed, distributed, and manually entered into the analysis software. Fourth, it helped to avoid data-entry errors. Fifth, it was cost- and time-efficient (Bryman et al., 2007 and Saunders et al., 2007). The English and Arabic Version of the questionnaire can be found in Appendix 13.4.7.

5.4.2 Translation

The questionnaire was conducted in the Arabic language, as it is the official language of Saudi Arabia and is spoken all across the country. The researcher cares to avoid any ambiguity that might arise due to misunderstanding of the English version of the questionnaire. Thus, translating the questionnaire was essential to facilitate the process of data-collection. Back translation is widely used in academic studies (McGorry, 2000). Ozolins (2009) argued that back translation assists the research to control the quality of data generated compared to a single-translation process which is expected to incorporate the researcher's voice and mix it with the respondents' voice. The main aim of back translation is to "achieve precise and comparable transfer of meanings across languages" (Ozolins, 2009, p. 1). Therefore,

the main concern of the translator should be the overall meanings and ideas rather than the exact meaning of the words.

The original questionnaire was developed in English, as all the questionnaire's items came from English-medium journals. A software copy of the English questionnaire version was sent to a Saudi Ph.D. Marketing student to be translated into the Arabic language on the 2nd of March 2013. Two days later, the Arabic version of the questionnaire was received by email. There were a number of words that were reported by the translator as having a possibly different meaning in the Arabic language, i.e., the term "perceived value" was a concern as the term has been translated in Arabic marketing textbooks in three different ways: القيمة, القيمة المتصورة (المدركة, القيمة المكتسبة). Although there is no agreement on the Arabic translation of the term "perceived value" among Arabic marketing scholars, the meaning of the three Arabic terms are quite similar, and they are easily understood by marketing students. The term "perceived value" only appeared once in the questionnaire (in the cover letter), so it is not expected to have a significant impact on the responses. Another example was "loyal customer" and "loyalty"; when translated into Arabic, their meaning changed into "patriot". Also, some items of emotionally perceived value sound very similar when translated into Arabic. In Arabic, it is difficult for the public to differentiate between "I feel happy", "I am pleased" and "I enjoy".

The researcher improved the format and layout of the file received. The Arabic version of the questionnaire was then sent to another Saudi Ph.D. Marketing student to be translated back into English on the 5th of March 2013. The English version of the questionnaire was received back on the 9th of March 2013. Then, the researcher compared the English-translated version with the original English version of the questionnaire to ensure consistency of translation. There were some translation

differences between the original English version and the translated English version, i.e., in the Likert scale, the choices "disagree" and "strongly disagree" were translated into "reject" and "strongly reject". Moreover, the last item of Harris et al.'s (2008) loyalty scale was "I will still visit the bank even if others are cheaper". The translators have suggested that the word cheaper be changed to "lower price". The researcher consulted his academic supervisor, as he is an English native and an expert in marketing terms. The supervisor recommended the adaptation of this item.

The research had two main concerns during the translation-quality check. First, the Arabic version should capture the full meaning of each and every item rather than the exact meaning of each word. Second, the respondents of the questionnaire will be the general public, not marketing specialists. Thus, the researcher tried to make the items as short and simple as possible without affecting the meaning of the items. The researcher had chosen the translators according to three main criteria. First, they are marketing specialists and are fully aware of the marketing concepts and marketing terminologies. Second, they are Saudis, so they are aware of how to write in an understandable way for Saudi citizens. Third, they both are Ph.D. students at English-medium universities, so they have obtained an excellent English level.

5.4.3 Pilot Study

Pilot research which is sometimes called "pretesting" is widely used among researchers to ensure the quality of the instrument designed to collect data (Zikmund, 2003).

> *"Whether constructing a new scale or revising an existing scale, researchers must confirm that the scale uses clear and appropriate language, has no obvious errors or omissions, and has at least adequate psychometric properties before it is used. A*

> *pilot study is often recommended to address these issues as well as to estimate response rate and investigate the feasibility of a study" (Johanson et al., 2009, p. 394).*

According to Johanson et al. (2009), there is no agreement among scholars about the sample needed for a pilot study. However, different research purposes are recommended to apply a minimum number of items to the sample size, i.e., for feasibility, the study should include between 10 and 15 individuals; for instrument development, between 25 and 40; and for intervention efficacy, between 20 and 25. In social-science studies, it is widely acceptable to use 10 participants as a sample size for small groups and between 10 and 30 for a large population study (Johanson et al, 2009). Brooks et al., (2011) applied the Pearson correlation to investigate the effect of increasing the sample size to the length of the confidence interval. Based on this analysis, the findings were as follows:

> *"We would suggest that 30 representative participants from the population of interest is a reasonable minimum recommendation for a pilot study where the purpose is preliminary survey or scale development" (Johanson et al., 2009, p. 399).*

Thus, a pilot study of 32 participants was conducted between the 11th and 16th of March 2013. Since the population of this study is Saudi Arabian, the pilot research questionnaires were only distributed to a Saudi Arabian community in Hull. The pilot research questionnaires were distributed during a social gathering of the Saudi Society in Hull. In the male gathering, the questionnaires were distributed among the tables, and participants were invited by the researcher to answer the questionnaire. For the female participants, the researcher's wife (MSc Business and Management Student) distributed the questionnaire among her Saudi friends. The researcher conducted a self-administrative technique for the pilot study for mainly three

165

reasons: to receive maximum and complete responses from the participants, to listen to respondents and receive maximum feedback, to improve the questionnaire, and to avoid ambiguity that could affect understanding of certain items. Table 5.5 shows the frequencies and percentages of the pilot-research participants' profile.

Frequencies and Percentage of Demographic Factors of Pilot Research					
Gender	Male: 27 (84.4%)			Female: 5 (15.6%)	
Age groups	Under 20: 0 (0.00%)	20-29: 11 (34.4%)	30-39:18 (56.3%)	40:49: 3 (9.4%)	Over 50: 0 (0.00%)
Education	High School: 0 (0.00%)	Diploma: 2 (6.3%)		Graduate: 3 (9.4%)	Postgraduate: 27 (84.4%)
Income*	Less than 5:3 (9.4%)	5-10:11 (34.4%)	10-15:10 (31.3%)	15-20:7 (21.9%)	20-25:1 (3.1%)	More than 25:0 (0.00%)
Sector	Bank & Fin. Serv.: 3 (9.4%)	Education: 18 (56.3%)	Marketing: 2 (6.3%)	Comm. & Trans.: 1 (3.1%)	Other: 8 (25.0%)
* in thousands of Saudi Riyals					

Table 5.5: Pilot Study Participants' Profile

The researcher has received a number of comments on the pilot research which can be classified into three main groups: layout and formatting, language and meaning, and general comments about the questionnaire. For layout and formatting, the respondents suggested the use of headers and footers, inserting page numbers, and typing the title of the survey in large font. For language and meaning, the respondents suggested improving the writing style of some items, made note that some items sounded very similar to each other, suggested the correction of some grammar and spelling mistakes, and explained how the respondents should answer the survey. For the general comments, respondents suggested that the researcher and his supervisor's details be included on the cover page of the questionnaire, including the definition of CSR, as some respondents are not aware of the term and the concept

of social responsibility. A number of respondents stated that they are not aware of what their banks do and do not care.

The validity ("the ability of a scale to measure what was intended to be measured" [Zikmund, 2003, p. 331]) was established by face and content validity, while Cronbach's alpha text was utilized to measure internal consistency for reflective scales. Reliability refers to the ability to generate the same findings if the analysis is recalculated by another researcher (Saunders et al., 2012). Cronbach's alpha is also a widely used technique among scholars to assess the convergent validity (Coltman et al., 2008). Table 5.6 below shows Cronbach's alpha for reflective constructs.

Construct Name	Cronbach's Alpha
Economic Perception of CSR	0.774
Legal Perception of CSR	0.770
Ethical Perception of CSR	0.688
Philanthropic Perception of CSR	0.934
Economic Expectation of CSR	0.734
Legal Expectation of CSR	0.866
Ethical Expectation of CSR	0.915
Philanthropic Expectation of CSR	0.882
Economic Perceived Value	0.849
Emotional Perceived Value	0.877
Social Perceived Value	0.717
Customers' Support for Responsible Businesses	0.824
Customers' Satisfaction	0.666
Customers' Loyalty	0.800
Privacy Risk	0.881
Cronbach's Alpha Reliability For the Pilot Research	

Table 5.6: Cronbach's Alpha Coefficients for the Pilot Study

All reflective constructs have obtained Cronbach's alpha reliability of .70 or more (except that customers' satisfaction and ethical perception of CSR were 0.666 and 0.688, respectively). Although the reliability of Cronbach's alpha for customer satisfaction and ethical perception of CSR was below 0.70, the researcher decided to

still adopt this scale for mainly three reasons: These scales have high validity and are widely used in literature, their Cronbach's alpha reliability was close to 0.70, and calculating Cronbach's alpha reliability if an item is deleted showed that they can be improved. According to Coltman et al. (2008), there is no empirical test that can be used to assess the internal consistency for formative constructs.

5.4.4 Population

Since this study aims to measure consumers' perception of socially responsible banks and its impact on different aspects of consumer behaviour, the population of this study should be Saudi banks' consumers. Consumers are the largest and most-important group of stakeholders (Ramasamy et al., 2009; Hill & Jones, 2007; Johnson, Onwueghbuzie, Turner, 2007). According to the Central Bank regulation (SAMA) in Saudi Arabia, obtaining a bank account requires showing a national ID card, which has an age restriction of 18 years. If an applicant is under 18 years, a subaccount under his/her parent's account can be opened under the responsibility of the parents. According to Factbook (2013), the population of Saudi Arabian citizens is about 26.9 million, as of July 2013, and only about 17 million of them are over 18 years old. Thus, the population of this study cannot exceed 17 million. SAMA stated neither the number of bank accounts in Saudi Arabia nor the number of banks' customers. The researcher has contacted SAMA to find out the number of bank customers in Saudi Arabia; however, this information is not available to them. The researcher tried to contact the banks individually to find out the number of customers they have or the number of bank accounts they have; however, most of them have classified this information as confidential. The only information available that could help the research to estimate the population size was the number of ATM cards working in Saudi Arabia, which was 14 million cards by 31 December 2012 (SAMA

Annual report, 2012). The research considered this number as a rough indicator of the population size, as it agrees with the population over 18 years (about 17 million) minus people living in rural areas (3.06 million - 18% of population) (Factbook, 2013). The researcher is aware that customers with more than one bank account have been counted twice or three times. On the other hand, there are some customers that do not have ATM cards. To summarize, the population of this study is any Saudi Arabian holding a bank account. The total population size is estimated to be around 14 million.

5.4.5 Determining the Sample Size

The large sample size allows researchers to be more confident about generalizing their findings subject to statistical probability. According to the central limit theorem, the larger the sample size of a study, the more normal distribution it gets and the more accurate results are found (Saunders et al., 2012). It has been statistically proven that a sample size of 30 or more will generate a mean sampling distribution very close to a normally distributed mean (Saunders et al., 2012). For probability sampling, researchers have to trade-off between the ability to generalize their findings and the cost and time spent to collect the sample size. To calculate the required sample size for a certain study, researchers have to take into account four main factors: confidence level, confidence interval (or margin of error which is half of the confidence interval), the size of the whole population of the study, and the type of analysis planned to be used, as some software requires a minimum amount of data (Saunders et al., 2012). A 95% confidence level is commonly adopted in academic research, i.e., at least 95% of individuals that participated in the study are representative of the whole population. According to Researcher Advisors (2006), a

minimum sample size of 384 is required for a population over 10,000,000 for a 95% confidence level and 5% confidence interval.

5.4.6 Sampling Technique

Sampling can be defined as the process of defining a finite group of a statistical population that represents the whole in order to test or examine certain observations, theories or even hypotheses (Kent, 2007). In most cases, it is close to impossible to study the whole population in order to confirm or test the hypotheses. There are two commonly used sampling techniques: scientific sampling (also called probability sampling) and non-scientific sampling (also called non-probability sampling). First, scientific sampling is a sampling method that provides every member in the study population with the same opportunity to be chosen (Saunders et al., 2007). There are five major types of scientific sampling: simple random, systematic, random route, stratified, and multi-stage cluster sampling. Second, non-scientific sampling is a sampling method that allows different members of the population to have more or less the same opportunity to be chosen (Saunders et al., 2007). There are also five major types of non-scientific sampling: purposive sampling, quota sampling, convenience sampling, snowball sampling, and self-selection (Kent, 2007). Non-probability sampling is preferred over probability sampling for this study, since it is less expensive and time-saving, does not require a sampling frame, and is more efficient, as the Saudi population is not normally distributed, e.g., 48% of population is under 25 years old (Kent, 2007; The Factbook, 2013). Thus, non-probability sampling was adopted for this study.

The questionnaire was distributed by three large databases that have sent the survey link to their email list, posted it on their Facebook page and tweeted it via their Twitter account. These three databases have been selected judgmentally according to

170

their relevancy to the tested phenomena, i.e., the Saudi-banks'-customers' database, the CSR-in-Saudi-Arabia database, and the Saudi-students-abroad database were selected, as they are relevant to banking and CSR context and members have dealt with local and foreign banks, respectively. The snowball technique was also used to ask the respondents to retweet, share, and forward the questionnaire to their e-mail lists.

5.4.7 Rationale for Employing SEM and PLS Techniques

The current study employed PLS-SEM technique to assess the causal relationships in the conceptual framework. Structural equation modelling (SEM) is "a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables" (Suhr, 2006, p.2). This highly flexible comprehensive multivariate technique allows measures and latent variables to be calculated simultaneously, reports the calculation errors for each variable, solves multicollinearity issues, and provides graphical outputs of the model which clearly and directly represent the outcomes (Hair et al, 2013; Suhr, 2006). There are two different approaches to conduct SEM; Covariance Base (CB) and Partial Least Squares (PLS). CB approach can be obtained by software packages such as AMOS, LISREL, MPLUS and EQS whereas the PLS approach can be obtained in SMARTPLS and PLS Graph (Wan Afthanorhan, 2013). According to Hair et al. (2009), CB is more appropriate to confirm hypnotized theories as it reduces the differences between observed covariance table and estimated covariance table. Another advantage for CB packages is that it can assess model of fit i.e. PLS does not provide the overall fit of the proposed model (Abbasi, 2011). According to Hulland (1999), PLS structural equation modelling concerns reducing the standard of errors and/or increasing the R^2 rather than assessing the overall model of fit of the

proposed model. However, CB should not be used in certain cases as it produces meaningless results (Afthanorhan, 2013). These cases are when; the sample size is less than 200, population of the study is not normally distributed, number of items for one variable are less than four or more than 50, and formatives scales are adopted (Hair et al, 2013; Ringle et al., 2012; Afthanorhan, 2013; Wong, 2013). PLS-SEM is employed in this study because it contains formative indicators which cannot be assessed by CB-SEM technique (Ringle et al., 2012; Wong, 2013). Moreover, it is more appropriate for predicting studies, the most common technique in marketing studies, overcome multicollinearity issues, and for the complexity of the conceptual framework (Hair et al, 2013; Abbasi, 2011; Chin 1988; Suhr, 2006).

5.5 Conclusion

This chapter discussed the methodological protocols adopted to obtain the findings of this study. First, it identified the process undertaken to design the study according to the pragmatic paradigm and explained why the mixed method approach was appropriate for this research. Next, it discussed the process undertaken to conduct the qualitative data by interviewing CSR managers' in local bank in Saudi Arabia, the process undertaken to prepare and ensure the data quality, and the process undertaken to conduct the thematic analysis and coding process. After that, it explained how the findings of the quality data help to develop and identify the main constructs to be investigated in the quantitative phase. Finally, it discussed the process undertaken before collecting the quantitative data. The following section will discuss the processes undertaken to analyse the interviews and the main findings of the qualitative data. A total of 418 completed responses were obtained and only 401 of them were valid after data editing (see section 8.2.1).

6. Qualitative Findings & Analysis

6.1 Introduction

6.2 Demographic Information

6.3 Main Findings

    6.3.1 The Attributes of CSR

    6.3.2 The Magnitude of CSR

    6.3.3 The Attitude of CSR

6.4 Conclusion

6.1 Introduction

This chapter presents the findings and analysis of the qualitative research part of this study. There are two major aims of the qualitative phase of this study; to investigate the perception of socially responsible banks in Saudi Arabia from the banks point of view and to identify the motives and limitations for banks to get more involved in social activities. The perception of socially responsible banks has been discussed in five themes; definitions, interpretation of definition, sources of information, elements of definition, and dimensions. The first three themes (i.e., definitions, interpretation of definition, and sources of information) have been discussed in the first category "Attribute", the fourth and fifth themes (i.e., elements of definition and dimensions) have been discussed in the second category "Magnitude". The second aim has been addressed in the third category "Attitude" which consist of two themes stakeholders' issues and business related issues. The conclusion section provides an implication of these findings and what aspects of these findings will be carried out to develop the quantitative study. The demographic details about participants and their banks are presented in the follow section.

6.2 Demographic Information

The demographics factors of the respondents and the related bank profiles are presented in this section to familiarize the reader with the data before analysing it. 11 out of the 12 existing local banks in Saudi Arabia were interviewed. The majority of the interviewees were male. All of the interviewees were Saudi citizens. The age of respondents ranged between about 32 to about 55 years old. There was no direct question about the age of the respondent in the interview questions; age information was calculated based on respondents' level of education and years of experience.

Seven of the interviewees have undergraduate degrees and the remaining four have postgraduate degrees (three MSc and one PhD). The education focuses of the respondents were classified into three groups: Business/Management, Social Work/Education and Linguistics. The Business/Management group includes the fields of marketing, accounting, and management, and those with a Master of Business Administration (MBA). Social Work and Education were grouped together as most of the local universities provide a social work degree within the education colleges. Table 6.1 presents the counts and the percentages of respondents.

Gender	Male		Female			Total
Count	9		2			11
Percentage	81.82%		18.18%			100%
Nationality	Saudi		Non-Saudi			Total
Count	11		0			11
Percentage	100.00%		0.00%			100%
Age of Respondents	Under 30	30 -35	35-40	40-50	Over 50	Total
Count	0	3	3	2	3	11
Percentage	0.00%	27.27%	27.27%	18.18%	27.27%	100%
Education Level	Undergrad		Postgrad			Total
Count	7		4			11
Percentage	63.63%		36.36%			100%
Education Field	Business/ Management		Social Work/ Education		Linguistics	Total
Count	6		4		1	11
Percentage	54.55%		36.36%		9.09%	100%

Table 60.1: Demographic Information of the Respondents

Only three banks have dedicated CSR or Community Service Departments. Two banks have small Community Service Units with only one or two employees. These units have been grouped under the first departments they report to—either Marketing or PR. Distance to the CEO was also calculated to determine the number of managerial levels between the CSR manager and the CEO. For the banks that do not have dedicated manager for CSR, one step has been added, as CSR is not the only task assigned to the CSR manager. More details are shown in Figure 5-1. The interviewees have at least nine years of experience, and some have over 25 years.

Most of the interviewees mentioned that they are experts in one field. This explains why the total number of experience fields exceeds 11. Foreign ownership is represented if the local bank is owned by any other foreign banks at 5% or more. This 5% is set by the Capital Market Authority, as banks have to declare shareholders of 5% or more.

A coding technique was developed to refer to the interviewees in the discussion of the findings. The interviewees were numbered from 1 to 11 and referred to as bank no. 1, bank no. 2, etc. This numbering was not assigned in any order, and the researcher aims to ensure the anonymity of the interviewees and the interviewees' banks by doing so. Table 6.2 provides details about these banks to understand context.

Department	CSR		PR		Marketing	Total
Count	3		6		2	11
Percentage	27.27%		54.55%		18.18%	100%
Distance to CEO	1 Step	2 Steps	3 Steps		4 Steps	Total
Count	3	2	5		1	11
Percentage	27.27%	18.18%	45.45%		9.09%	100%
Years of Experience	9	10 – 15	16 – 20		Over 20	Total
Count	1	7	0		3	11
Percentage	9.09%	63.64%	0.00%		27.27%	100%
Experience Field	Banking	Marketing	PR		Social Work	Total
Count	5	6	3		8	22
Percentage	22.73%	27.27%	13.64%		36.36%	100%
Experience in CSR	0-5 years	6-10 years	11-15 years		Over 15	Total
Count	3	4	3		1	11
Percentage	27.27%	36.36%	27.27%		9.09%	100%
Location of CSR Unit	Riyadh		Jeddah			Total
Count	10		1			11
Percentage	90.91%		9.09%			100%
Ownership Structure	Listed in the Stock Market		Not listed (acquired by government)			Total
Count	10		1			11
Percentage	90.91		9.09%			100%
Foreign Ownership	Yes		No			Total

Count	6		5			11
Percentage	54.55%		45.45%			100%
Year Established	Now-2000	2000-1980	1980-1970	1970-1960	Before 1960	Total
Count	2	0	5	0	4	11
Percentage	18.18%	0.00%	45.45%	0.00%	36.36%	100%

Table 6.2: Demographic Information of the respondents' banks

6.3 Main Findings

The current study presented a new way to investigate CSR perception. The new representation of CSR perception helps to better evaluate the CSR in given context, to ensure that different stakeholders groups share similar understanding, and to compare the CSR perception across different contexts. This presentation focuses on the attribute of CSR, magnitude of CSR, and attitude towards CSR. Figure 6.1 introduce the new representation of CSR

Attribute category concerns about what is meant by CSR. This can be investigated by looking into three themes; what definitions of CSR are adopted, how these definitions are interpreted, and from where these interpretations are drown. The first question helps to brief discusses CSR definitions. Most of CSR definitions are general and do not deeply reflect perception. Therefore, the second question is essential to explain what is meant by this definition. The third question explains what influences this interpretation e.g., is this interpretation driven from practices, culture and religion, professional channels, or it was taught from previous studies. This will help to assess how these interpretations are shaped e.g. if the main sources of information are social factors that may indicate an influence of religion and culture in this understanding, while if the main sources of information were books and articles that may indicate more global, rather than local, understanding of the phenomena. The second category is magnitude which concerns about the structure of the concept i.e., elements and dimensions. Elements theme discusses the emphasis of CSR e.g. are one off donations considered CSR or it has to be on continues bases?, is obeying the law form of CSR or CSR starts beyond the law?, and can firms benefit directly from their CSR activities or that will make it marketing activities rather that social activities? The dimensions theme discusses the variables that can be used to

measure CSR. Identifying how CSR can be measured is essential to evaluate current perception because it transfers the subjective understanding into objective and defined variables. For example, CSR can be measured by looking into economic, social, and environmental contributions made to the societies.

These dimensions imply that firms have to fulfil these three areas and place a certain importance to the environmental responsibilities. Others may measure CSR by the economic, legal, ethical and philanthropic responsibilities. The later structure considers legal responsibility as a part of CSR and fuses the environmental responsibilities into legal, ethical, or philanthropic responsibilities. The final category is the attitudes towards CSR which discusses how different stakeholders groups are engaged in CSR, what motivates and challenges organizations to more engaged in socially responsible activities, and naming some examples of CSR activities. The first question helps to assess the overall picture of how CSR can work taking into consideration the conflict of interests among different groups. The second question helps to justify the case for CSR to develop legitimacy and solid base for better embeddedness of CSR and to identify the barriers that challenges firms to become social responsible in order to avoid them and provide insights for policymakers and business practitioners. Finally, providing examples and explaining them will help drawing together the strands of perception. Although the last category focuses more on the implementation of CSR, evaluation the understanding of how CSR can be implemented will help to complete the picture of CSR perception.
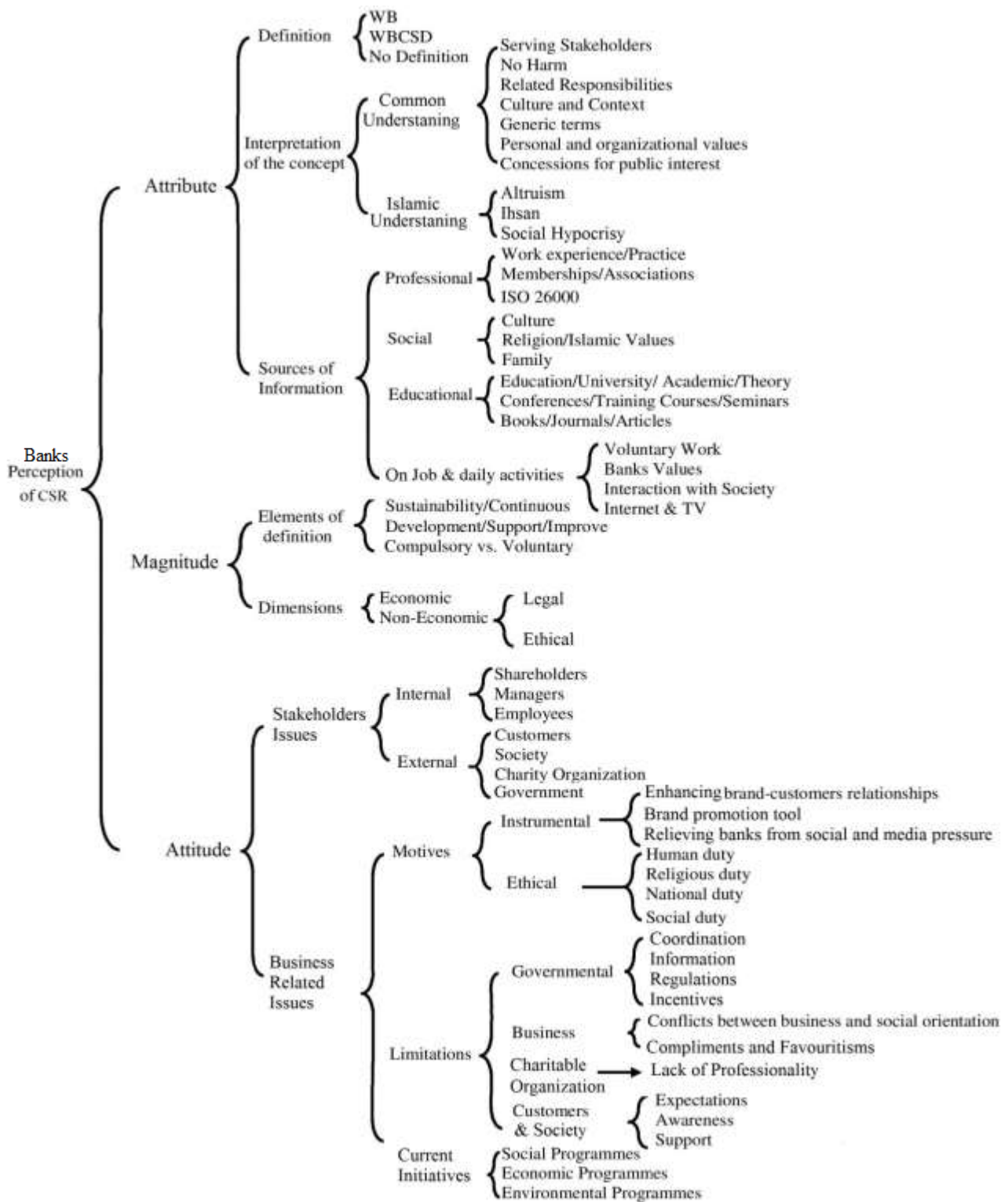
Figure 6.1: Codes Underpinning banks CSR Perception

6.3.1 The Attributes

I.   *The definition and meaning of CSR*

It was notable that local banks shared similar definitions of CSR. Most of the banks had adopted a well-established definition of CSR, apart from one bank that did not care to define CSR. For example, banks no. 3 and 5 adopted the World Bank definition:

> *"We adopt the World Bank definition of the continuous development of society in the seven areas of CSR (organizational governance, human rights, labour practices, environment, fair operating practices, customers' issues and community involvement and development)". (Interview no. 3)*

Even if they did not state it, six out of 11 banks (1,2,7,9,10,11) adopted the definition of the WBCSD—World Business Council for Sustainable Development:

> *"The continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large",*

The reason behind the agreement on this definition is that this definition has been adopted by the Corporate Social Responsibility Council in Riyadh, which is the sponsor of most of the CSR conferences in Saudi Arabia. Accordingly, this definition has been communicated to the local banks on a number of different occasions. Only one bank has its own understanding of CSR. This understanding is very broad and general:

> *"I do not want to give a definition here because I do not want to limit CSR, but it is not donations …It is everything you or we can*

> *provide to our society as good citizens that has a positive impact*
> *on your brand and helps your business". (bank no. 4)*

The final bank did not care to define CSR:

> *"CSR is a practical concept which does not require a theoretical*
> *understanding of the literature. We, as banks, do not need to*
> *spend time and money to discuss this issue, we just need to go and*
> *do it". (bank no. 8)*

The justification for not specifying a definition for CSR was due to the fact that this and related terms have been adopted for business purposes without a full understanding:

> *"We use woolly words such as CSR and Human Capital just*
> *because they sound nice, [but] we do not usually understand what*
> *they mean. Or sometimes we manipulate the definition in our*
> *interest. It is not favour in the form of donations. It is everything*
> *you or we can provide to our society as good citizens that has a*
> *positive impact on your brand and helps your business".*

Both banks no. 4 and 8 believe that CSR will be limited if is given a definition, so they delicately used the phrase *"everything good we can do"*. Although bank no. 6 adopted a well-established definition of CSR, the CSR manager believes that defining CSR is a minor issue. He stated that we raise our children to become responsible, but we do not teach them the definition of a responsible child. This statement was built on the idea that the social responsibilities of individuals form the social responsibility of the organization. Since we do not use a definition for individual social responsibility at home, we do not really need to have a theoretical definition of CSR at the bank. This is not a surprising answer as the idea that CSR spouts from employees, management and shareholders' individual social

responsibility has been theoretically proposed in the literature and it is has been argued that the conflicts between individual orientation and corporate orientation of CSR will lead to less concerned employees to support CSR (Blackman, Kennedy & Quazi, 2012).

In fact, the majority of banks had adopted similar definitions, but they do not necessarily share similar understandings of these definitions. There is almost common agreement between banks that the concept is enormously vast and open to multiple interpretations. Bank no. 7 reported: *"The concept is loose. Is employee insurance or Saudiiazation a CSR activity or not? The competition defines these issues"*. This take us back to the nature of CSR and the fact that it is a contested concept (Isa & Reast, 2010; Brei et al., 2011). All banks are trying to set their own practical understanding of CSR. These understandings vary from service stakeholders, to doing no harm, to touching people's needs, to making concessions for public interest, to anything good. For example:

> *"CSR is about serving the stakeholders (environment, employees, suppliers, customers, society and shareholders)" (bank no. 6), while bank 5 said that "CSR is all about doing no harm in the first place". Bank no 7. added, "We should do it in such a way that we make sure that we touch people's need, lower cost, and ensure that there is a real benefit to the society from it (not just for sake of sponsorship and marketing campaigns)". CSR has also been viewed as "Observance of society's and individuals' rights without affecting the organizations' rights. Do no harm to society or to your banks. We may give some concessions for public interest".*

These understandings of CSR are actually complementary. Bank no. 11 integrates all these understanding into one statement:

> *"CSR is about using the available resources to support stakeholders without harming the coming generations. CSR is not donation; it is a form of participation in a building better future for society. The bank should act as a good citizen, which will of course have a financial impact on the bank".*

However, it can be observed that some aspects of these understandings are contradictory, i.e. the role of culture on the understanding of the concept and does the industry specification imply different understanding or activities of CSR? For example, bank no. 2 believes that:

> *"Different cultures may produce different understandings of CSR. CSR is an emerging concept in Saudi Arabia. However, CSR is not an emerging activity".*

This understanding was rejected by the majority of the interviewees, e.g.:

> *"The concept of CSR is the same among different cultures and different industries, but the practices are different" (bank no. 9). Similarly, "CSR as a concept is the same in every culture and in every industry. The differences are in the practices". Also, bank no. 5 supports the argument that "Values and principles are the same worldwide; the difference is the practice. Everyone agrees lying is a bad habit, but we lie". Moreover, bank no. 10 has affirmed, "CSR does not differ according to industry or culture".*

This is a surprising finding as previous studies have highlighted the importance of cultures in understanding social issues and on making ethical decisions (Singh & del Bosque, 2008). And it has been empirically proven (Maignan, 2001). However, the participants believe that the economic status of the country plays a major role in type of activities banks initiate: *"We are a rich county, so we should not have CSR"* (bank no. 10). Some note that CSR should be directed to people in need in the

county. As a rich country, we should not have any people in need, so banks should not perform any CSR activity. This bank held a different opinion about CSR activities, believing that CSR is very similar to donation and not something that can be embedded within business lines.

There was also disagreement about the reflection of industry specifications on the understanding of CSR, i.e. whether the CSR concept would be understood differently from one industry to another. For example, bank no. 4 stated:

> *"Understanding the CSR concept should start with understanding ourselves and our role in society and identifying which activities will suit us"*.

Although the majority of banks believe that the concept itself is not industry-related—*"the concept is the same across all industries"* (bank no. 7)—there was common agreement that CSR activities differ widely among businesses. Banks believe that they should have their product CSRed. Doing harm and covering it with CSR is not the right thing. This understanding was confirmed by bank no. 5 with the statement:

> *"CSR activities should spout from the core business; banks should develop their products and services according to the stakeholders' benefits, not only for the shareholders. CSR is not donation. It should be implemented within the business line of the organizations. When weapon and tobacco companies donate to society it does not make them socially responsible"*.

This does not absolve large corporations from cleaning up the mess they have made of the environment—doing so is not a true CSR activity, but rather a compulsory act:

> *"Oil companies have to clean up the mess they make on beaches and national resources. This is not CSR" (bank no. 8).*

Building on this argument, it has been concluded that as banks do not directly harm the environment nor do they directly harm society, they do not have social or environmental responsibilities:

> *"Every corporation should be responsible for what it costs society and the environment; for example, factories consume natural resources, so they should give something back to the environment. Banks do not cost the society or the environment anything, so they do not have a great responsibility towards society or the environment. We are talking about the direct impact. The indirect impact does not count. If we do not finance big corporations, they will find another source of finance (maybe foreign banks). We cannot force our conditions on the big corporations".*

This brought the discussion of what are firms' responsibilities? Are they only limited to "do no harm" and handling the harm they caused to society? Do they include "do some good"? Are they limited to industrial related activities?

Different views have been reported in these issues e.g bank no. 1 stated *"Banks are responsible to help boost the economy of individuals and the country".* Identifying the type of responsibilities each industry has referred back to how CSR started: *"It started when corporations paid some of their profits back to the society to keep them quiet so they could continue their business—so it is repayment of an old loan".* Bank no. 10 affirmed this idea, and added:

> *"The industrial revolution made societies more practical, so they forgot such a social responsibility…Actually, corporations damage the environment in the first place, and then they say 'let's save it'. The pioneers in production are the pioneers in CSR, as they have to pay back to the society and the environment".*

Bank no. 1 expressed regretting that:

> *"Some companies have direct impacts on the environment, so they try to compensate by doing some CSR activities. In fact, these companies are more active in conducting CSR than others. Unfortunately, customers and society recall their CSR activities more than others, as the impact of their activities is visible to them"*

Others disagree with this argument and stated that: a true CSR activity is described as activities that are embedded in business strategy that do not necessarily benefit the organization directly, but rather the society, customers and employees, and it is not compensation for harm done to the environment. An example of true CSR might be:

> *"We do not advertise Visa cards, as we do not want to harm our consumers by increasing their consumption behaviours. Other banks market their Visa cards aggressively—[fulfil your desires] and pay later. They promote holiday trips on Visa cards where the rate is 20%". (bank no. 10)*

It has been suggested that, although CSR should be embedded within core business activities, it is not limited to business-related activities;

> *"CSR activities should be diversified geographically and economically, among education programmes and health care, and should have a timeframe. All stakeholders' groups should benefit from our CSR activities, not only directly business-related groups". (bank no. 3)*

These views can be summarized as firms have four different types of responsibilities; "do no harm for industry related activities", "do no harm for non-industrial related activities", "do some good for industry related activities" and "do some good for non-industrial related activities".

The views and the practices of CSR are influenced on one way or another by Islamic. As a the birthplace of Islam, the expectations of other Muslim countries for Saudi CSR activities are high, as Saudi Arabian companies should present a good example of Islam. Bank no. 7 stated *"Our Islamic position imposes on us to perform at high standards of CSR activities".* The dominant Islamic values influence the understanding of CSR by introducing three relatively new views that enrich the discussion of CSR: altruism, *Ihsan*, and social hypocrisy. The findings revealed that CSR can be understood as altruistic actions (willingness to do things that bring advantages to others, even if it results in a disadvantage for yourself (Cambridge Dictionary online, 2014), as companies forego some financial benefits for some social and environmental causes. Although the word "altruism" only appeared twice in the interviews, the researcher believes it is a relatively important view of the concept, as it represents a unique Islamic interpretation of the notion and adds a new theme that justifies corporate social behaviours. Bank no. 2 stated: *"Our moral values encourage us to become altruistic of our own interest to the favour of the society".* The same word appeared in another context, indicating that CSR is not limited to donations: *"Banks are altruistic of their time and effort beside their financial aid…We encourage and support our employees to participate in 19 listed social-work activities" stated by (bank no. 10).* Despite the fact that the expression "altruistic" was explicitly mentioned only two times, a great number of examples provided during the interviews implicitly indicated that banks are altruistically sacrificing financial benefits to contribute to the social welfare of their customers, employees and environment. For example, bank no. 5 stated, *"We may give some concessions for public interest".* Bank no. 9 made a different statement by rejecting the opposite of altruism, i.e. selfishness and greediness:

> *"Although we seek to maximize our shareholders' profit, we are neither selfish nor greedy. We are just aggressive due to market competition. We care about our society, and the bank owners encourage us and closely follow our CSR activities".*

In contrast, some banks rejected this argument e.g. bank no. 11 *"Banking is profitable business. We are not charitable organizations. Our shareholders aim for increases in their returns".* The researcher attributes this contradiction about the altruistic nature of CSR to the ill definition of the notion of altruism and the challenges in quantifying how much good is good enough. The reason behind this conclusion is the fact that even the banks that rejected these ideas are actually conducting some CSR activities. According to interviews, both banks 4 and 8 are unhappy about their CSR activities, as their CSR managers believe they are not sufficient. The matter of how much good is good enough will always remain unsolved. Another reason for not accepting the altruistic nature of CSR could be an issue of priority as one of these banks is of the newest bank in Saudi Arabia, while the other is one of the smallest banks.

The second view of CSR derived from Islamic values is *Ihsan*. According to the Dictionary of Contemporary Arabic (2013), the word *Ihsan* has two literal meanings: (1) doing something in an *excellent* and perfect way, which implies the best and the right way of doing things; and (2) kindly doing what is best for others based on love, especially charity and support. *Ihsan* herein expresses the second meaning. This understanding was widely expressed implicitly and explicitly during the interviews. When bank no. 2 identified their motives to become socially responsible, the interviewee stated: *"It is the duty of Ihsan that drives us to care for and support people in need and people whom we are dealing with on a daily basis".* The concept

189

of *Ihsan* urges interaction with society in a kind manner, even with very small issues such as saying positive words *[It is also charity to utter a good word]* and tiny environmental jobs such as removing harmful things from people' way:

> *"CSR is nothing more than a form of Ihsan and benevolence that our religion asks us to do. Allah the Most High says [Indeed, Allah orders justice and good conduct and giving to relatives and forbids immorality and bad conduct and oppression]. Do not forget that our prophet peace be upon him said [Every good done to others is a charity], and said [removing harmful things from the pathways is charity]". (bank no. 3)*

These understanding of CSR (i.e. Ihsan and altruism) have been identified in the literature as the personal motives for employees, managers and shareholders to conduct CSR, but never as corporate motives (Jamali et al., 2009). Many banks have indicated that *Ihsan* will positively contribute to firms' goodwill, e.g.

> *"We are actually Mohsen [the adjective from Ihsan] to ourselves before we are Mohsen to our society. The activities we conduct help us to embellish our brand image and endear our customers to us". (bank no. 7)*

Two participants (i.e. banks no. 5 and 11), in one way or another, claimed that the *Ihsan* concept expresses good conduct between human beings, not between organizations and people. So, if *Ihsan* is applicable in a CSR context, it is the *Ihsan* of shareholders and management, not the *Ihsan* of the company. These participants supported their arguments that people are doing *Ihsan* for the sake of God's

190

remunerations, while a corporation is doing CSR for the sake of customers' remunerations. Similar findings were pointed out by bank no. 8:

> *"Again, our role is to maximize shareholders' portfolios. If they want to be Mohsen, they can do it with their own money. Businesses should mainly focus on improving their financial statements. If corporate charity will help us to achieve this, then we will adopt it".*

Despite this counterargument, *Ihsan* is still a valid attempt to interpret social responsibility for shareholders or for corporations. The growing evidence confirming the influence of corporate charity and ethical practices on consumer behaviour motivates managers to interpret and communicate CSR as *Ihsan* to touch and create congruency between customers' religious values and corporate behaviours.

Although Ihsan has not particularly discussed in the literature, it was commonly allude as a theme that describes the ethical and philanthropic responsibilities of firms. According to Carroll (1991), both ethical and philanthropic responsibilities of firms include fairness, justice, being moral, and acting as a good citizen. The distinctive character of the ethical responsibility between them is that the ethical responsibility is originated from societal expectation, while the philanthropic responsibility is originated from corporate belief to become a good citizen (Carroll, 1991).

A negative view of CSR was reported by interviewee no. 4, saying, *"CSR is just one form of social hypocrisy"*. This argument is supported by the fact that banks are spending huge amounts of money on CSR publicity compared what was spent on the CSR activities themselves. One participant drew a clear example of this in explaining the bank's rehabilitation program for women prisoners that cost only the

trainers' fees (about £5,000). This activity was advertised in five different full-page daily newspaper ads claiming different social support in each newspaper, i.e. supporting women, supporting prisoners, development and technical education, enhancing literacy, and qualifications for the job market. The advertisement of this activity cost about £80,000 (16 times the original contribution). Banks no. 10 and 11 justified the high spending on CSR publicity with the lack of customers' awareness.

> *"Customers are not aware of banks' CSR activities and they are*
> *not interested in finding out about them. The media support the*
> *customers' view and keep blaming banks. We need to spend a*
> *fortune to make our customers aware of our CSR initiatives and to*
> *win the media to our side". (bank no. 10)*

Bank no. 8 supports this argument by stating that: *"by looking into the CSR budget across banks, you can see that almost 70% of the CSR budget is spent on publicity of the activities rather than the activities themselves".* Another piece of evidence supporting the claim that CSR is social hypocrisy is drawn from bank no. 8's argument: *"We use woolly words such as CSR and Human Capital just because they sound nice, but we do not usually understand what they mean. Or sometimes we manipulate the definition in our interest".* However, both banks 6 and 7 differentiate between social hypocrisy and social responsibility by the impact they make on social causes: *"We see the impact of our CSR activities on the society and environment. Customers can't see it because they do not bother to find out about it". (bank no. 6)* and *"Yes, CSR helps as window dressing. However, it also supports the society and improves the environment; otherwise it is just insincerity and duplicity". (bank no. 7)*

However, bank no. 2 looked differently at this claim:

> *"It does not matter whether it is social hypocrisy or social responsibility as long as all parties are benefited from our activities. Unfortunately, CSR has been exploited in a bad way not only to create fake propaganda, but also to cover bribes to win biddings".*

This finding is consistent with the majority of CSR studies that investigated customers' awareness i.e., CSR awareness in generally low and the need is always there to promote CSR activities (e.g. Albareda et al. 2007; Gigauri, 2012 and Ditlev-Simonsen, 2006). Although *altruism* and the *Ihsan* concept of CSR may contradict with social hypocrisy, it has been understood that CSR should be adopted on the basis of *altruism* and *Ihsan*. Unfortunately, a number of banks believe the current situation is one form of social hypocrisy forms as there is no improvement of social causes made by CSR programs.

II. Sources of Information

The interviewees have identified four main sources that CSR can be learnt from; social, educational, professional and on job learning. The social sources includes; family, culture, and religion values. Some banks believe that CSR is not something to be learnt, but is something that people grow with:

> *"CSR is not a taught subject that can be learnt from books or other sources. This concept grows with from childhood. It comes from our education. We teach our children the CSR concept on a daily basis. We do not have to call it CSR at home". (bank no. 6).*

The same was confirmed by bank no. 11: *"CSR is built on the nature of people. We do not need anyone to teach us CSR. It comes from religion, culture and education".* Family, Islamic values and local culture were commonly agreed on as sources of information. The high frequency of these sources indicated their relatively high importance among other sources of information:

> *"CSR is introduced to us in our homes. Our parents, our religion, and our values contribute to our understanding of the concept, in addition to other sources, such as interacting with society, working in the field and participating in CSR forums. TV and Internet also can be considered good sources of information to educate people about CSR". (bank no. 2)*

The educational sources includes; learning from books and training courses. Banks no. 1, 2, 3, 7, 9, and 10 believe that CSR can be learnt from books. However, banks no. 4, 5, 6, 8, 11 totally disagreed that books can be a good source of information to learn CSR, as CSR depends on interaction with societies and is learnt from families and schools. Bank no. 2 stated:

> *"Books can be a good source of CSR; however, we should not care a lot about theory. We should focus on practice. The ISO 26000 and the other CSR platforms may not add value for us at this time, as we are just at the beginning stage. All we have now is personal efforts to choose the best for us".*

Other sources of information identified were academic and training courses, conferences, and newspapers articles. In fact, a number of banks agreed that knowledge about the CSR concept can emerge from different sources of information, e.g. bank no. 7 stated:

"It cannot be learnt from one source only. We learn it from our interaction with society, which is the main source of our CSR inspiration. We aim for innovation and excellence in CSR activities. We learn from books, the Chamber of Commerce (books, conferences and reports) and the Internet, which is a renewable source of information. Also, we learn from TV and radio. Recently, there have been a lot of CSR awareness campaigns that are useful for us".

However, two respondents claimed that CSR is better learnt via memberships and associations provided by official CSR societies locally and internationally. One of them also included ISO 26000 as a main source of information to learn CSR:

"To better learn CSR, we should learn it from official and reliable sources by becoming a member. This allows us to gain access to CSR databases and receive frequent updates about CSR. Another important source can be the ISO 26000". (bank no. 3).

Table 6.3 below summarizes the frequencies of the appearance of these sources in the interviews.

Professional (8)	Work experience/Practice	5
	Memberships/Associations	2
	ISO 26000	1
Social (23)	Culture	6
	Religion/Islamic Values	8
	Family	9
Education (12)	Education/University/ Academic/Theory	3
	Conferences/Training Courses/Seminars	3
	Books/Journals/Articles	6
On-the-Job & Daily Activities (18)	Volunteer Work	5
	Bank Values	4
	Interaction with Society	5
	Internet & TV	4

Table 6.3: Sources of information about CSR

The respondents believe that social, on-the-job and daily activities are the most common sources of information, while professional sources are least common. This

implies that the understanding of CSR develops from within the society and from practices, rather than from professional and academic channels. This could be due to the conservative nature of the Saudi society, as Saudis prefer to depend on inherited values, understandings and ways of doing things rather than importing foreign solutions, especially to tackle social issues.

III.   Summary of the Attributes

To summarize, the majority of banks in Saudi Arabia adopt the WBCSD definition of CSR, as it is the main definition of the Corporate Social Responsibility Council in Riyadh, which is the main sponsor of most of the CSR conferences in Saudi Arabia. Some banks doubt the importance of defining CSR, claiming it limits understanding and can be easily be misunderstood, and there is no real need to define CSR. The current understanding of CSR can be integrated into one definition that includes serving stakeholders, doing no harm to society or the environment, responding to people's need, observing rights, and making concessions of public interest without prejudice to the economic obligations. Although the majority of banks believe that the concept of CSR is similar across different industries, they agree that the practices differ across industries. There is agreement that donation is not CSR, as CSR is a concept that should be embedded within the business activities. When companies clean up their own environmental mess, they are not really doing CSR; CSR consists of the extra activities they do to protect the environment and to improve stakeholders' quality of life. CSR is not compensation or a bribe for societies to forget business harm. CSR activities can be grouped into four main categories according to their nature and their relation to the core business. The matrix below summarizes these categories:

196

	Do no harm	Do some good
Within the core business domain	Stop promoting products that increase unnecessary consumption	Islamization of products and services
Outside the core business domain	Do not hire children to work as full-time employees	Sponsoring social and cultural events

Table 6.4: Matrix of CSR

Despite the fact that culture has not been viewed as a factor that causes a difference of understanding, it is one of the main sources from which CSR can be learnt. This is true because all cultures around the world share the same values in regards to others, i.e. respecting others, supporting the poor, leaving no trace, doing no harm, and considering sustainability as a source of life. The CSR concept does not differ among rich and poor countries; however, CSR initiatives do differ between rich and poor countries. CSR activities should be directed towards locals in the first place, and then the organization may think about exporting their CSR activities to support other societies and communities in different countries. The status of Saudi Arabia as a rich countries and a leading Islamic country raises the bar and the standard of CSR activities that banks have undertaken. The Islamic belief of the participants introduced three relatively new areas in explaining CSR: altruism, *Ihsan* and social hypocrisy. The main sources from which CSR can be learnt are social sources, on-the-job experience and daily activities, and educational and professional sources, respectively. Finally, it can be concluded that banks in Saudi Arabia adopt explicit CSR, as they tend to describe their activities rather than their role within society, and it is conducted on a voluntarily basis rather than through mandatory activities.

6.3.2 The Magnitude

The second category that helps readers to understand how CSR is perceived within the Saudi banking industry is the magnitude (i.e., the structure of CSR). This category includes two main themes: elements of CSR definition and the dimensions

of CSR. A number of elements have been identified and found to support and complement each other. This section will explain these elements.

I. *Elements of CSR*

Three elements of CSR have been identified during the qualitative data analysis. These elements can be represented in one statement; CSR is a continuous development on a voluntary basis. These three elements have been widely reported in the literature and the majority of CSR definitions were developed around these elements. Respondents indicated that CSR activities are part of a long-term strategy of firms rather than short-term projects. Mixed findings were found regarding whether donations and sponsoring social activities are CSR. According to bank no. 9, *"CSR is the strategy, not the activities"*. This interviewee supported his answer by stating:

> *"Corporate donations are one form of CSR activities; however, they should belong to a general long-term strategy for corporations to achieve social wellbeing. CSR is a belief that organizations continuously follow and adopt in every aspect of business. Conducting some activities on an ad hoc basis to relax from social or media pressure would not make us CSR-oriented"*

The participants, in one way or another, agreed that CSR is about "continuous development" rather than one-time projects. Statements like *"CSR is about commitment"*, *"We are committed to our stakeholders"*, *"undertaken social duties"* and *"Our department is dedicated to supporting the community"* were widely used in the interviews to indicate the continuous nature of CSR. Many participants expressed the belief that corporations should operate under conditions that ensure the

protection of people and the environment—and these conditions, of course, should be consistently applied, and not on an occasional basis.

It has been also claimed that CSR aims to develop, support and improve society and the environment. This idea was widely referenced by the interviewees in their perception of CSR as a "continuous development". In one way or another, CSR activities should contribute to the development of areas of social wellbeing. A number of examples were drawn of the areas that CSR can target, e.g. saving energy, conducting health services campaigns, supporting SMEs and productive families, cleaning beaches and rural areas, supporting social and cultural events, education awareness and employee development. Different opinions were expressed about whether football team sponsorship is a form of CSR or not. Bank no. 1 stated:

> *"I do not see these kinds of activities as contributing to social wellbeing by any means. Yes, we do some PR activities with football teams to get access to their fans; however, this is more PR rather than CSR".*

However, some banks perceived sponsoring teams as a form of CSR activities. This answer was based on the conclusion that football is one of only a few outlets available for youth in Saudi Arabia. If their energies are not consumed in good and healthy practices, this may lead to undesirable consequences. Despite this understanding, none of the local banks sponsor football teams. The justification provided for this was that supporting one football team would upset the other teams' fans, and it is financially infeasible to sponsor the top four or five teams in the league.

The next element of CSR definition is its voluntary nature. Paying *Zakat* (similar to income tax), *Saudiiazation* (compulsory percentage of Saudi employees in each organization), and offering work insurance for employees were considered forms of CSR activities. According to bank no. 8, CSR includes *"any activities that support any groups of stakeholders on a regular basis"*. This participant supported his argument by saying that *"Zagat goes to poor people, Saudiiazation helped the society by reducing the unemployment rate, and work insurance improves the employees' wellbeing"*. This bank holds a unique opinion that CSR is not limited to volunteer activities. This may be due to the fact that it does not adopt any well-established definition of CSR. This bank defined CSR as *"everything you or we can provide to our society as good citizens that has a positive impact on your brand and helps your business"*. This understanding of CSR does not differentiate between voluntary and compulsory actions. A great number of respondents indicated that CSR activities have to be initiated beyond what is required, i.e. CSR should be conducted on a voluntary basis. With regards to *Saudiiazation*, banks no. 1, 9, 10 and 11, in one way or another, agreed that:

> *"In order for Saudiiazation to be considered as a CSR activity, banks should exceed the required rate from the Ministry of Labour, i.e. local banks are required to employ 70% Saudi within the bank; however, our Saudiiazation rate is about 90%. This is because we care about you"*. (bank no. 1)

Similarly, bank no. 9 explained that:

> *"Zakat is not a form of CSR. Only if banks decided to pay more than the required rate (2.5%), then the extra difference is considered CSR. I doubt any bank will do it".*

This understanding is not new, it was proposed in early 1960s by McGuire (1963) who argued that CSR should go beyond economic and legal responsibilities. This argument is supported by the majority of CSR scholars (Carroll, 1999 and Dahlsrud, 2006).

II. Dimensions of CSR

Two major dimensions of CSR were identified: economic and non-economic. The economic dimension concerns corporate responsibilities towards shareholders, e.g. increasing their wealth portfolio, ensuring business continuity, long- and short-term profits, and increasing tangled and untangled assets. The non-economic responsibility concerns corporate responsibility towards the others group of stakeholders, mainly customers, employees, and society. Banks 1 and 10 both reported that banks' responsibility is limited to economic responsibilities, e.g.; *"Our only role is to increase ROA (return on assets) and ROI (return on investments)"* and *"Banking is profitable business. We are not charitable organizations. Our shareholders aim for increases in their return".* Similarly Bank no. 4 indicated that; *"We only have a limited budget allocated for community service, as we have primary business responsibilities to achieve".* Later, the interviewee explained these responsibilities according to business development. Although economic responsibilities were not deeply discussed by the interviewees, the researcher believes it is a major dimension of CSR. The researcher attributes the lack of discussion of economic responsibilities in the interviews to four main reasons: (1) it is axiomatic and intuitive that banks have to be profitable and to achieve decent

revenue to survive and stay attractive to shareholders and investors; (2) the Arabic translation of "*social*" perhaps limits the term to corporate responsibility towards society rather than different groups of stakeholders; (3) the researcher did not interview business managers whose are responsible for economic achievement, and the nature of job the interviewees have (i.e. CSR and PR managers) may influence the answers towards a focus on the non-economic responsibility; and (4) the nature of the job that PR managers hold rouses them to market the bank by highlighting and marketing the positive aspects of their banks rather than the primary, fundamental jobs. The argument of separating the economic responsibilities from the non-economic responsibilities was empirically supported by Salmones et al. (2005) who found that the economic responsibility negatively correlates with non-economic responsibilities.

The second dimension of CSR is the non-economic dimension. According to bank no. 11, *"beside our responsibilities towards stakeholders, we care about our customers and employees"*. Both banks no. 4 and 8 made different points about non-economic responsibilities. They were unhappy with the term "*responsibilities*", as it implies that banks have to respond to these calls.

> *"Responsibility means that we are held responsible and accountable for improving the society. Actually, we are not. This is the government's role. We choose to do some good deeds to help our partners and friends (meaning customers and society) based on our Islamic value's not because we have to do it". (bank no. 8)*

However, the majority of participants did not indicate a contradiction between the term "*responsibilities*" and the voluntary nature of CSR apart from philanthropic responsibilities:

> "*The media is complicit in expressing our role in the society. They set high expectations for our responsibilities. They want us to donate cash and build schools. This is not what is meant by CSR. The Ministry of Education have an allocated budget for SR 200 billion (about of £35 billion)… Donation is not CSR; our strategy does not suggest donations to needy people or charitable organizations… We support productive families by providing interest-free micro-loans (not exceeding £1,500), training courses, business advice, and if needed the required machinery and equipment*". (bank no. 5)

The findings demonstrate misunderstanding of philanthropic responsibilities, e.g. a great number of banks rejected the view that CSR is donations, the contradiction between the voluntary nature of CSR and the term responsibility when it comes to donation, and the overlap of philanthropic responsibilities with ethical and legal responsibilities. This can be attributed to the values of Islam. In Islam, satisfying legal and ethical requirements is considered a form of philanthropy, e.g. stopping at red traffic light is a must in Islam and ignoring traffic lights is considered a sin. The philanthropic notion in Islam is embedded within all aspects of life. It is not defined as separate entity. Even when it comes to donations, Muslims are better off not donating compared with donors who hurt peoples' feelings:

> *"Kind words and forgiving of faults are better than Sadaqah (charity) followed by injury. And Allah is Rich (Free of all wants) and He is Most-Forbearing". (The Holy Quran, Al baqarah, 263)*

Thus, the philanthropic dimension is not considered a component of the non-economic dimension of CSR. The only identified components of the non-economic dimension of CSR are legal and ethical responsibilities. The interviewees pointed out that in order for a firm to become socially responsible, it has to obey the local laws and regulations.

> *"Organizations profiting from breaking the law or exploiting the loopholes of the law are not socially responsible. Laws and regulations must be respected". (bank no. 4)*

> *"You cannot be socially responsible and break the rules at the same time. However, banks obey SAMA regulations not necessarily because they are socially responsible, but because they have to, otherwise they will be exposed to strict financial penalties". (bank no. 6)*

Although the majority of respondents emphasised that local laws and regulations must be obeyed and that this is the first step to becoming socially responsible, it has been commonly reported that obedience of laws is not enough. It has been understood as organizational strategy that continuously contributing to improving social wellbeing must go beyond what has been regulated.

> *"CSR starts after complying with the local laws and regulations. Compulsory responsibilities have to be fulfilled foremost, then we*

> *can evaluate if these companies are offering something extra to the*
>
> *society and the environment". (bank no. 10).*

Similar findings were noted by both banks no. 2 and 3: *"For a corporation to become socially responsible, they should not limit themselves to obeying written laws. Unwritten laws should also be considered".*

Unwritten law is an expression that indicates ethics, social norms, local customs and traditions. This leads to the second component of the non-economic dimension of CSR, which is ethical responsibility. This includes any voluntary actions undertaken by organizations that are not required by law. This has been widely expressed by phrases like "*we care*" and "*we respect*". The participants defined business ethics as a product of organizational values and social norms and local customs and traditions. According to bank no. 3, "*We operate according to our bank values and the cultural values of Saudi Arabia*". It has been understood from the respondents that ethical organizations should not compromise their ethical values to gain economic benefits. Bank no. 10 claimed:

> *"We do not advertise Visa cards, as we do not want to harm our consumers by increasing their consumption behaviours. Other banks market their Visa cards aggressively—[fulfil your desires] and pay later. They promote holiday trips on Visa cards where the rate is 20%".*

III. Summary of the Magnitude

To summarize, CSR is a continuous voluntary development that organizations are committed to undertake to improve stakeholders' wellbeing by conducting supplementary activities that are not required by law. Organizations are responsible for fulfilling their economic and non-economic responsibility. Economic

responsibilities include maximizing shareholders' profits and developing long-term plans, while non-economic responsibilities include complying with legal and ethical requirements.

6.3.3 The Attitude

This section discusses two issues: the conflict between different stakeholder groups and business-related issues connected to CSR, i.e. motives, limitations and examples of current practices. Seven main stakeholder groups have been identified and grouped into two categories: internal and external. Internal stakeholders include shareholders, management, and employees, while external shareholders include customers, society, government and charitable organizations.

I. Internal Stakeholders' Issues

The internal CSR concept was questioned during the pilot study and the main interviews. A great number of participants believe that CSR is activities directed towards society and stakeholders outside the organization, not in-house activities favouring management, shareholders and employees. Dividing stakeholders into these two categories can be attributed to the Islamic perspective of the dependability i.e. inner circle (i.e. yourself and your relatives) are financially dependable on a Muslim, while financial responsibility of the outer circle (i.e. neighbours, friends and people in need) is philanthropic (Senturk, 2007). In CSR context, inner circle is represented by shareholders, management and employees, while the outer circle is represented by other stakeholders' groups. According to Hasan (2007) and McChesney (1995), Muslims have to financially support their inner circle and highly recommended help their outer circle. This understanding is responsible to influence customers' perception of CSR structure into two dimensions; economic

responsibility which is related to inner circle and the non-economic responsibility which is related to outer circle.

Four CSR managers noted beliefs that shareholders are the main obstacle limiting their CSR activities. Bank no. 4 stated: *"Our shareholders are not willing to wait for two years to see the payback of CSR in their bank. CSR needs time".* The same idea was mentioned by bank no. 10: *"As a joint stock company, we cannot just give out our earnings".* Bank no. 11 said: *"Banking is profitable business. We are not charitable organizations. Our shareholders aim for increases in their returns".* A similar point was conveyed by bank no. 1: *"Our only role is to increase ROA (return on assets) and ROI (return on investments)".*

These banks perceive CSR as an expenditure that reduces profitability rather than an investment in society or investment in brand image. In one way or another, these banks are found to believe that being profitable does not go along with CSR, so CSR contradicts with profit-making. In contrast, other banks (i.e. 2, 3, 7 and 9) generally reported a strong support from their management. For example;

> *"Although we seek to maximize our shareholders' profit, we are neither selfish nor greedy. We are just aggressive due to market competition. We care about our society and the bank owners encourage us and closely follow our CSR activities". (bank no. 9)*

> *"Our boards of directors are keen to provide high-quality social activities to support people in need, especially orphans, widows and people with special needs, and to treat our employees and*

customers in an ethical way that represents our Islamic

identity". (bank no. 2)

It was found that the distance to the CEO (see Figure 2) and the support of the shareholders are related to each other, i.e. the banks that have one or two levels of hierarchy from the staff responsible for CSR to the COE stated that their management is supportive, while the banks that have four or five levels of hierarchy indicated the COE was not keen to invest in CSR. This fact can be reported in two different ways: (1) the shorter the distance to the CEO, the more support is given to CSR, and (2) the more the CEO believes in CSR, the closer he/she keeps the person responsible for CSR.
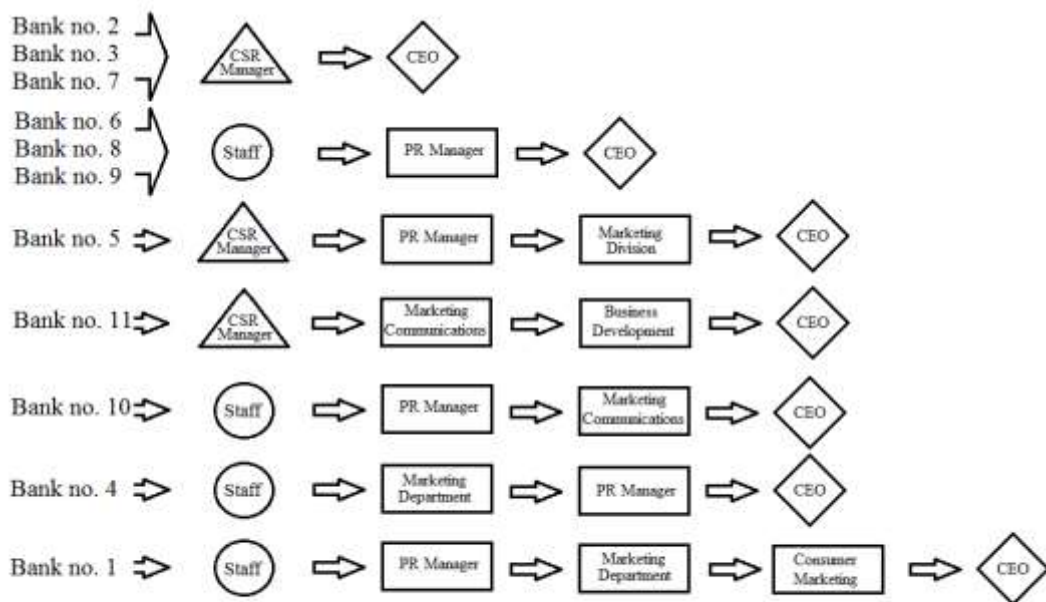
Figure 6.2: Distance to the CEO

A number of issues have been identified regarding the role of banks management, namely budget, approvals and conflicts between business and social objectives. For banks that have CSR departments, the annual budget was approved based on the CSR department strategy and action plan; however, banks without a CSR department has to get their budget approved on an ad hoc basis for each activity. The top management of local banks differ based on their perception of CSR and the priority they give to CSR. Bank no. 2 stated: *"Frankly speaking, we have everything we need to become a CSR-oriented organization, especially the budget and the support from top management. It all depends on us now"*. This shows the kind of support and priority given by the top management to CSR. The same was stated by bank no. 6: *"Like as any other project, CSR has to obtain approval. There is no bureaucracy at the bank, CSR has high priority"*. On the other hand, bank no. 4 stated:

> *"We are pushed by our CEO and board members to show quick impacts on the balance sheet, rather than long-term objectives. As you know, CSR will start showing its impact after a long time. That is why it is difficult to obtain a big budget for CSR"*.

The same message was conveyed by bank no. 5: *"We are an emerging bank. We open a new branch every month. Our management's focus is on the business in the first place, which makes us very selective in our CSR programmes"*. Some banks believe CSR can operate parallel to the bank's business strategy, while others reported that CSR is a secondary issue that always comes after business issues: *"CSR is important as long as it does not conflict with business-related issues. In banks, profit-making has the top priority"*. *(bank no. 1)*

Overall, CSR projects are assigned to experienced and socially active employees, i.e. three banks assigned CSR projects to employees with about 25 years of experience,

seven banks to employees with about 15 years of experience and one bank to an employee with 10 years of experience. Employee experience was varied—CSR employees came from banking, PR, marketing and social work backgrounds. One of the CSR managers has a PhD degree, three have MSc degree and seven have BSc degree. Assigning experienced and qualified staff to CSR indicates some importance of CSR to the top management.

Some CSR managers believe that any internal CSR activities that involve employees should be managed by the HR department, i.e. bank no. 6 said: *"Any form of CSR directed towards employees is HR's responsibility. We had an agency agreement between departments about this point"*. The same was reported by banks no. 1, 3, and 4. Saudiiazation and training were among the contradictory issues that some banks perceived as CSR issues, while other banks did not. Similarly, other activities have been identified as CSR activities towards employees:

> *"Fulfilling employees' wellbeing can be achieved by health and safety, education, job security, medical insurance, employees' investment fund, providing environmentally friendly products, appreciating and thanking, providing compensations and paying for their children's education". (bank no. 2)*

It has been claimed that appreciating employees and ensuring their wellbeing will directly and indirectly contribute to business: *"Customer number one is our employees. They are our true VIP customers. Internal CSR creates employee loyalty and employee satisfaction, and therefore a better work environment and more efficiency at work". (bank no. 1)*

II. External Stakeholders' Issues

The external stakeholders are divided into four groups; customers, society, charitable organizations and government. CSR managers have different views towards customers in regards to CSR. Some banks believe CSR towards customers can be expressed in the form of product development, i.e. bank no. 1 said: *"Our CSR role towards customers is to improve our product and services"*. A similar idea was confirmed by bank no. 3: *"For customers, CSR is manifested in the Islamization of products"*.

The Islamization of products means developing alternative Islamic products rather than providing traditional banking services. Islamization is common is Saudi Arabia, as Islam is the dominant religion (100% of the citizens are Muslims). Bank no. 5 claims: *"We do not call customers 'customers'; we call them 'partners', because account opening is a partnership as they share their details and give us access to their money"*. This view indicates the importance of customers. The same bank explained what partnership with customers means when the interviewee said:

> *"We do not have hidden fees. We do not write conditions in small print. CSR is a strategic view for us. For example, we conducted a real estate campaign [compare and choose] in which we explained to the customers how to evaluate the best deals on the market. We did not ask them to come to us"*.

An alternative customer view of CSR was that it should be delivered to those in need, not to customers, for two main reasons: *"Customers do not need us"* and *"We do not have smart customers who can compare and find what's best for them"* (bank no. 8).

This contradiction can be attributed to the understanding of what CSR is. Those who defined CSR as donations believe that customers do not need donations, while the others who have broader understanding of the concept believe customers are classified as a major stakeholders' group.

The second stakeholders' group identified was society, which was defined differently among participants. Three definitions were drawn from the interview answers: (1) society means any stakeholders' group that does not own shares or work in the organization, e.g. "*Society includes everyone a part of us*", (2) society means people in need of help, such as orphans and the disabled, e.g. "*Society is a generic word, however in our context it only means these member of society who are in need of our support*" and (3) society is citizens who do not fall into any major stakeholders' group, i.e. shareholders, managers, employees, customers, suppliers, and the government, e.g. "*Although every stakeholder is a member of society, when we discuss society, we focus on those who do not belongs into any other stakeholder groups*". This discussion adopts the third definition, as it was the most common understanding among participants e.g. bank no. 3 stated that: "*Because we are part of the society, we have to seek to develop and support our society and become good citizens*". According to participants, the society is not getting the deserved amount of CSR in Saudi Arabia, as they are not aware of their rights. Bank no. 6 stated:

> "*We still need to do more for our people, our friends, our society. They are waiting for us. Corporations ignore societies because they do know their rights and how to ask for them… Our role towards society is to educate them, solve their problems, develop the right products that suit them, and make banking easier for them*".

212

Questions emerge, what is role of banks towards society? And does society care about CSR. According to bank no. 8:

> *"Outside the bank, our role is focused on educating the society, providing conferences, and sponsoring investment seminars and Islamization seminars. We do not conduct the CSR programmes ourselves; we just support the best ones that are proposed to us. We do not pay cash, either".*

The society needs to be aware of the CSR concept to put social pressure on local corporations. Bank no. 3 stated:

> *"The society is still not aware of CSR. The society has to exert social pressure to force local banks to do more CSR. Societies could govern corporations by supporting firms that act responsibly and rejecting those who do not".*

The same bank continued:

> *"I am happy to see some researchers interested in CSR. We need to increase awareness of the local society towards the importance of CSR so they can exert social pressure in order to force or encourage banks to become more CSR-oriented. However, we also need to manage their expectations at the same time".*

A positive finding is that banks can see signs of interest from society towards CSR. Bank no. 11 stated: *"Everybody has started questioning CSR and finding out more about it".* The same bank stated in another question that: *"People understand charity and love to do philanthropy, but this is not CSR and not social development. Soon, people will become more aware of these issues".*

There are five major negative societal attitudes that discourage banks from doing CSR: lack of trust from the society towards banks, lack of interest about CSR and

the existing programmes, dependency culture, lack of appreciation, and high expectations. The trust is an issue between society and corporations, especially banks. Bank no. 4 stated: *"In people's minds, banks are liars, cheats who steal their money. The society does not believe in the CSR activities we are doing"*. The same bank supported this argument by saying: *"Yes, we do face a lack of trust from the society, as they do not see and they do not read about what we doing and they keep blaming us a lot"*.

Bank no. 5 also blamed the society, as they are not aware of the main reason for lack of trust:

> *"People are not aware of our programmes and they do not reward, support, or prefer organizations that do CSR. People tend to look at one-to-one deals; they never look at the full picture. People do not appreciate anything that comes from banks. And they have very high expectations. They are always unsatisfied"*.

Another reason society does not believe in bank CSR, is that banks CSR activities exceed customers' expectations, so they cannot believe it. According to bank no. 9, is that: *"The society does not believe what we have done for them because it is too good to be true"*. Banks blame society for the negative attitudes towards banks' CSR. Bank no. 6 stated that:

> *"People always ask for more; they never thank us. There is a lack of research and studies, and the media are always negative about us. We have shareholders and other responsibilities that limit our ability to pay"*.

Bank no. 7 stated: *"Before we start CSR, we need to have an educated society"*. Having said that, it has also been argued that it is banks' responsibility to educate the

society about their initiatives. Another negative attitude that reduces banks' CSR is the dependency culture, as mentioned by bank no. 8. This bank noted:

> *"We have a problem with the dependency culture. Poor people are not committed to attending training courses to develop themselves. They just want to take money and go. They take it for granted that someone will give them some cash for free".*

The same point was indicated by bank no. 11: *"The culture of dependency is common here. People think they should get everything for free. Donations spoil people and destroy society".* Bank no. 6 explained the reason behind the dependency culture and how this affects the understanding of CSR:

> *"CSR depends on people's lifestyles. In Saudi Arabia, education is free, health care is free, and we do not pay any form of taxes. Moreover, we get paid to study at universities. People are used to getting what they want without any great effort. The solidarity concept is missing in our society. Our product is cash. That explains why people are very aggressive against banks. People do not see what we are doing for them, ignore it, or underestimate it (they have high expectations of what we should do)".*

Lack of appreciation has been identified as another limitation. Society does not appreciate what banks have done for them and keep asking for more, as they are shocked by the high returns of the banking industry;

> *"They see banks' earnings exceeding SAR 30 billion (to £5.4 billion); if they donated only 1% we would have SAR 300 m annually (equivalent to £54 m). Society has to lower their expectations and know exactly what our CSR role is… Societies have high expectations, more than what we have and what we can do". (bank no. 10)*

Bank no. 7 claimed that they are pioneers in CSR among the local banks, as they established CSR in the banking industry in Saudi Arabia before the social pressure started: *"Our CSR activities come from our belief in our societies. We started our CSR programmes before the social pressure even started".*

Charitable organizations have been identified as a major external stakeholder group. As banks are listed as companies in the stock market, they cannot donate cash to poor people, orphans or the disabled. Their donations must go through registered charitable organizations.

> *"We have donated to disability research for the last 20 years. We have investment programmes for retired people—we can call it CSR if you want. We pay cash to charitable organizations and they do the work. We just follow up with them to see the progress". (bank no. 1)*

Similar findings were reported by bank no. 4:

> *"We do not have our own CSR programmes; however, we deal with charitable organizations and care homes. We only fund them if their programmes are compatible with our CSR strategy".*

The justification for banks not to have their own CSR programmes was explained by bank no. 10:

> *"We believe in specialization, so we do not develop any CSR programmes. We are bankers. Charitable organizations develop the programmes and we fund them. We do not want to reinvent the wheel".*

A different strategy is adopted by bank no. 3 when dealing with charitable organizations. This bank develops its own programmes rather than supporting programmes recommended by charitable organizations. This bank justified this

action by citing a lack of professionalism and commitment on the part of these organizations. Therefore, this bank stopped supporting the proposed programmes of these organizations:

> *"We are not financing charitable organization anymore. Yes, sometimes they come up with good programmes; however their execution of these programmes is poor. We are supporting charitable organizations not by giving them money only, but by developing them on a sustainable basis, i.e. training courses and seminars". (bank no. 3)*

Similarly:

> *"We have more than one thousand charitable organizations in Saudi Arabia demanding donations. The managers of these charitable organizations do not know the basics of business, identifying needs and priorities. That is why we prefer to design our own programmes and give these to them to execute". (bank no. 7)*

In general, banks with CSR departments design their CSR programmes, while other banks directly fund existing programmes, with bank no. 11 the only exception.

The last, but not the least, stakeholder group identified was the government. The majority of banks believe that the public sector should play a greater role. According to bank no. 4:

> *"The question is: do we have the right platform and a solid base that allows us to be good corporate citizens or to do our SCR? Banks will not adopt CSR seriously unless the government acts to develop firm regulations, corporate facilities, encouragements and awards".*

Banks follow different strategies to design their CSR activities in regard to the general strategy:

> *"CSR is not culture- or industry-related. It differs from one organization to another based on unique strategies, i.e. some banks build their strategies according to the general strategy of the government. Others try to fill the missing gaps that are not covered by the government strategy. The government encourages responsible investments; so do we". (bank no. 9)*

In one way or another, most of the banks indicated that they are expecting a lot from the private sector, such as appreciation: *"We are not appreciated by the government, and nobody sees what we are doing". (bank no. 5).* Others expect the government to provide official support and provide statistical information in order to build strategy accordingly:

> *"All we need from the government is for it to support us by providing an official umbrella that manages the CSR activities and to provide us with statistical information so we can identify which areas should we go for". (bank no 7)*

The third identified role of the government was coordination between social-activities providers:

> *"The problem we sometimes face is that all banks are supporting the same category, while others are in real need—for example more support goes to orphans while older people do not get much". (bank no. 6)*

Another highlighted governmental issue is the confusion society has between the role of the government and the role of social responsibility: *"We do not want to finance big projects like building hospitals; this is the role of the government bank" (bank no. 9).* A similar statement was reported by bank no. 5:

> *"The media is complicit in expressing our role in the society. They set high expectations for our responsibilities. They want us to donate cash and build schools. This is not what is meant by CSR. The Ministry of Education have an allocated budget for SR 200 billion (about of £35 billion)".*

III.   Business-Related Issues

It can be understood that local banks are in different stages of CSR, e.g. banks no. 4 and 8 are in the complaining stage, while banks no. 2, 3, and 7 truly believe in CSR as a social development instrument. The remaining banks conduct CSR as a cause-related marketing tool. The complaining stage means banks are rejecting their role in developing the local community and contributing to every stakeholder's group. This can be seen in responses that find excuses not to conduct CSR:

> *"The question is: do we have the right platform and a solid base that allows us to be good corporate citizens or to do our SCR?",* *"Society has to lower their expectations and know exactly what our CSR role is", and "Responsibility means that we are held responsible and accountable for improving the society. Actually, we are not. This is the government's role".*

Banks that truly believe in CSR stated: *"Our CSR activities come from our belief in our societies. We started our CSR programmes before the social pressure even started",* stated by bank no. 7. Similarly, bank no. 3 stated that:

> *"Society is still not aware of CSR. Society has to exert social pressure to force local banks to do more CSR. Societies could govern corporations by supporting firms that act responsibly and rejecting those who do not".*

In contrast, banks that perceived CSR as a marketing tool stated: *"CSR helps us to strengthen relationships with our customers and to gain their brand loyalty",* Stated by bank no. 10. And bank no. 1 stated that: *"CSR is important as long as it does not conflict with business-related issues. In banking, profit-making has the top priority".*

IV. Motives for CSR

A number of motives have been identified during the interviews analysis. These motives are grouped into two main categories; instrumental motives and ethical motives. Although this categorization is previously discussed in the literature, the motives under each category are slightly influenced by contextual factors. In one way or another, all banks indicated that CSR activities generate business benefits to companies. These benefits include consumer support, loyalty and satisfaction; repeat purchase; and positive word-of-mouth. Bank no. 6 affirmed that:

> *"Banks aim to attract customers, retain existing customers, and develop loyalty. CSR will definitely help them to do so".*

Another instrumental benefit of CSR was the claim that it works better than regular marketing communication techniques:

> *"The more they pay for CSR, the less they need to pay for media, as customers will associate themselves with the bank. It has a powerful persuading and attracting influence. If CSR does not generate business, there must be something wrong with the CSR, the bank, the communication channels or the customers".*

There was common agreement that these benefits can be enhanced provided that customers have reasonable expectations and high awareness of CSR initiatives, and if customers choose to support responsible businesses (i.e. they believe in the social cause). These three points will be discussed as consumer behavioural limitations of CSR.

Only seven out of the 11 interviewed banks claim that they perform CSR as a part of their human, religious, national or social duties in addition to its financial benefits, while the remaining four banks stated that they only adopted CSR for its financial benefits. For example, bank no. 3 stated:

> *"Corporations pay some of their profits back to the society to keep [society] quiet so [the banks] can continue their business. So, it is repayment of an old loan (the harm they did)".*

And, as bank no. 10 shared:

> *"If CSR is meant to be a marketing practice, it should target rich people rather than the poor, the disabled and orphans. We conduct CSR to fulfil our Islamic and human responsibilities in the first place. No doubt this will generate more business for us. In reality, we ask the charitable organizations to keep their accounts with us. So we manage their business transactions, keep the cash with us, and benefit from transactional fees".*

Relieving banks from social and media pressure was identified as a major gain from CSR.

> *"CSR is our way to silence the media and to response to their fierce attack against banks. The media inflames society against us and increases the social pressure on the banking industry. We cannot ignore these pressures if we want to focus on business".* *(bank no. 11)*

Another bank confirmed the fact that CSR helps to relieve businesses from social pressure, adding that banks do not necessarily believe in CSR:

> *"Our ultimate goal from CSR is to show off. Banks do CSR because it is the trend (fashion) and for the social hypocrisy. People are more willing to pay than corporations. Banks sometimes pay to show society and newspapers they are paying, even if they are not really convinced of some programmes". (bank no. 9)*

V. Limitations of CSR

The limitations identified can be categorized into 4 main groups: government, businesses, charitable organizations, and customers and society. The main limitations related to government were lack coordination, lack of information, lack of regulations and lack of rewards. It was widely agreed between the interviewed banks that in to work efficiently they require accurate and detailed statistics from the government about the social needs. A national database is needed to assist businesses in designing their social programmes. One bank conducted market research to find out where most CSR activities and donations of charitable organizations were concentrated in 2010-2011:

> *"The findings showed that the majority of banks' CSR went to orphans and the disabled, and only a small amount was given to women, i.e. divorcees and widows… If this information was made available to the public, there would be better diversity of CSR activates… The public sector should coordinate the current social initiatives". (bank no. 11)*

Banks commonly believe that the public sector should regulate social work and reward companies based on their social activities. According to bank no.3:

> *"The most discouraging thing we face is that there is no appreciation of our CSR from the government or society. We should get incentives based on our contribution to the society. Instead, we are blamed".*

Bank no. 6 notes:

> *"It is disappointing that social work lacks professionalism and regulation. The Ministry of Social Affairs should take action to organize social work".*

Similarly, bank no. 10 states:

> *"It is not clear to us who coordinates CSR. Is it the Ministry of Social Affairs, the Ministry of Work, the Ministry of Trade, or the Chamber of Commerce? CSR does not have an official umbrella in Saudi Arabia".*

The importance of public sector's role was not a surprising result. The literature has highlighted the importance of the public sector in enhancing the social engagement culture. The question merges, would the financial status of the country increase or decrease the private sector i.e. if the country is rich and able to secure citizens needs what is the role of private sector in social developments?

Business limitations are mainly due to the conflicts between businesses and social orientations. These conflicts are the result of limited allocated budgets, slow processes of approval, a lack of commitment, and the presence of particular

compliments and favouritism. Limited budgets were commonly noted among participants as a major challenge to banks' social responsibilities. According to bank no. 5:

> "The demand is high and our ambition is high, however we only have limited resources. Due to the budget limitations, we are accused of a lack of creativity and lack of focus. We cannot support one stakeholder's group and ignore the others. If we have enough of a budget, we will conduct more creative programmes".

Similarly;

> "Before charging us, you and the society should know that our earnings belong to the shareholders. They only approve small amounts for us to perform our social programmes". (bank no. 1)

In some banks, CSR has a low priority. In these cases, top management delay CSR approvals until they deal with required business approvals. According to bank no. 4:

> "Our CEO does not pay much attention to CSR activities. Business priorities come first. Sometimes we wait three months to get an approval and budget for our proposed programmes".

Commitment has been identified as a challenge for social initiatives because they require continuous effort and a continuous supply of resources, while the top management has to make approvals on an ad hoc basis:

> "The key word is commitment. Our shareholders do not want to commit to long-term obligations. The word responsibility should be changed. No one likes to be held responsible. It should be

> *changed to something like Corporate Social Outreach". (bank no.*
> *8)*

The last point identified was that of compliments and favouritism, which a common issue is in Arabic culture. It was conveyed that some CEOs support only those charitable organizations that are managed by their friends and relatives:

> *"The issue is compliments and favouritism. Sometimes the bank*
> *donates to activities that do not match the overall goals just to*
> *satisfy others. It is common for our bank to support some*
> *charitable organizations just because the manager is acquainted*
> *with our CEO. I believe we spend a lot of money on sponsorship,*
> *which does not really help society. Instead of putting the money*
> *into renting seminar rooms, we would do better to donate to people*
> *in need".*

A lack of professionalism has been identified as a limitation of CSR. This limitation might be a special case of Saudi Arabia as it has not been discussed in the literature. In fact, seven banks indicated that they delegate the design of their social projects to charitable organizations:

> *"We have more than one thousand charitable organizations in*
> *Saudi Arabia demanding donations. The managers of these*
> *charitable organizations do not know the basics of business, of*
> *identifying needs and priorities". (bank no 7)*

Unfortunately, people working at these organizations lack qualifications and business experience. They are keen to support poor people, but they do not know how:

> *"Look at the CVs of the charitable organizations' managers: most of them are either retired or have low education levels. They do not even understand the basics of institutional work. I can show you some proposals sent to us to finance a million Riyal projects. These proposals are about one or two pages long!" (bank no. 1)*

Another example:

> *"One of the centres for disabled children proposed for us to finance a high-technology schools project for disabled people. This very expensive project is a waste of money. Even the finest schools in Saudi Arabia do not have these technologies". (bank no. 4)*

Consumer behaviour and societal responses to CSR have been identified as a major threat to CSR in Saudi Arabia. This threat can be depicted in three domains: high expectations, low awareness, and lack of customer support of social causes. It has been claimed that banks would be willing to be involved more in CSR if they could see positive reactions towards their social behaviours. According to bank no. 1, *"The question is: do customers actually care about community services? I doubt it"*. The interviewee goes on:

> *"That is obvious from their lack of awareness and unreasonable expectations… We need to show our CEO some figures to prove that CSR is important to our business. Again, does CSR work as a marketing tool in Saudi Arabia in the time being? I doubt it".*

Similarly, bank no. 3 notes:

> *"I am happy to see some researchers interested in CSR. We need to increase the awareness of the local society about the importance of CSR, so they can exert social pressure in order to*

force or encourage banks to become more CSR-oriented. However, we also need to manage their expectations at the same time".

And:

"The society is still not aware of CSR. Society has to exert social pressure to force local banks to do more CSR. Societies could govern corporations by supporting firms that act responsibly and rejecting those who do not". (bank no. 3)

It was conveyed that customers give CSR low priority when it comes to the banking industry. According to banks no. 4, 6 and 10, customers choose their bank based on availability of Islamic products, low rates and charges, repayment periods, the value of the loan credit limit and conviction. Bank no. 10 stated, "CSR is not actually on their list". In spite of that, customers are blamed for setting unreasonable expectations for CSR, such as building schools and hospitals. Banks deny these claims and believe that this is the government's role. Bank no. 5 stated:

"The media is complicit in expressing our role in society. They set high expectations for our responsibilities. They want us to donate cash and build schools. This is not what is meant by CSR. The Ministry of Education have an allocated budget for SR 200 billion (about of £35 billion)".

And,

"We do not want to finance big projects like building hospitals; this is the role of the government bank". (bank no. 9)

VI. Current CSR Initiatives

The majority of banks stated that they are happy with their level of CSR engagements, although there is growing room for improvement. Different banks use

different categories to diversify their CSR activities accordingly. For example, banks no. 1, 6 and 10 divided their social initiatives into three groups: economic initiatives (helping poor people to improve their quality of life by helping them become qualified for the job market, providing interest-free loans, donating to charitable organizations and helping micro-business start-ups), social initiatives (sponsoring cultural and educational activities such as the national day; and initiating domestic violence, antismoking, and speed awareness campaigns), environmental initiatives (cleaning beaches and parks, running energy- and water-saving campaigns, and sponsoring leave-no-trace campaigns). Banks no. 3 and 5 utilize the ISO 26000 areas of CSR to categorize their CSR initiatives, i.e. organizational governance, human rights, labour practices, the environment, fair operating practices, customer issues and community involvement and development. Other banks, such as no. 2 and 7 categorized their CSR initiatives according to the beneficiaries (i.e. stakeholder groups). This study categorizes CSR initiatives according to stakeholder groups to match Spiller's (2000) scale, i.e. community, environment, employees, shareholders, customers and suppliers. The relative importance of the current initiatives undertaken by local banks can be read from the frequencies with which these initiatives appeared in the interviews. Table 6.5 below summarizes these initiatives.

Shareholders	CSR Activities	Frequency
Community (20)	Donating to charitable organizations	8
	Supporting volunteer programs	6
	Campaigning for environmental and social programmes	3
	Direct involvement in community projects and affairs	3
Environment (12)	Materials policy of reduction, reuse and recycling	5
	Energy conservation	3
	Environmental requirements for suppliers	2
	Waste Management	2
Employees (15)	A healthy and safe work environment	7
	Job security for employees	4
	Learning and development opportunities	2

228

	Equal employment opportunities	2
Customers (17)	Provide transparent information to customer	6
	Provide safe products (un-risky)	4
	Industry-leading quality programme	4
	Customer dialogue	3
Shareholders (22)	Good rate of long-term return to shareholders	9
	Disseminate comprehensive and clear information to shareholders	7
	Corporate governance issues are well managed	4
	Clear dividend policy and payment of appropriate dividends	2
Suppliers (10)	Inclusion of an environmental and social element in the selection of suppliers	4
	Utilise local suppliers	3
	Fair and competent handling of conflicts and disputes	2
	Develop and maintain long-term purchasing relationships	1

Table 6.5: Frequencies of the CSR activities mentioned in the interviews

VII. Summary of the Attitudes

To better understand the perception of CSR within the Saudi banking industry, the role of each stakeholder group must be understood, as it will contribute to capturing the concept from different points of views. The direct stakeholders for local banks can be grouped into two categories: internal (shareholders, management and employees) and external (customers, society, government and charitable organizations). Banks are conducting CSR activities to achieve business benefits and to satisfy their ethical beliefs. The business benefits include brand promotion and positioning tools, relief from social and media pressure, and enhancement of brand-customer relationships, i.e. satisfaction, commitment, positive word-of-mouth and loyalty. The ethical values include human duty, religious duty, national duty and social duty. A number of challenges that limit banks' social responsibility have been identified. These challenges fall into 4 groups: government, businesses, charitable organizations and customers and society. Governmental challenges include lack of coordination, lack of statistical information, lack of regulation, and lack of rewards and incentives. Business challenges include conflicts between businesses and social

orientations, and compliments and favouritism. A lack of professionalism was reported as the main challenge related to charitable organizations, while consumer behaviour (i.e. customer expectations, awareness, and support of the social cause) were identified as major threats to the financial motives of CSR. The most corporate activities are directed towards shareholders and the community, while the fewest are directed towards the environment and suppliers.

6.4 Conclusion

These findings provide important implications to body of knowledge. They provide insights about how CSR is perceived in new context and services industry. Understanding the current perception of CSR from a banks' perspective helps policymakers to develop appropriate platforms for banks to become more socially involved. The findings highlight the main motives and challenges that face local banks to become socially responsible. They facilitates the practitioners' role by providing an overall understanding of the notion and an overall understanding of different stakeholders' role across industry which enables bankers communicate with each stakeholder's group separately.

The majority of participants believe that CSR generates business benefits for banks and serve a greater purpose at the same time, i.e. social causes. Unfortunately, these business benefits are limited by different aspects of consumer behaviour, i.e. customer awareness, customer expectations, and customer support. In order to investigate the influence of customers' CSR perception on customers' loyalty, these aspects were adopted in the conceptual framework.

The participants revealed that a lack of customers' awareness results in the following consequences:

Lack of awareness	→	Banks increase CSR budget	→	Most of the budget is spent on publicity	→	CSR is perceived as social hypocrisy rather than *Ihsan*	→	Less business benefits for banks
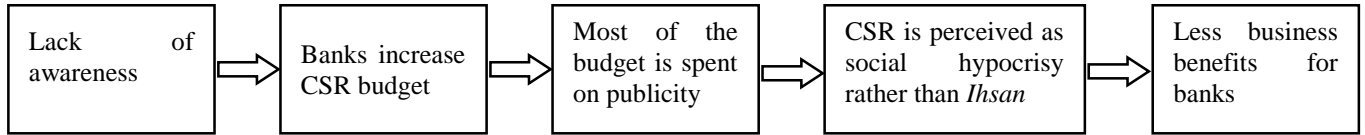
Even though customers can be made aware of CSR initiatives, another challenge is still present. In some way or another, the interviewees conveyed that high and unreasonable customer expectations of CSR activities negatively affect customer satisfaction. The difference between CSR perception and CSR expectations is customers' satisfaction;

CSR Perception	−	CSR Expectations	=	Customer satisfaction
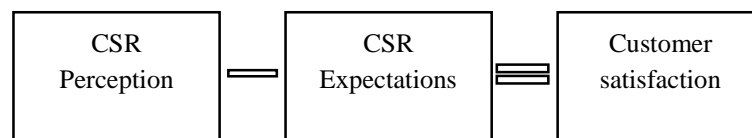
Customer support of social causes was questioned by the majority of the participants. If customers do not support responsible businesses and they do not care about social causes, the business-driven benefits of CSR will be minimal:

Banks conducting CSR activities	→	No customer support	→	No business benefits for banks	→	Banks minimize their CSR investments
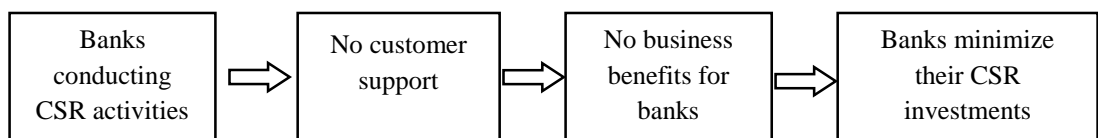
To conclude, it is significant while investigating the effect of customers' CSR perceptions on customer loyalty to take into consideration the entire identified variable: customer expectations, customer satisfaction, customer awareness of CSR initiatives, and customer support of responsible businesses. Therefore, these variables will be integrated in the design of the proposed conceptual framework. The

231

following chapter will discuss the instrument, construct, and conceptual framework

development.

7. Instrument and Conceptual Framework Development

7.1 Introduction

The previous chapter presented the findings for the qualitative study. In the conclusion of the previous chapter, number of issues has been identified to be used in designing the quantitative phase. This chapter aims to discuss the development process undertaken to design the research, i.e., the development of the conceptual framework, hypotheses, constructs and instrument. The conceptual framework development explained the underpinning theories that support the conceptual framework. Next, the relationships between the proposed hypotheses were introduced.   After that, the nature of these constructs was defined, i.e., dimensionality and covariance between the latent variable and its dimensions.

7.2 Conceptual Framework Development

The conceptual framework was developed to investigate two main constructs: the perception of corporate social responsibility and the perceived value of CSR. The causal relationship between CSR's perception and perceived value was explored by Green et al.'s (2011) qualitative study that suggested CSR may create social and emotional value for customers. Green et al. (2011) also called for further investigation to explore the functional and economic value for CSR. The qualitative phase helped to identify the variables that required further investigation in this study i.e., customers' expectations, customers' awareness, and customers' support. Perceived values was added to the conceptual model for mainly three reasons; first, it was theoretically recommended to further investigate the perceived value of CSR, Second, it was expected to explain the contradictory findings of the CSR consequences, third, none of the previous study has fully looked at customers'

perceived value of CSR. Customers' loyalty and satisfaction was added because of their importance in marketing literature, relevancy to the study, to remove the ambiguity between the perceived value and customers' satisfaction, and to respond to the contradictory findings between CSR and loyalty. This framework was built on the basis of a high involvement path of the Hierarchy of Effects Model (Solomon et al., 2009). This path suggests those customers' knowledge (cognitive) leads to their feelings (affects) which lead to their actual behaviours. According to the behavioural model, cognition has a direct influence on affects (Fishbein & Ajzen, 1975). To better understand customers' loyalty, researchers need to investigate the cognitive, affective factors that influence customers' loyalty, as they cause the actual behavioural actions (Oliver, 1999; Yang et al., 2004). The cognitive part of the

Knowing (Cognitive)	Feeling (Affects)	Doing (Behaviours)
Awareness & Perception	Expectations, Satisfaction & Perceived Value	Customers' Support & Loyalty
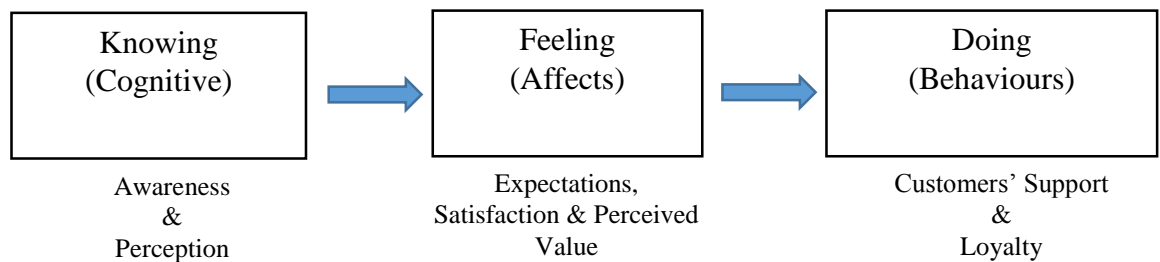
Figure 7.1 Cognitive, Affects, Behaviours Model. Solomon et al., 2009.

proposed model consists of two constructs: customers' awareness and CSR perception. Customer awareness is proposed to become the antecedent of CSR perception. The affective factors consist of CSR expectations, satisfaction, and perceived value.

CSR perception is proposed to affect CSR expectations and perceived value, while customers' awareness is proposed to affect satisfaction. Customer expectation is expected to act as an antecedence of perceived value and customer satisfaction. It is also proposed that perceived value is an antecedence of satisfaction. The antecedents of customer support are expected to be perceived value, customer expectation, and

customer awareness, while the antecedents of loyalty are customer satisfaction, expectations, perception, perceived value, and customer support.
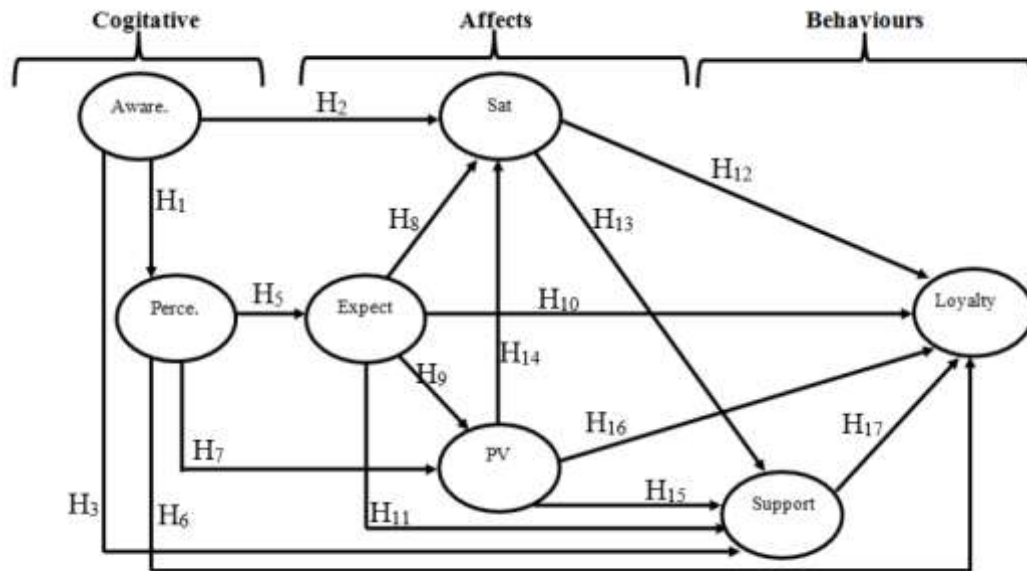
Figure 7.2 The Concepetual Framework

7.3 Hypotheses Development

Customers strongly expect businesses to make them aware of their CSR activities (Pomering et al., 2009). A marketplace poll found that 86% of American respondents believe that corporations should tell them about CSR activities (Cone, Inc., 2004). Customers' awareness of corporate activities is the spark for customers' reactions towards these corporations (Dolnicar et al., 2007; Sen et al., 2001 and Mohr et al., 2001). The more information customers have about a firm, the more customers would be enabled to evaluate, associate, and differentiate the firm against its competitors. In the CSR context, customers' knowledge about moral and immoral activities of a firm would help them to form a better perception about its economic, legal, ethical and philanthropic responsibility. According to Brown and Dacin (1997), CSR is expected to boost the service evaluation of a firm. Since service evaluation is positively linked with customer satisfaction, and enhancing customers'

knowledge is positively related to their satisfaction, then customers' awareness of CSR activities is expected to influence their satisfaction (Anderson et al., 2004; Jayachandran et al., 2005). The more customers become aware of the corporate responsibilities, the higher the chances there will be "customer responsibility" or a "customer's society" (Pomering et al., 2009; Hansen and Schrader, 1997, p. 444; Keat et al., 1994, p. 56). Customers have indicated their initial interests in supporting responsible businesses by altering the purchasing decision to become socially oriented (Dawkins, 2004). Therefore, customers' awareness of the current CSR initiatives of a given firm is expected to influence their CSR perception of that firm and increase their support and satisfaction.

H_1: Customers' awareness of CSR initiatives is positively influencing the perception of CSR

H_2: Customers' awareness of CSR initiatives is positively influencing their satisfaction

H_3: Customers' awareness of CSR initiatives is positively influencing their support of responsible businesses.

According to Maignan (2001), previous researchers have studied how CSR initiatives would affect consumer behaviour; however, they have not linked these significant findings to the context of study. Most of the previous research conducted to measure CSR's impact on consumer behaviour was USA- or European-based (Ramasamy et al., 2008).

> *"Yet, given the international scope of corporate activities today, it is essential for businesses to know whether corporate social responsibilities are perceived in the same manner across borders" (Maignan, 2001, p. 57).*

It has been confirmed by a number of researchers who examined CSR perception within different contexts that CSR is a context-related concept, as it is perceived

differently among different nations. For example, Maignan (2001) indicated that consumers from countries with communitarian ideologies such as Germany and France have different perceptions of CSR compared with US consumers. Singhapakdi et al. (2001) have empirically confirmed that country differences (e.g., cultural differences, economic development and the political-legal environment) play a significant role in the perception of CSR among Australian, Malaysian, South African and USA consumers. Another research by Visser (2008) in the African context has confirmed the role that cultures play in the perception of CSR. Smirnova (2012) has shown that Carroll's (1991) framework applies in Kazakhstan in a different order. Having said that, there is only little known about the Arab perception of CSR, especially Saudi Arabians' perception (except for Ali, 2012 who studied the CSR perception of managers and employees of companies listed in the stock market).

H4: Customers' perception of CSR in Saudi Arabia follows Carroll's (1991) model.

Schiffman and Kanuk (2000) have highlighted the importance of consumers' perceptions in the decision-making process and in their behaviour as they influence the way individuals view reality. This relationship has been established and confirmed empirically (Brown et al., 1997; Bhattacharya et al., 1995; Sen et al., 2001; Dutton et al., 1994; de los Salmones et al., 2005; and Sureshchandar et al., 2001). However, these studies have one of two limitations; either they are focused on one aspect of CSR or they have discussed CSR broadly instead of investigating perceptions of CSR (Maignan, 2001). Therefore, previous research generated conclusions without taking into consideration different dimensions of CSR's perception that could affect consumer behaviour (Maignan, 2001). According to de los Salmones et al. (2005), consumers' perception of CSR is their point of view of

"what the firms actually do with regards [to] social responsibility" (p. 374). Thus, consumers' perception is their view of what they have witnessed, i.e., it is something that has already happened. However, these views are widely used to predict the future. According to Zeithaml et al. (2006), how a bank customer is treated in a particular situation will form his own perception of the experienced service and all products and services provided by the bank for future expectation. Consumers' perception is initially their point of view of what has happened in the past (Terblanche, 2006). Thus, consumers' perception is their interpretation of their past experience, i.e., perception is a function of past experience. Past experience is one of the factors that affect customers' expectation according to the Gap Model (Zeithaml, Parasuraman & Berry, 1990) and Disconfirmation of Expectations Model (Oliver, 1980). Great deals of experience develop well-formed expectations for consumers (Ofir and Simonson, 2007). Customers tend to compare their own view of the performed services (perception) with their view of how the company should perform (expectation) (Wilson et al., 2012). Zeithaml et al. (2006) stated that "perceptions are always relative to expectations" (p. 106). Accordingly, consumers' perception of CSR is expected to influence their expectations.

In respect to customers' loyalty, Maignan et al. (1999) theoretically suggested that there is a relationship between consumers' perception and loyalty. This proposition has been confirmed empirically by Lichtenstein et al. (2004), who indicated the impact of CSR perception on loyalty directly and indirectly via customers' identification. However, de los Salmones et al. (2005) observed that this relationship is fully mediated by perceived quality. These researchers measured CSR perception as a unidimensional construct. However, when Sweeney (2006) studied the impact of CSR initiatives and consumer loyalty with respect for a multidimensional framework

of CSR (i.e., philanthropic, environmental, consumers, and employees), this relationship was not supported. Sweeney (2006) recommended more investigation of these two variables.

Work on perceived value of CSR is very limited (only Chen et al., 2012; de los Salmones et al., 2005; Ferreira et al., 2010), and none of these authors have fully investigated this relationship. Chen et al. (2012) found a direct relationship between perceived value of green practices and purchase intention and an indirect relationship between them via consumers' trust. This study was limited to the green practices rather than CSR, and it discussed the perceived value of green practices broadly, without taking into consideration perceived-value dimensions. De los Salmones et al. (2005) indicated an indirect positive relationship between the perception of CSR and customer loyalty via the overall valuation of quality, measured with reference to aspects of perceived quality (i.e., functional and technical) and perceived price. Ferreira et al. (2010) broadly discussed CSR perception (unidimensional) and related it to unidimensional perceived value by conducting a four-scenario experimental study. This study will deeply investigate the relationship between CSR and perceived value as multidimensional constructs. Moreover, it will provide a methodological contribution to confirm or challenge Ferreira et al.'s (2010) findings. Consumers' perceived value is reported to play a major role in consumer behaviour (Patterson & Spreng, 1997). Since both consumers' perception and their perceived value influence behaviours, this study suggests that there is a positive relationship between these two factors. Hence, the following hypotheses are proposed:

H₅: *Customers' perception of corporate social responsibility positively influences their expectations.*

H6: Customers' perception of corporate social responsibility positively influences their loyalty.

H7: Customers' perception of corporate social responsibility positively influences their perceived value.

According to Podnar et al. (2007), customers' expectations play a major role in linking CSR activities to consumer behaviour. These expectations can be defined as "the needs, wants, and preconceived ideas of a customer about a product or service" (Camillo et al., 2011, p. 3). Customers' CSR expectations are their viewpoint of what businesses should do in respect to their social activities (de los Salmones et al, 2005). It has been viewed as customers' benchmark level of services that customers wish to receive (Terblanche, 2006). Fulfilling customers' expectations is assumed to positively influence their satisfaction and perceived value. Moreover, customers' expectations are the key to their responses towards corporate behaviours (Podnar et al., 2007). These expectations have been regarded as one of the key antecedents for supporting ethical behaviours (Creyer and Ross, 1997). Carroll (1979, 1991) defined CSR based on societal expectations, which have an influence on the way customers behave towards responsible businesses, i.e., punishment and support (Creyer and Ross, 1997). Customers' responses towards CSR may have different forms: trust, satisfaction, purchase intension, and loyalty (De Pelsmacker et al., 2005; Poolthong et al., 2008). Since customers' loyalty is the ultimate goal for business managers, it is essential investigate the influence of customers' social expectations of loyalty (Podnar et al., 2007; Yang et al., 2004).

H8: Customers' expectation of corporate social responsibility positively influences their satisfaction.

H9: Customers' expectation of corporate social responsibility has a positive perceived value.

H₁₀: Customers' expectation of corporate social responsibility positively influences their support to responsible businesses.

H₁₁: Customers' expectation of corporate social responsibility positively influences their loyalty.

Despite the recognized value of customers' satisfaction in marketing literature and an increasing volume of research examining the influence of CSR on different aspects of consumer behaviour (e.g., loyalty, purchase intentions, customer brand association), there is still limited research investigating the relationships between CSR and customers' satisfaction (McDonald et al., 2008; Green et al., 2011).

> *"Of the existing empirical research into consumers' responses to CSR activities, much has been on consumer goods, with little research on services such as banking. The study by Luo and Bhattacharya (2006) highlighted the fact that the relationship between CSR and satisfaction is not always straightforward. To date, the effectiveness of banks' CSR strategies in promoting retail-banking customer satisfaction is only marginally understood" (McDonald, 2008, p. 174).*

CSR initiatives are expected to influence consumers' satisfaction according to theoretical evidence from literature (Luo and Bhattacharya, 2006). First, CSR initiatives positively influence customers' attitudes towards the organization (i.e., responsiveness and customer-organization trust). These positive attitudes are expected to influence customers' satisfaction. Second, CSR initiatives are expected to create additional value to the brand associated with them. This value is expected to improve customers' satisfaction. Third, CSR initiatives are assumed to increase the satisfaction level of generalized customers (the term "generalized customers" refers to people who are not only consumers but also actual or potential members of

other stakeholder groups) (Perez et al., 2013, p. 223). According to Luo and Bhattacharya (2006), customers' satisfaction is a major antecedent of customers' loyalty. Although there is strong theoretical support for CSR initiatives and customers' satisfaction, only a limited number of researchers have studied this relationship empirically, e.g., Luo and Bhattacharya, 2006; de los Salmones et al., 2008; Perez et al., 2013. These two studies indicate that CSR initiatives do not always influence customers' satisfaction. Perez et al. (2013) call for more research to investigate this relationship empirically. Therefore, the following hypotheses are developed:

H_{12}: Customers' satisfaction about CSR activities positively influences their loyalty.

H_{13}: Customers' satisfaction about CSR activities positively influences their level of support towards responsible businesses.

Perceived value is "the fundamental basis for all marketing activity" (Holbrook, 1994, p. 22). Customers' value is regarded as a "superordinate goal" to achieve positive responses from customers (Yang et al., 2004, p. 803). Since perceived value is defined herein as the net value of benefits and sacrifices, and customers' satisfaction is defined as customers' overall evaluation of service provided, these two constructs are theoretically related (Wang et al., 2004). The influence of perceived value on consumer behaviour (i.e., satisfaction, loyalty and purchase intention) have been established theoretical and empirically (Holbrook, 1994). However, the perceived value of CSR has not yet been fully investigated. Green et al. (2011) have found that CSR activities may create social and emotional values for customers. Green et al. (2001) call for investigating whether CSR creates functional and economical value for consumers. Peloza et al. (2011) stated that CSR activities improve the relationships between organizations and their stakeholders. Although

customers may choose socially responsible products based on others-oriented values (values of helping others), purchasing socially responsible products is expected to create self-oriented values for customers that will lead to positive responses toward corporate behaviours (Peloza et al., 2011). Thus, it is important to measure customers' perceived value of CSR and how it will influence different aspects of their behaviours. In light of the preceding discussion, it is proposed that:

H$_{14}$: Perceived value of CSR has positive influence on customers' satisfaction.

H$_{15}$: Perceived value of CSR has positive influence of customers' support of responsible businesses.

H$_{16}$: Perceived value of CSR has positive influence on customers' loyalty.

Customer support toward responsible businesses is addressed as customer readiness to react positively toward socially responsible activities (Maignan, 2001). Both customers' satisfaction and perceived value are the antecedents of both their support of responsible businesses and loyalty (Wang et al., 2004; Maignan, 2001; Gilbert et al., 2006; and Peloza et al., 2011). Customers support responsible businesses as a result of congruent values they share with the supported actions (Mohr et al., 2005). This support can be seen in their purchasing of products and services and giving positive word-of-mouth to friends and relatives (Bhattacharya et al., 2004). In this sense, customers' loyalty is their continuous support of repeated behaviours (Mandhachitara et al., 2011). Thus, customers' readiness to support responsible businesses is expected to influence their loyalty, as support and loyalty are theoretically related to each other and share similar antecedents.

H$_{17}$: Customers' support to responsible businesses is positively related to customers' loyalty.

7.4 Constructs Development

After explaining the proposed relationships among the identified constructs, the nature of the constructs needs to be defined. This section explains the nature of these constructs based on the dimensionality and covariance among second-order dimensions.

7.4.1 Multidimensional vs. Unidimensional

Variables can be measured by two dominant approaches: unidimensional or multidimensional constructs. A multidimensional construct scale is a measurement scale that measures different aspects (dimensions) of the variable, i.e., the items designed to measure the construct are grouped into different dimensions based on the theoretical mechanism of the construct. A unidimensional construct scale is a measurement scale that measures the construct as a whole (global construct) or from a single aspect (Ruiz et al., 2008). Both unidimensional and multidimensional scaling have been recognized as legitimate approaches to address variables. The theoretical underpinning, nature of the construct and complexity of the situation help the researcher to determine whether to adopt a multidimensional or unidimensional scaling approach (Ruiz et al., 2008). Although it has been argued that unidimensional constructs generate more meaningful conclusions on the theoretical and empirical levels, researchers should rely on the defining of the construct to decide on the dimensions, as unidimensional constructs do not always capture the full picture of the variable (Jarvis et al., 2003).

The majority of CSR perceptions and expectations studies that relate CSR to consumer behaviour have considered CSR as a unidimensional construct (Maignan, 2001; Podnar et al., 2007). As this study aims to deeply capture the local perception

of CSR, it adopted Carroll's (1991) multidimensional model to represent CSR. Carroll's (1991) framework has been adopted, because it has been commonly used, accepted and validated by a large number of researchers and provides a comprehensive view of CSR by examining its four dimensions: economic, legal, ethical and philanthropic. It highlights the economic responsibilities of organizations which others have ignored, and it is logically constructed and easy to understand (Visser, 2008).

Sweeney et al.'s (2001) four dimensions of perceived value were adopted and adapted to assess the global construct of CSR (i.e., economic, emotional, social and functional perceived value). According to Cronin et al. (1997), the construct of perceived value worked better as a unidimensional construct while investigating its influence on consumer behaviour. Therefore, this study calculated the latent variable score (because PV is formative construct) and used the global construct as a unidimensional construct. However, the dimensions of perceived value were used to report the structural and descriptive analysis of PV. This current study viewed perceived value as a multidimensional construct for two main reasons. First, the majority of previous studies have considered perceived value as a unidimensional construct, so the researcher chose to differentiate his work by investigating perceived value from different dimensions (Mohd, 2011). Second, a unidimensional scale fails to represent the full perspective of perceived value, while a multidimensional scale is more sophisticated and generates deeper and richer data to enable a better understanding of the phenomena (Sweeney et al., 2001).

Customers' awareness of current CSR initiatives was measured by adopting some items of Spiller's (2000) multidimensional scale. Spiller's (2000) scale consists of six dimensions which represent different stakeholders' groups, i.e., community,

246

environment, employees, customers, suppliers and shareholders. Spiller (2000) has identified 10 items for each dimension to measure customers' awareness of CSR initiatives that support the given group. The researcher could not adopt the full scale for mainly three reasons, as follows: First, it will be boring and time consuming for the participants to answer 60 questions to measure one construct. Second, participants are likely to lose interest while answering similar and long questions (Crawford, 1997). Third, some items from Spiller's (2000) scale are not applicable in the Saudi Arabia and banking context, e.g., environmentally friendly packaging, safe products, utilizing local suppliers, and encouraging staff ownership of shares. Thus, the researcher chose to only adopt two items from each dimension (total of 12). These items were selected based on the frequencies they appear in the interviews and on the local banks' websites (see section 6.3.3 Current CSR Initiatives).

All the other dimensions (i.e., customers' support, satisfaction and loyalty) were measured by adopting unidimensional scales, as this study does not aim to deeply investigate these dimensions. According to Jarvis et al. (2003), unidimensional scales are more appropriate to understand the causal relationships between two constructs, especially when the aim is to examine the relationships between two constructs rather than to deeply investigate these constructs.

7.4.2 Formative vs. Reflective

Finding a valid measurement scale is crucial for researchers to acquire accurate results. In order to do so, the nature and dimensions of the construct must be captured. Understanding the nature of the construct helps researchers to model the conceptual framework and assess validity (Williams et al., 2003). Most of the studies conducted in the management and marketing disciplines adopt reflective constructs; however, the misspecification of the nature of construct will result in Error I or Error

247

II. Error I appears when a reflective construct is adopted in a formative context. By way of contrast, Error II is evident when a formative construct is adopted in a reflective context. In academic research, Error I is more common to appear (Diamantopoulos & Siguaw, 2006). Moreover, errors in misspecification of the construct could lead to the confirmation of findings that should be disconfirmed or the disconfirmation of findings that should be confirmed (Petter et al., 2007). The specification of the nature of a construct (formative vs. reflective) is based on four main rules: the direction of causality, the interchangeability of the indicators, covariation among the indicators, and the nomological net of the indicators. Table 7.1 summarizes the differences between formative and reflective models.

	Formative Model	Reflective Model
1. Direction of causality from the construct to measure is implied by the conceptual definition:	Direction of causality is from the items to the construct.	Direction of causality is from the construct of items.
Are the indicators (items) (a) defining characteristics or (b) manifestations of the construct?	Indicators are defining characteristics of the construct.	Indicators are manifestations of the construct.
Would changes in the indicators/items cause changes in the construct or not?	Changes in the indicators should cause changes in the construct.	Changes in the indicator should not cause changes in the construct.
Would changes in the construct cause changes in the indicators?	Changes in the construct do not cause changes in the indicators.	Changes in the construct do cause changes to the indicators.
2. Interchangeability of the indicators/items:	Indicators need not be interchangeable.	Indicators should be interchangeable.
Should the indicators have the same or similar content?	Indicators need not have the same or similar content.	Indicators should have the same or similar content.
Do the indicators share a common theme?	Indicators need not share a common theme.	Indicators should share a common theme.
Would dropping one of the indicators alter the conceptual domain of the construct?	Dropping an indicator may alter the conceptual domain of the construct.	Dropping an indicator should not alter the conceptual domain of the construct.
3. Covariation among the indicators:	It is not necessary for indicators to covary with each other.	Indicators are expected to covary with each other.
Should a change in one of the indicators be associated with changes in the other indicators?	Not necessarily	Yes
4. Nomological net of the construct indicators:	Nomological net for the indicators may differ.	Nomological net for the indicators should not differ.

Are the indicators/items expected to have the same antecedents and consequences?	Indicators are not required to have the same antecedents and consequences.	Indicators are required to have the same antecedents and consequences.

Table7.1: Decision rules for determining whether a construct is formative or reflective (Source: Jarvis et al., 2003).

In social-science disciplines, it is quite difficult to find out the causal priority between the indicators and the latent variables, especially when there is no world-wide agreement on the definition of the construct as with CSR (Gjolberg, 2012; Dahlsrud, 2008). According to Gjolberg (2012), relying on formative scales helps to assess latent constructs in case of the absence of well-established and well-defined constructs. A number of researchers have assumed that CSR is a formative construct (e.g., Gjoberg, 2009; Strike et al., 2006; Isa, 2011; Poolthong et al., 2009). The formative scale for CSR was adopted based on the understanding of Carroll's (1979 and 1991) model which suggests that CSR can be viewed from different dimensions. The rationale of Carroll's (1979 and 1991) model assumes that the causality is established from the dimensions of CSR (economic, legal, ethical and philanthropic) to the latent construct of the perception of CSR. These dimensions define the construct of CSR, and changes in these dimensions should cause changes in CSR, whereas changes in CSR will not affect these dimensions. These four dimensions of CSR are not assumed to be interchangeable, i.e., each dimension has its own theme. In other words, the economic dimension refers to the profit motive of the company, the legal dimension refers to complying with the law, the ethical dimension refers to accepting ethical norms, and the philanthropic dimension refers to contributing to society, and omitting one of the dimensions could affect the measurement of CSR (Carroll, 1991). Furthermore, a change in one of the dimensions does not necessarily

affect others. In other words, these dimensions do not necessarily covary (correlate) with each other. Finally, these dimensions do not necessarily have the same antecedents and consequences (Jarvis et al., 2003).
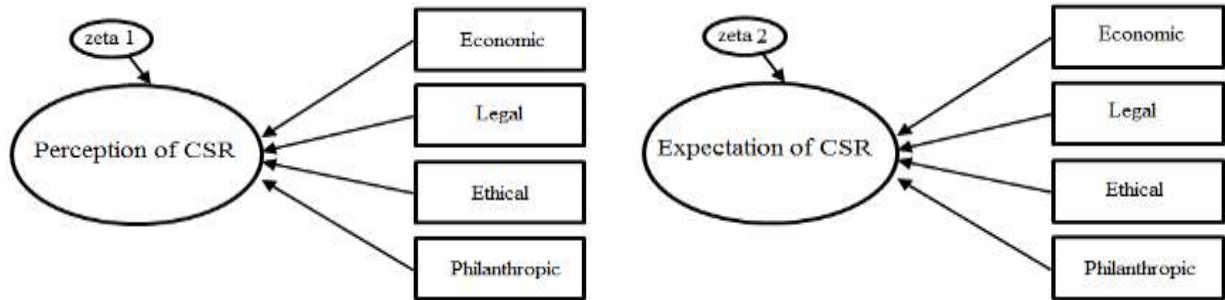
Figure 7.2: Formative Dimensions of CSR

The formative scale of perceived value was adopted based on the understanding of Sweeney et al.'s (2001) model, which assumes that causality is established from the four dimensions of perceived value (functional, social, emotional and economic) to the latent construct of perceived value. These dimensions define the construct of perceived value, and any changes in these dimensions should lead to changes in the perceived value; however, any changes in perceived value will not create change in these four dimensions. This model assumes that the dimensions are not interchangeable, i.e., each dimension has its own theme and omitting one of the dimensions could affect the measurement of perceived value. Also, any change to
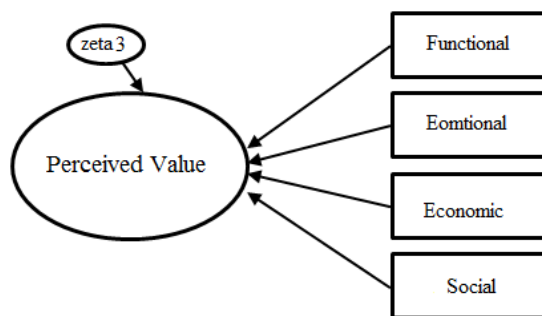
Figure 7.1: Formative dimensions of Perceived Value

one of these dimensions would not necessarily affect other dimensions, i.e.,

covariation does not always exist. Lastly, it is possible that each dimension has different causes and different effects (Jarvis et al., 2003). Thus, formative scales have been adopted for the second-order scales of CSR perception, CSR expectations and perceived value.

Customers' awareness of one of CSR's initiatives items does not necessarily indicate that they are aware of other items in the same dimension or in different dimensions. In other words, these items do not necessarily covariate with each other, and internal consistency cannot be established. Thus, the researcher regarded these items as a first-order formative, second-order formative construct.

All the other unidimensional constructs (i.e., customers' satisfaction, loyalty and support to responsible businesses) and first-order constructs of the multidimensional constructs (i.e., the four dimensions of CSR and the four dimensions of perceived value) are assumed to be reflective, as they are adopted from reflective models. Reflective models assume that causality is established from constructs to items. Indicators are manifestations of the construct rather than defining the construct, and change in indicators should not lead to change in the latent construct, whereas change in the latter construct will lead to change in the indicators. The indicators used to measure a construct are assumed to be interchangeable and share the same theme. Moreover, these indicators are expected to covary (be correlated) with each other, and omitting one of the indicators will not alter the conceptual domain of the construct. Finally, these indicators are caused by the same antecedents and cause the same consequences (Jarvis et al., 2003).
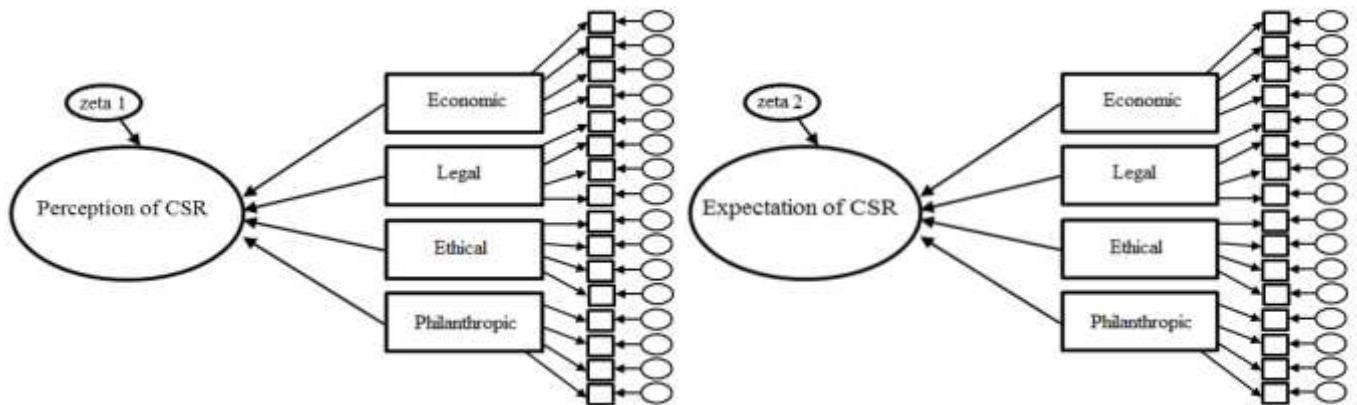
Figure 7.3: First order reflective second order formative nature of CSR.
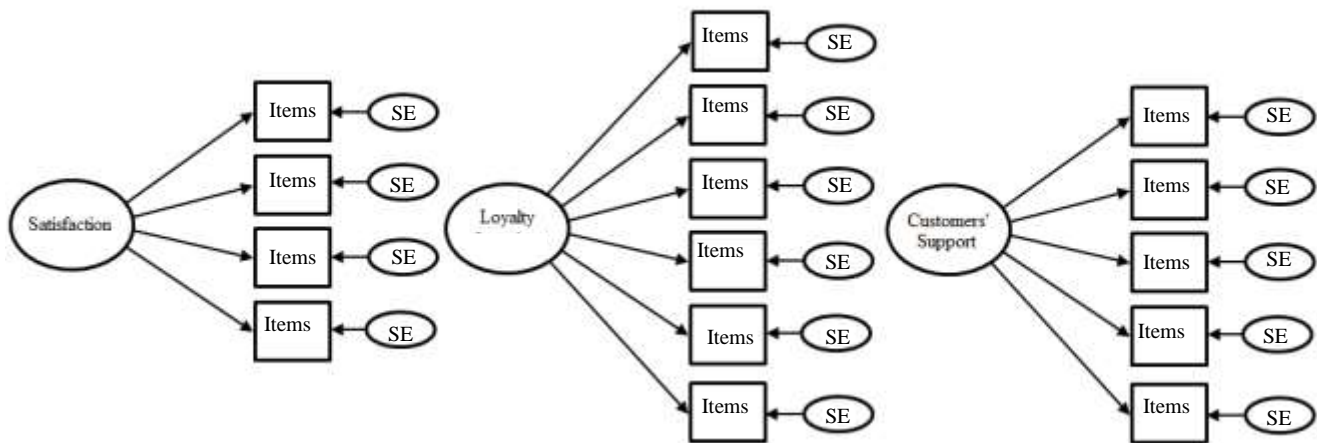
Figure 7.4: Relative nature of satisfaction, loyalty, and customers' support

According to Jarvis et al. (2003), multidimensional constructs require two levels of construct specification, i.e., first-order and second-order specification. The first-order construct has a set of indicators which are either formative or reflective. A set of first-order constructs (dimensions) can relate to the latent variable formatively or reflectively. Thus, the multidimensional model can only have four scenarios: reflective first-order & reflective second-order; reflective first-order & formative second-order; formative first-order & reflective second-order; and formative first-order & formative second-order (Jarvis et al., 2003). The three multidimensional

constructs in this study (i.e. perception of CSR, expectation of CSR and perceived value) are reflective first-order & formative second-order.

Items   SE

zeta 3

Perceived Value

Functional

Emotional

Economic

Social
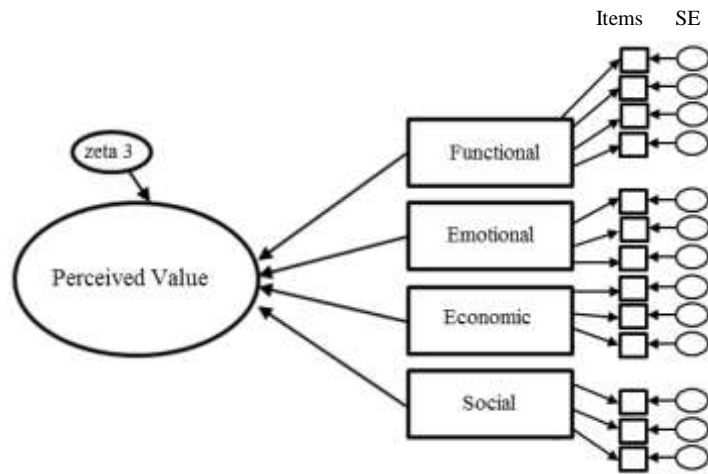
According to Petter et al. (2007), a conceptual framework that adopts only reflective constructs is **Figure 7.5: first order reflective second order formative nature of Perceived value** oth formative and reflective constructs, it is called a formative model. Thus, the proposed conceptual framework is a formative model. Figure 7.7 shows the latent variable (Perceived value), the standard error of the latent variable (zeta 3), the dimensions of the perceived value (Functional, Emotional, Economic, and Social), the items of each dimensions (the small squares), and the stranded error of each items represented by the small ovals. As a second order construct, two standard errors existed; one for the formative latent variable and the other set for the reflective items.

For formative models, the PLS (Partial Least Squares) technique is used, as it allows the researcher to avoid under-identification issues that could possibly arise when conducting covariance analysis (Jarvis et al., 2003). The comparison between formative and reflective constructs designed by Jarvis et al. (2003) only accounts for the theoretical differences. However, Coltman et al. (2008) identified three main empirical differences between formative and reflective constructs related to item

inter-correlation, relationships with antecedents and consequences, and measurement error and collinearity. First, the internal consistency and reliability for reflective constructs is assessed by Cronbach's alpha, with the loading factor and average variance extracted, while the internal consistency for formative constructs cannot be assessed. Alternatively, preliminary analyses can be used to assess the agreement between indicators and the latent variable. Second, content validity for reflective constructs can be used to assess theory based on previous studies and can be assessed empirically by convergent and discriminant validity, while the MIMIC model and structural linkage with another criterion variable are used to assess the nomological validity for formative, since the items may not share the same antecedents and consequences. Third, measurement error for items can be identified and extracted by common-factor analysis for reflective constructs, while the vanishing Tetrad test is used for formative constructs to find out whether the construct is working as expected or not (Coltman et al., 2008, p. 5 and Williams et al., 2003).

7.5 Instrument Development

Based on careful analysis of relevant literature in the areas of CSR and perceived value, as well as the outcomes of the qualitative phase of this study (phase one), the conceptual framework of this study was drawn. The conceptual framework consists of three parts: cognitive, affective and behavioural. The cognitive aspect is concerned about customers' awareness and CSR perception, while the affective part deals with customers' expectations, perceived value and satisfaction. The behavioural aspect of the conceptual framework is concerned with customers' loyalty and support of responsible businesses.

The questionnaire was divided into six parts, as follows: demographic factors, customers' awareness of current CSR initiatives, the antecedents of perceived value (perception of CSR and expectation of CSR), perceived value, the consequences of perceived value (consumer behaviour, i.e., customers' support, satisfaction and loyalty intention), and the marker variable (privacy risk). The first part of the questionnaire is the demographical background of the respondents, which include gender, age group, monthly income, education level and participants' work sector.

The second part is the consumers' perceptions and expectations of CSR as antecedents of perceived value. Customers' expectations and perceptions were measured by utilizing Maignan's (2001) scale. The same scale was applied for both customers' expectations and customers' perceptions. For customers' expectations, participants were asked to answer whether they thought that banks should undertake certain specified initiatives. For their perceptions, the participants were asked to answer whether they thought that banks undertake these initiatives (de los Salmones et al., 2005). Maignan's (2001) scale was developed according to Carroll's (1991) framework, which consists of four dimensions of CSR, i.e., economic, legal, ethical and philanthropic responsibility. Each of these dimensions was measured by four items. The Cronbach's α reliability values of the original scales were 0.95, 0.91, 0.96 and 0.95, respectively (for the German study).

The third part of the questionnaire is the perceived value of CSR, which was measured by Sweeney et al.'s (2001) four dimensions, i.e., economic, emotional, social and functional perceived value. This scale was chosen for the following reasons: First, these four dimensions are the values commonly used in literature to measure perceived value. Second, the four dimensions have been recommended to measure the perceived value of CSR in previous qualitative research (Green et al.,

255

2011). Third, they have been tested to measure perceived value in the banking context (Roig et al., 2006). Fourth, other dimensions of perceived value (e.g., convenience values and epistemic values) are not suitable to measure the perceived value of CSR. The Cronbach's α reliability values for functional, emotional, price, and social were 0.91, 0.94, 0.80 and 0.82, respectively

A set of 13 items was used to measure perceived value, i.e., three items for economic perceived value, three items for social perceived value, three items for emotional perceived value, and four items for functional perceived value. For economic perceived value, one item was removed from the original scale (i.e., is a good product for the price), as respondents of the pilot research found it very similar to the item "offers value for money". The researcher decided to keep the item with the highest Cronbach's α (i.e., offers value for money). For the social perceived value, only three items out of the four original items were adapted. One item was discarded from the scale (i.e., would give its owner social approval) because of its Cronbach's α reliability of 0.60 (less than 0.70).

For emotional perceived value, three items were borrowed and adapted from Sweeney et al. (2001). Two items were discarded from the scale (i.e., make me feel good and would give me pleasure), because they sound similar to "I would enjoy dealing with socially responsible banks" when translated into Arabic, according to the comment received from the pilot research. For the functional perceived value, four items of the quality perceived value were barrowed and adapted. Two items have been removed from this scale (i.e., has poor workmanship and would not last a long time); because they are negative statements that confused the pilot-research respondents and they are product related items.

The fourth part of this questionnaire deals with the consequences of perceived value, i.e., customers' support, satisfaction and loyalty. Customers' support to responsible businesses was measured by adopting Maignan's (2001) five-item scale. This scale has been tested in three different countries: France, Germany, and the U.S.A., and the values of Cronbach's alpha were 0.97, 0.92, and 0.96, respectively. Customers' satisfaction was measured by adopting Perez's (2013) four-item scale, which has a Cronbach's α reliability of 0.94. Loyalty was measured by adopting Harris et al.'s (2008) six-item scale, which has a Cronbach's α reliability of 0.89. The only change made to the loyalty items had to do with the context of the study, i.e., the original items was designed to measure the customers' loyalty toward a restaurant.

The fifth part of the questionnaire measures customers' awareness of current CSR initiatives by selecting 12 items of Spiller's (2000) 60-item scale. The most frequent two items of each dimension that appeared in the qualitative interviews and on the banks' websites have been chosen. The items have been adapted to match the context of the study, i.e., the banking industry.

The sixth part of the questionnaire is for the marker variable. Featherman et al's (2010) Privacy Risk scale was adopted as a marker variable. A marker variable is a correlation testing technique suggested by Lindell and Whitney (2001) used to control common method variance. The marker variable is an a priori defined construct that is theoretically not related to other constructs in the study. The correlations between this construct and others in the study will be calculated. The correlations should be close to zero (Lindell and Whitney, 2001).

A five-point Likert-type scale (i.e., strongly disagree, disagree, neutral, agree and strongly agree) was used to measure all constructs in the questionnaire. The Likert

scale is a commonly used scale in literature, is easy to understand by the respondents, and is efficient in measuring consumers' attitudes (Oppenheim, 1992). It has also been used widely to measure perceived values (Sweeney et al., 2001) and consumers' perception of CSR (Maigan, 2001). The Likert scale allows the respondents to respond within a range from strong agreement to strong disagreement. It can stretch from three to nine points depending on the nature of the study (Oppenheim, 1992). There is no agreement among statisticians about the best size of the scale; however, a five- and seven-point scale is the most commonly used in the literature. Brace (2008) argued that five- and seven-point scales are best used to capture respondents' opinions on most subjects. A five-point scale helps to reduce the time required to answer the questionnaire and reduce non-sampling errors for self-completion questionnaires (Brace, 2008). There is also no agreement among statisticians about whether an even or odd scale is more efficient. Odd scales provide the respondents with the option to be on neither one side of the scale nor the other. Eliminating the mid-point of the scale ("neutral") and forcing respondents to select one side of the scale is appropriate when the researcher believes that the majority of respondents hold a view about the investigated phenomenon, e.g., crime (Brace, 2008). In other cases, where the researcher is not sure about the level of awareness that respondents have about the phenomenon, it is legitimate to keep the mid-point position (Brace, 2008). In this research, an odd number of scale points were employed to provide respondents with freedom to reflect their honest option about the items without forcing them to take a position on one side of the scale. This was done for all of the scales adopted in this questionnaire. The researcher ensured the logical and smooth flow of the questionnaire items. According to Taylor-Powell (1998), asking questions in illogical order is often confusing and time-consuming for

respondents. The same has been argued by Crawford (1997), when she said that questionnaire items must be written in a logical and meaningful order and format. Researchers should pay careful attention to opening questions and questions' flow while arranging the questionnaire items. Respondents are most likely to lose interest in completing surveys when the opening questions are difficult to understand, beyond their knowledge or very personal (Crawford, 1997). Each question should lead naturally to the next (i.e., flow in psychological order). Questions on the same subject should be grouped together, as respondents will be annoyed by jumping from one subject to another. Besides, mixed questions require more time from the respondents to answer the questionnaire (Crawford, 1997).

Although asking similar questions would lead to a measurement of the constructs, they could lead to break off (Crawford, 1997). On the other hand, Malhotra et al. (2007) argued that not mixing questionnaire items may lead to common-method variance (CMV). Common-method variance can be defined as "the amount of spurious covariance shared among variables because of the common method used in collecting data" (Malhotra et al., 2007, p. 1865). It is commonly agreed among researchers that CMV could lead to potential biases. However, a number of researchers have found that CMV does not have significant effects on the results (i.e., Malhatra et al., 2007; Spector, 1987; Crampton et al., 1994). According to Cote et al. (1987), CMV differs from one discipline to another, and the effect of CMV was least in marketing studies at 15.8%, compared to 30.5% in education. Therefore, the researcher decided to adopt the logical flow of the items to avoid confusion and save respondents time.

The researcher has made an effort to find the best scales to suit this study. Extra attention was paid to finding these scales from three- or four-star journals only, and

all of the scales have a Cronbach's alpha reliability of at least 0.70 or more, as recommended by Nunnally (1978). There is disagreement on the acceptable value of Cronbach's alpha among statisticians. For example, George and Mallery (2003) have stated that Cronbach's alpha greater than 0.90 is excellent, between 0.90 and 0.80 is good, between 08.0 and 0.70 is acceptable, between 0.70 and 0.60 is questionable, between 0.60 and 0.50 is poor, and any values under 0.50 is unacceptable (George and Mallery, 2003, p. 231). Hair et al. (1998) have considered an alpha of 0.60 as acceptable, and Bowling (2002) has stated that any value of Cronbach's alpha greater than 0.50 is acceptable. The researcher has chosen a Cronbach's alpha value of 0.70 as the indication of acceptability for two main reasons. First, it is the most-agreed value among statisticians (Nunnally, 1978). Second, it is the highest minimum acceptable value among statisticians, so the internal consistency will be greater and more satisfactory for all statisticians. The researcher took care to keep all items in the survey short and simple in order to get the maximum outcome from respondents. However, some participants of the pilot research suggested the rewording and further explanation of some items. These items were rewritten in a more-appropriate way.

7.6 Summary of Itmes Used

Constructs	Scales	Items	Comments
Customers' Awareness (Formative)	Spiller (2000)	- Donate to charitable organizations - Supporting volunteer programs - Materials policy of reduction, reuse and recycling - Energy conservation - A healthy and safe work environment - Job security for employees - Provide transparent information to customer - Provide safe products - Utilise local suppliers - Inclusion of an environmental and social element in the selection of suppliers - Good rate of long term return to shareholders - Disseminate comprehensive and clear information to shareholders	To what extent do you agree or disagree that banks do perform the following activities? These 12 activities were selected from Spiller's (2000) 60 scales items (2 activities from each stakeholders'' group) based on the content analysis of the current CSR initiatives.
CSR (Perception and Expectations) (First order reflective second order formative)	Maignan (2001)	- Maximize profits - Control their production costs strictly - Plan for their long term success - Always improve economic performance - Ensure that their employees act within the standards defined by the law - Refrain from putting aside their contractual obligations. - Refrain from bending the law even it this helps improve performance. - Always submit to the principles defined by the regulatory system. - Permit ethical concerns to negatively affect economic performance. - Ensure that the respect of ethical principles has priority over economic performance. - Be committed to well-defined ethical principles. - Avoid compromising ethical standards in order to achieve corporate goals. - Help solve social problems. - Participate in the management of public affairs. - Allocate some of their resources to philanthropic activities.	For CSR perception, Do you think the banks place enough emphasis on the following? For CSR expectations, Do you think the banks should place more emphasis on the following?

		• Play a role in our society that goes beyond the mere generation of profits.	
Perceived Value (First order reflective second order formative)	Sweeney et al. (2001)	• Fees of services at socially responsible banks are reasonably priced • Fees of services at socially responsible banks offer value for money • Fees of services at socially responsible banks are economical • Dealing with socially responsible banks would help me to feel acceptable • Dealing with socially responsible banks would improve the way I am perceived • Dealing with socially responsible banks would make a good impression on other people • I would enjoy dealing with socially responsible banks • Socially responsible banks would make me want to use them • I would feel relaxed about socially responsible banks • Socially responsible banks have consistent quality • The services at socially responsible banks are well made • Socially responsible banks have an acceptable standard of quality • Socially responsible banks would perform consistently	To what extent do you agree with the following statements? The following items were not used in the survey 1. "good product for the price" because pilot research participants believe it is very similar to "offer value for money". 2. "would give its owner social approval" because low Cronbach alpha of its original scale 3. "make me feel good" because pilot research participants believe it is very similar to "enjoy dealing with" 4. "would give me pleasure" because pilot research participants believe it is very similar to "enjoy dealing with" 5. "poor workmanship" because of negative statement and product related item 6. "would not last a long time" because of negative statement and product related item
Customers' Support (reflective)	Maignan (2001)	• I consider the ethical reputation of businesses when I shop. • I avoid buying products from companies that have engaged in immoral actions. • I would pay more to buy the products of a company that shows caring for the well-being of our society. • I would pay more to buy the products of a company that does not harm the environment. • If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation.	To what extent do you agree or disagree with the following statements
Satisfaction (Reflective)	Perez (2013)	• Dealing with socially responsible bank will increase my satisfaction about it. • Dealing with socially responsible bank will meet my expectations. • I would feel my choice of a bank was correct, if they become socially responsible. • I will give a high valuation to socially responsible banks.	To what extent do you agree or disagree with the following statements
Loyalty (Reflective)	Harris et al. (2008)	• I would pay more to buy products from a socially responsible company • I consider the ethical reputation of businesses when I shop • I avoid buying products from companies that have engaged in immoral actions	To what extent do you agree or disagree with the following statements. The industry of the items were changed from

		• I would pay more to buy products from a socially responsible company • I would pay more to buy the products of a company that shows caring for the well-being of our society • If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation.	restaurant to banking
Privacy Risk (Marker Variable) (Reflective)	Featherman et al. (2010)	• I will say positive things about the socially responsible bank to other people • I will recommend the socially responsible bank to someone who seeks my advice • I will encourage friends and relatives to do business with a socially responsible bank • I will consider a socially responsible bank as my first preferred choice. • I will do more business with a socially responsible bank in the next few years • I will still visit the socially responsible bank even if others are lower priced.	To what extent do you agree or disagree with the following statements

7.7 Conclusion

This chapter has discussed the developmental process undertaken to design the research instrument. This chapter is critical for this study as it explains how the developmental purpose of mixed method has been executed (i.e. it build the bridge between the qualitative and quantitative phase of this study). It also provides the theoretical background that support the quantitative phase of this study. It has started with explaining the conceptual framework proposed to conduct the current study. Next, it provided the hypotheses and the development of the relationships proposed in the given model. After that, it defined the nature of the constructs used in this study, i.e., multidimensional vs. unidimensional and formative vs. reflective. Finally, it discussed the developmental process of the survey which the scaled used. The next chapter will discuss the findings of the qualitative and quantitative research.

8. Quantitative Data Analysis

8.1 Introduction
▷ 8.2 Data Preparation
8.3 Responses Statistics
▷ 8.4 Descriptive Analysis
▷ 8.5 Factor Analysis
▷ 8.6 Data Quality
8.7 The Model Quality
8.8 Conclusion

8.1 Introduction

The previous chapter introduces the steps undertaken to prepare the data, data quality, descriptive analysis, and factor analysis. It explains the process adopted to clean the data. Then, the outer model is evaluated by establishing the validity, reliability and common method bias. Next, the response statistics are reported. After that, the descriptive findings are presented. Finally, factor analysis is examined. The causal and structural findings are presented in the next chapter.

8.2 Data Preparation

This data section discusses the procedures undertaken to ensure the readiness of the data before conducting the main analysis tests. These procedures include missing data, data cleaning and editing, data filtering, multicollinearity and singularity, normality analysis, and outliers' analysis.

8.2.1 Data Coding, Entering and Editing

The questionnaire platform file was designed by SPSS software. The questionnaire items were coded via <http://www.survs.com>. The data entry process was not applicable, as online surveys allow researchers to download the participants' responses without manual interference. This property eliminates data entry errors. The questionnaire was downloaded as a comma-separated values (CSV) file to be edited before analysis. Then the data were loaded into a previously designed SPSS platform. A total of 418 completed responses were obtained.

Data editing can be a subjective process (Zikmund, 2003). Thus, the research only removed respondents that did not match the screening filer. A duplicate question was used as a screening filter. This technique suggests that researchers duplicate one of the questionnaire's items and any respondents who answered these two identical

266

items differently should be removed (Zikmund, 2003). The researcher chose one item from the customers' support scale (i.e., "I would pay more to buy products from a socially responsible company"). This item was asked twice, as item no. 45 and no. 49. Out of the 418 participants, 17 participants answered these items differently, so they were removed, and the researcher analysed the remaining 401 questionnaires.

8.2.2 Missing Data

Missing data is one of the major issues facing researchers, an issue that could force them to delete some questions or responses. Researchers can choose to make survey questions mandatory. Although forcing the respondents to answer all the questions could lead to problems with quality and representation, it also eliminates the risk of missing data (Couper, 2008). Brace (2008) states that respondents can be forced to give their opinion when most of the respondents are believed to hold a view about the phenomena. In this case, the researcher believes that the majority the respondents have formed opinions about CSR, as it is a social concept that affects daily life. Therefore, all the questions were made mandatory to avoid missing data.

Although the researcher expected no missing data, the researcher conducted a descriptive statistics test in SPSS to double-check the number of participants. (SPSS>Analysis>Descriptive Statistics>Descriptive). The descriptive statistics test was conducted for the demographic factors only, as they appeared on the last page of the questionnaire, and respondents were not able to answer them unless they had answered all the previous items.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	401	1	2	1.23	.419
Age	401	1	5	2.18	.990
Monthly Income	401	1	7	3.45	1.665
Education	401	1	4	3.24	.830
Sector	401	1	7	4.40	1.822
Valid N (listwise)	401				

Table 0.1: Descriptive Statistics

8.2.3 Multicollinearity Test

According to Hair et al. (1998), it is advisable that researchers start working with multicollinearity prior to analysis to avoid any unexpected influence of the regression coefficient among the independent variables. In order to assess the degree of multicollinearity, tolerance and variance inflation factor (VIF) averages should be calculated. These tests are only applicable for the independent formative latent variable, which is present in this case (Gaskin, 2011a). According to Fattah (2009), the multicollinearity test aims to investigate if the independent variables are really independent or if they are actually influenced by other independent variables. Thus, there is no reason to conduct a multicollinearity test if there is only one independent variable in the proposed conceptual model, as there is in this case, i.e. perception of CSR (Fattah, 2009). However, Gaskin (2011a) recommends applying the multicollinearity test among different dimensions of the latent variables to ensure that these formative factors are not influencing each other. The latent scores of the four dimension of CSR were generated by SmartPLS (Default report>PLS>Calculation Results>Latent Variable Scores). Next, the multicollinearity value was calculated for each dimension (SPSS>Analysis>Regression>Linear Regression). Gaskin (2011a) recommends using the below values to consider multicollinearity issues:

- VIF value less than 3.0 = no multicollinearity issues.

- VIF value between 3.0 and 5.0 = less likely to have multicollinearity issues.

- VIF value between 5.0 and 10 = very likely to have multicollinearity issues.

- VIF value above 10 = definite multicollinearity issues.

The output confirms that the legal and ethical perceptions of CSR are not dependent on any other variables, and that the economic and philanthropic perceptions of CSR are less likely to be influenced by legal and ethical perceptions of CSR. As a result, the data considered to have no multicollinearity issues (See Appendix 13.4.2).

8.2.4 Normality Analysis

Skewness and kurtosis tests are commonly used to examine the normality of the data. A skewness test answers the question of where the data lies—i.e., if it lies toward the right or toward the left end of the scale (Gaskin, 2011b). In order to state that the data are not skewed, two conditions must be satisfied: the data must lie between -1 and 1 skewness coefficient, and the absolute value of the skewness coefficient must lie between 3 standard errors of skewness (Gaskin, 2011b). On the other hand, the kurtosis test answers the question of how flat or how the data distribution peaked is. The same conditions applied for kurtosis: the data must lie between -1 and 1 kurtosis coefficient, and the absolute value of the kurtosis coefficient must lie between 3 standard errors of kurtosis (Gaskin, 2011b). There is no common agreement among scholars about the skewness and kurtosis values that can be regarded as an acceptable distribution that will not generate further issues during data analysis. For example, Gaskin (2011b) recommends the value to be between -1 and +1; however he states that values between -2 and +2 are still acceptable. Kline (2010) considers values between -3 and +3 acceptable for the skewness test, and values between -10 and 10 acceptable for the kurtosis test. Brown

(1997) recommends that values falling between -0.9 and 0.9 are acceptable for the skewness test, and values falling between -1.7 and 1.7 are acceptable for the kurtosis test.

Skewness and kurtosis tests were conducted by SPSS software (SPSS>Analysis>Descriptive Analysis>Frequencies). The highest skewness value in this study was customers' support 5, which was 1.361, while the highest kurtosis value was loyalty 1, which was 1.388. According to Gaskin (2011b), the skewness and kurtosis values fall within the acceptable range. For the researcher to be consistent with the acceptance levels, Gaskin's (2011b) levels of acceptance were used wherever applicable in this thesis, as he provided advanced technical explanations of most of the analysis methods used in this thesis (See Appendix 13.4.6).

Furthermore, Kolmogorov-Smirnov and Shapiro-Wilk tests were conducted to ensure the accuracy of the data (SPSS>Analysis>Descriptive Statistics>Explore>Plots check Normality Plots with tests). The Shapiro-Wilk tests whether there is a significant difference between the single unilabiate sample and the normal distribution, while the Kolmogorov-Smirnov tests whether the two samples come from a similar distribution-shape curve (Razali & Wah, 2011). Both the Shapiro-Wilk and the Kolmogorov-Smirnov test are commonly used to technically assess the distribution of the data. All the values for the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests were less than 0.05. Thus, the data were considered to be normally distributed (Steinskog, Tjøstheim, & Kvamstø, 2007). Please refer to Appendix 13.4.3.

8.2.5 Outliers Analysis

Experts recommend investigating outliers before conducting the analysis, as most statistical tests are sensitive to outliers (Pallant, 2011). Outliers refer to those "values that lie outside the normal range of the data" (Zikmund, 2003 p. 540). It has been argued that outliers are still considered valid observations and they should not be removed unless they cause major measurement errors (Zikmund, 2003). An outlier test was conducted for this study (SPSS>Graphic>Legacy Dialogs>Boxplots). The results showed no outliers for the perception of CSR, 34 outliers for the expectation of CSR, 34 outliers for the perceived value of CSR, 24 outliers for customers' satisfaction and 9 outliers for loyalty. Please refer to Appendix 13.4.4.
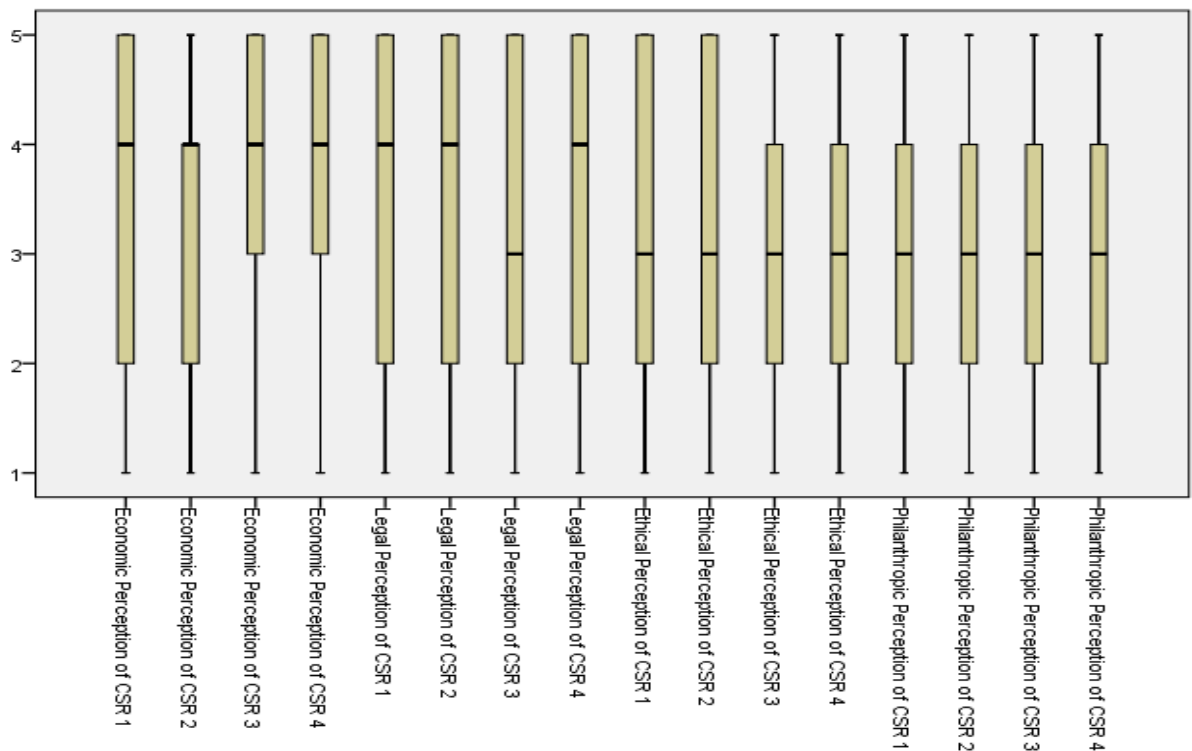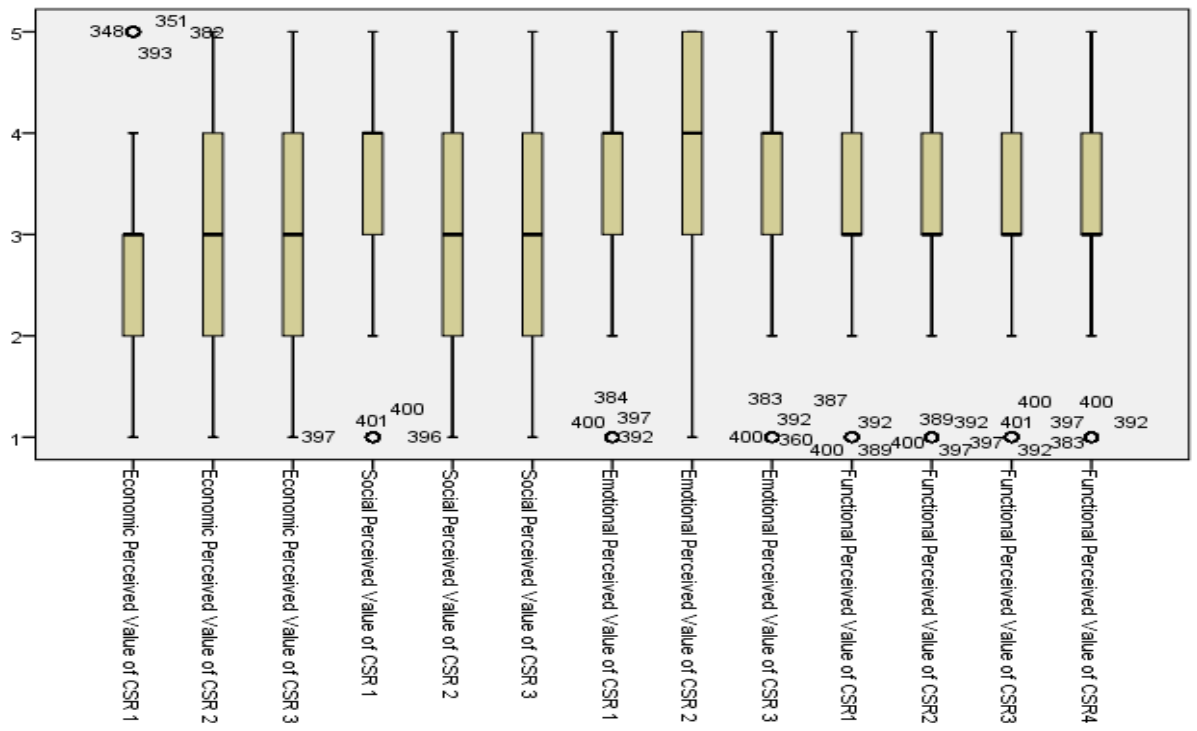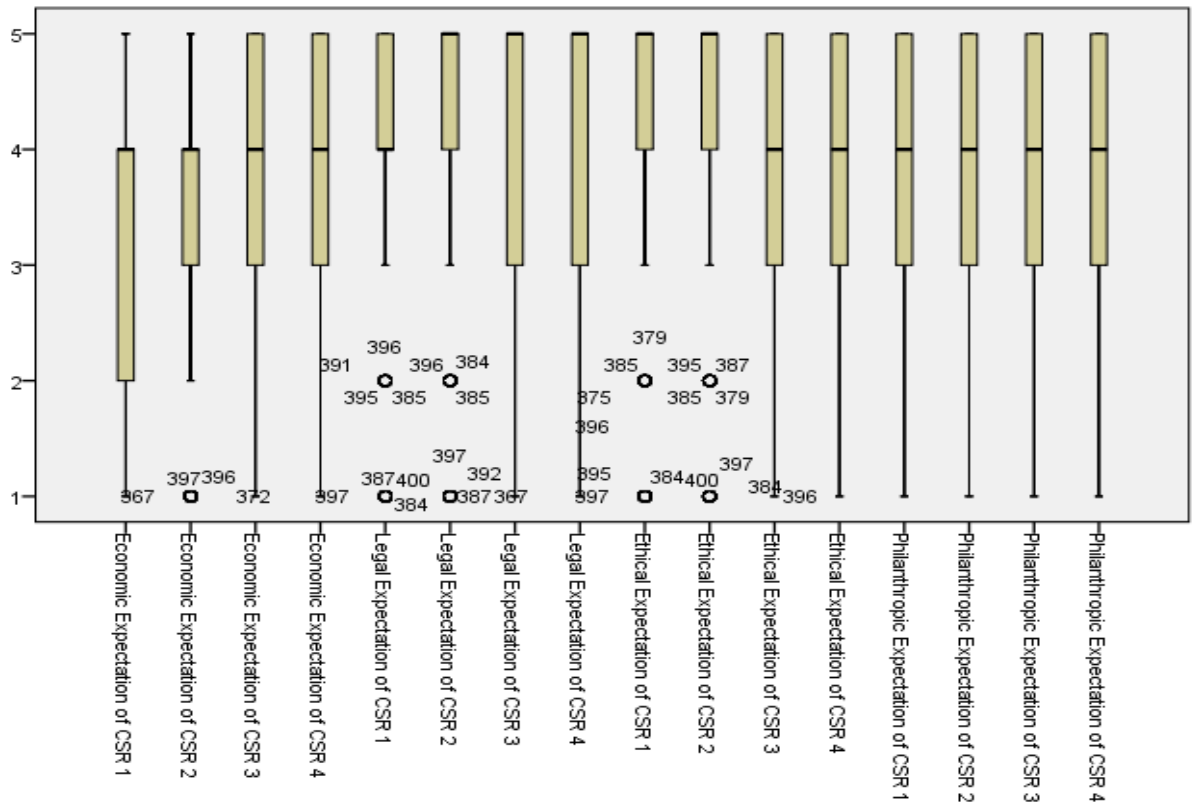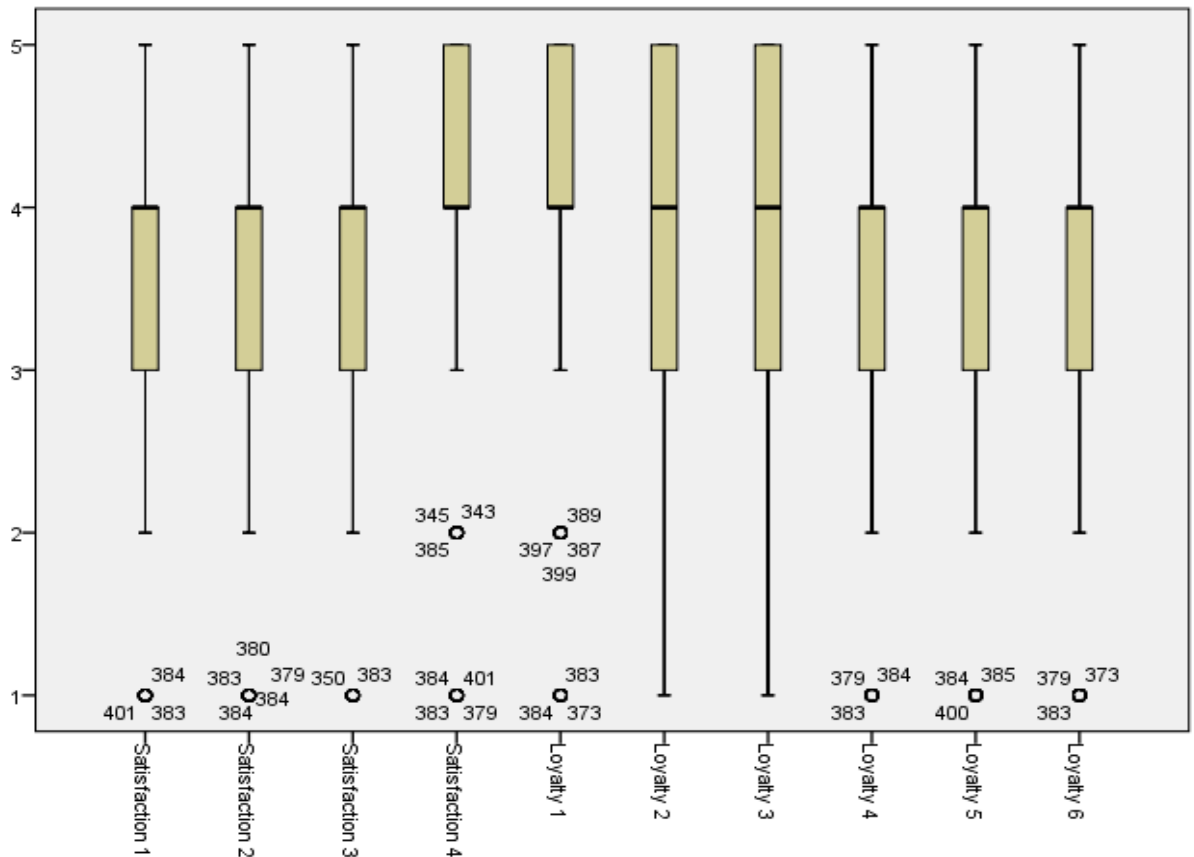
To deeply investigate the identified cases, the trimmed mean was investigated to determine the influence of these outliers on the quality of the data (SPSS>Analysis>Descriptive Analysis>Explore: Statistics Check outliers). For all of the items used in the questionnaire, the trimmed values fell within the lower bound and the upper bound. Therefore, these cases were retained, as they do not have a significant influence on the quality of data (Pallant, 2011). Please refer to Appendix 13.4.5.

8.3 Responses Statistics

The average online survey response rate is 32.52%, while the median online survey response rate is 26.45% (Hamilton, 2012). Based on a meta-data analysis study for about 200 online surveys, just over half of the survey responses were received on the first day, and about 85% of the responses was received within the first week

(Hamilton, 2012). The study reported that two weeks is a sufficient period of time for data gathering via online questionnaires. It also found that the average response rate on weekdays is higher than on weekends and that 55% of responses were received between 6:00 AM and 12:00 PM (Hamilton, 2012).

The online questionnaire for the current study was launched on 17 June 2013 (a Monday morning), according to the recommendation of Hamilton (2012). The questionnaire was built by the online survey website <http://www.survs.com>, and the link was distributed through Saudi databases. Please refer to the sampling section in the methodology chapter for more information. On the first day, 134 complete responses were received (323 incomplete responses). Table 8.2 summarizes the responses:

Date	Complete	Incomplete	Total
17-Jun-13	134	323	457
18-Jun-13	94	132	226
19-Jun-13	45	61	106
20-Jun-13	33	9	42
21-Jun-13	7	14	21
22-Jun-13	53	153	206
23-Jun-13	27	66	93
24-Jun-13	16	40	56
25-Jun-13	7	17	24
26-Jun-13	2	8	10
27-Jun-13	0	4	4
28-Jun-13	0	1	1
29-Jun-13	0	3	3
30-Jun-13	0	0	0
Total	418	831	1,249
Removed	17		

Table 8.2: Daily Responses Received

The survey ran for 14 days, during which the link was hit 2,873 times and the total number of responses was 1,249 (418 complete + 831 incomplete). Conducting an

online survey and utilizing snowball techniques make it difficult to calculate an accurate response rate for this study. However, other rates may be applicable for this study (Fowler, 2002; Link, Battaglia, Frankel, Osborn & Mokdad, 2008).

- Complete over Viewed Rate = Complete Responses * 100/ how many times the link was hit

  Complete over Viewed Rate = 418*100/2,873

  Complete over Viewed Rate = 14.78%

- Completion Rate = Complete Responses * 100/Total Responses (Complete + Incomplete).

  Completion Rate = 418*100/ (418+831)

  Completion Rate = 33.4%.

8.4 Descriptive Analysis

It important to start by explaining and describing the data before the actual analysis takes place (Zikmund, 2003). Descriptive analysis can be defined as the "transformation of raw data into a form that will make them easy to understand and interpret; rearranging, ordering, and manipulating data to generate descriptive information" (Zikmund, 2003, p. 525). Different types of descriptive analyses are used to assess different types of measures, i.e. frequency tables and percentages are used for nominal measurement, while rank order and median are common for ordinal measurement (Zikmund, 2003). This section provides descriptive information about the participants and univariate and bivariate analysis.

8.4.1 Participant Profile

This section describes the demographic factors of the 401 respondents who fully completed the questionnaire. The data were generated from IBM SPSS statistics

275

(Version 20; software>Analysis>Descriptive Statistics>Frequencies; frequencies tables are shown in the Appendix 13.4.1). The demographic factors asked about in the questionnaire were Gender, Age, Income, Education and Sector.

1. Gender

The study is concerned with both male and female respondents

- Male respondents made up a total of 310 participants, or 77.31%.

- Female respondents made up a total of 91 participants, or 22.69%.

2. Age

The study is concerned with respondents who have bank accounts. According to the central banks' policy, a national ID card is required to open a bank account. National ID cards can only be issued to citizens 18 years and older. Thus, the minimum age of respondents for this study was 18 years. Categories were created based on 10-year sections:

- 18- to 27-year-old respondents formed a total of 112 participants, or 27.93%.

- 28- to 37-year-old respondents formed a total of 155 participants, or 38.65%.

- 38- to 47-year-old respondents formed a total of 84 participants, or 20.95%.

- 48- to 57-year-old respondents formed a total of 48 participants, or 11.97%.

- Only two respondents were older than 57, representing 0.5% of the sample.

3. Income

Monthly income categories were divided into seven sections based on gaps of SAR 5,000:

- Less than SAR 5,000: 42 respondents, or 10.47%.

- Respondents earning SAR 5,001-10,000 numbered 94, or 23.44%.

- Respondents earning SAR 10,001-15,000 numbered 88, or 21.95%.

- Respondents earning SAR 15,001-20,000 numbered 72, or 17.96%.

- Respondents earning SAR 20,001-25,000 numbered 51, or 12.72%.

- Respondents earning SAR 25,001-30,000 numbered 30, or 7.48%.

- Respondents earning more than SAR 30,000 numbered 24, or 5.99%.

4. Education

The education categories have been grouped into 4 groups: high school or under, post-high school diploma, graduate, and postgraduate. Although the education figures show a skewed towards high education participants, this is still acceptable as higher education participants are inclined to participate more in academic surveys (Mohr et al., 2005).

- Respondents with a high school diploma or less numbered 22, or 5.49%.

- Respondents with a post-high school diploma numbered 35, or 8.73%.

- Respondents with graduate degrees numbered 168, or 41.90%.

- Respondents with postgraduate degrees numbered 176, or 43.89% of the sample size.

5. Sector

The sector question on the demographic factors concerns the industry to which the respondents belong. Seven categories were created: wholesale or retail, manufacturing or construction, communication or transportation, banking or financial services, education, military, and other.

- Respondents working in wholesale or retail sectors numbered 40, or 9.98%.

- Respondents working in manufacturing or construction sectors numbered 34, or 8.48%.

- Respondents working in communication or transportation sectors numbered 43, or 10.72%.

- Respondents working in banking or financial services sectors numbered 59, or 14.71%.

- Respondents working in education sectors numbered 120, or 29.93%.

- Respondents working in military sectors numbered 42, or 10.42%.

- Respondents working in other sectors numbered 63, or 15.71%.

Table 8.3 summarizes the participant profile:

Gender	Male	Female					
Frequency	310	91					
%	77.31%	22.69%					
Age	18-27	28-37	38-47	48-57	> 57		
Frequency	112	155	84	48	2		
%	27.93%	38.65%	20.95%	11.97%	0.50%		
Income	< 5	5-10	10-15	15-20	20-25	25-30	> 30
Frequency	42	94	88	72	51	30	24
%	10.47%	23.44%	21.95%	17.96%	12.72%	7.48%	5.99%
Education	High School	Diploma	Graduate	Postgrad			
Frequency	22	35	168	176			
%	5.49%	8.73%	41.90%	43.89%			
Sector	Wholesales	Construction	Telecmm	Banking	Education	Military	Other
Frequency	40	34	43	59	120	42	63
%	9.98%	8.48%	10.72%	14.71%	29.93%	10.47%	15.71%

Table 8.3: Participant Information

8.4.2 Descriptive Statistics

I.   *CSR perception and Expectations*

Local banks currently place a fair amount of emphasis on economic, legal, ethical and philanthropic aspects of CSR, respectively; however, customers' CSR

expectations exceed what banks actually do in each of these dimensions. Banks are perceived as placing more attention on economic, legal, ethical and philanthropic aspects, respectively, while customers are expecting them to prioritize these aspects in a different order, i.e. legal, ethical, philanthropic, and economic.
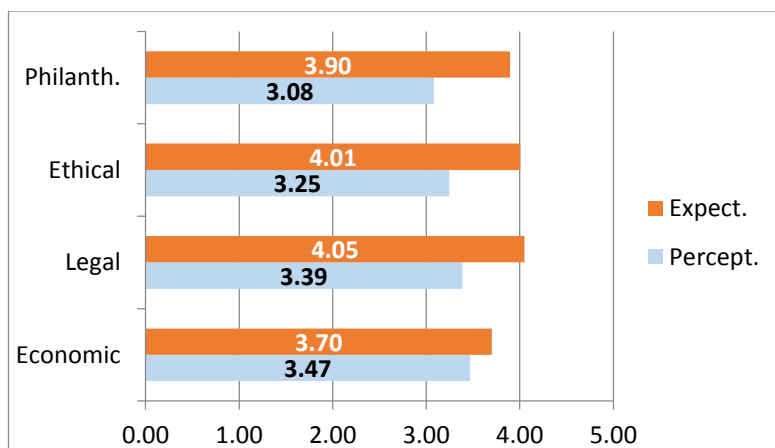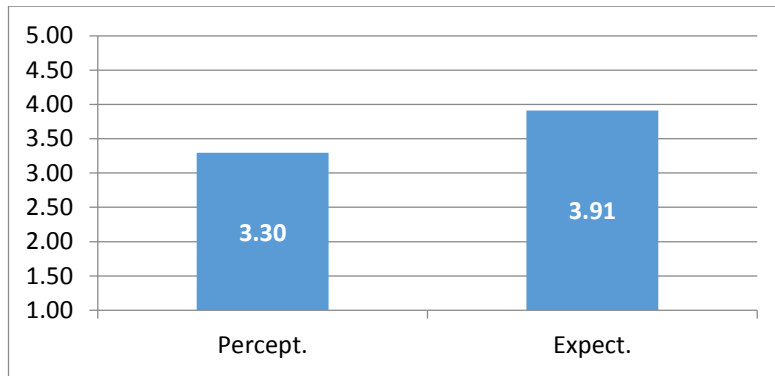
The descriptive statistics for CSR perceptions and CSR expectations are shown in Table 8.11. The interpretation of mean score is for 5 point Likert scale and cut-off points are [1-1.80 = strongly disagree, 1.81-2.60 = disagree, 2.61-3.40 = neutral, 3.41-4.20 = agree, 4.21-5.0 = strongly agree] (Mbachu & Wajiha, 2012). The descriptive statistics for CSR perceptions show that customers hold middling perceptions of what banks are actually doing, as the mean is 3.3 on a 5-point Likert scale, and respondents agreed that banks should get more involved in each dimension of CSR, as the means of the economic, legal, ethical, and philanthropic

aspects are 3.70, 4.05, 4.01, and 3.90, respectively which confirms **H₄** that Saudi

perception of CSR follows Carroll model, however Saudi CSR perception is low

compare to other countries.

	Saudi Arabia*	France	Germany	US	Shanghai	HK
Economic	4.86	4.56	4.34	5.42	5.66	5.66
Legal	4.74	5.58	5.32	5.52	5.41	5.36
Ethical	4.55	5.35	5.26	5.12	5.17	5.07
Philanthropic	4.32	4.86	4.99	4.43	4.87	4.99
Average	4.61	5.09	4.98	5.12	5.28	5.27
France, Germany, and the US adopted from Maignan (2001), and Shanghai and Hong Kong adopted from Ramasamy et al. (2008). * Saudi Perception was adjusted to a 7 point scale to be consistent with the other scales.						

As was explained in the normality analysis in 8.2.4, data collected fall within the

acceptable range.

Table 8.4 Descriptive Data for CSR

Perception of CSR	N	Min	Max	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Economic	401	1	5	3.469	1.271	-0.480	0.122	-0.798	0.243
Legal	401	1	5	3.385	1.360	-0.342	0.122	-1.117	0.243
Ethical	401	1	5	3.248	1.389	-0.234	0.122	-1.196	0.243
Philanthropic	401	1	5	3.083	1.422	-0.070	0.122	-1.318	0.243
CSR Perception	401	1	5	3.296	1.360	-0.281	0.122	-1.107	0.243

Expectation of CSR	N	Min	Max	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Economic	401	1	5	3.701	1.193	-0.782	0.122	-0.127	0.243
Legal	401	1	5	4.050	1.257	-1.214	0.122	0.356	0.243
Ethical	401	1	5	4.007	1.273	-1.196	0.122	0.303	0.243
Philanthropic	401	1	5	3.896	1.276	-1.016	0.122	-0.054	0.243
CSR Expectation	401	1	5	3.913	1.250	-1.052	0.122	0.119	0.243

II.   *Perceived Value*

Customers perceived high emotional value compared to other values when dealing

with socially responsible banks, while customers were nuetral about perceived

economic, social and functional value. The overall mean of perceived value is 3.20, which indicates that customers perceive a little value in dealing with socially responsible banks.

Perceived Value
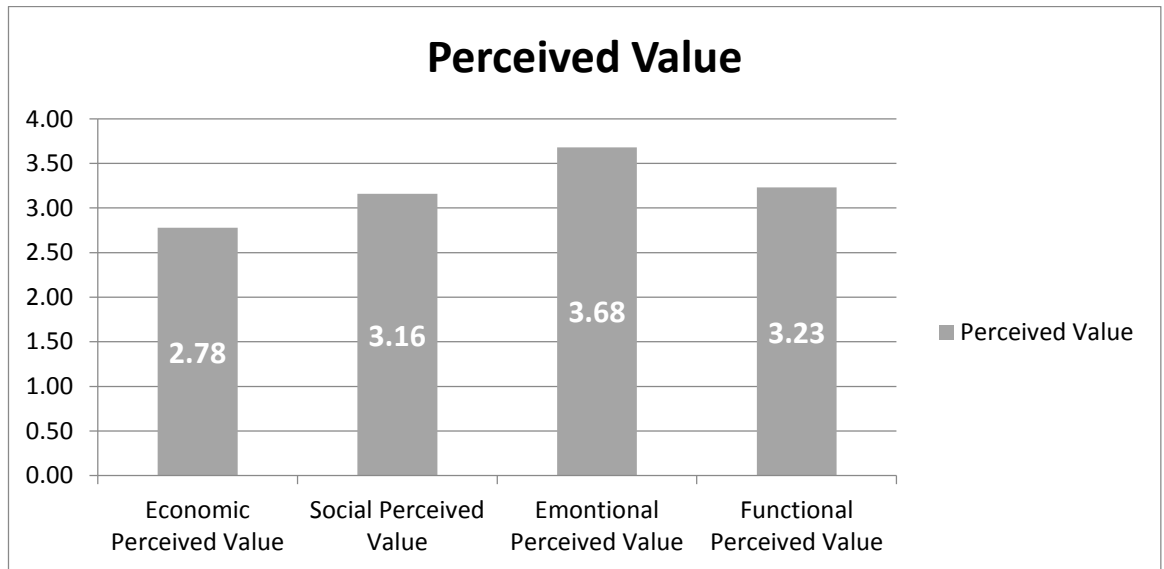
III. Customer' Awareness

Customers' awareness of local banks' CSR initiatives is relatively low, as the mean of the overall awareness is 2.58 on a 5-point Likert scale. Customers are more aware of bank initiatives aimed towards employees compared to initiatives aimed towards society, environment or suppliers.
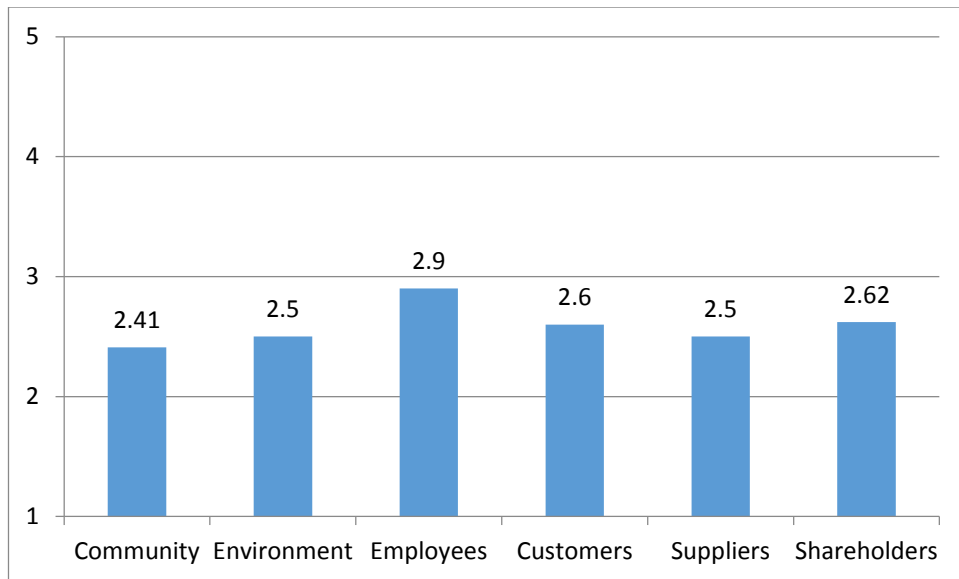
Community	Environment	Employees	Customers	Suppliers	Shareholders	Overall
2.41	2.50	2.90	2.60	2.70	2.62	2.58

IV.   Customers' Support, Satisfaction and Loyalty

Customers showed agreement about their willingness to support responsible businesses. The mean of customers' support of responsible businesses is 3.8 on a 5-point Likert scale. Moreover, CSR activities are expected to influence customer satisfaction and customer loyalty, as participants indicated relatively high agreement on their intention to be loyal to and satisfied with banks that engaged in socially responsible activities.
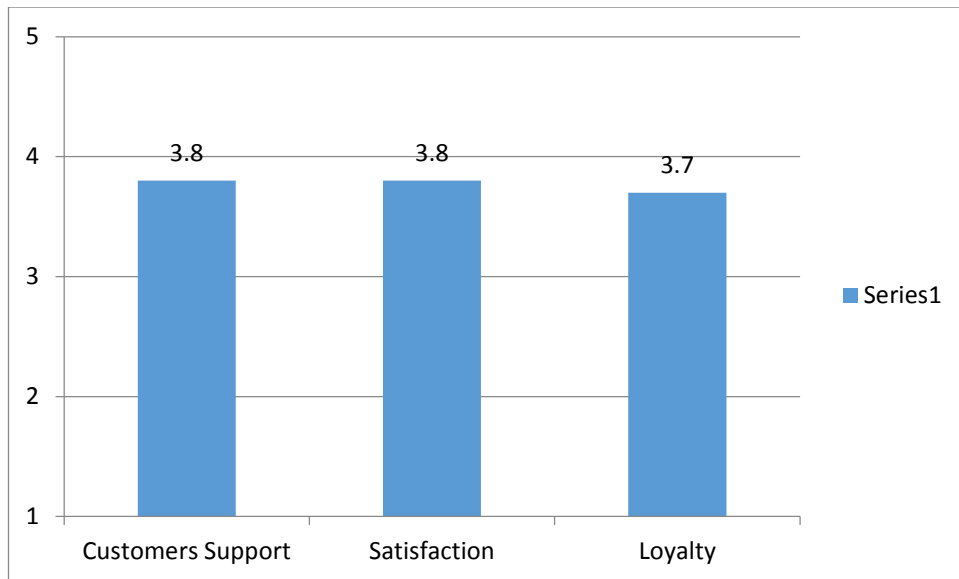
Customer Support	3.8
Customer Satisfaction	3.8
Customer Loyalty	3.7

8.5 Factor Analysis

Factor analysis is a data reduction technique used to group large number of indicators into sub-groups (Pallant, 2011). There are two main types of factor analysis: exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). According to Pallant (2011), exploratory factor analysis is the primary step, aiming to explore indicators that inter-correlate with each other and group them accordingly, while the confirmatory factor analysis is a later step used to confirm that these groups are in agreement with the data. In order to conduct factor analysis, a sufficient sample size must be obtained. There is a large debate among scholars about the definition of a sufficient sample size. Some statisticians purport that in order to claim sufficient sample size a minimum of 300 observations must be obtained (Field, 2009). Other state that 200 observations can be sufficient (Ferguson and Cox, 2007). Others recommend the use of a ratio (number of questionnaires to

number of factors). For example, Nunnally (1978) suggests that researchers should have a 10:1 (observation to variable) ratio in order to claim a sufficient of observations, while Hair et al. (1998) suggest a 5:1 (observations to items) ratio. This current study consists of 16 variables, 73 items and collected 401 filtered and complete responses. These numbers satisfy both groups' requirements.

Other tests that can be conducted to test the suitability of factor analysis are the Kaiser-Meyer-Olkin (KMO) and Bartlett's tests. These two tests measure the adequacy level of the data in order to assess its factorability. (SPSS>Analysis>Dimension Reduction>Factor). From Descriptive, the KMO and Bartlett's test of sphericity were checked. From Extraction, the maximum likelihood was chosen and the Scree plot was checked. From Rotation, promax was chosen. From Option, suppress small coefficients were checked for an absolute value below 0.20 (Gaskin, 2010). Although principal components analysis is the most commonly used model for exploratory factor analysis, it is statistically better to use maximum likelihood (Pallant, 2011; Fabrigar et al., 1999). Fabrigar et al. (1999) state that "[maximum likelihood] allows for the computation of a wide range of indexes of the goodness of fit of the model [and] permits statistical significance testing of factor loadings and correlations among factors and the computation of confidence intervals" (p. 277). According to Gaskin (2010), the KMO value should be greater than 0.60 and the Bartlett's test should be less than 0.05 to claim adequacy of the data. The KMO value for this study was 0.946 and the Bartlett's test value was 0.000, confirming the adequacy of the observed data. Table 8.5 below demonstrates the results of these tests. For more details, please see Appendix 13.4.10.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.946
Bartlett's Test of Sphericity	Approx. Chi-Square	25866.080
	Df	1770
	Sig.	.000

Table 8.5: KMO and Bartlett's Test

8.6.1 Exploratory Factor Analysis

Factor analysis is a multivariate statistical technique that is conducted for a number of reasons: it scales down the large number of indicators that influence the latent variable into fewer groups of factors; it enables researches to better understand the underlying dimensions that influence the latent variable, which leads to improved quality of the theory developed; it establishes the construct validity for the measurement scales; it investigates the relationships between indicators and it explains the multicollinearity (Nunnally, 1978).

The process of conducting exploratory factor analysis starts with testing whether the data are suitable for analysis or not. Then, what technique will be used for factor extractions must be determined. After that, the criteria that should be used to determine the factor analysis are chosen. Next, the most appropriate rotation method is chosen. Finally, these factors are labelled by name or theme (Williams et al., 2010).
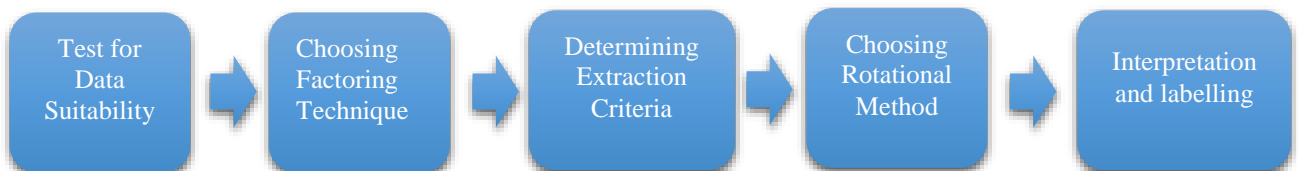
Figure 0.1: The Process of Exploratory Factory Analysis (Williams et al., 2010, p. 4)

Exploratory factor analysis is usually conducted when the factors that form the latent variable are not known prior to the analysis, while the confirmatory factor analysis is

only conducted when the factors that form the latent variable are well defined by the underlying theory or identified by exploratory factor analysis (Nunnally et al., 1994). However, in some cases it is recommended for researchers to start with EFA to ensure that the data gathered are consistent with the underlying theory (Hurley et al., 1997).

In the current study, consumers' perception and expectations of CSR were measured by adopting well-established dimensions of CSR, i.e. Carroll's (1979 and 1991). Carroll's model views CSR as a multidimensional variable formed by four different factors (i.e. economic, legal, ethical and philanthropic). However, the EFA of the collected data shows that the indicators for the legal, ethical and philanthropic dimensions of CSR should be grouped into one factor as they show high covariance with each other, while the economic dimension constitutes a separate dimension (see Appendix 13.4.9). The correlation factor analysis shows that there are no issues with these factors, as all of the values are > 0.700. Similarly, the EFA for consumers' expectations of CSR showed that the indicators for the legal, ethical and philanthropic dimensions of CSR should be grouped into one factor, as they show high covariance with each other, while the economic dimension constitutes a separate dimension (see Appendix 13.4.9). The correlation factor analysis shows that there are no issues with these factors, as all of the values are > 0.700. These findings match the cross loading findings, as the discriminate validity cannot be established, which indicates that these three dimensions reacted as one dimension.

The perceived value of CSR was measured by adopting Sweeney et al.'s (2001) well-established dimensions of perceived value (i.e. economic, social, emotional, and functional). An EFA factor analysis was conducted to check the compatibility of these dimensions with the data collected. The EFA reported only three dimensions of

CSR: economic, social-emotional, and functional (see Appendix 13.4.9). The correlation factor analysis showed no issues with these factors, as all of the values are > 0.700. An EFA of customer satisfaction and customer loyalty showed that these indicators are highly covariant with each other. Since these two constructs are theoretically different and cannot be merged, customer satisfaction was dropped (See Appendix 13.4.9).

8.6.2 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) was conducted to confirm the dimensions reported by the EFA. The SmartPLS software was used to conduct the CFA (SmartPLS>default report>PLS>Quality criteria>Outer loading). Two steps were conducted to check the EFA findings. First, loadings were checked for indicators with less than 0.7, and none was found. Second, loadings were checked for indicators that had high loadings with two variables with less than a 0.200 tolerance level, and none was found. Thus, the findings confirmed the EFA results and enabled the researcher to establish discriminant validity. The final constructs of both CSR perception and CSR expectations consisted of only two dimensions only: economic and non-economic, where the non-economic dimension of CSR includes legal, ethical and philanthropic items. Items of perceived emotional value were highly loaded with loyalty and satisfaction, and the discriminate validity for these items could not be established. Thus, these items were dropped. The final construct of perceived value after dropping the emotional dimension consists of three dimensions: economic, social and functional. The satisfaction items are highly loaded with loyalty. This fact was also reported by the EFA, where satisfaction and loyalty were reported as one factor. Thus, the satisfaction construct was dropped from the conceptual model.

The CFA of the modified model establishes discriminant validity, and all the loadings of the items are above 0.70 (see Appendices 13.4.11 and 13.4.12). Merging the three non-economic dimensions (legal, ethical and philanthropic) of CSR solved the previously highlighted issues with the cross loading of CSR expectations and CSR perception. Dropping the customer satisfaction construct solved the highlighted issue regarding external reliability.

8.6.3 The Modified Conceptual Framework

Based on the above analysis, the modified conceptual framework consists of six variables: customer awareness, CSR perception, CSR expectations, perceived value, customer support, and loyalty. Both CSR perception and expectations consist of two dimensions: economic and non-economic, where the non-economic dimension of CSR includes legal, ethical and philanthropic indicators. The perceived value consists of three dimensions: economic, social and functional.
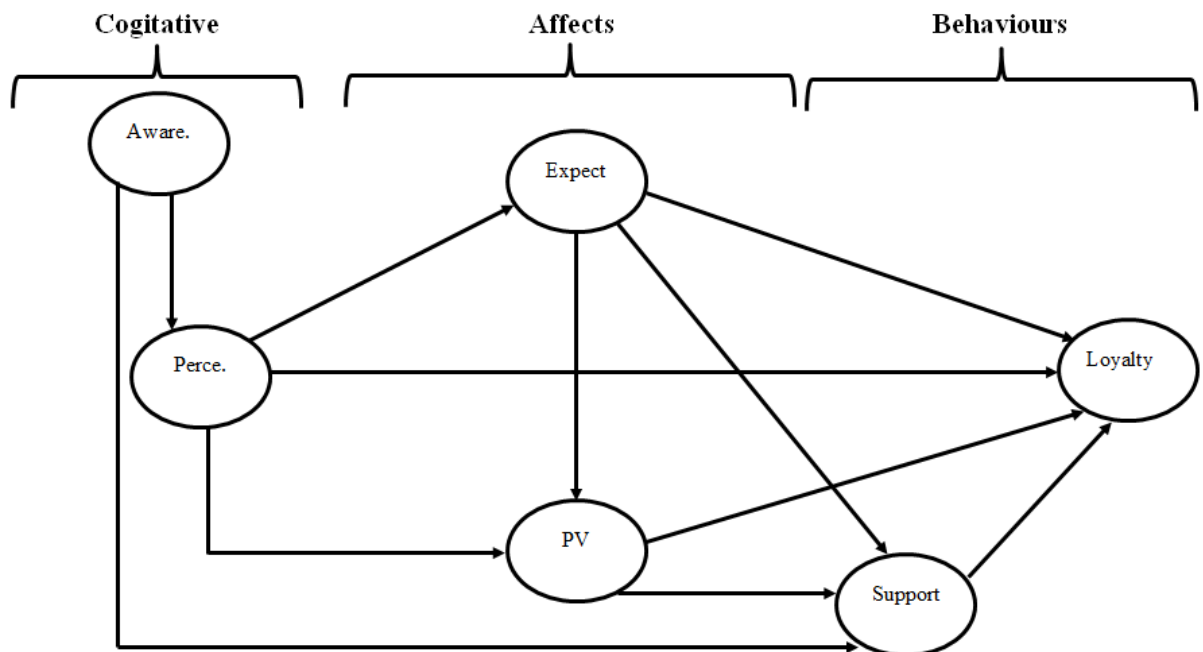
Figure 8.2: The Modified Conceptual Framework

8.6 Data Quality

It is essential for quantitative researchers to minimize the chances of obtaining false answers due to a misunderstanding of what has been asked or due to a situation where what is asked does not measure the concept that is intended to be measured. In order to minimize these chances, the outer model must be assessed. The outer model refers to "the part of the model that describes the relationships between the latent variables those make up the model and their indicators" (Kock, 2013, p. 89). This can be examined by establishing validity, reliability and common method bias (Guion, 2002). The question of validity concerns the quality of the questions, while reliability concerns the quality of the answers (Saunders et al., 2003). Both validity and reliability tests can be divided into two groups: internal and external tests. The common method variance concerns the variance between constructs (Podsakoff et. al, 2003). The term reliability refers to the ability of the data-collecting tool to be replicated, i.e. when two researchers are studying the same phenomena, the results should be similar (Saunders et al., 2003).

8.6.1 Internal Validity

Internal validity refers to the ability of the data-collecting tool to measure the phenomena that are intended to be measured (Guion, 2002). There are three main types of internal validity: face validity, content validity and construct validity. Face validity refers to respondents' ability to understand the questions (Bryman et al. 2011). Although face validity is a subjective process, it is fundamental for quantitative researchers to ensure the clarity of the questionnaire (Saunders et al., 2003). Face validity for this study was assessed in two steps: during the translation process and during the pilot research. During the translation process, the researcher and the translator took care while writing the Arabic version that all items were

clear, short and easy to understand without affecting their meaning. Later, a self-administrative pilot research was conducted before the main data-collecting process to ensure that participants understood what they were asked. A self-administrative technique allowed the researcher to receive immediate feedback from the participants about the clarity of the questionnaire, including suggested rewording of some questionnaire items.

Content validity refers to the ability of the scale to measure the phenomena intended to be measured. Similar to face validity, content validity is a subjective process, i.e. no statistical tests can be conducted (Bryman et al., 2011). The content validity of this study has been assumed, since all questionnaire items were adopted from a 3 or 4 start journal with a minimum 0.80 Cronbach's alpha reliability score. The wide acceptance of the scales adopted in this research helps to establish the content validity.

Construct validity describes "how accurately instrument scale constructs can be distinguished from one another and to what degree the constructs account for the variance found in the sample" (Kayes, 2005, p. 251). There are three different types of construct validity: convergent validity, discriminant validity and nomological validity. Convergent validity refers to the correlations between reflective items that measure the same latent construct (MacKenzie, Podsakoff & Podsakoff, 2011). Convergent validity can be tested by correlations; factor analysis and an AVE (Average variance extracted) test (Hair et al., 2013). The AVE test was established using SmartPLS (SmartPLS>Default Report>PLS>Quality Criteria>Overview). According to Hair et al. (2013), in order to establish convergent validity AVE values should be more than 0.5. Table 8.6 below shows that all reflective constructs have AVE values higher than 0.5.

Constructs	AVE
Eco Exp	0.6430
Eco PV	0.8459
Eco Per	0.5631
Emo PV	0.8431
Eth Exp	0.9167
Eth Per	0.8571
Func PV	0.8226
Legal Exp	0.8929
Legal Per	0.7786
Loyalty	0.7621
Philan Exp	0.9094
Philan Per	0.8508
Satisfaction	0.8084
Soc PV	0.7406
Support	0.5982

Table 8.6: Convergent Validity

Discriminant validity, on the other hand, refers to the fact that items measuring different variables should not be highly correlated with each other (MacKenzie, Podsakoff & Podsakoff, 2011). In other words, discriminant validity ensures that reflective items that theoretically measure one variable do not highly correlate with other variables. According to Hair et al. (2013), there are two main tests to evaluate the discriminant validity: the Fornell-Larcker and the cross loading test. The Fornell-Larcker test depends on the share value between constructs. The share value between constructs is the square-root value of the later variable correlation. These values should not be higher than the AVE of a given construct. This test was conducted using SmartPLS (SmartPLS>default>PLS>Quality Criteria>Latent Variable Correlations). These values were then squared and compared to the AVE values. Since the shared values between each pair of constructs are less than their AVE coefficient, the Fornell-Larcker test confirms the discriminant validity (See Table 8.3).

	Eco Exp	Eco PV	Eco Per	Emo PV	Eth Exp	Eth Per	Func PV	Legal Exp	Legal Per	Loyalty	Philan Exp	Philan Per	Satisfaction	Soc PV	Support
Eco Exp	0.6430														
Eco PV	0.0529	0.8459													
Eco Per	0.3786	0.0623	0.5631												
Emo PV	0.1488	0.1462	0.0785	0.8431											
Eth Exp	0.4002	0.0409	0.1538	0.1627	0.9167										
Eth Per	0.0824	0.0433	0.2094	0.0289	0.2112	0.8571									
Func PV	0.0686	0.1224	0.0414	0.4453	0.0540	0.0135	0.8226								
Legal Exp	0.4390	0.0292	0.1862	0.1636	0.8789	0.1984	0.0624	0.8929							
Legal Per	0.1278	0.0382	0.2772	0.0499	0.2465	0.7211	0.0264	0.2670	0.7786						
Loyalty	0.0895	0.0946	0.0677	0.5784	0.0994	0.0215	0.4374	0.0897	0.0280	0.7621					
Philan Exp	0.3481	0.0190	0.1276	0.1633	0.7683	0.1340	0.0588	0.7381	0.1593	0.0973	0.9094				
Philan Per	0.0780	0.0110	0.1424	0.0140	0.1677	0.6136	0.0029	0.1269	0.4547	0.0062	0.1888	0.8508			
Satisfaction	0.1404	0.0694	0.1239	0.5441	0.1265	0.0426	0.3023	0.1243	0.0485	0.6595	0.1163	0.0159	0.8084		
Soc PV	0.1104	0.2276	0.0740	0.4002	0.0388	0.0192	0.3105	0.0467	0.0284	0.2712	0.0556	0.0072	0.2709	0.7406	
Support	0.3178	0.0651	0.2165	0.3622	0.2728	0.0978	0.2255	0.3012	0.1591	0.3623	0.2848	0.0563	0.3747	0.2129	0.5982

Table 8.7: Squared Inter-Construct Correlations

The cross loading test can also be used to establish discriminate validity by comparing the loading of items for their own construct with their loading for other constructs. To prove discriminate validity, two conditions should be established: the loading for items should be more than 0.7, and loading for an item's own construct should be higher than for other constructs by a tolerance gap of at least 0.2 (Hair et al., 2013). The cross loading test was conducted by SmartPLS (SmartPLS>Default Report>PLS>Quality Criteria>Cross Loading). Please see Appendix 13.4.7. The first condition of the cross loading test was achieved by deletion, and only three items were found with low loadings (customers' support 1, economic expectation 1, economic perception 1 and economic perception 2). However, the second condition was not established due to the high loading across number constructs:

1) The loading for legal, ethical, and philanthropic dimensions of CSR expectations

2) The loading for legal, ethical, and philanthropic dimensions of CSR perceptions

3) The loading for satisfaction, perceived emotional value and loyalty

These issues will be dealt with at the end of the factor analysis. Nomological validity is another form of construct validity. Apart from convergent and discriminate validity, nomological validity is a subjective process that refers to the ability of scales to behave according to the theory. As was mentioned in the discussion of content validity, all of the scales adopted in this study were borrowed from a 3 or 4 start journal with a Cronbach's alpha liability value of 0.80 or higher. These scales have been commonly used in the literature, and their ability to behave according to theory has been proven, e.g. the perception of CSR and expectation of CSR scale has been validated by Aupperle et al. (1985), Lindgreen et al. (2009), Maignan (2001) and Maignan et al. (2004). Other scales

8.6.2 External Validity

External validity refers to the ability to generalize the result beyond the population studied in the research (Zikmunp, 2003). External validity cannot be claimed unless the interval validity has been established. It can be established by investigating two main issues: the sampling procedures and the context and the settings of the study. The use of an appropriate probability population and sampling process allows researchers to generalize their findings (Bryman et al., 2011). In other words, the lower the interference of researchers in selecting the respondents, the higher the chances of generalizability. According to Lynch (1982), researchers' understandings of the factors that influence the population or sample responses allow them to assess whether their findings can be generalized to different generations or not. Although a student population is easy to access, it is known to be atypical and not representative of the population as a whole (Saunders et al., 2003). Random sampling is expected to have higher external validity than non-random sampling. Populations with narrow or special characteristics can affect the ability to generalize the findings (Lynch, 1982). For the current study, the data collection process was judgmental and the findings of this study are expected to have low generalizability due to the relatively newness of the concept in Saudi Arabia, the notable influence of Islam on the Saudi customers and the fact that CSR is a culturally-related subject. Nonetheless, the researcher believes that the findings might be generalized to banks customers in Arab and Islamic countries.

8.6.3 Internal Reliability

Reliability refers to the "ability of an instrument to yield consistent findings, [such that] similar observation would be made or conclusions reached by other

researchers" (Saunders et al., 2012). Reliability can be divided into internal reliability, which concerns the consistency of indicators that form one variable, and external reliability, which concerns the ability of the study to be replicated (Bryman et al., 2012). In order to assess the internal reliability, also called "internal consistency", Cronbach's alpha test was conducted by SPSS (SPSS>Analyse>Scale>Reliability Analysis). An alpha model was chosen and items, scale, scale if items deleted, and correlation between items were checked. All the loadings of Cronbach's alpha were higher than 0.70 (Hair et al., 1998). Although Cronbach's alpha loading is commonly used to assess internal reliability, "it has been criticized as being a lower bound and hence underestimating true reliability. A popular alternative to coefficient alpha is composite reliability, which is usually calculated in conjunction with structural equation modelling" (Peterson et al., 2013, p. 194). The composite reliability test was conducted by SmartPLS (SmartPLS>Default Report>PLS>Quality Criteria>Overview). Internal reliability was established since all loadings were higher than 0.70.

Indicators	Cronbach's Alpha	Composite Reliability
Economic Expectation	0.815	0.876
Legal Expectation	0.960	0.970
Ethical Expectation	0.970	0.977
Philanthropic Expectation	0.967	0.975
Loyalty	0.921	0.950
Economic Perceived Value	0.909	0.942
Emotional Perceived Value	0.909	0.940
Functional Perceived Value	0.928	0.948
Social Perceived Value	0.824	0.896
Economic Perception	0.761	0.835
Legal Perception	0.905	0.933
Ethical Perception	0.944	0.960
Philanthropic Perception	0.941	0.958
Satisfaction	0.921	0.944
Customer' Support	0.831	0.881

Table 8.8: Cronbach's Alpha and Composite Reliability

According to Nunnally (1978), the Cronbach's alpha should be greater than 0.7, but not much greater than 0.90, as that indicates a redundancy issue. Both the CSR expectations and CSR perceptions dimensions show a very high Cronbach's alpha. The reason behind the high internal consistency of the current study is likely related to the high Cronbach's alpha of the scale adopted to measure CSR. Maignan's (2001) scale of CSR has 0.95, 0.91, 0.96 and 0.95 Cronbach's alphas for economic, legal, ethical and philanthropic responsibility. A high Cronbach's alpha indicates that the items are redundant. The below items were deleted to eliminate redundant items:

Construct	Deleted Items	Cronbach's Alpha After deleting
Legal Perception	1	0.884
Ethical Perception	2 & 4	0.879
Philanthropic Perception	3 & 4	0.874
Legal Expectation	2 & 4	0.905
Ethical Expectation	1 & 2	0.930
Philanthropic Expectation	1 & 2	0.928
Economic PV	1	0.888
Emotional PV	3	0.857
Functional PV	2	0.896
Satisfaction	2	0.891
Loyalty	3 & 4	0.877
Privacy Risk	4	0.884

Table 8.9 Cronbach's Alpha after Deleting Redundant Items

8.6.4 External Reliability

External reliability, which refers to the ability of the study to be replicated, can be assessed by comparing the Cronbach's alpha loading of the study with the Cronbach's alpha loading of the same study taking place at a different time or in a different place, but for the same population (Bryman et al., 2012). This study was conducted online, and the researcher compared the actual study results with the pilot research Cronbach's alpha reliability. Table 8.10 demonstrates the Cronbach's alpha reliability of the pilot research and the main study. There is no significant different between the loading reliability of the pilot research and of the main study (within a

tolerance level of 0.2) for all variables except for satisfaction, which will be dealt with at the end of the factor analysis.

	Pilot research	Main Study
Economic Expectation	0.734	0.815
Legal Expectation	0.866	0.960
Ethical Expectation	0.915	0.970
Philanthropic Expectation	0.882	0.967
Loyalty	0.880	0.921
Economic Perceived Value	0.849	0.909
Emotional Perceived Value	0.877	0.909
Functional Perceived Value	-	0.928
Social Perceived Value	0.717	0.824
Economic Perception	0.774	0.761
Legal Perception	0.870	0.905
Ethical Perception	0.888	0.944
Philanthropic Perception	0.934	0.941
Satisfaction	0.666	0.921
Customer' Support	-	0.831

Table 8.10: External Reliability

The final test for data quality is outer loadings. Hair et al. (2011) state that "outer loadings in PLS-SEM are the associated coefficients for the reflective relationships represented as single-headed arrows pointing from the latent construct outward to the indicator variables" (p.141). The required threshold value for outer loadings is 0.70, and any outer loadings values under 0.70 must be removed. All outer loadings were well above 0.70. See Appendix 13.4.8.

8.6.5 Common Methods Bias

The marker variable method (MVM) is a *priori*-defined construct that is theoretically not related to other constructs in the study, and is adopted to assess the common methods bias (CMB). According to Podsakoff et al. (2003), CMB (i.e. "variance that is attributable to the measurement method rather than to the constructs the measures represent", p. 879) is a common issue among studies that investigate behaviours. The correlations between this construct and others in the study will be calculated, and

should be close to zero (Lindell and Whitney, 2001). Its assessment has been widely adopted by academic scholars, and it is the most accurate technique to assess the CMB (Sharma et. al, 2009; Lowry and Gaskin, 2014). The current study adopted Featherman et al.'s (2010) four-item scale of privacy risk (i.e., If I use an e-bill payment service, I will lose control over the privacy of my payment information, my payment information would be less confidential if I were to use an e-bill payment service, using an e-bill payment service would lead to a loss of privacy for me and if I use an e-bill payment service hackers (criminals) might steal my personal information) as a marker variable.

According to Lowry and Gaskin (2014), the marker variable construct needs to be connected to all other constructs in the conceptual model. The latent variable correlation should be < 0.900 and the X^2 coefficient (the square of the highest shared value) should not exceed 10% (Lowry and Gaskin, 2014). Another way to assess the marker variable is by path coefficients between the marker variable construct and other constructs in the study, which should be < 0.300. The findings of path coefficients indicate that none of the correlations is higher than < 0.300 (see Table 8.11 and Figure 3). The highest correlation between marker variable and other constructs is with loyalty (i.e. 0.2909 < 0.9000), and the X^2 coefficient of 0.0846 is less than 10% (See Table 8.12). Thus, the CMB according to the CMV is insignificant.

#	Path Coefficients
Perception	0.004
Expectation	0.006
Awareness	0.000
Support	0.128
Perceived Value	0.005
Loyalty	0.121
Table 8.11: Latent Variable Correlation	

	Awareness	Expectation	Loyalty	Perceive Value	Perception	Support	Marker Variable
Awareness	1						
Expectation	0.2329	1					
Loyalty	0.0449	0.3572	1				
Perceive Value	0.1251	0.2992	0.6468	1			
Perception	0.4125	0.5071	0.1806	0.2013	1		
Support	0.1651	0.5895	0.5853	0.4969	0.3672	1	
Marker Variable	-0.0213	0.0841	0.2909	0.2088	0.0438	0.2205	1

Table 8.12: The path coefficient between privacy risk and other constructs.
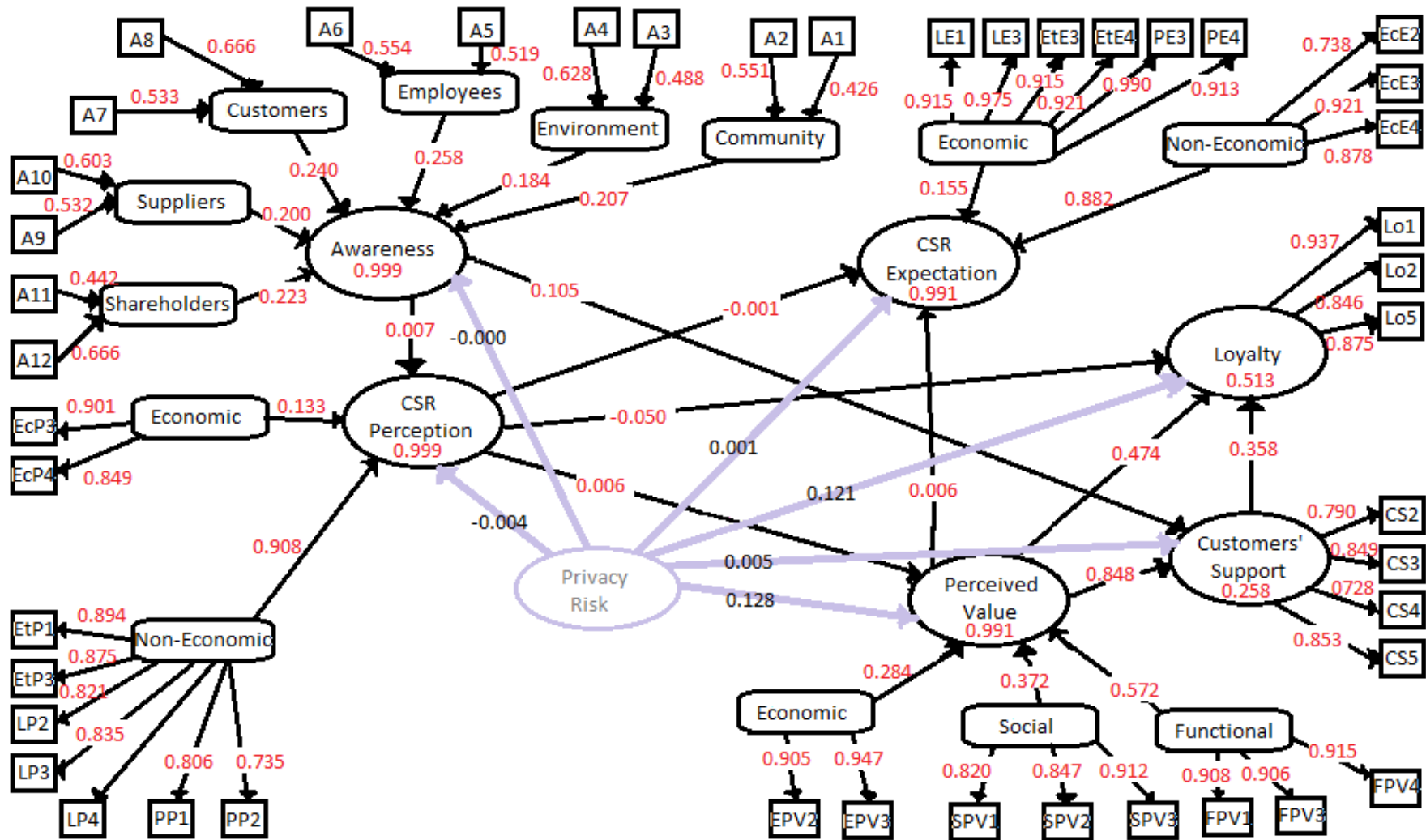
Figure 8.3: Path Coefficients between Marker Value and Other Constructs.

8.7 The Model Quality

This section concerns the inner model quality of the structural equation model (SEM). The inner model refers to "the part of the model that describes the relationships between the latent variables that make up the model. In this sense, the path coefficients are inner model parameter estimates" (Kock, 2013, p. 89). Unlike other CB models, PLS does not provide the overall fit of the proposed model, so non-parametric statistical analysis can be utilized (Abbasi, 2011). The inner model can be assessed by the R^2, β, , T-value and *GoF*.

According to Lowry et al. (2014), R^2 is the percentage of variance explained by the explanatory variables. Thus, it can only be obtained for the dependant variables. The R^2 (also called the coefficient of determination) falls between 0.0 and 1.0. Although Wong (2013) states that an acceptable R^2 should greater than 0.250, a number of scholars believe that R^2 relies on the study context (Hair et al., 2011; Hair et al., 2012). Gaskin (2011) states that the minimum acceptable R^2 is 0.100. Apart from perceived value, all other constructs are well-explained by the predictor variables. Table 8.13 below shows the R^2 of the modified model.

	R Square
Expectation	0.2572
Loyalty	0.5140
Perceive Value	0.0928
Perception	0.1701
Support	0.4605

Table 8.13: R Squares of the Modified Model.

The beta coefficient (β) is also known as the path coefficient, which is "interpreted as standardized beta coefficients of ordinary least squares regressions" (Henseler et al., 2009, p. 304). The path coefficient indicates the correlation between two constructs. It should vary from 1 to -1, and any coefficient outside of this range

indicates a collinearity problem (Lowry et al., 2014). Negative correlations indicate a negative causal relationship between the dependant and independent variable. According to Hair et al. (2012), the beta coefficients are interpreted by comparing them amongst each other in the same model. In another words, the percentage of change in an endogenous construct occurs as a result of change in the predictor variable (Hair et al. 2012). Thus, if a path coefficient is higher than other path coefficients connected to the same endogenous construct, it will have higher effect on the endogenous construct. Table 8.14 reports the path coefficients for the modified model, where all coefficients fall within the acceptable range according Lowry et al. (2014).

	Expectations	Loyalty	Perceived Value	Perception	Support
Awareness				0.4125	0.0087
Expectations		0.0427	0.2654		0.4823
Loyalty					
Perceived Value		0.4740			0.3515
Perception	0.5071	-0.0643	0.0667		
Support		0.3482			

Table 8.14: Path Coefficient

The t-test value is used to determine whether the defined relationships between two variables are significant or not (Cohen, 1988). The bootstrapping function on SmartPLS provides the statistical significance of the relationships (Gaskin, 2011). According to Hair et al. (2006), the significant t-test values are as follows:

Probability	T-test Value
0.1	1.65
0.05	1.96
0.01	2.58
0.001	3.29

For the current study, the bootstrap function was tested for 5000 samples as recommended by Hair et al. (2011). All the relationships were found significant apart from awareness→support, perception→loyalty, perception→perceived value and expectations→ loyalty. More details will be provided in the next section.

According to Hulland (1999), PLS structural equation modelling concerns reducing the standard of errors and/or increasing the $\mathbf{R^2}$ rather than assessing the overall model of fit of the proposed model. Due to the fact that PLS is unable to produce an overall model of fit, it has been recommend by Wetzels et al. (2009) to employ goodness of fit *GoF*. According to Henseler & Sarstedt (2013), goodness of fit can be calculated by multiplying the square root of average $\mathbf{R^2}$ by average communalities. For the current study, the *GoF* is 0.4098, which is regarded as high according to Wetzels et al.'s (2009) criteria. Table 8.15 shows the calculation of the goodness of fit.

	R^2	Communalities
Awareness	0.0000	0.4735
Expectations	0.2610	0.7462
Loyalty	0.5280	0.8449
Perceived Value	0.1268	0.5174
Perception	0.1729	0.6397
Support	0.4724	0.6530
Average	0.2602	0.6458
GoF	$\begin{aligned} &= \sqrt{Average\ \boldsymbol{R^2} * Average\ Communality} \\ &= \sqrt{\boldsymbol{0.2602} * \boldsymbol{0.6458}} \\ &= \sqrt{\boldsymbol{0.1680}} \\ &= 0.4098\ (40.98\%) \end{aligned}$	

Table 8.15: Calculating the Goodness of Fit

8.8 Conclusion

This chapter presented the analysis of the quantitative phase of this study. It started with the preparation of data before analysis, i.e. data cleaning, missing data, multicollinearity and normality, and identification of outliers. After that, data quality (outer model) was established by examining the internal reliability and internal validity, i.e. the face, content, convergent, discriminant and nomological validities. External reliability was confirmed by comparing the Cronbach's alpha of the main study to the pilot research. Although the data collection process was scientific, the findings of this study are expected to have low generalizability due to the relative newness of the concept in Saudi Arabia, the notable influence of Islam on the Saudi customers and the fact that CSR is a culturally relative subject. The findings might be generalized to bank customers in Arab and Islamic countries. The CMB was found to be insignificant and the *GoF* for the model is high. The descriptive analysis showed that; 1) Saudi CSR perception follow Carroll's model, 2) customers have higher expectations of CSR than what banks currently do, 3) customers are neutral about gaining values from dealing with socially responsible banks 4) customers do perceived more emotional and social values compared to economic values, 5) customers' awareness of CSR is relatively low, 6) CSR activities are expected to influence customer satisfaction and customer loyalty, as participants indicated relatively high agreement on their intention to become loyal and satisfied customers of banks engaging in socially responsible activities, and 7) participants were generally supportive of responsible businesses.

The EFA and CFA tests suggested that CSR consists of two dimensions only: economic and non-economic, while the perceived value of CSR consists of three dimensions: economic, emotional-social and functional. Customer satisfaction and

perceived emotional value were dropped, as they showed high covariance with each other. For a list of the deleted items, see Appendix 13.4.13. The next section will present the findings of the quantitative study.

9. The Findings of the Quantitative Study

9.1 Introduction

9.2 Hypothesis Testing

▷ 9.3 Testing Mediating Effects

▷ 9.4 Testing the Moderating Effects

9.5 Conclusion

9.1 Introduction

The previous chapter presents the causal findings of this study. After that, it provided the modified model and tested its outer quality. This section will present the findings of the quantitative study in three main sections. First, the hypothesized relationships in the proposed model will be examined by the bootstrapping function in SmartPLS. Second, the mediatory effects of customer expectations, perceived value and customer support will be examine by a Sobel test. Third, the moderating effects of the demographic information will be presented.

9.2 Hypothesis Testing

The findings of the quantitative phase of this study were obtained by SmartPLS 2.0 M3. According to Lowry et al. (2014), a formative model cannot be assessed directly; instead, the latent variable scores must be obtained, taking into account the second-order formative nature of the constructs. Thus, Figure 9.1 presents the findings of the SEM outer-model, while Figure 9.2 presents the β coefficients among variables. The statistical significance coefficients of the hypothesised relationships are presented in Figure 9.3. Table 9.1 summarizes the findings of these figures and provide the decisions made regarding these relationships. All the proposed hypotheses were found to be positively significant at $p < 0.01$ (t=2.326) except for H_3, H_6, H_7, and H_{10}, which were found to be not significant. As all the unsupported hypotheses have low path coefficients (< 0.200), techniques of increasing t-test values are not applicable (Lowry et al., 2014).
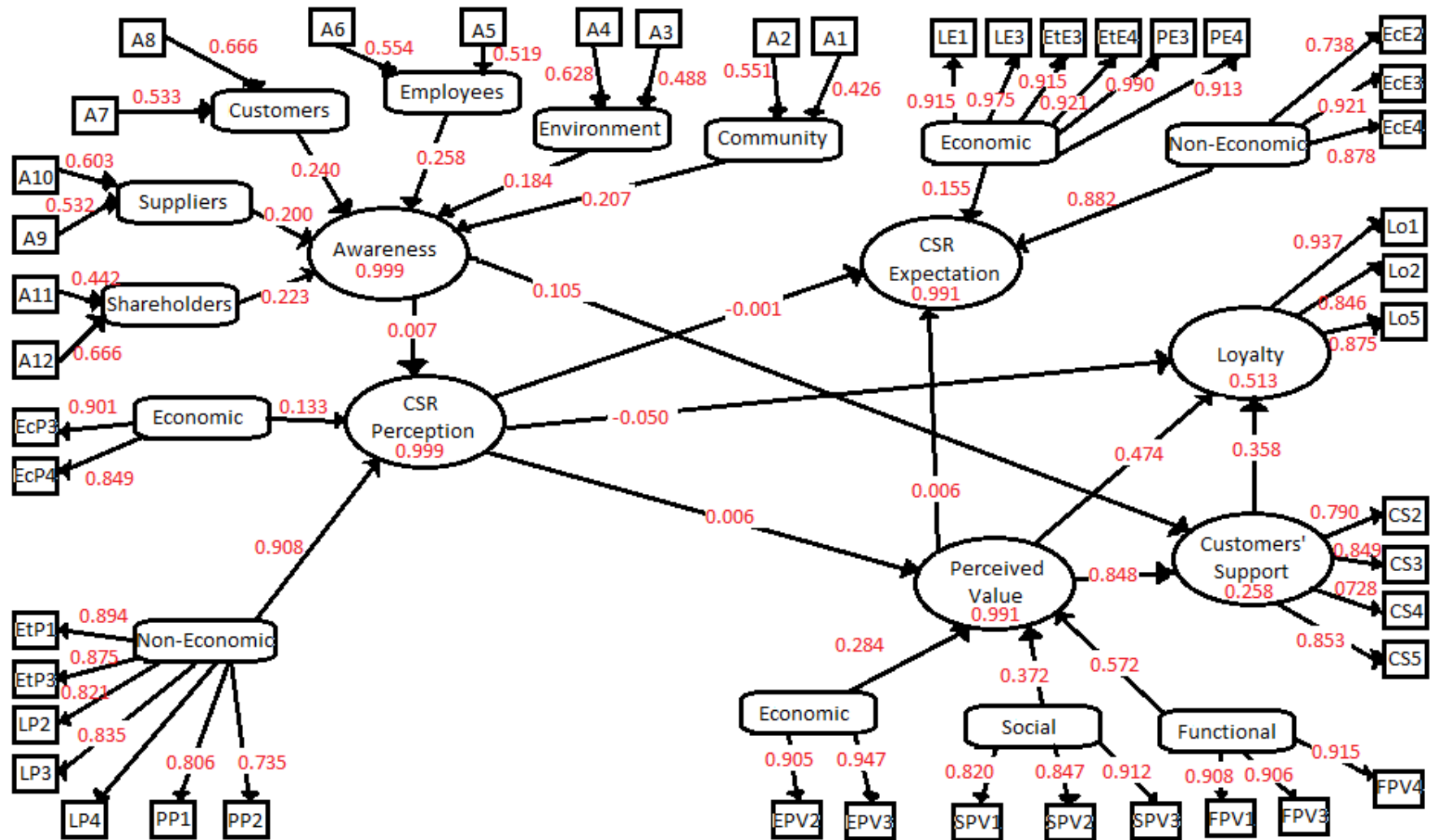
Figure 9.1 The Outer Model Findings
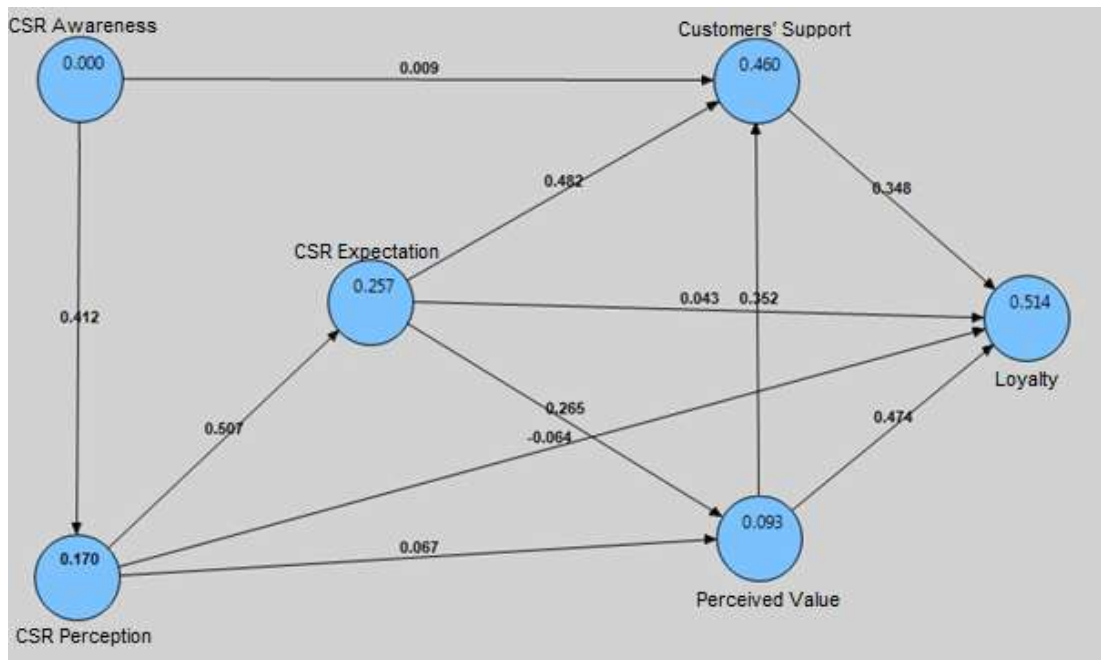
Figure 9.2 Path Coefficients
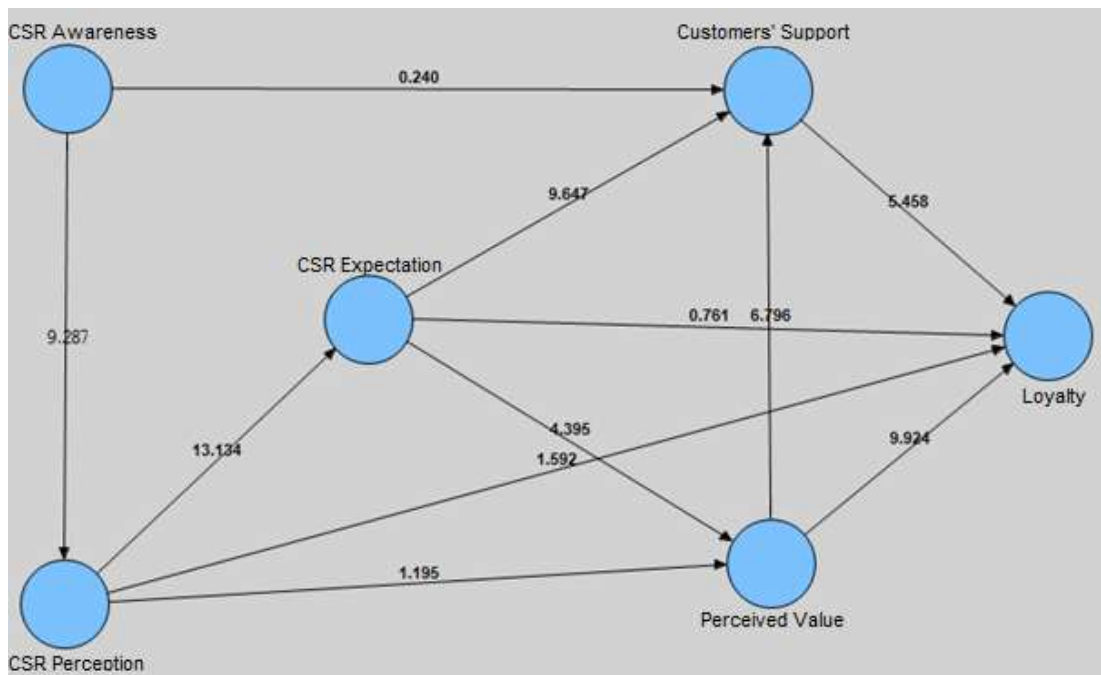
Figure 9.4 The Inner Model Findings (T-test Values)

Hypothesis	Relationship	Path Coefficient*	T-test Value	Decision Made
H_1	Awareness $\rightarrow$ Perception	0.412	9.6387	Supported *
H_3	Awareness $\rightarrow$ Support	0.009	0.2396	Not Supported
H_5	Perception $\rightarrow$ Expectation	0.507	13.5125	Supported *
H_6	Perception $\rightarrow$ Loyalty	-0.064	1.5952	Not Supported
H_7	Perception $\rightarrow$ Perceive Value	0.067	1.1551	Not Supported
H_9	Expectation $\rightarrow$ Perceive Value	0.265	4.2931	Supported *
H_{10}	Expectation $\rightarrow$ Loyalty	0.043	0.7984	Not Supported
H_{11}	Expectation $\rightarrow$ Support	0.482	9.6462	Supported *
H_{15}	Perceive Value $\rightarrow$ Support	0.352	6.8406	Supported *
H_{16}	Perceive Value $\rightarrow$ Loyalty	0.474	10.0132	Supported *
H_{17}	Support $\rightarrow$ Loyalty	0.348	5.1529	Supported *
* All supported relationships were found significant at significance level $p < 0.001$ ($t \geq 3.29$)				

Table 9.1 Summary of Path Coefficients, T-test Values and Decision Made.

The failure to establish discriminant validity for customers' satisfaction prevents testing the hypnoses 2,8,12,13, and 14. Hypothesis 4 (Customers' perception of CSR follows Carroll model) was supported based on the average mean as participants believe that currently banks   emphasize   3.47, 3.39, 3.25 and 3.08 average importance for economic, legal, ethical and philanthropic, respectively.

9.3 Testing Mediating Effects

According to Kenny (2014), the total effect of a causal variable on an outcome variable may be greater when there is a mediating (intervening) variable. There are two main types of mediating variables: full mediating (the causal variable has no significant effect on the outcome variable after controlling for the mediating variable) and partial mediating (the causal variable has a lesser but significant effect on the outcome variable after controlling for the mediating variable) (Lowry et al., 2014). The mediating variable is only applicable to causal models; therefore, identifying the directing of the relationships is vital (Kenny, 2014). To establish mediating effects, a number of conditions must be checked: whether (1) the causal

variable has an effect on the outcome variable, (2) the causal variable has an effect on the mediating variable, (3) the mediating variable has an effect on the outcome variable, and (4) the total effect of causal variable on the outcome variable decreases after controlling the for the mediating variable (Baron & Kenny, 1986). Although the delta method can be used to assess the mediating effects, the Soble test is among the most commonly used techniques in academic research, and it is consistent with the SEM programmes' results (Kenny, 2014). The Sobel test is estimated by calculating the square root of $b^2s_a^2 + a^2s_b^2$, where b is the path between the mediator and the outcome variable, S_a is the standard error between the causal variable and outcome variable, a is the path between the causal and the mediator variable, and s_b is the standard error between the mediator variable and the outcome variable (Kenny, 2014). These values were obtained from a SmartPLS 2.0 M3 default report under a total effects tap and then entered into Daniel Soper's online z-score calculator (http://www.danielsoper.com/statcalc3/calc.aspx?id=31). Although it useful to investigate the mediating effects among Perception→Expectation→Perceived value, Expectation→Perceived value→Loyalty, Perception→Expectation→Loyalty, and Expectation→Support→Loyalty, they cannot be tested because there are not significant relationships between the causal variables and the outcome variables (Baron and Kenny, 1986). Therefore, only two mediating effects will be examined: the mediating effect of customers' support between perceived value and loyalty, and the mediating effect of perceived value between CSR expectations and customers' support. According to Lowry et al. (2014), in order to consider the mediation effects significant, two conditions must be achieved: the z-score must be > 1.96 and the p > 0.05.

9.3.1 Mediating Effects of Customer Support

Customer support mediates the relationship between perceived value and loyalty, as the path coefficient (PC) of this relationship decreased when customer support worked as a mediator, i.e. from 0.647 to 0.473 (Kenny, 2014). Moreover, the Sobel test z-score is 5.402 > 1.96, and the p is 0.000 < 0.05, indicating the significance of this relationship (Lowry et al., 2014). As the t-test value between perceived value and loyalty is still significant when the relationship is mediated by customer support, i.e. 9.959 (please see Figure 9.5), it indicates partial mediating effects (Lowry et al., 2014).

Relationship	PC without mediating	PC with mediating	a	B	S_a	S_b	Sobel test	2-tail p	Decision
PV→Sup→Loy	0.647	0.473	0.496	0.350	0.046	0.055	5.402	0.000	Partially mediating

Table 9.2 Sobel Test of Customer Support
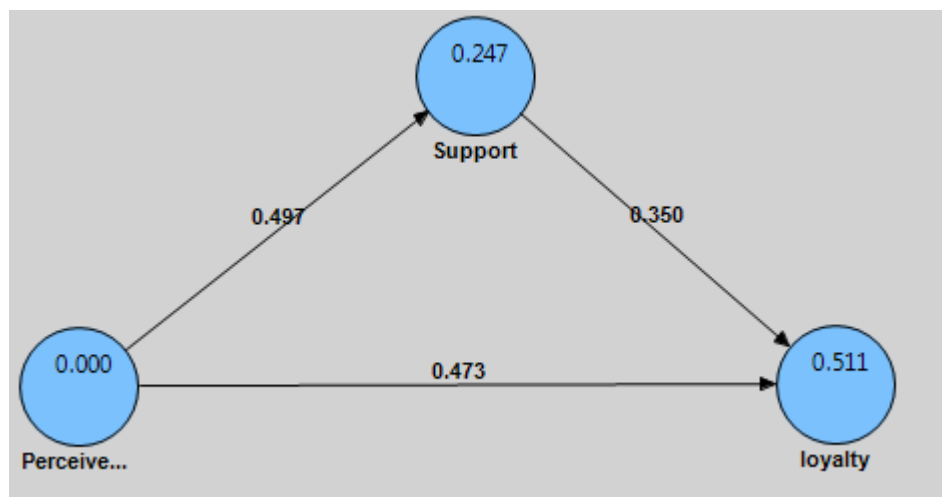
Figure 9.5 PLS Algorithm of the Mediation Effects of Customer Support
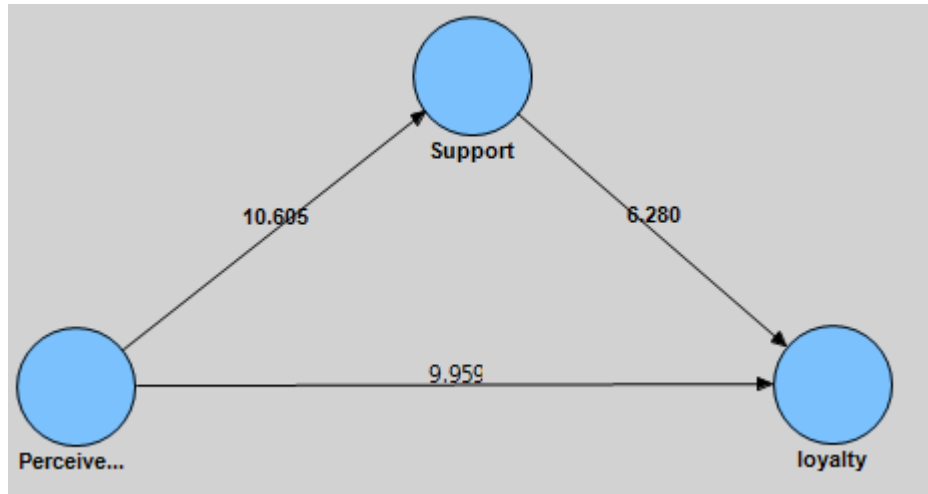
Figure 9.6 PLS Bootstrapping of the Mediating Effects of Customer Support.

9.3.2 Mediating Effects of Perceived Value

Perceived value mediates the relationship between customer expectation and customer support, as the path coefficient (PC) of this relationship is reduced when customer support works as a mediator, i.e. from 0.590 to 0.484 (Kenny, 2014). Moreover, the Sobel test z-score is $4.101 > 1.96$, and the p is $0.000 < 0.05$, indicating the significance of this relationship (Lowry et al., 2014). As the t-test value between perceived value and loyalty is still significant when the relationship is mediated by customer support, i.e. 9.381 (please see Figure 9.7), it indicates partial mediating effects (Lowry et al., 2014).

Relationship	PC without mediating	PC with mediating	A	B	S_a	S_b	Sobel t	2-tail p	Decision
Exp→PV→ Sup	0.590	0.484	0.299	0.352	0.058	0.052	4.101	0.000	Partially mediating

Table 9.3 PLS Algorithm of the Mediating Effects of PV
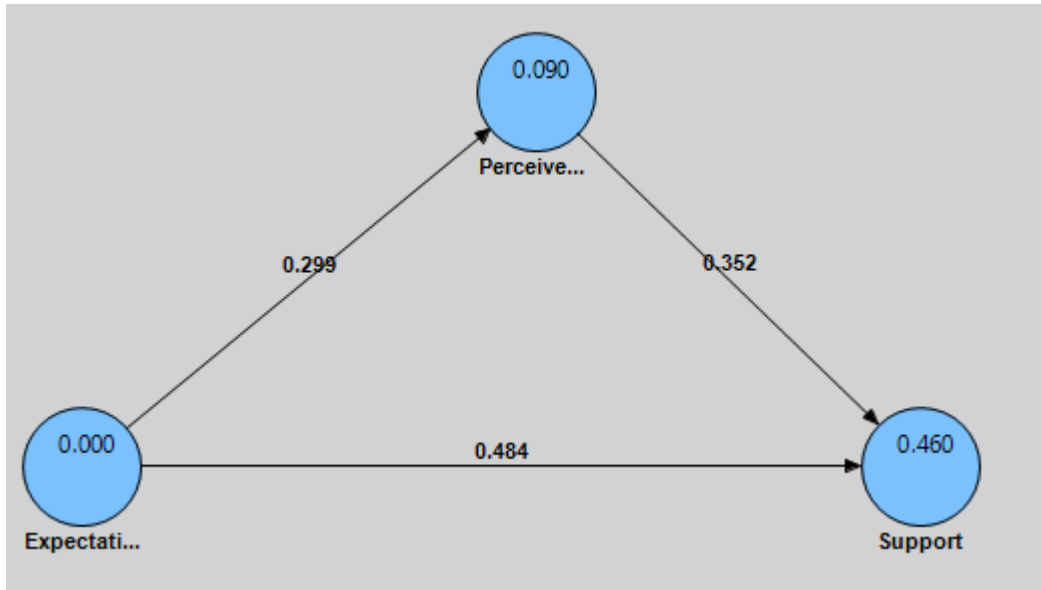
Figure 09.7 PLS Algorithm of the Mediating Effects of PV
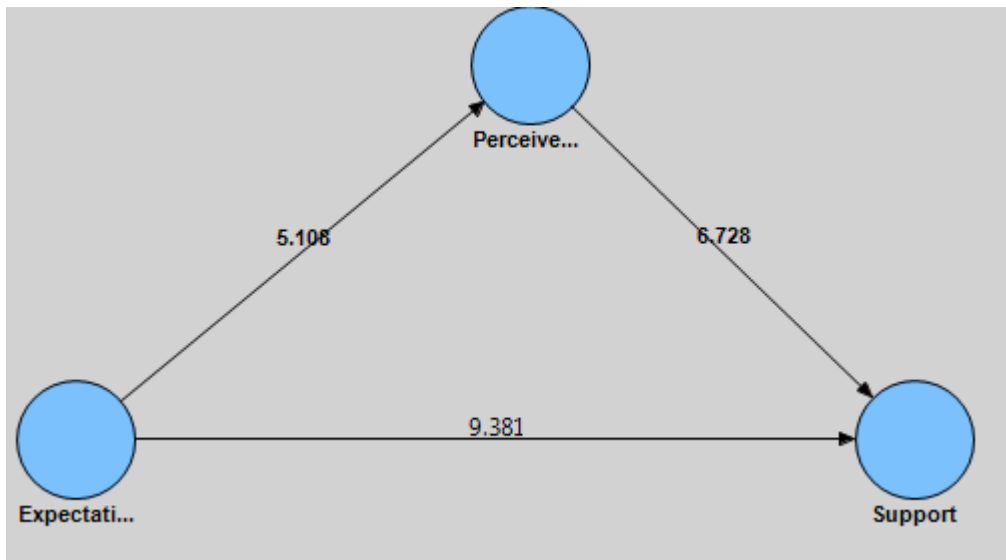
Figure 9.8 PLS Bootstrapping of the Mediating Effects of PV

9.4 Testing the Moderating Effects

A Multiple Group Analysis (MGA) technique was employed to investigate whether or not the demographic differences have an influence on the data. This technique is widely recommended and adopted among scholars (Chin, 1998; Hair et al., 2012). According to Lowry et al. (2014), data separation must be conducted by another

software package due to the limitations of SmartPLS. The current study utilized the data select cases function of SPSS to split the data. The separated files were then saved as an SCV file, as this was the only format readable by SmartPLS. As the proposed model consisted of four formative constructs, latent scores had to be obtained for the separated data before testing (Lowry et al., 2014). The algorithm function was run for the separated data to obtain the latent scores from the default report. These latent scores were used to test the group differences of this proposed model. The below formula was used to calculate the significance difference between the two groups by utilized t-test value (Robinson et al. 2013):

$$t = \frac{Path_{sample\_1} - Path_{sample\_2}}{\left[\sqrt{\frac{(m-1)^2}{(m+n-2)} * S.E._{sample1}^2 + \frac{(n-1)^2}{(m+n-2)} * S.E._{sample2}^2}\right] * \left[\sqrt{\frac{1}{m} + \frac{1}{n}}\right]}$$

Equation 90.1 T-Test Value Formela

9.4.1 Gender

After splitting the data according to gender difference, two files were obtained: 310 male participants and 91 female participants. These files were uploaded into the SmartPLS software for analysis. Although a number of notable differences were identified after running the bootstrapping function on SmartPLS, such as the relationship between CSR perception and loyalty for male participants and the relationship between CSR expectations and loyalty for female participants, further investigation is required to confirm these differences (Lowry et al., 2014). These two relationships were found insignificant when the entire data set was tested, but were found significant for the split data. Figures 9.9 and 9.10 show the change in significance for the split data, compared to Figure 9.3.
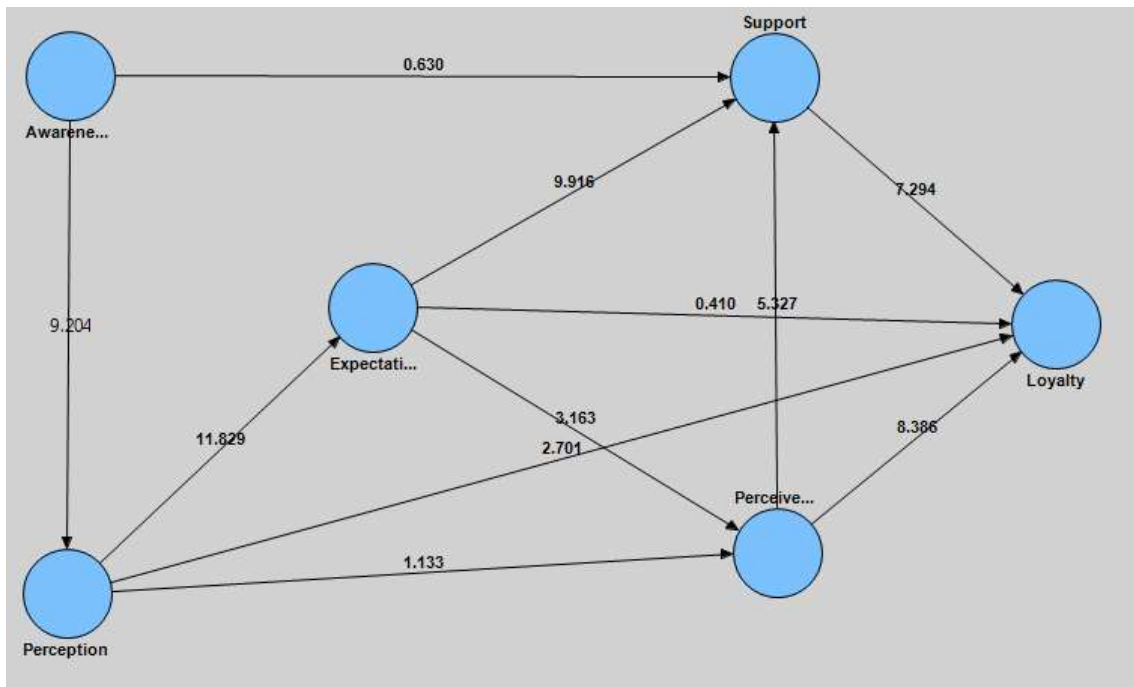
Figure 9.9 T-test Values for Male Participants
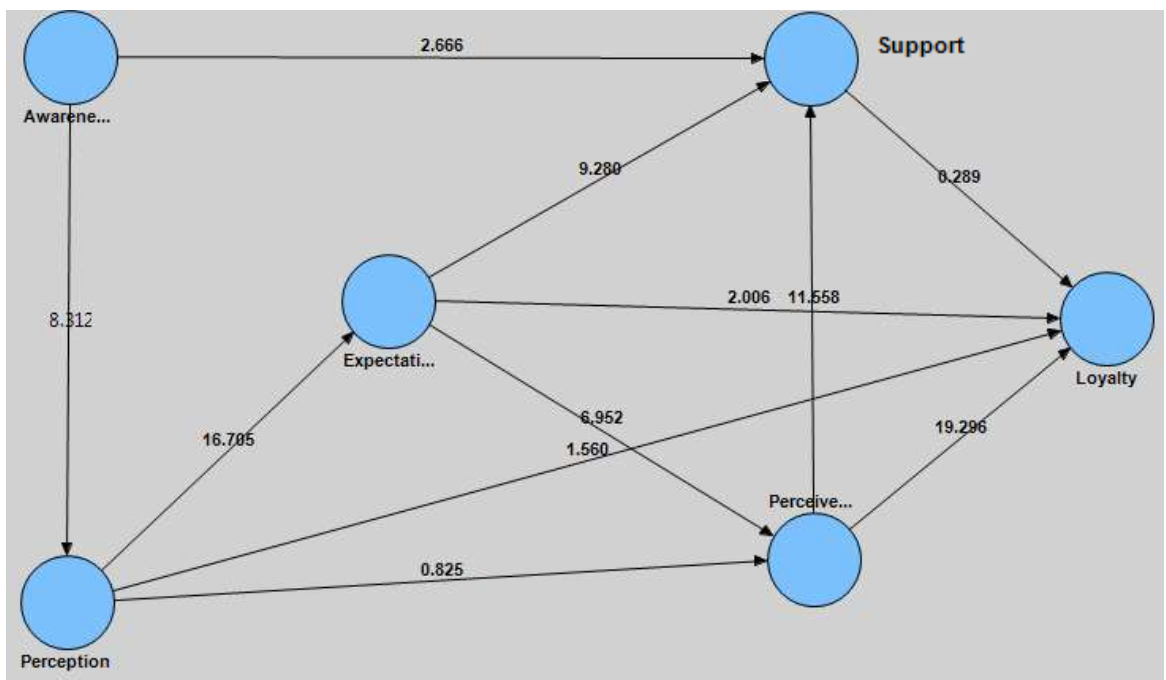
Figure 9.10 T-test Values for Female Participants

	Male				Female			
	R Square	Communality	AVE	Cronbach's Alpha	R Square	Communality	AVE	Cronbach's Alpha
Expectations	0.2428	0.7382	0.7382	0.9727	0.2917	0.7663	0.7663	0.9794
Loyalty	0.4381	0.8200	0.8200	0.8897	0.6567	0.8494	0.8494	0.9441
Perceived Value	0.0541	0.5902	0.5902	0.8837	0.1736	0.6722	0.5600	0.9263
Perception	0.1660	0.6486	0.6486	0.9562	0.1456	0.5600	0.6109	0.9558
Support	0.3925	0.6390	0.6390	0.8105	0.5995	0.6371	0.6371	0.8747
Total	1.2935	3.3360			1.8671	3.9616		
Average	0.2587	0.6672			0.3112	0.6970		
GoF	0.5086					0.4657		

Table 9.4 The Outer-Model Quality of Male and Female

Chin (1998) suggests that before testing the significance level of the moderator relationship of the inner/outer model, quality must be assessed. Table 9.6 summarizes the outer quality of male and female models. All the values were acceptable, i.e. R-square between -2 and +2, communality > 0.5, AVE > 0.5 and the Cronbach's alpha > 0.7 (Hair et al., 2012; Lowry et al., 2014).

To examine the significant difference of male and female between CSR perception and loyalty, Equation 1 was utilized (Lowry et al., 2014). The t-value was 2.133 > 1.96 and the p was .0035 < 0.050, which indicating that gender makes a significant difference in the relationship between CSR perception and loyalty, as CSR perception influences customer loyalty for men but not for women.

	Male	Female
Sample Size	310	91
Regression Weight	-0.1153	0.0587
Standard Error (S.E.)	0.0429	0.037
(m-1)^2	95481	
(m+n-2)	399	
(n-1)^2	8100	
sqrt(1/m+1/n)	0.119225909	
1st half denom.	0.440411497	
2nd half denom.	0.027791729	

sqrt(1st half + 2nd half)	0.684253773
Full denom.	0.081580778
Numerator	0.174
t-statistic	2.133
p-value (2-tailed)	0.034

Table 9.5 T-Test Calculation for Gender between Perception and Loyalty

The same steps were applied to all relationships in the proposed model. Only two more relationships were found to be significantly different between male and female: the relationship between customer support and loyalty (t-test is 3.774 > 1.96 and $p < 0.05$) and the relationship between perceived value and loyalty (t-test is 4.084 > 1.96 and the p is 0.000 < 0.05). Customer support influenced loyalty for male participants (t-test is 5.458 > 1.96 and p is 0.000 < 0.05), but not for female participants (t-test is 0.289 < 1.96 and $p < 0.05$). The perceived value was found to influence female participants' loyalty (19.296) more than that of male participants (t = 8.386). All remaining relationships were found insignificant. Please see Table 9.6 for further explanation.

Gender	Overall		Male			Female			Significant differences		Decision
	Path Coefficient	T-test Value	Path Coefficient	T-test Value	SE	Path Coefficient	T-test Value	SE	T-test Value	p	
Awareness → Perception	0.412	9.287	0.407	9.204	0.042	0.382	8.312	0.050	0.314	0.754	Not Significant
Awareness → Support	0.009	0.240	-0.023	0.630	0.037	0.093	2.666	0.036	1.611	0.108	Not Significant
Expectations → Loyalty	0.043	0.761	0.026	0.410	0.056	0.095	2.006	0.044	0.668	0.505	Not Significant
Expectations → Perceived Value	0.265	4.395	0.195	3.163	0.062	0.389	6.952	0.053	1.665	0.097	Not Significant
Expectations → Support	0.482	9.647	0.505	9.916	0.053	0.441	9.280	0.045	0.650	0.516	Not Significant
Perceived Value → Loyalty	0.474	9.924	0.383	8.386	0.045	0.736	19.296	0.039	4.084	0.000	Significant****
Perceived Value → Support	0.352	6.796	0.282	5.327	0.056	0.447	11.558	0.040	1.612	0.108	Not Significant
Perception → Expectations	0.507	13.134	0.493	11.829	0.038	0.540	16.705	0.034	0.651	0.515	Not Significant
Perception → Loyalty	-0.064	1.595	-0.116	2.701	0.041	0.058	1.560	0.038	2.133	0.034	Significant**
Perception → Perceived Value	0.067	1.195	0.063	1.133	0.055	0.047	0.825	0.057	0.129	0.879	Not Significant
Support → Loyalty	0.348	5.458	0.428	7.294	0.057	0.016	0.289	0.052	3.774	0.000	Significant****
Notes: Signifiance Levels: ****p < 0.001 (t ≥ 3.29), ***p < 0.01 (t ≥ 2.32), **p < 0.05 (t ≥ 1.96) and *p < 0.10 (t ≥ 1.64). Degree of freedom (5000).											

Table 9.6 Findings of Gender Moderating Factor

Due to the conservative culture in Saudi Arabia, males are more exposed to banks communications and able to evaluate what banks actually do. This is presumably why male build their loyalty based on their perception of CSR, while large percentage of female are isolate to some degree from interacting with social activities due to social and religious barriers, so they substitute their perception by their expectations to build their loyalty (Shalaby et al., 2008; Doumato et al., 2003).

9.4.2 Age

After splitting the data according to age sets (i.e. young < 38 years and old ≥ 38), two files were obtained: 266 young participants and 135 old participants. The splitting of data was proposed based on the best possible equal distribution of the categorical groups of the questionnaires, i.e. the questionnaire consisted of five age-categorical groups, and the first two categorical groups were counted as young participants, while the latter three were counted as old participants. These two sets provided the best possible equal age distribution of the obtained data. These two sets were uploaded into the SmartPLS software for analysis.
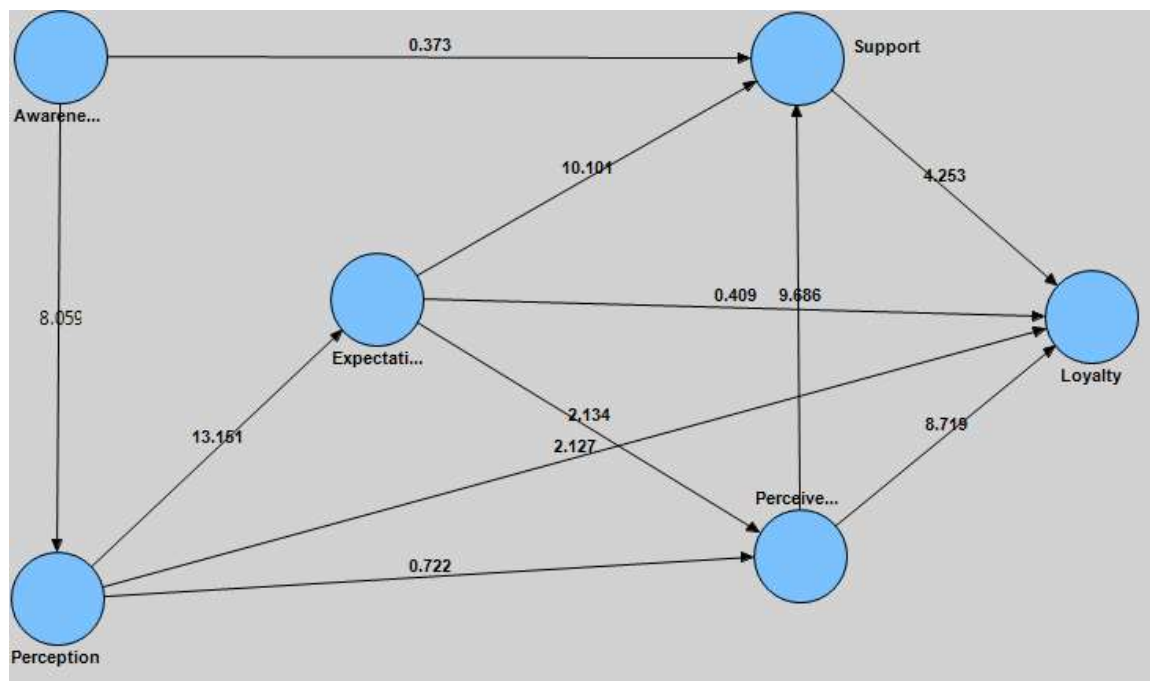
Figure 9.11 T-test Value for Old Participants
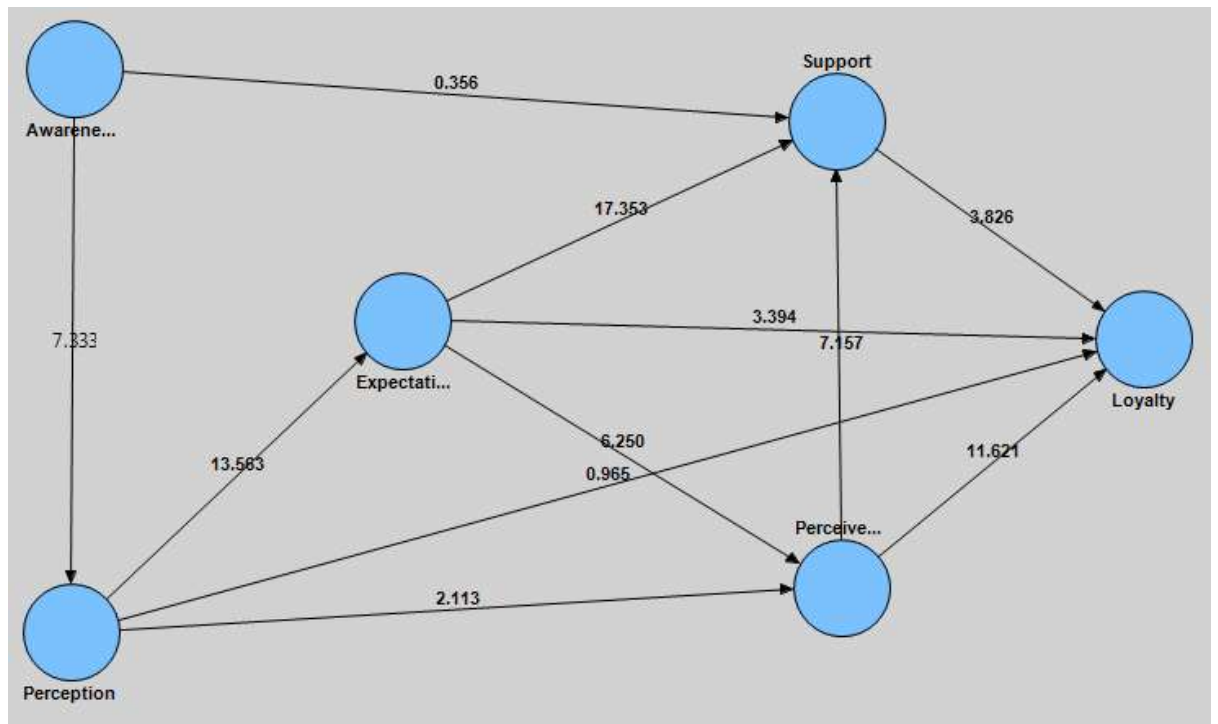
Figure 9.12 T-test Value for Young Participants

Some notable differences can be identified between Figures 9.11 and 9.12: the relationship between CSR perception and loyalty was significant for old participants (t = 2.127 and p < 0.05), the relationship between CSR perception and perceived value was significant for young participants (t = 2.113 and p < 0.05), and the relationship between CSR expectations and loyalty was significant for young participants (t =3.394 and p < 0.001). Further investigation is required, for instance into the outer model quality and the significant differences among these two sets of data. Table 9.7 summarizes the outer quality of male and female models. All the values were acceptable, i.e. R-square between -2 and +2, communality > 0.5, AVE > 0.5 and the Cronbach's alpha > 0.7 (Hair et al., 2012; Lowry et al., 2014).

Table 9.7 Outer Model Quality for Age Groups

Age	Old				Young			
	R Square	Communality	AVE	Cronbach's Alpha	R Square	Communality	AVE	Cronbach's Alpha
Expectations	0.2776	0.7483	0.7483	0.9727	0.2703	0.7459	0.7459	0.974
Loyalty	0.4988	0.8499	0.8499	0.9115	0.5502	0.8387	0.8387	0.9033
Perceived Value	0.0137	0.5265	0.5265	0.8975	0.1718	0.5862	0.5862	0.8828
Perception	0.1517	0.6194	0.6194	0.9509	0.1089	0.6519	0.6519	0.9568
Support	0.4506	0.6704	0.6704	0.8345	0.5888	0.6425	0.6425	0.8131
Total	1.3924	3.4145			1.6900	3.3652		
Average	0.2785	0.6829			0.3380	0.6730		
GoF	0.4361				0.4770			

The findings for the age moderating factor reported four significant differences between young and old participants. First, the CSR expectations of young participants influenced their loyalty, while the CSR expectations of old participants did not. This difference was found significant at $t = 2.331$ and at $p < 0.01$. Second, the relationship between CSR expectations and perceived value was significantly different at $t = 2.427$ and at $p < 0.01$. Although both old and young participants reported significant influence between CSR expectations and perceived value, CSR expectations for young participants had greater influence on perceived value compared with old participants. Third, the relationship between CSR expectations and customer support was significantly different at $t = 3.160$ and at $p < 0.01$. Although both old and young participants reported significant influence between CSR expectations and customer support, CSR expectations for young participants had greater influence on customer support compared with old participants. Fourth, the relationship between perceived value and customer support was significantly difference at $t = 3.595$ and at $p < 0.001$. Although both old and young participants reported significant influence between perceived value and customer support,

perceived value for young participants had greater influence on customer support compared with old participants. See Table 9.8.

Table 9.8 Findings of Age Moderating Factor

Age	Overall		Old			Young			Significant Differences		Decision
	Path Coefficient	T-test Value	Path Coefficient	T-test Value	SE	Path Coefficient	T-test Value	SE	T-test Value	p	
Awareness → Perception	0.412	9.287	0.3913	8.059	0.05	0.3328	7.333	0.04	0.828	0.408	Not Significant
Awareness → Support	0.009	0.240	-0.0114	0.373	0.04	0.0099	0.358	0.03	0.452	0.652	Not Significant
Expectations → Loyalty	0.043	0.761	-0.0232	0.409	0.06	0.19	3.394	0.06	2.331	0.020	Significant***
Expectations → Perceived Value	0.265	4.395	0.1353	2.134	0.06	0.3496	6.250	0.05	2.427	0.016	Significant***
Expectations → Support	0.482	9.647	0.4365	10.101	0.04	0.626	17.36	0.04	3.160	0.002	Significant***
Perceive Value → Loyalty	0.474	9.924	0.5133	8.719	0.06	0.4813	11.621	0.04	0.447	0.655	Not Significant
Perceived Value → Support	0.352	6.796	0.4651	9.686	0.05	0.2541	7.157	0.03	3.595	0.000	Significant****
Perception → Expectations	0.507	13.134	0.5267	13.151	0.04	0.519	13.563	0.04	0.130	0.040	Not Significant
Perception → Loyalty	-0.064	1.595	-0.092	2.127	0.04	-0.0394	0.965	0.04	0.801	0.424	Not Significant
Perception → Perceived Value	0.067	1.195	-0.0462	0.722	0.06	0.1058	2.113	0.05	1.770	0.077	Not Significant
Support → Loyalty	0.348	5.458	0.3026	4.253	0.07	0.2324	3.626	0.06	0.684	0.495	Not Significant
Notes: Signifiance Levels; ****p < 0.001 (t ≥ 3.29), ***p < 0.01 (t ≥ 2.32), **p < 0.05 (t ≥ 1.96) and *p < 0.10 (t ≥ 1.64). Degree of freedom (5000).											

Similar to gender factor, old customers usually have experienced and exposed more of banks social activities which allow them to use their perception of what banks actually do to build their loyalty; while young customers generally do not have enough experience to build their loyalty on their perception so they tend to use their expectations.

9.4.3 Income

After splitting the data according to household monthly income sets (i.e. low income < SAR 15,000 and high income ≥ 15,001), two files were obtained: 224 low-income participants and 177 high-income participants. The splitting of data was proposed based on the best possible equal distribution of the categorical groups of the questionnaires, i.e. the questionnaire consisted of seven income-categorical groups, and the first three were counted as low-income participants, while the latter four categorical groups were counted as high-income participants. These two sets provided the best possible equal age distribution for the obtained data. These two sets were uploaded into the SmartPLS software for analysis.
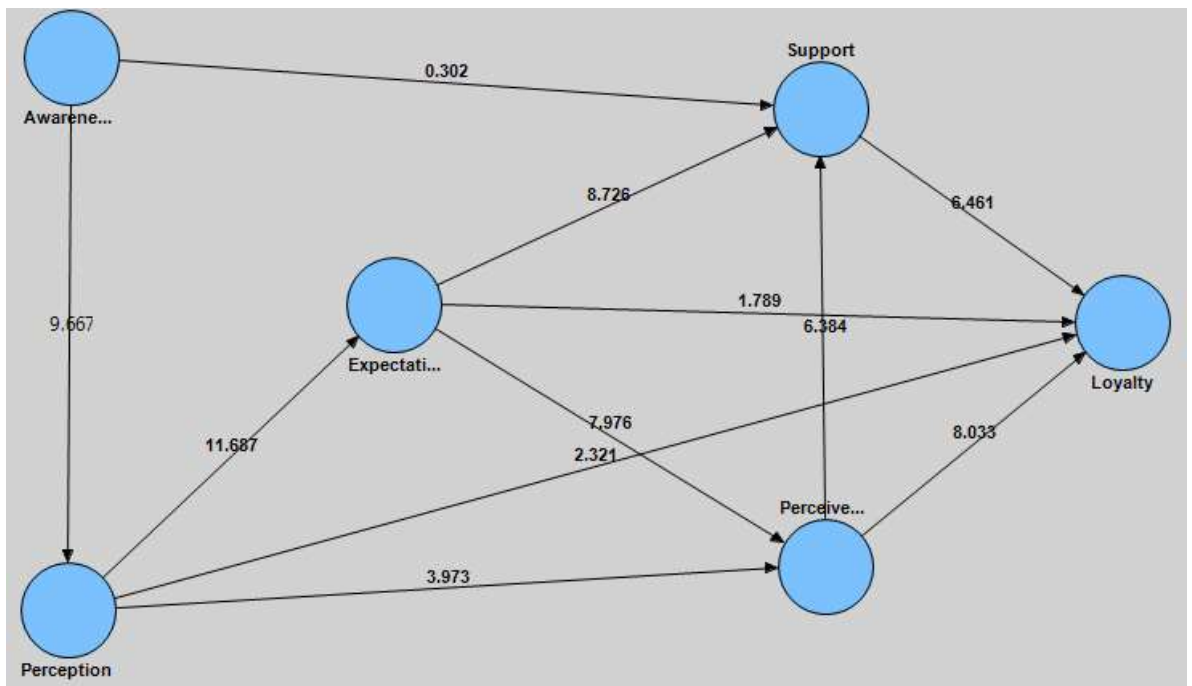
Figure 9.13 T-test Value for Low-Income Participants
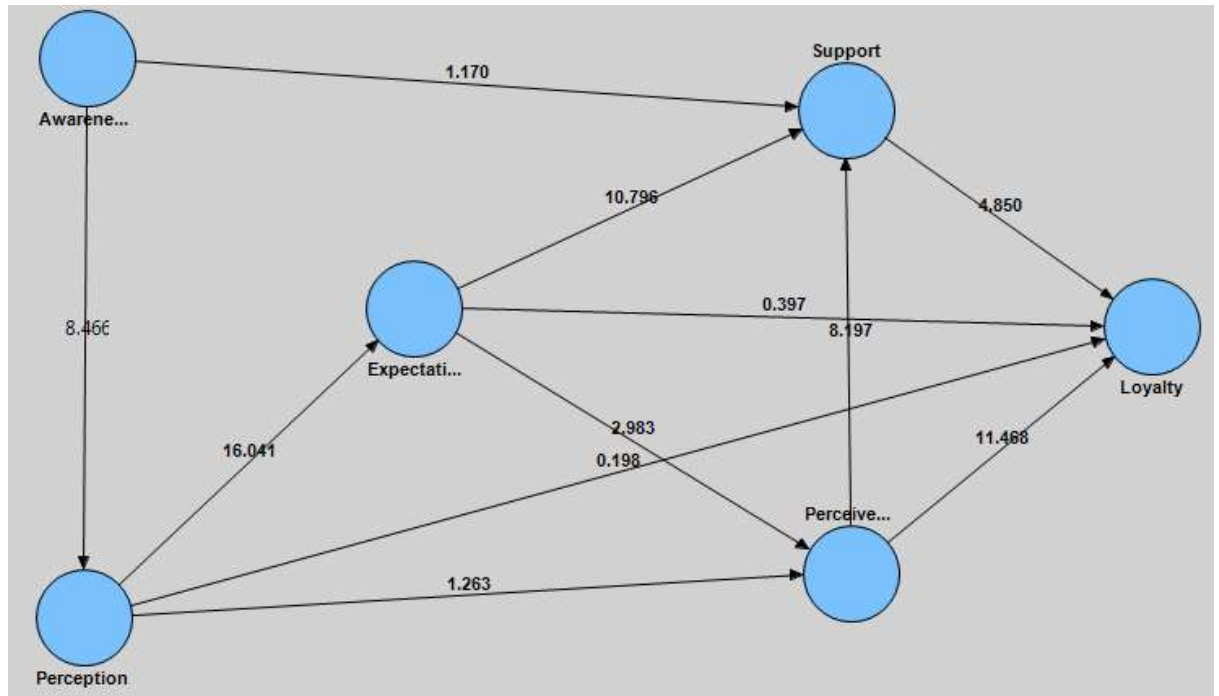
Figure 9.14 T-test Value for High-Income Participants

Some notable differences can be identified between Figures 9.13 and 9.14: both the relationship between CSR perception and loyalty and the relationship between CSR perception and perceived value were significant for low-income participants only (t = 2.32 and p < 0.05 and t = 3.97 and p < 0.001, respectively). Further investigation is required, for instance, into the outer model quality and the significant differences between these two sets of data. Table 9.9 summarizes the outer quality of male and female models. All the values were acceptable, i.e. R-square between -2 and +2, communality > 0.5, AVE > 0.5 and the Cronbach's alpha > 0.7 (Hair et al., 2012; Lowry et al., 2014).

Income	Low				High			
	R Square	Communality	AVE	Cronbach's Alpha	R Square	Communality	AVE	Cronbach's Alpha
Expectations	0.2106	0.745	0.745	0.9743	0.3281	0.7514	0.7514	0.973
Loyalty	0.4723	0.8394	0.8394	0.9038	0.5801	0.8511	0.8511	0.9122
Perceived Value	0.241	0.4938	0.4938	0.8859	0.0268	0.5355	0.5355	0.9022
Perception	0.1835	0.6408	0.6408	0.9546	0.1506	0.6423	0.6423	0.9554
Support	0.4515	0.6663	0.6663	0.8306	0.486	0.6409	0.6409	0.812
Total	1.5589	3.3853			1.5716	3.4212		
Average	0.3118	0.6771			0.3143	0.6842		
GoF	0.4594					0.4638		

Table 9.9 Outer Model Quality for Income Moderating Factor

The findings for the income moderating factor show three significant differences between young and old participants. First, the relationship between CSR perception and CSR expectations was significantly different at t = 2.11 and at p < 0.03. Although both low- and high-income participants reported significant influence between CSR expectations and perceived value, CSR expectations for high-income participants had greater influence on perceived value than for low-income participants. Second, the relationship between CSR expectations and perceived value was significantly different at t = 2.23 and at p < 0.03. Although both low- and high-income participants reported significant influence between CSR expectations and perceived value, CSR expectations had greater influence on perceived value for low-income participants than for high-income participants. Third, the relationship between CSR perceived value and loyalty was significantly different at t = 3.115 and at p < 0.001. Although both low- and high-income participants reported significant influence between perceived value and loyalty, perceived value for low-income participants had greater influence on loyalty than for high-income participants. See Table 9.10.

Income	Overall		Low			High			Significant Differences		Decision
	Path Coefficient	T-test Value	Path Coefficient	T-test Value	SE	Path Coefficient	T-test Value	SE	T-test Value	P	
Awareness → Perception	0.412	9.287	0.4261	9.667	0.04	0.3877	8.466	0.05	0.616	0.54	Not Significant
Awareness → Support	0.009	0.240	-0.0111	0.302	0.04	0.046	1.17	0.04	1.064	0.29	Not Significant
Expectations → Loyalty	0.043	0.761	0.1071	1.789	0.07	-0.024	0.397	0.06	1.462	0.14	Not Significant
Expectations → Perceived Value	0.265	4.395	0.3742	7.976	0.05	0.1959	2.983	0.07	2.203	0.03	Significant**
Expectations → Support	0.482	9.647	0.4728	8.726	0.06	0.4876	10.79	0.04	0.201	0.84	Not Significant
Perceived Value → Loyalty	0.474	9.924	0.3577	8.033	0.05	0.5733	11.47	0.05	3.153	0.00	Significant***
Perceived Value → Support	0.352	6.796	0.3113	6.384	0.05	0.4185	8.197	0.05	1.508	0.13	Not Significant
Perception → Expectations	0.507	13.134	0.4568	11.69	0.04	0.5729	16.04	0.04	2.115	0.03	Significant**
Perception → Loyalty	-0.064	1.595	-0.0891	2.321	0.04	0.0102	0.19	0.04	1.722	0.09	Not Significant
Perception → Perceived Value	0.067	1.195	0.1878	3.973	0.05	-0.0754	1.263	0.06	1.389	0.17	Not Significant
Support → Loyalty	0.348	5.458	0.3827	6.461	0.06	0.3009	4.8	0.07	0.299	0.77	Not Significant

Notes: Signifiance Levels; ****p < 0.001 (t ≥ 3.29), ***p < 0.01 (t ≥ 2.32), **p < 0.05 (t ≥ 1.96) and *p < 0.10 (t ≥ 1.64). Degree of freedom (5000).

Table 9.10 Findings of Income Moderating Factor

Although some relationships (i.e. Perceived Value → Loyalty, Expectations → Perceived → Value, and Perception → Expectations) are stronger between different income levels, these relationships report a significant influence for both groups. For examples, low income participants perceived higher values in relation to their expectations compared to high income participants. The perceived value significantly leads to loyalty in both groups; however it is higher for high income participants. This can be attributed to the finding that participants were neutral about the economic perceived value and low income people are generally more price sensitive compared to the high income consumers (Wakefield, 2003 and Evanschitzky, 2006).

9.4.4 Education

After splitting the data according to education level (i.e. undergraduate degree or under, which includes high school diploma, post-high school diploma and bachelor degree; and postgraduate degree, which includes master and PhD degrees), two different files were obtained: 225 low-educated participants and 176 highly-educated participants. The splitting of data was proposed based on the best possible equal distribution of the categorical groups of the questionnaires, i.e. the questionnaire consisted of four education-categorical groups, and the first three categorical groups were counted as low-educated participants, while the latter categorical group was counted as highly-educated participants. These two sets provided the best possible equal age distribution of the obtained data. These two sets were uploaded into the SmartPLS software for analysis.

Four notable differences can be identified between Figures 9.15 and 9.16: neither CSR perception nor CSR expectations influenced loyalty for participants with an undergraduate degree or under; however, they both significantly influenced loyalty

330

for participants with a postgraduate degree. Neither CSR perception nor CSR expectation influenced perceived value for participants with a postgraduate degree; however, they both significantly influenced loyalty for participants with an undergraduate degree or under. Further investigation is required, for instance into the outer model quality and the significant differences among these two sets of data.

Table 9.11 summarizes the outer quality of male and female models. All the values were acceptable, i.e. R-square between -2 and +2, communality > 0.5, AVE > 0.5 and the Cronbach's alpha > 0.7 (Hair et al., 2012; Lowry et al., 2014).
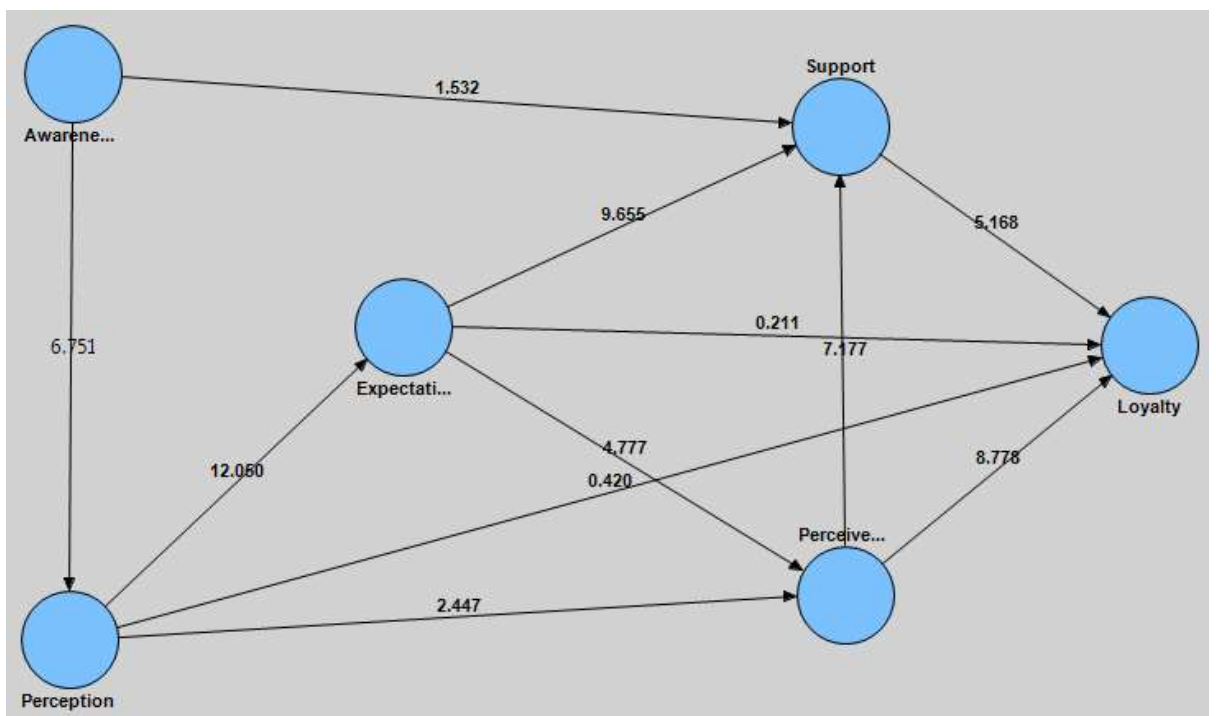
Figure 9.15 T-test Values for Participants with Undergraduate Degree or Under
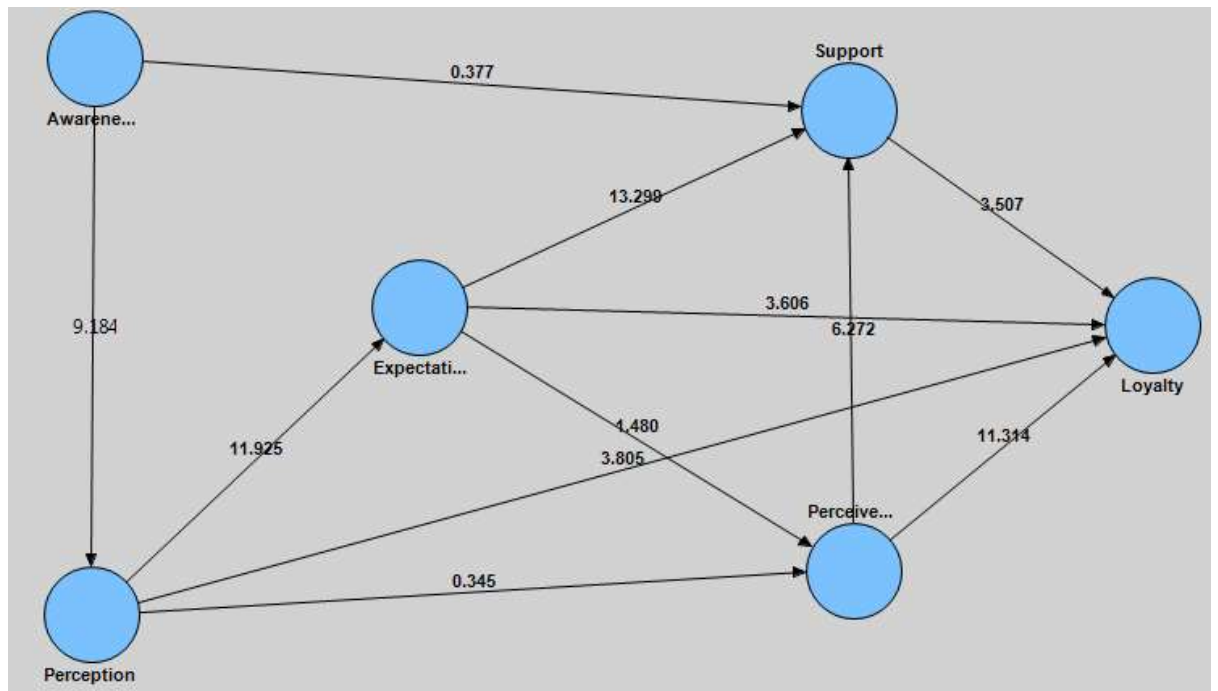
Figure 9.16 T-test Values for Participants with Graduate Degree

Table 9.11 The Outer Model Quality of Education Factor

Education	Low				High			
	R Square	Communality	AVE	Cronbach's Alpha	R Square	Communality	AVE	Cronbach's Alpha
Expectation	0.2327	0.7497	0.749	0.9748	0.235	0.7356	0.7356	0.9706
Loyalty	0.5439	0.8491	0.849	0.9106	0.4797	0.8362	0.8362	0.9016
Perceive Value	0.1295	0.5278	0.527	0.8986	0.0155	0.5979	0.5979	0.8882
Perception	0.1211	0.6295	0.629	0.9531	0.146	0.6389	0.6389	0.9542
Support	0.4374	0.6511	0.651	0.8202	0.5243	0.6481	0.6481	0.8164
Total	1.4646	3.4072			1.4005	3.3567		
Average	0.2929	0.6814			0.2801	0.6713		
GoF	0.4468					0.4336		

The findings of the income moderating factor show three significant differences between young and old participants. First, the CSR perception of highly-educated participants influenced their loyalty, while the CSR expectations of low educated

participants did not. This difference was found to be significant at t = 3.104 and at p < 0.01.

Second, CSR expectations of highly-educated participants influenced their loyalty, while CSR expectations of low educated participants did not. This difference was found to be significant at t = 2.794 and at p < 0.01. Third, the relationship between CSR expectations and customer support was significantly different at t = 2.778 and at p < 0.01. Although both low- and high-educated participants reported significant influence between perceived value and loyalty, perceived value for highly-educated participants had greater influence on loyalty than for participants with an undergraduate degree or under. See Table 9.12.

Education	Overall		Low			High			Significant Differences		Decision
	Path Coefficient	T-test Value	Path Coefficient	T-test Value	SE	Path Coefficient	T-test Value	SE	T-test Value	P	
Awareness → Perception	0.412	9.287	0.3482	6.751	0.05	0.3831	9.184	0.04	1.088	0.28	Not Significant
Awareness → Support	0.009	0.240	0.0495	1.532	0.04	0.012	0.377	0.04	0.737	0.46	Not Significant
Expectations → Loyalty	0.043	0.761	0.0113	0.211	0.05	0.2354	3.606	0.07	2.794	0.01	Significant
Expectations → Perceived Value	0.265	4.395	0.278	4.777	0.06	0.1121	1.480	0.08	1.734	0.08	Not Significant
Expectations → Support	0.482	9.647	0.4267	9.655	0.05	0.6102	13.29	0.05	2.778	0.01	Significant
Perceived Value → Loyalty	0.474	9.924	0.4734	8.778	0.05	0.4939	11.31	0.04	0.289	0.77	Not Significant
Perceived Value → Support	0.352	6.796	0.3595	7.177	0.05	0.3128	6.272	0.05	0.647	0.52	Not Significant
Perception → Expectations	0.507	13.13	0.4808	12.05	0.04	0.4804	11.92	0.04	0.007	0.99	Not Significant
Perception → Loyalty	-0.064	1.595	0.0168	0.420	0.04	-0.1636	3.805	0.04	3.104	0.00	Significant
Perception → Perceived Value	0.067	1.195	0.1292	2.447	0.06	0.0184	0.345	0.06	1.382	0.17	Not Significant
Support → Loyalty	0.348	5.458	0.3556	5.168	0.07	0.2073	3.507	0.06	1.580	0.12	Not Significant

Notes: Signifiance Levels; ****p < 0.001 (t ≥ 3.29), ***p < 0.01 (t ≥ 2.32), **p < 0.05 (t ≥ 1.96) and *p < 0.10 (t ≥ 1.64). Degree of freedom (5000).

Table 9.12 The Findings of Education Moderating Factor

These interesting findings showed that although customers' loyalty was not related to either CSR perception or CSR expectations, it reported a significant relationship for highly education customers. Highly educated customers build their loyalty based on their perception and expectations of CSR. This finding is consistent with Egri et al., (2004) which indicate that high educated participants are more supportive, concerns about social and environmental behaviours of corporations, and willing to response to responsible business compare to less educated people.

9.5 Conclusion

The findings of the causal relationships of the proposed model showed only four insignificant relationships: awareness → support, CSR perception → loyalty, CSR perception → perceived value, and CSR expectation → loyalty. However, these relationships were found significant when t-test values were calculated for different moderator groups. The relationship between customer awareness and customer support was significant only for female participants. The relationship between CSR perception and loyalty was significant for male, old, low-income, and highly-educated participant groups. The relationship between CSR perception and perceived value was significant for young, low-income, and lower-educated participant groups. The relationship between CSR expectations and loyalty was significant for female, young, and highly-educated participant groups. Table 9.13 summarizes the changes

	Male	Female	Old	Young	High-Income	Low-Income	High Education	Low Education
Awareness → Customer Support		✓						
CSR Perception → Loyalty	✓		✓			✓	✓	
CSR Perception → Perceived Value				✓		✓		✓
CSR Expectations → Loyalty		✓		✓			✓	

in significance according to the different demographic factors.

Table 9.13 Summary of Changes of Significance for Moderating Groups

There were 13 significant differences found based on the demographic factors. These differences are shown in Table 9.14. Only two mediation effects were tested and found to be partial mediators: the mediating effect of customer support between perceived value and loyalty and the mediating effect of perceived value between customer expectations and customer support. The next chapter will discuss the findings of this study with respect to the objectives according to previous research findings.

	Gender	Age	Income	Education
Awareness → Perception				
Awareness → Support				
Expectations → Loyalty		✓		✓
Expectations → Perceived Value		✓	✓	
Expectations → Support		✓		✓
Perceived Value → Loyalty	✓		✓	
Perceived Value → Support		✓		
Perception → Expectations			✓	
Perception → Loyalty	✓			✓
Perception → Perceived Value				
Support → Loyalty	✓			

Table 9.14 The influence of the demographic information on the proposed relationships

10. Discussion and Interpretation of the Findings

10.1 Introduction

▲ 10.2 Research Objectives on Glance

   10.2.1 Evaluation of Socially Responsible Banks' Perception

   ▷ 10.2.2 Identifying Motives and Challenge for Responsible Banking

   10.2.3 The Role of CSR Perception into Consumers' Behaviours

   10.2.4 What is the Perceived value of CSR and how it works

10.3 Summary of the Findings with Accordance to the Previous Works

10.4 Conclusion

10.1 Introduction

The previous chapter presented the findings of the quantitative part of this study. This chapter builds on the main findings of both qualitative and quantitative parts in response to the research objectives. Although there is no unique understanding of CSR, international communities still a share common understanding and agreement about CSR (Sibao & Huaer 2009; Mcdonald & Liebenberg, 2006). This chapter discusses the areas of improvements and shifts on CSR understanding; however the areas of agreement with previous studies are reported in section 10.3. The dyadic nature of the current study allows discussing both qualitative and quantitative findings in relation to the literature. It starts with reviewing the aims and objectives of this study, followed by discussing the findings in relation to each objective, and then providing a summary of the findings.

10.2 Summary of the Research Objectives

This study has four aims: first, to explore the perception of socially responsible banks; second, to examine CSR influence on consumer behaviour; third, to investigate the perceived value of CSR; fourth, to find out how it relates to relevant aspects of consumer behaviour. To achieve these aims the following objectives were developed:

1. To review and evaluate banks' perception of CSR within the Saudi Arabian banking industry.
2. To identify and explore the factors that motivate and challenge banks to become socially responsible.
3. To investigate the role of customers' CSR perception on influencing consumer behaviour.
4. To examine the perceived value of CSR and its effects on consumer behaviour.
5. To provide insights for policymakers and business practitioners to embed CSR more effectively in the Saudi Arabian banking industry.

To achieve these objectives, an extensive review of previous studies has been conducted and the following questions were developed:

1. How CSR is perceived within a Saudi Arabian country context from banks and customers' perspectives? *(To achieve objective number 1.)*

2. What factors motivate banks to engage in socially responsible banking? *(To achieve objective number 2.)*

3. What factors challenge banks to engage in socially responsible banking? *(To achieve objective number 2).*

4. How does CSR perception influence consumer behaviours? *(To achieve objective number 3.)*

5. What values do customers perceive from dealing with socially responsible banks? *(To achieve objective number 4.)*

6. How does perceived value of CSR influence consumer behaviour? *(To achieve objective number 4.)*

7. How can CSR be better embedded in Saudi Arabian banking industry? *(To achieve objective number 5.)*

10.2.1 Evaluation of the Perception of Socially Responsible Banks

This section discusses the findings in relation to the first objective: to review and evaluate the perception of CSR within the Saudi Arabian banking industry. This objective was achieved by both qualitative and quantitative studies. The qualitative study assessed the perception of socially responsible banks from banks' perspectives, while the quantitative study examined it from customers' perspectives.

Local banks interpreted CSR as serving stakeholders, doing no harm to society or the environment, responding to people's needs, observing rights, and making

concessions of public interest without prejudice to economic obligations. All six aspects of CSR have not been reported in the same study; however, they have all been studied separately (e.g. Jackson, 2003; Currie & MacLeod, 2006; Fenwick & Bierema, 2005). This new insight improves the understanding of CSR by identifying socially responsible initiatives' domains. These domains inspires firms on how to engaged in CSR i.e., CSR is a serving stakeholders' concept in the first place not a business tool. Another inspiration of this insight is that doing no harms comes before concessions of public interest (which includes donations and sponsorships etc.).

WBCSD (2000) studied the CSR perception of different groups of stakeholders in the USA, Netherlands, and six more developing countries: Taiwan, Thailand, Philippines, Brazil, Argentina, and Ghana. In general, the notion of a long term contribution to society is widely accepted among these countries; however, each country has its own emphasis of the definition. The table below summarizes the perception of CSR in these countries.

Country	CSR Perception	Emphasis of definition
USA	"CSR is about taking personal responsibility for your actions and the impacts that you have on society. Companies and employees must undergo a personal transformation, re-examine their roles, their responsibilities, and increase their level of accountability."	• Includes more emphasis on the role of the individual • Reflects the need for greater transparency • The term "economic development" does not adequately capture the breadth of the economic role of business in society.
Netherlands	"CSR is about making a leadership commitment to core values and recognizing local and cultural differences when implementing global policies. It's about companies endorsing the UN Convention on Human Rights and the ILO Rights at Work."	• CSR as the human face of business • Global principles and local partnership are integral • Say what you stand for. Demonstrate it in action. Make a difference.
Taiwan	"CSR is the contribution to the development of natural and human capital, in addition to just making a	• Benefits for future generations • Environmental concerns (damage prevention and remediation).

	profit."	
Thailand	"CSR must be locally relevant and meaningful only if backed up action."	• The concept that the bigger the company, the greater the obligation • The importance of environmental mitigation and prevention • The need for transparency • The importance of consumer protection • Awareness of and change in people's attitudes towards the environment • The relevance of youth and gender issues.
Philippines	"CSR is about business giving back to society."	• Determining the real needs of stakeholders • Defining ethical behaviour • Partnerships • A visionary and leading role.
Brazil	"CSR is about commitment to strive for the best economic development for the community, to respect workers and build their capacities, to protect the environment and to help create frameworks where ethical business can prosper."	• All businesses, communities, and stakeholders are responsible for sustainable development • Business should pursue high ethical standards both within their operations and within the broader community.
Argentina	"CSR is about a corporation's ability to respond to social challenges. It starts with developing good relations with neighbours. Companies should make a strong commitment to education, worker rights, capacity building, and job security. CSR is stimulating the economic development of a community."	• CSR should stress business commitment and sustainable economic development • Stakeholder participation is essential.
Ghana	"CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community, and the government."	• A global perspective that respects local culture • Building local capacity leaves a positive legacy • Empowerment and ownership • Teaching employees skills and enabling communities to be self-sufficient • Filling-in when the government falls short • Giving access to information • Partnerships, because CSR does not develop in a vacuum.
Adapted from WBCSD (2000) report.		

The current study extended the WBCSD study by identifying banks CSR perception in Saudi Arabia and the emphases of the definition. The banks CSR perception (their point of view of what they have actually done in respect to their social activities) revealed that it is a continuous, voluntary development that organizations are committed to undertake to improve the stakeholders' wellbeing by conducting supplementary activities that are not required by law. The emphasis of this definition is on six main areas: local bank as serving stakeholders, doing no harm to society or the environment, responding to people's needs, observing rights, and making concessions of public interest without prejudice to the economic obligations.

Banks perception of CSR within Saudi Arabia is influenced by Islam. According to Shalaby (2008), religious responsibility is embedded in the Arabic culture. The growing intention paid to CSR is attributed to the religious beliefs dominating the Arabic culture (Jamali & Tarazi, 2012). Saudi citizens are widely motived by Islamic beliefs, which explains why charity and generosity are highly valued among Saudis (Shalaby, 2008). Therefore, CSR is generally understood among local banks as a form of *Ihsan* [kindly doing what is best for others based on love, especially charity and support] and altruism, which is driven from the religious responsibility of banks. However, there is a thin line between religious responsibility and social hypocrisy (Dictionary of Contemporary Arabic, 2013). This unique understating of the religious responsibility for the human face of business that associates CSR with corporate *Ihsan* and corporate altruism has been rarely discussed for large corporations. For example, Altruism (i.e., "willingness to do things that bring advantages to others, even if it results in disadvantage for yourself") was reported as a major motive for SMEs to conduct CSR in the Middle East (Jamali et al., 2009). According to Gupta et al. (2013) corporations need to demonstrate their human side

while conducting business to meet customers' expectations which ultimately leads to build strong brand equity. Reporting the religious side of business is evidence that religion has a strong influence on Saudis.

Ihsan is another unique understanding of CSR that was explored from the qualitative interviews. Although Ihsan is not particularly discussed in the literature, it was commonly alluded as a theme that describes the ethical and philanthropic responsibilities of firms. According to Carroll (1991), both ethical and philanthropic responsibilities of firms include fairness, justice, being moral, and acting as a good citizen. The distinctive character of the ethical responsibility between them is that the ethical responsibility originates from societal expectation, while philanthropic responsibility originates from the corporate belief to become a good citizen (Carroll, 1991).

Conversely, corporate social hypocrisy is the corporate societal belief that firms claim social actions that they are not actually performing (Wagner, Lutz & Weitz, 2009). This negative association occurs when customers conceive observable differences between what companies say and what companies do (Shklar, 1984). Similarly, Barden, Rucker, and Petty (2005) believe that corporate social hypocrisy is a consequence of inconsistence CSR information. This inconsistency is responsible for direct negative customer attitudes towards corporations and indirect negative customer attitudes via CSR belief (Wagner et al., 2009). According to Pomering et al. (2009), customers usually do not trust corporate social communications, especially in potentially sceptical industries such as banking. Wagner et al.'s (2009) study was limited in that it did not investigate the customers' support, which can explain the extent to which customers believe the social communicated information; i.e., when customers show willingness to support a

socially responsible organization, it indicates that they do not associate corporate assertions with hypocrisy (Wagner et al., 2009). Customer support for the current study is higher than current level of customer awareness, which indicates that customers' support level is not driven by their level of awareness of CSR initiatives (see H$_3$). It would be interesting to investigate the factors that drive customers' support in future.

Shariah-related initiatives influenced the banks perception of CSR. Despite the fact that Saudi Arabia is facing a lack of water resources and a growing rate of CO$_2$ emissions, companies pay less attention to these issues compared to Shariah-related issues, such as supporting poor people (Visser et al., 2010b; Long, 2005; and Emtairah et al., 2009). This can be attributed to the lack of motives to conduct environmental activities as the Saudi society is least concern about environmental issues (Magd, Kadasah, & Curry, 2003; Dincer & Rosen, 1998), and the rewards for good deeds towards people is much higher compare to the rewards for good deeds towards environment in Islam (El Baz, Laguir, Marais & Stagliano, 2014). This implies that banks are applying two similar concepts with regard to their social activities; first, they pick the low hanging fruit when considering their business motives, and they seek the highest return on investment concept when considering their ethical motives. The Shariah rewards are higher for social activities towards people compared with environment which implicitly indicate higher good deeds' return for their ethical motives. Although the return on investment is an industry concept, this view is common in Saudi Arabia due to the influence of the Islam. This adds that Shariah works as a mediator to reduces the importance of the environmental initiatives which is not the case in the Western understanding of CSR that place relatively equal importance of the three triple lines; people, profit and

planet. It also suggests that Shariah is a huge distinguishing factor that influences the banks view of CSR.

I. The structure of CSR

The structure of the CSR concept is also influenced by Islam. The findings of EFA and the CFA of this study showed that CSR is conceived as the organization's commitment towards shareholders and other stakeholders groups; i.e., there are only two dimension of CSR: economic and non-economic. Firms are responsible to achieve economic goals for their stakeholders and to satisfy their non-economic responsibilities (i.e., legal, ethical, and philanthropic) of other stakeholders' groups. Similar views of CSR are argued by Lozano (2000), who stated that when evaluating CSR, the economic and the non-economic should be investigated differently because non-economic responsibility is expected to have a greater impact on consumer behaviour. A similar argument was recently suggested by Wang, Xie, Chen (2013) and Yu and Hu (2014). The findings of this study show that customers believe corporations place a higher emphasis on economic responsibility compared to non-economic responsibility, which they are neutral about. Previous studies have not empirically identified and examined these two dimensions of CSR. This new structural understanding of CSR distinguishes between corporate duties to directly maximize shareholder wealth from other duties meant to contribute to the wellbeing of other stakeholder groups. Although the nature of the banking industry (i.e., participating in the economic development of the country and locals) is consistent with this finding (Freixas & Rochet, 1997 and Sylla, 2002), it is attributed to the local culture rather than the banking industry. The reason behind this attribution is that a number of studies has examined CSR perception in the banking industry among different cultures and the CSR structure was consistent with Carroll's (1979);

e.g., Ramasamy et al. (2008) and Maignan (2001). The concept of *Ihsan* and altruism in Islam distinguish between being supportive and helpful to your inner circle (i.e., yourself and your relatives) and your outer circle (i.e., neighbours, friends, and people in need) (Senturk, 2007). In a CSR context, an inner circle is represented by shareholders, management, and employees, while the outer circle is represented by other stakeholders' groups. According to Hasan (2007) and McChesney (1995), Muslims have to financially support their inner circle and are highly recommended to help their outer circle. This understanding is responsible for influencing customers' perceptions of CSR structure into two dimensions: economic responsibility, which is related to the inner circle, and non-economic responsibility, which is related to the outer circle. This understanding of CSR and the new structural dimensions in relation to the inner and outer circle of stakeholders has not been discussed before and are one of the original contributions of this study.

10.2.2 Identifying Motives and Challenges for Responsible Banking

The majority of the previous studies exploring the motives and limitations of CSR were conducted in developed countries (mainly the USA and Europe) and in production industries. The CSR concept is relatively new in Saudi Arabia and because of this it is important to understand that factors drive firms' engagement to social activities. This has to consider the cultural differences in Saudi Arabia and the dominance of Islam in social life.

This section discusses objective number two: to identify and explore the factors that motivate and challenge banks to become socially responsible in a Saudi Arabian context. This objective was mainly achieved by a qualitative study. This objective has been translated into two research questions: what are the factors that *motivate*

banks to engage more in socially responsible banking? And, what are the factors that *challenge* banks to engage more in socially responsible banking?

II.   Motives for Responsible Banking

Motives for CSR are classified into two groups; instrumental and ethical. The instrumental drivers for CSR have been widely discussed in the literature, however the interviewees have only identified three main instrumental drivers: enhancing brand/customer relationships, promotional tools, and relieving banks from social pressure. These drivers have been widely discussed in the literature (e.g. Werther et al., 2005; Bronn et al., 2001; Popoli, 2011; Choi, & La, 2013; Bevan, Corvellec, & Faÿ, 2011; Lee et al., 2012; Mandhachitara, & Poolthong, 2011; and Carvalho et al., 2010; Beise-Zee, 2011; Jahdi & Acikdilli 2009; Du, Bhattacharya, & Sen, 2007 and 2010; Calabrese, Costa, Menchini & Rosati, 2012; Visser, 2010, Burke, & Logsdon, 1996; and Farache & Perks, 2010). The improvement of understanding contributed by this study are related to two points; customers' recall CSR initiatives better than traditional marketing campaign, and CSR helps to release social pressure. Despite that fact that these claims lack empirical support, the interesting side of these findings is that new benefits of CSR is discovered and discussed in every decade. This implies that CSR is still a valid concept and challenge the argument that CSR is dead (Smith et al, 2007b). Moreover, finding new business claims to support CSR strengthen the business case for CSR to justify management approval of these initiates.

It was reported that customers tend to recall CSR activities more than marketing campaigns. This argument assumes that CSR activities touch customers' feelings and stay in their minds, especially when there is a congruency between the organizations' social objectives and the customers' personal values. This argument (customers tend

to recall CSR activities more than marketing campaigns) lacks empirical evidence for support and it is recommended for further studies to investigate. Despite the fact that CSR advertisements help firms to gain legitimacy from stakeholders, there are scant studies that investigate how corporations advertise their CSR activities (Farache et al., 2010). The term CSR advertisement ("company's commitment to environmental concerns, community relations or the future of mankind, without any overt attempt to promote a specific product") rarely used in the literature (Farache et al., 2010 and Schroder, 1997, p. 277).

CSR helps relieve public pressure and work as a shield to protect brand image in some circumstances. Local banks suffer from social and media pressure that attack their campaigns. Banks believe that the best way to respond to these pressures is by conducting and promoting more CSR activities, which may help gain stakeholder support or at least ease their discontent. According to Farache (2010) and Lindblom (1994), corporations can benefit from adopting a number of strategies to reduce the amount of social pressure they receive for stakeholders; i.e., informing stakeholders about future development plans, planning to improve stakeholder perceptions about corporate activities, shifting stakeholder concerns from the negative side to focus on the positive side, and changing the stakeholders' expectations to match corporate strategy.

A number of duties were reported as domains for ethical motives: human, religious, national, and social. Although ethical motives have been widely discussed in the literature, the duties that drive these motives have not been as widely discussed (e.g., Winston, 2011 and Fam et al., 2004). These duties have not been reported in the same study as they generally overlapping and mainly found in human rights literature that investigates corporate behaviour towards society and employees.

348

III. Challenges for Responsible Banking

Challenges facing Saudi banks to become socially responsible can be classified into four groups: government, business, customers, and charitable organizations. The first three groups were reported by Den Hond et al., (2007). However, charitable organizations limitation has rarely discussed in the literature and addressed mainly by banks that do not have a CSR division. These banks tend to outsource their CSR activities and these limitations appear as a result of outsourcing issues. This section will discuss these limitations accordingly.

i. The Role of the Public Sector

Banks strongly expect the public sector to get involved in their social initiatives in four main ways: (1) providing databases and statistics about needy people in order for firms to know them and to develop a social plan to reach them; (2) better coordination between social actors to ensure that each firm's social activities are consistent with the country social developmental plan; (3) providing guidelines and regulation for the social actors to follow; and (4) introducing a rewards system for corporate social initiatives in order to encourage firms to continue contributing to society. According to Fox, Ward, and Howard (2002), the public sector has four main duties: mandating, facilitating, partnering, and endorsing. The findings of this study provide different understanding of these duties and contradict with number of them.

The interviewees did not address the mandating role of the public sector. According to Fox (2002, p. 3), the mandating role is concerned with "defining the minimum standards" for corporate social activities and embedding these standards into policies and procedures. In fact, the majority of banks believe that CSR is a voluntary activity

undertaken beyond legal requirement. The mandating role of government is not consistent with this understanding. Thus, it was not addressed in the qualitative study. The facilitating role, which was defined by Fox et al. (2002) as governmental incentives and penalties, was commonly discussed during the interviews. The number of banks revealed that the ethical drivers are not enough to convince the shareholders to continue investing in responsible businesses and customers are not greatly responding to responsible businesses. These limitations are the results of aggressive competition in the banking industry. Thus, the public sector has to introduce a rewards system (e.g., CSR award) to encourage banks to become more socially responsible. Although the partnering role is regarded as a "central" role for government (Fox et al., 2002 p. 5), this role was only mentioned by two banks. These banks highlighted the importance of concerting efforts between the private and public sectors and among the big social actors in the market. This kind of role should be administered by the public sector. The aggressive competition in the banking industry has led to the current situation, where all social parties work on their own to achieve their goals without considering a national strategy to develop the social life. The competition may also be responsible for challenging the idea of joining the resources of competitors to achieve a national goal. Therefore, the majority of banks do not even discuss the partnering role of government. Finally, the endorsing role of government was commonly agreed on in the qualitative study. The majority of participants believe that government should provide an official umbrella for the social actor, provide guidelines and regulation, and afford databases and statistical information about the social needs so social actors can include them in their social strategy.

The conflict between businesses and social orientation is responsible for slowing down banks from becoming more socially responsible. These conflicts are the result of limited allocated budgets, slow processes of approval, a lack of commitment, the presence of particular compliments, and favouritism.

In daily activities, managers prioritize economic returns to satisfy shareholders. Although managers understand that their responsibilities go beyond maximising shareholders' portfolios, they do not act accordingly. There are two main reasons why managers are not keen to invest in community services common in both small and relatively new banks. First, these kinds of strategic decisions are long term goals and can only show results after a long period of time. Managers of local banks in Saudi Arabia tend to undertake initiatives that show quick results to gain shareholders' trust. Due to the lack of institutional work, each manager wants implications of their investment show in the bank income statement during the management period. Second, managers are doubtful about the return that might come from social initiatives due to; lack of customer support, lack of customer interest and awareness about social initiatives, and lack of government support and rewards. Therefore, managers become selective about their CSR activities as they approve initiatives for their economic returns rather than society welfare i.e., programs like shifting to a paper free environment and installing environmentally friendly electrical equipment are adopted as cost reduction tools rather than environmentally friendly tools. This implies that CSR activities are chosen by what best helps the banks rather than helping the causes or the society. This explains the claim made by the banks that customers do not care to make themselves aware of CSR activities. Banks did not try to ask why customers are not interested in their activities and just blame them

for a lack of awareness. Previous studies discussed how managers or shareholders limit the embeddedness of CSR; however, none of them discussed why some managers and shareholders do not support social initiatives. Similarly, the implication of the selective CSR activities on customer awareness of CSR has not been proposed before. This new insight helps to understand why managers to some extend limit the engagement of CSR and how can they be turned from a limitation to a main driver.

Apart from favouritism, all findings related to business conflicts are consistent with previous studies; e.g., Den Hond et al. (2007) and Singh Das (2011). Although favouritism is a common theme in Arab culture, it has not been reported as a challenge for CSR. According to Champion (1999), favouritism and nepotism are common in Saudi Arabia due to the social structure that consists of clans and tribes that encourage favouritism to play a major role in daily transactions. According to Loewe et al. (2007), favouritism is a widespread phenomenon in Arab countries and has a negative impact on different levels of life.

iii.   Consumer Behaviour

Consumer behaviour has been identified as a major limitation for banks to become more socially responsible. This is presumably due to high (unrealistic) expectations from banks, low awareness level of current CSR activities undertaken by banks, and low interest and customer support for responsible business. These three factors have been carried out to the quantitative phase and the influences of these factors into consumer behaviour have been examined.

The qualitative study reported that CSR managers believe that customers hold a high level of CSR expectations from Saudi banks as a result of their high return on capital (ROC). The quantitative findings confirm CSR manager assumptions that participants believe that banks should place more emphasis on CSR, compared to their current level of engagement in CSR. Not surprisingly, Saudi participants hold a high level of CSR expectations as customers, in general, and hold a high level of CSR expectations especially in developing countries where the institutional development level is low. In developing countries, societies require large corporations (such as banks) to contribute to the economy (Ramasamy et al., 2008). In contrast, Pomering & Dolnicar (2009) showed empirical evidence that indicates a high level of customer CSR expectations in developed countries (i.e., the US, UK, and Australia). The finding of this study confirms that customers generally hold a high level of CSR expectations regardless of the institutional development status of the country.

This study is also consistent with Ramasamy et al. (2008) and Maignan et al. (2001), that customers do hold different expectations for each CSR dimension. In more detail, this study confirms the findings of Ali & Al-Aali (2012) that Saudis hold a high level of legal expectation from banks. The current study shows that the customers' expectations of CSR dimensions did not follow Carroll's (1991) model. Consistent with the findings of the qualitative study, the quantitative findings show that customers hold a high level of expectations for each dimension of CSR compared with their perception of the dimension. Similar findings reported that customers' expectations tend to exceed the current level of corporate initiatives (Dawkins & Lewis, 2003).

The structural construct of CSR expectations was consistent with the structural dimension of CSR perception; i.e., only two dimensions of expectations were identified as economic and non-economic dimensions of CSR. The economic dimension represents the economic responsibility for companies, while the non-economic dimension represents legal, ethical, and philanthropic responsibility. Customers agree that corporations should have economic and non-economic responsibility, which can be read from the average-mean of the valid and reliable indicators.

This unique understanding of CSR has not been reported in the previous literature. The relevant significances of the economic and non-economic expectation of CSR were indicated by outer loading from the dimension to the latent variable (i.e., 0.155 and 0.882, respectively), while the significance of influence of these dimensions on CSR expectations were indicated by t-test value (i.e., 13.571 and 70.243, respectively). Both of these dimensions were found significant at $p < 0.001$ (t $\geq$ 3.29). Although Podnar & Golob (2007) distinguished between economic and non-economic expectations (legal, ethical, and philanthropic) with regards to their influence on customer support, the study failed to confirm this hypothesis. Podnar et al. (2007) proposed negative covariance between economic expectation and the other domains and negative influences of economic expectation on customer support. However, these two hypotheses were not supported. In contrast with Podnar & Golob (2007), the current study found a significant difference between economic expectations and non-economic expectations; nonetheless, these two dimensions are positively related to the latent variable. However, this study confirms that the economic responsibility is part of the four responsibilities that constitute CSR which implies the importance of the economic dimension and cannot be ignored while

conceptualizing the CSR construct. This understanding adds a new insight by improving our understanding of CSR perception in Islamic countries.

b. Customers' Awareness

Both the quantitative and qualitative findings of this study are consistent with previous studies that indicated an overall low level of customer awareness of CSR (e.g., Albareda et al., 2007; Gigauri, 2012; and Ditlev-Simonsen, 2006). The lack of customer awareness has been identified as a major limitation of corporate engagement in CSR. Similarly, the empirical data of this study showed that, in general, participants disagree that their banks performed CSR activities. In more detail, customers disagree that their bank performs CSR activities towards the community, environment, customers, and suppliers; however customer responses were neutral about CSR initiatives towards employees and shareholders. These findings can be linked to the perception of CSR as participants were found neutral about their awareness of CSR activities towards the inner circle, while they disagree that their banks perform CSR activities towards the outer circle.

The relative importance of these stakeholder groups was indicated by the frequency count of these groups in the interviews. Local banks prioritize stakeholders in the following order: shareholders, community, customers, employees, environment, and suppliers. A New Zealand study showed that corporations prioritize CSR stakeholders in the following order: community, environment, employees, customers, suppliers, and shareholders (Spiller, 2000). Both studies indicate the importance of communicating CSR activities towards communities, and the least importance was given to suppliers, but they did not agree about other stakeholder groups. Finally, the findings of this study contradict Mandurah et al. (2012) and Rizkallah (2012) that customers are highly aware of CSR initiatives. Nevertheless, this contradiction

support Gillham's (2007) argument that using the direct question technique to measure awareness (as in Mandurah et al., 2012 and Rizkallah, 2012) tends to report high and inaccurate results as customers might be embarrassed to indicate their low level of awareness.

c.   *Customers' Support*

Although the qualitative study indicated the banks' CSR believes that customers and society are not supportive of responsible businesses, the quantitative study shows the opposite. According to Maignan (2000), French and Germen customers are more likely to support CSR compared to US customers. However, Chinese customers are more likely to support socially responsible companies compared to European customers (Ramasamy et al., 2008). Another study indicates relatively moderate customer support in Slovenia (Podnar et al., 2007).

Shanghai	Hong Kong	Saudi Arabia*	Germany	Slovenia	France	US
5.57	5.34	5.32	5.19	4.96	4.95	4.40
France, Germany, and the US adopted from Maignan (2001), and Shanghai and Hong Kong adopted from Ramasamy et al. (2008). * Saudi perception was adjusted to a 7 point scale to be consistent with the other scales.						

Table 010.1: Customer support to responsible businesses among different countries

Despite the fact that table 10.1 shows different levels of customer support among different countries, direct comparison with previous studies may not be applicable due to the long time lag of 6 years in the Chinese study, 7 years in Slovenia, and 14 years in the French, German and US study. According to Ramasamy, Yeung, & Au (2010), customer support is significantly influenced by the level of religiosity of the participants. Although Ramasamy et al.'s (2010) finding was obtained from Hong Kong and Singapore participants, this study established the theoretical link between the 9 most widely practiced religions in the world and customer support for CSR.

Moreover, the study asked participants to evaluate their level of religiosity and how often they practiced religious activities regardless their religion. The relatively high willingness for CSR support in Saudi Arabia presumably is attributed to the values of Islam that dominate the Saudi culture (Long, 2005).

iv. Charity Organizations

Although charity organizations have been identified as a major challenge for responsible businesses, this has not been widely discussed in the literature. The nature and the way of conducting responsible activities in Saudi Arabia are relatively different compared to other contexts. In Saudi Arabia some banks do not have the facilities to fully manage their social, cultural, and environmental activities. Their CSR activities are mainly outsourced via charity organizations. This is the case among small and newly established banks. The findings of the qualitative research revealed conflicts between the way that these organizations are managed and banks' level of expectations. It has been claimed that these organizations operate in a voluntary way, which lacks professionalism and specialization. Bank managers stated that most of these organizations are managed by retired people who are keen to help society but unfortunately do not know how. There is a need for charitable organizations to be managed by more professional people in order for the social work to be developed.

10.2.3 The Role of CSR Perception in Consumer Behaviour

Customer awareness of the current CSR initiatives to different stakeholder groups significantly influences their perceptions of what social initiatives are actually undertaken by banks for their economic, legal, ethical, and philanthropic

responsibility. This finding supports the proposed hypothesis (**H₁**) that customer awareness of CSR initiatives positively influences the perception of CSR. Previous studies have not investigated this relationship empirically. However, it has been theoretically indicated in a number of researches (e.g., Pomering et al., 2009; Dolnicar et al., 2007; Sen et al., 2001; and Mohr et al., 2001). Therefore, in order for banks to improve customer perception of their social initiatives they need to invest more to promote their CSR activities. A number of scholars have called to investigate the awareness level of CSR prior to assessing the current level of stakeholder perceptions (e.g., Mohr et al., 2001; Berens et al., 2005; and Dolnicar et al., 2007). This new insight suggests that managers can improve how they are socially perceived by increasing the social communication to build customers' awareness.

Similarly, customer views of what banks actually do in respect to social initiatives are significantly related to their level of CSR expectations. This finding supports the proposed hypothesis (**H₅**) that customer perceptions of CSR are positively related to CSR expectations. This indicates that the customers will always expect more from banks compared to what they actually do. This does not suggest that banks should consider managing their CSR expectations by lowering customer perception levels, even though both customer perceptions and expectations of CSR were found insignificantly related to loyalty (i.e., **H₆** and **H₁₀**). This is because customer expectations are indirectly related to customer loyalty via perceived value and these two relationships (i.e., customer perceptions →loyalty and customer expectations →loyalty) were found significant for some moderator groups. Both perception and expectation are significantly related to loyalty for postgraduate participants, and CSR perception is significantly related to loyalty for males and old customers, while CSR

expectation is significantly related to loyalty for females and young customers. In another words, highly educated customers build their loyalty based on the perceptions and expectations of CSR they have towards their banks. This finding (i.e., both perception and expectation are significantly related to loyalty for postgraduate participants) is consistent with Egri et al., (2004), which indicates that highly educated participants are more supportive, concerned about social and environmental behaviours of corporations, and willing to respond to responsible business compared to less educated people.

Due to the conservative culture in Saudi Arabia, males are more exposed to bank communications and able to evaluate what banks actually do. This is presumably why males build their loyalty based on their perception of CSR, while a large percentage of females are isolated to some degree from interacting with social activities due to social and religious barriers, so they substitute their perception by their expectations to build their loyalty (Shalaby et al., 2008; Doumato et al., 2003). Similarly, old customers usually have experience and have been exposed to more of a bank's social activities, which allow them to use their perception of what banks actually do to build their loyalty. In contrast, young customers generally do not have enough experience to build their loyalty on their perception, so they tend to use their expectations.

CSR perception was not found to be significantly related to the perceived value (**H7**), which means that customers views of what firms do in regards to their social activities are not related to the values they gain from dealing with them. Although low income and young age showed t-value > 3.29 and $p < 0.001$, the multiple group analysis technique (MGA) showed no significant difference for this relationship among demographic groups (i.e., gender, income, education, and age). This is due to

the difference in the number of samples for each group and a large standard of error. However, CSR expectations were found to be significantly related to the perceived value (**H9**). This indicates that perceived value is gained from what customers expect firms should do rather that what customers think firms are actually doing. This is presumably due to the lack of awareness of the social initiatives of banks, which limits customers' ability to gain value while dealing with their banks. Therefore, customers gain value based on the expectations they have from banks rather than what the banks are currently doing. This finding (i.e., CSR perception is not directly related to customers' loyalty) contradicts the majority of previous studies that indicate that the perception of CSR influences consumer behaviour (e.g., Sen et al., 2001; Martínez et al., 2013; and Mandhachitara et al., 2011). This might be due to the participants' lack of awareness of bank initiatives and the relative newness of the concept in Saudi Arabia. Customers showed an overall all agreement for supporting responsible businesses; however, this support is not influenced by their awareness level. This is presumably due to the gap between what is communicated and what is expected. Empirically, both customer expectations and perceived value affect customer support, which indicates that customer support is shaped by what they expect and what they gain from dealing with socially responsible banks. Finally, the decision of the relationship between CSR and consumer loyalty is consistent with Garcia de los Salmones et al.'s (2005) finding that CSR is not related directly to customer loyalty; however, there is an indirect influence of CSR on loyalty via an evaluation of services.

10.2.4 What is the perceived value of CSR and how it works

The quantitative findings contradict the general conclusion made by Green et al. (2011) and Peloza et al. (2011), that customers gain value when dealing with socially

responsible organizations. Similarly, the finding of the current study contradict Luo et al.'s (2006, p. 4) statement that "All else being equal, customers likely derive better perceived value and, consequently, higher satisfaction from a product that is made by a socially responsible company (i.e., added value through good social causes)".

Moreover, it contradicts with the Ferreira et al. (2010) finding that consumers do perceive value for money (economic perceived value) when dealing with socially responsible banks, as the average mean for the economic perceived value indicates that customers are neutral about it. Although Garcia de los Salmones et al. (2005) examined the perceived value of the price and the functional perceived value as parts of overall valuation of service, the study did not show a separate analysis for each of these dimensions. In more detail, customers indicated divergent levels of perceived value when dealing with socially responsible banks.

According to Sweeney et al. (2001), the global construct of perceived value can be captured in four main domains: quality (also referred to as functional value), price (also referred to as economic value), emotional, and social. However, the EFA reported high covariance between emotional and social dimensions of CSR, which suggest that the perceived value of CSR should be captured by three dimensions only; i.e., economic, functional, and social-emotional. Although the emotional dimension of perceived value was the greatest among other dimensions, its CFA showed high interactions among emotional perceived value indicators, customer satisfaction indicators, and customer loyalty indicators. Thus, the emotional perceived value dimension was dropped. The empirical findings showed that customers are generally neutral about the CSR perceived value apart from the emotional perceived value, which is an original contribution of this study. Although

a number of studies have assumed that customers gain value while dealing with socially responsible organizations (e.g., Luo et al., 2006), this study attributes the lack of perceived value to the lack of trust and awareness.

The hypotheses testing reported that there are significant relationships between the perceived value of CSR and both customer support and loyalty (**H₁₅** and **H₁₆**). This means the values that customers gain from dealing with socially responsible banks can help retain customers and make them more supportive of their firms. Although the relationship between perceived value and loyalty is significantly different between males and females (a stronger relationship is reported for female participants) and highly and less educated participants (a stronger relationship is reported for highly educated participants), this relationship is always significant. Similarly, the relationship between perceived value and customer support is significantly different between old and young participants (a stronger relationship is reported for old participants); however both young and old groups reported a significant influence of perceived value on customer support. This finding is consistent with Yang and Peterson (2004), who perceived that value is a major attendance of loyalty. Similarly, Chen et al. (2006) pointed out that customer loyalty in the service industry is directly related to the values that customers perceive when dealing with an organization. It has also been reported that perceived value has a direct influence on the attitudinal loyalty of the financial services industry (Roig et al., 2009). Lewis & Soureli (2006) has confirmed the influence of perceived value on loyalty (a combination of attitudinal and behavioural loyalty) in the retail banking industry. And, it is also consistent with Yang et al.'s (2004) findings that there are no changes in significant of loyalty among sex, education, income, and age demographic groups.

Finally, perceived value partially mediates the relationship between customer expectations and support; i.e., the direct relationship between customer expectations and customer support is less significant in the presence of perceived value. This indicates the importance of perceived value in influencing customer support of responsible banking.

10.2.5 Insights for Policymakers and Business Practitioners

This section concerns how CSR can be better embedded in the Saudi banking industry. The insights for CSR managers were achieved via the quantitative study; the insights for policymakers were mainly achieved via the qualitative study. The limitations of these two stakeholder groups (i.e., the public sector and management) were discussed in section 10.2.2 and will not be addressed again.

Not only organizations should contribute to society, nor they are expected to walk alone in their CSR activities path. Individuals and the public sector are also expected to engage in social development; however, their contribution is different. For example, customers can play a major role by supporting or boycotting organizations based on their ethical behaviours (Sen et al., 2001 and Mohr et al., 2001). The question is how to encourage customer support of social activities? But before that, what is meant by customer support? According to Bhattacharya et al. (2004), customer support is explained by sacrifices to favour responsible business behaviours; e.g., a commitment to purchase from this brand, making this brand a first choice of purchase, becoming loyal to this brand, resilience to negative information about the brand, giving positive word of mouth about the brand, and willingness to pay a price premium.

The current study found that customer perception did not directly influence loyalty, which is consistent with de los Salmones et al. (2005), but contradicts the findings of Maignan et al. (2001) and Mandhachitara et al. (2011). The lack of CSR influence on loyalty can be attributed to distrust and lack of awareness. According to de los Salmones et al. (2005), a customer's trust is related to their previous experience of corporate behaviours and their awareness of current CSR initiatives. Although CSR activities generate customer trust towards a brand, trust of CSR activities is required to gain positive consumer behaviour (Vlachos et al., 2009). This suggests investigating customer trust towards social campaigns to explain the contradictory findings of the influence of CSR on loyalty.

The findings also highlighted the importance of promoting CSR activities in order to gain positive perception of corporate behaviour. This finding is consistent with Bhattacharya et al. (2006), that the influence of CSR on consumer behaviour is contingent on CSR awareness. More importantly, promoting CSR activities should focus on highlighting the congruency between customer emotional perceived value and the bank's social campaign objectives, as this was the only value perceived by customers. Therefore, CSR managers in Saudi Arabian banks need to ensure they promote their CSR activities in a way that raises awareness, creates trust, and offers emotional perceived value in order to encourage customers to support their CSR activities.

For policymakers, the CSR environment in Saudi Arabia is still not mature and much is still expected from the public sector. The expectations from the public sector include: a lack of coordination, lack of information, lack of regulation, and a lack of incentive and rewards to social active firms. Appropriate platforms must be in place to increase a bank's engagement in social activities. In reality, customers blame

banks for not conducting genuine CSR activities that have positive impact on social wellbeing. Conversely, banks blame customers for not being aware and supportive of their activities. This raises the importance of policymakers' roles in the public sector to adopt actions that reinstate the trust between banks and customers. Trust was found to influence and mediate the relationship between CSR perception and loyalty (Martínez et al., 2013). Reporting corporate initiatives by a credible official party is expected to solve this issue (Hassel, 2009). Regulating CSR reporting is expected to increase society awareness and will respond to the limitations of social business in Saudi Arabia. For example, identifying the areas where corporate contributions are appreciated, assessing these areas before and after contributions, and reporting the improvement level of the identified cases. These processes help measure the actual impact of CSR activities and their genuineness level.

10.3 Summary of the Findings in Accordance to Previous Studies

A number of interesting descriptive and structural findings of this study were discussed in regards to the previous studies to position this work among other academic works. This helped assess and understand the context of the study before discussing the causal relationships. The discussion of descriptive and structural findings was divided into 5 main sections: perception, expectation, perceived value, customer awareness, and customer support of CSR. The table below summarizes the discussion of the descriptive and structural findings into three groups: confirming, which indicates that the findings are consistent with the literature; challenging, which indicates that the findings conflict with the literature; and supporting, which indicates that the literature has theoretically suggested the findings but it has not yet been tested empirically.

The Construct	The Study	The Finding	Decision	Literature
Perception	Qualitative	Serving Stakeholders	Confirming	Jackson (2003) and Wan-Jan (2006)
Perception	Qualitative	Doing no harm	Confirming	Slack (2012), Currie & MacLeod (2006), and Kilcullen & Kooistra (1999).
Perception	Qualitative	Helping people in need	Confirming	Ragodoo (2009); Visser et al. (2010a), Emtairah et al. (2009), and Dobers & Halme (2009)
Perception	Qualitative	Observing customers and employees rights	Confirming	Fenwick & Bireme (2005) and Carroll (1991)
Perception	Qualitative	Making concessions for public interest	Challenging	Banerjee (2008)
Perception	Qualitative	Economic responsibility is the foremost responsibility	Confirming	Carroll (1989 and 1991)
Perception	Qualitative	Ihsan and altruism	Confirming	Nathan & Pierce (2009), Jamali et al. (2009), Lantos (2002), and McWilliams, Siegel, Wright (2006)
Perception	Qualitative	Religious influences of CSR	Confirming	Jamali & Tarazi (2012), Jamali et al. (2009) and Shalaby (2008)
Perception	Qualitative	CSR can be perceived as social hypocrisy	Confirming	Shklar (1984) and Barden, Rucker, and Petty (2005)
Perception	Quantitative	CSR perception follows Carroll's Model	Confirming	Carroll (1989 and 1991)
Perception	Quantitative	CSR context-related subject	Confirming	Rahman (2011)
Perception	Quantitative	Two dimension of CSR perception	Challenging	Carroll (1989 and 1991)
Perception	Quantitative	Two dimension of CSR perception	Supporting	Lozano (2000), Wang, Xie, Chen (2013), Yu and Hu (2014), Hasan (2007), and McChesney (1995)
Expectation	Both	Customers hold high CSR expectations	Confirming	Ramasamy et al. (2008), Pomering & Dolnicar (2009), Tamkeem (2010), and Poolthong & Mandhachitara (2009)
Expectation	Quantitative	Customers hold the greatest expectation for legal responsibility	Confirming	Podnar et al. (2007), Ali & Al-Aali (2012) and Maignan et al. (2001) French and German study.
Expectation	Quantitative	Customer social expectations exceed their current level of perception	Confirming	Dawkins & Lewis (2003)
Expectation	Quantitative	Two dimension of CSR expectations	Challenging	Carroll (1989 and 1991)
Perceived Value	Quantitative	Overall, customers are neutral about gaining value from dealing with socially	Challenging	Green et al. (2011) and Peloza et al. (2011)

		responsible organizations		
Perceived Value	Quantitative	Customers are neutral about gaining economic, social, and functional values from dealing with a socially responsible organization	Challenging	Ferreira et al. (2010) and Green et al. (2011)
Perceived Value	Quantitative	Customers gain emotional value from dealing with socially responsible organizations	Supporting	Green et al. (2011)
Customers' Awareness	Both	Customers have a low level of CSR awareness	Confirming	Albareda et al.(2007), Gigauri (2012), and Ditlev-Simonsen (2006)
Customers' Awareness	Both	Customers have a low level of CSR awareness	Challenging	Mandurah et al. (2014) and Rizkallah (2012)
Customers' Awareness	Quantitative	Using a single question to measure awareness usually reports a high level of awareness	Confirming	Gillham (2007) and Ramasamy et al. (2010)
Customers' Support	Qualitative	Low level of customer support	Challenging	Maignan (2000), Ramasamy et al. (2008), and Podnar et al. (2007)
Customers' Support	Quantitative	Low level of customer support	Confirming	Maignan (2000), Ramasamy et al. (2008), and Podnar et al. (2007)

Table 10.2 Summary of the descriptive findings

Table 10.3 Summary of the causal findings

The Construct	The Study	The Finding	Decision	Literature
Perception	Quantitative	The awareness of CSR initiatives influences the perception of CSR	Supporting	Pomering et al. (2009); Dolnicar et al. (2007); Sen et al. (2001) and Mohr et al.(2001)
Perception	Quantitative	CSR perception influences CSR expectations	Original	-
Perception	Quantitative	CSR perception is not related directly to customer loyalty	Challenging	Maignan et al. (2001) and Mandhachitara et al. (2011).
Perception	Quantitative	CSR perception is not related directly to customer loyalty	Confirming	Garcia de los Salmones et al. (2005)
Expectation	Quantitative	CSR expectation is not related directly to customer loyalty	Challenging	Mandhachitara (2011)
Perception	Quantitative	CSR perception is related directly to customer loyalty for highly educated participants	Confirming	Egri et al., (2004)
Expectation	Quantitative	CSR expectation is related directly to customer loyalty for highly educated participants	Confirming	Egri et al., (2004)
Perception	Quantitative	CSR perception is not related directly to perceived value	Original	
Expectation	Quantitative	CSR expectation is related directly to perceived value	Original	
Perceived value	Quantitative	PV is related to customer loyalty	Supporting	Yang and Peterson (2004); Chen et al. (2006); Roig et al. (2009); Lewis & Soureli (2006)
Perceived value	Quantitative	PV is related to customer support	Original	
Perceived value	Quantitative	PV of CSR is related to customer loyalty	Original	
Perceived value	Quantitative	PV of CSR is related to customer support	Original	
Perceived value	Quantitative	PV mediates the relationships between CSR expectation and customer support	Original	
Loyalty	Quantitative	Demographic factors do not cause any changes on customer loyalty	Supporting	Yang et al. (2004)

It can be read from tables 10.2 and 10.3 that the majority of the findings of this study are consistent with the previous studies. This indicates that international communities still a share common understanding and agreement about CSR despite the cultural differences. This does not reject the influence of religion and national culture in understanding CSR, however this influence is limited to number of areas addressed in the previous discussion.

10.4 Conclusion

The key points to be drawn from this discussion are: first, the banks CSR perception and its emphasis; second, the influence of Islam on both banks and customers perception; third, the influence of Instrumental drivers on corporate social decisions; fourth, challenges facing banks to become socially responsible, and fifth, the perceived value of CSR. Banks perceived CSR as a continuous voluntary development that organizations are committed to undertake to improve stakeholders' wellbeing by conducting supplementary activities that are not required by law. This perception has six emphases; serving stakeholders, doing no harm to society or the environment, responding to people's need, observing rights, and making concessions of public interest without prejudice to the economic obligations. The dominant influence of Islam on Saudi culture has introduced new insights to understand CSR i.e., Ihsan, altruism and social hypocrisy. It also influences the structure of CSR by dividing the social responsibilities into to circles inner and outer circles. Islam influence banks decisions to favours social activities over environmental activities. Islam also helps to introduce the concept of religious face of businesses for large corporations. Although Islam influence banks point of view of what should be done and how it should be done in respect to social activities, the actual driver of these

activities are the instrumental returns. This to say that banks employ the Islamic understanding to justify business case rather than satisfying the ethical face of business. The limitations that challenge banks to become socially responsible can be divided into four groups: government, management, consumer behaviour, and charity organization. Customer awareness was found as antecedence for CSR perception, and CSR perception works on CSR expectations. Unlike CSR expectations, CSR perception is not responsible for customer perceived value. Overall, customers are neutral about the perceived value they receive from dealing with socially responsible banks. Although the emotional perceived value was found to be the greatest among other perceived values, the discernment validity could not be established for it. Perceived value of CSR was found to be significantly related to customer loyalty and partially mediates the relationships between CSR expectations and loyalty. The following chapter will conclude this study and explain its limitation and future areas of research study.

11. Conclusion

371

11.1 Introduction

This chapter brings this study to a conclusion. It presents a summary of the findings that answer the objectives of this study. Then, it demonstrates the theoretical, methodological, and industrial contribution of this study. After, it explains the limitations that face the researcher while conducting this study and draws recommendations for a number of areas for further study.

11.2 Revisiting Research Objectives

This section aims to summarize the findings that helped achieve the objective of this study.

11.2.1 To review and evaluate the perception of CSR within the Saudi Arabian banking industry.

Although the adjusted weighted average for CSR perception of Saudi banking customers follows Carroll's model, the overall CSR perception is relatively low compared to other countries; i.e., customers in Saudi Arabia believe that banks emphasise less attention on CSR compared to the attention banks emphasise on CSR in other countries. More importantly, the factor analysis reported that there are only two dimensions of CSR: economic and non-economic. The legal, ethical, and philanthropic dimensions are highly covariant with each other; therefore, they have been fused into one dimension.
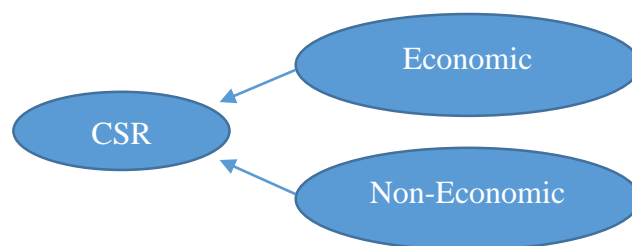
Figure 11.1: Dimensions of CSR

This means, according to the Saudi understanding, that banks have two distinctive sets of responsibilities: the economic responsibilities towards shareholders and the non-economic responsibilities towards society.

CSR is defined, according to local banks in Saudi Arabia, as the continuous, voluntary development that organizations are committed to undertake to improve the stakeholders' wellbeing by conducting supplementary activities that are not required by law. The emphasis of this definition is on six main areas: local banks serving stakeholders, doing no harm to society or the environment, responding to people's need, observing rights, and making concessions of public interest without prejudice to the economic obligations. Moreover, CSR is generally understood among local banks as a form of Ihsan and altruism, which is driven from the religious responsibility of banks; however, there is a thin line between religious responsibility and social hypocrisy.

11.2.2 To identify and explore the factors that motivate and challenge banks to become socially responsible.

The main drivers for Saudi banks to engage in social responsibility can be categorized into two groups: instrumental and ethical. Although these groups are common in a number of contexts, the motives under these groups are slightly different. Three main instrumental drivers for banks to conduct social activities were reported; enhancing bank/customer relationships, brand promotional tools, and relieving banks from social and media pressure. The ethical drivers have been divided into four main duties: human, national, social, and religious. These

responsibilities overlap with each other as they support rather than contradict; e.g., the fight against poverty emerges from human responsibilities. However, this is a part of a Muslim's duty to the poor, is required for social bonds of unity, and reflects love and belonging to the country.

The challenges that face social work in Saudi Arabia are classified into four groups of limitations: government, business, customer and society, and charitable organizations. Government limitations are due to the shortcomings of the public sector. These limitations include a lack of coordination, lack of information, lack of regulation, and lack of incentive and rewards for socially active firms. The business limitations refer to those caused by the banks themselves. These limitations include conflicting business and social orientations, complements, and favouritism. The former limitation refers to the belief that CSR is an expense on the company and is not really counted as an investment that will generate money in the future, while the latter limitation refers to the misspending of the CSR budget to support activities that do not support the overall CSR strategies. In reality, it has been reported that in some cases the banks support social initiatives that are managed by people who are friends or relatives of the board of directors.

Another limitation that challenges banks from becoming more engaged in social responsibilities is the lack of professionalism of the charitable organizations. Eight out of 12 banks in Saudi Arabia do not have a dedicated CSR department. Therefore, they rely on charitable organizations to propose programmes for them and they then choose among these programmes. The majority of these charitable organizations are managed by old, retired people who lack business experience and are not able to develop proposals that match bank's standers. The last group of limitations belongs

to customers and society. Banks claim that customers are not aware of CSR initiatives conducted by banks not because they are not prompted but because customers are not concerned. Another claim of banks is that customers do not support firms that are socially responsible; i.e., there is no response from customers towards socially responsible organizations. As the majority of banks stated that the instrumental drivers are the main drivers for them to engage in social activities, CSR is not expected to generate an increase in revenue without customer support. A surprising claim reported by banks is that although customers do not pay enough attention to the CSR disclosures and advertisements and are not supporting socially responsible firms, customers hold a high level of expectations for banks. These expectations are mainly driven by the huge returns in capital banks have, as well as because they do not pay taxes according to Saudi law.

11.2.3 To understand the role of CSR perception on influencing consumer behaviour.

CSR perception is influenced by customer awareness; i.e., customer information about the social initiatives conducted by banks influence customer views of the emphasis banks pay to each dimension of CSR (i.e., economic, legal, ethical, and philanthropic). Therefore, for a bank to be perceived as socially responsible they need to increase their social responsibility campaigns.

CSR perception is positively related to customer expectations; i.e., the more the bank is perceived as socially responsible, the more it is expected to perform. This puts banks in a challenging situation as they want to be perceived as socially responsible,

but they want to lower customers' expectations at the same time. The bright side of it is that the higher the customers' expectations, the higher the perceived value gained from dealing with the bank. This is especially important because CSR perception does not directly influence perceived value. Similarly, CSR perception does not usually directly influence customer loyalty. It works indirectly via customer expectations and only works directly with highly educated, old, and male customers.

11.2.4 To examine the perceived value of CSR and its effects on consumer behaviour.

Surprisingly, Saudi customers are neutral about the values they gain from dealing with a socially responsible organization. In more detail, customers do not gain economic "value for money", "social association", and functional value "quality preference" while dealing with socially responsible organizations. The only value they agree they gain from socially responsible organizations is the emotional value. The factor analysis reported that social and emotional perceived values are highly covariant with each other; therefore, they should be fused as one dimension. The new dimension (i.e., soci-emotional value) has an average weight of 3.42 out of a 5-point Likert scale, which indicates that customers do gain soci-emotional value when dealing with socially responsible banks.
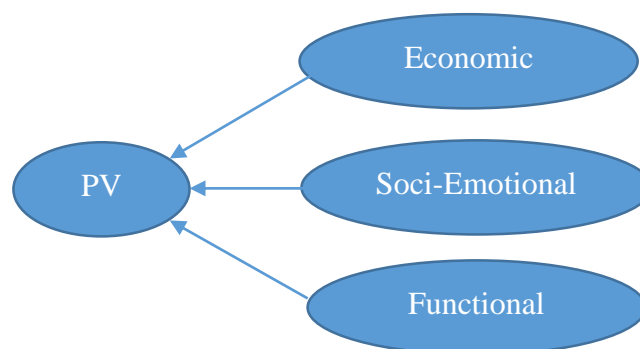
Figure 11.2: Dimensions of PV

The latent construct of perceived value is positively related to customer loyalty and support. Therefore, perceived value of CSR is an essential antecedent for customers to continue dealing with banks and to become supportive of the bank's activities.

11.2.5 To provide insights for policymakers and business practitioners to embed CSR more effectively in the Saudi Arabian banking industry.

There are a number of strategic initiatives expected from the policymakers in the public sectors. These initiatives: providing an official umbrella that supports the socially responsible organization to become more engaged in CSR and for better CSR embeddedness. Banks do not know to whom they should refer to their social activities: the Ministry of Social Affairs (as the official body concerned about social issues in the country), the Chamber of Commerce (as the official body that establishes CSR conferences and magazines), the Central Bank SAMA (as the official body looking after banking issues), the Ministry of Labour (as the official body that regulates the role and responsibilities of businesses), or the Capital Market Authority (as the official body the monitory and control listed company in the stock market). The conflicts between the different visions of these authorities reflect the quality and consistency of CSR. Therefore, it was argued that identifying an official body will contribute to better embeddedness of CSR.

The lack of information about poverty, unemployment, illiteracy, health issues, and people in need in the Saudi Arabia was reported as a barrier. An absence of information slows down corporate ability to strategically design a CSR plan and therefore to better embedded CSR. The same applies for regulations and

coordination. The lack of coordination and regulations that manage CSR activities cause unbalanced in giving and accordingly unbalanced opportunities for groups in need. Social work should complete each other, not compete with each other. This suggests a need for regulation and a coordinating body for social activities. Following that, incentives and rewards for socially active companies must be in place for banks to continue engaging in social work. According to banks, the instrumental benefits behind CSR do not yet justify the amount of money spent on CSR activities. Therefore, the expectation of the public sector to perform a greater role to balance the equation is essential. The table below summarizes the objectives and the findings of this study.

Objective One

To review and Evaluate the perception of CSR within the Saudi Arabian banking industry.

CSR is defined according to local banks on Saudi Arabia as the continuous voluntarily development that organizations are committed to undertake improve the stakeholders' wellbeing by conducting supplementary activities that are not required by law. The emphasis of this definition is on six main areas; local bank as serving stakeholders, doing no harm to society or the environment, responding to people's need, observing rights, and making concessions of public interest without prejudice to the economic obligations.

It is generally understood among local banks as a form of Ihsan and altruism which is driven from the religious responsibility of banks; however there is a thin line between religious responsibility and social hypocrisy.

Objective Two

To identify and explore the factors those motivate and challenge banks to become socially responsible in Saudi Arabian context.

Motives

Instrumental
- Enhancing brand-customers relationships
- Brand promotion tool
- Relieving banks from social and media pressure

Ethical
- Human duty
- Religious duty
- National duty
- Social duty

Limitations

Governmental
- Coordination
- Information
- Regulations
- Incentives

Business
- Conflicts between business and social orientation
- Compliments and Favourisms

Charitable Organizations → Lack of Professionality

Customers & Society
- Expections
- Awareness
- Support

Objective Three

To understand the role of CSR perception on influencing consumers' behaviours.

CSR perception is influenced by current level of awareness.

CSR perception influences customers' expectorations.

Neither perception nor customers' expectations of CSR directly influence customers' loyalty.

CSR perception is not related directly to perceived value.

CSR perception directly influences customers' loyalty for highly educated customers, male and old customers

Objective Four

To examine the perceived value of CSR and its effects on consumers' behaviours.

Overall, customers are neutral about gaining value from dealing with socially responsible organizations

CSR perception influences customers' expectorations.

Customers are neutral about gaining economic, social and functional values from dealing with socially responsible organization

Customers gain emotional value from dealing with socially responsible organization.

PV of CSR is related to customers' loyalty and customers' support

PV mediates the relationships between CSR expectation and customers' support

Objective Five

To provide insights for policymakers and business practitioners to better embedded CSR in Saudi Arabian banking industry.

The need of official umbrella that manages and coordinates the social initiatives exists.

Providing statistical information and data bases for social issues is required.

Regulations must be in place to better control the social initiatives

Incentives programmes and rewards should be used to motivate companies to become socially responsible

Figure 11.3: Summery of the objectives and the main findings

11.3 Contribution of Study

Two frameworks were generated from this study. First, based on the qualitative research the presentation of banks CSR perception was developed. This framework has advanced the body of knowledge in number of ways: first, framework indicates structural levels and relationships between the CSR domains; second, it identifies the key themes to analyse CSR; third, it reports the complexity of CSR; fourth, it provides blue print to understand how perception emerge and the implications on it; fifth, and it draws the findings together in a holistic view (See figure 11.4). In more details, it identifies three main categories to better evaluate CSR. The first category concerns about how CSR is perceived and were this perception forms from. The second category concerns about the structural levels of CSR which helps to measure it. The third category concerns about the implication and embeddedness of CSR.

Figure 11.4: Presentation of banks CSR Perception

Second, by combining the findings of objectives 3 and 4, as well as the extracted constructs from the qualitative study, a new conceptual model was developed. This model was one of the first models to examine CSR perception starting from awareness and ending with loyalty. Previous models had not explained the relationships between CSR perceptions and expectations. It also investigated the full construct of the perceived value, which had not been investigated before. Finally, this model responded to the calls of investigating customer awareness and their support towards responsible businesses in the same context. The developed conceptual framework consists of seven constructs; customers' awareness, customers' support, CSR perception, CSR expectations, satisfaction, perceived value and loyalty (See Figure 11.5). Due to convergent validity issues the construct of customers' satisfaction and the emotional perceived value dimension were dropped. The EFA and CFA reported that CSR perception and expectations consists of two dimensions economic and non-economic dimensions of CSR, while the perceived value consist of three dimensions economic, social and functional dimensions. These amendments were acknowledged and the modified conceptual framework has been tested (See Figure 11.6).
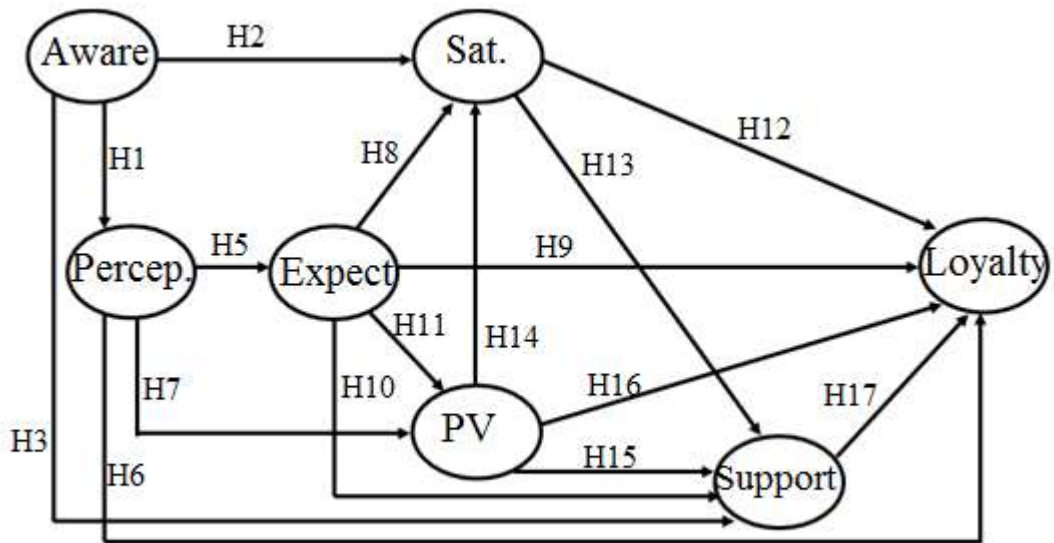
Figure 11.5: The Initial Conceptual Framework
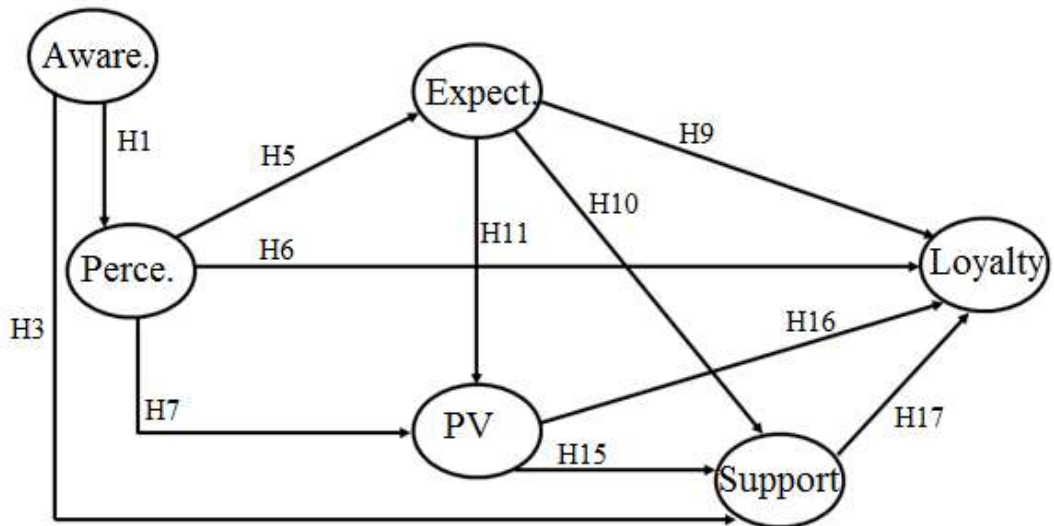
Figure 11.6: The Modified Conceptual Framework

All the proposed relationships were found significant at significance level p < 0.001

(t ≥ 3.29) apart from Awareness → Support, Expectation → Loyalty, Perception →

Loyalty, and Perception → Perceive Value. Figure 11.7 shows the final figure after

removing non-significant relationships. The quality of the model was assessed in

section 8.7 and the results showed a high goodness of fit (40.98%) of the inner

383

model quality. This model adds an original contribution to the CSR body of knowledge, especially for developing countries where the awareness level is low. Previous models in the literature either neglected or implicitly assumed that customers are aware of CSR. This contribution falls into square no.1 as an incremental scientific contribution.
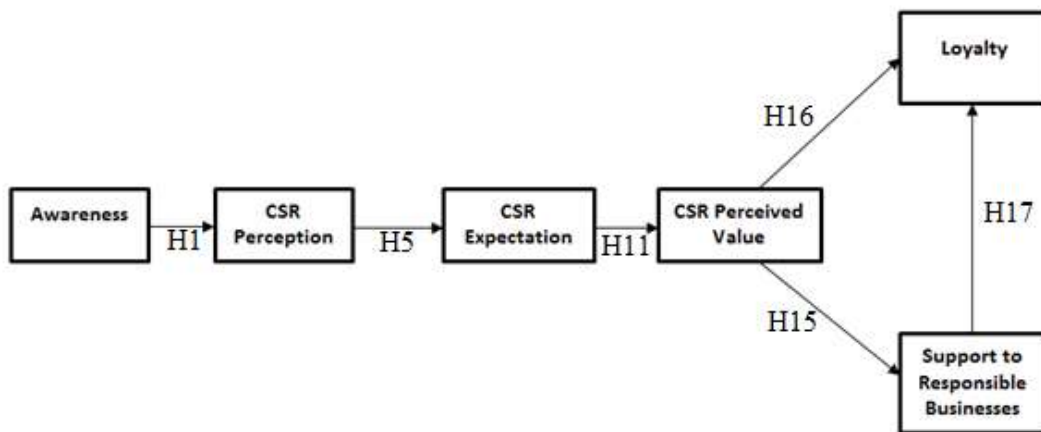
Figure 11.7 The Supported Model

Evidence supporting these two frameworks is classified into three main groups; theoretical, managerial, and methodological contribution. These contributions show their relation in the below figure.

```
      4 |                     | 1
        |                     |
Revelatory|                   |
        |                     |
Originality ───────────────────────
        3 |                     | 2
        |                     |
Incremental|                   |
        |                     |
        └─────────┬───────────┘
        Practically  Scientifically
          useful        useful
              Utility
```
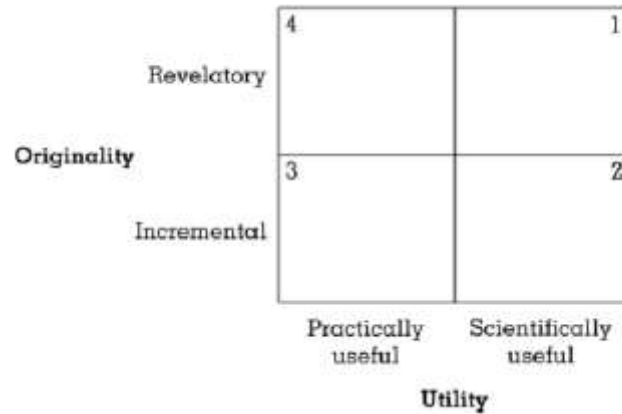
Figure 11.8 Dimensions of Theoretical Contributions (Corley & Gioia, 2011)

11.3.2 The Theoretical Contribution

This study extended our understanding of CSR perception into a new context and new industry. The lack of studies of CSR perception in developing countries and in the service industry motivates the researcher to fill the contextual gap in this area to provide an incremental and practical contribution to the literature (Square 3). Saudi Arabia and its banking industry provide a new structural understanding of the CSR construct as a two-dimensional construct with economic and non-economic dimensions. This indicates that the traditional Carroll (1979) pyramid does not work in Saudi Arabia due to the way corporate duties are perceived. The Islamic view of responsibilities differentiates between the role of business towards its inner circle (shareholders and employees) and its outer circle (other stakeholder groups). Legal, ethical, and philanthropic responsibilities are perceived as one responsibility for corporate; therefore, CSR managers should tackle them as one issue that cannot be broken down into issues. Failing to satisfy one of them will consequently impact non-economic corporate responsibility

This study also provides a deep understanding of the influence of CSR into consumer behaviour as it investigates the influence of the full construct of CSR into customer loyalty. Only a limited number of studies have examined it this way. Previous studies tended to examine the influence of one aspects of CSR into consumer behaviour. The findings show that customer views of what banks actually do in respect to social activities do not directly influence customer loyalty. The relationship between these two aspects is contradictory in previous studies. For example, Maignan et al. (2001) proposed a positive relationship between CSR and loyalty, whereas Mandhachitara et al. (2011) confirmed a positive influence of CSR on attitudinal loyalty but not on behavioural loyalty. Conversely, de los Salmones et al. (2005) did not observe any significant evidence to support this relationship directly. Salmones et al. (2005) studied the influence of CSR perception on customer loyalty and reported no significant influence of CSR perception on consumer behaviour. Salmones et al.'s (2005) study was limited as it dropped the economic dimension of CSR and fused the legal and ethical dimensions together. The current study examined the influence of the full latent variable of CSR perception into customer loyalty and found that there is no significant relationship between CSR perception and customer loyalty. Therefore, including the economic dimension on the CSR construct does not help improve this relationship. This finding provides incremental scientific contribution (square no. 2).

Another contribution of this study is that it investigated the relationship between the perception and the expectation of CSR. This relationship has been neglected in previous studies, where either CSR perceptions or CSR expectations have been examined. Including CSR perceptions and CSR expectations in the same study

provides an insight to better understanding customer social expectations and identifying which one of them works as a better predictor for loyalty and perceived value. The findings of this study showed that CSR perception is a significant antecedent of CSR expectations. It also showed that the adjusted weighted average of CSR perception is the lowest among France, Germany, the US, Shanghai, and Hong Kong. More importantly, it showed that customer CSR expectations of banks exceed their perceptions in every dimension of CSR. The current study found that neither CSR perceptions nor CSR expectations directly influence customer loyalty; however, customer expectations indirectly influence loyalty via perceived value. Another interesting finding about CSR awareness is the influence of the measurement approach on the participants' answers; i.e., previous studies that measured CSR awareness by asking the direct question of "Are you aware of CSR?" or "To what extent are you aware of CSR?" tend to report high CSR awareness of customers, while measuring CSR awareness by asking about specific CSR initiatives, which tends to report a low awareness level. This study measured CSR awareness by asking participants about specific CSR initiatives to find out, in detail, which initiatives they are more aware of compared to others. This is attributed to the fact that direct questions are general and customers find it embarrassing to report their lack of awareness. This revelatory contribution provides practical and scientifically useful information (squares 1 & 4), as it helps to better understand customer loyalty towards socially responsible organizations and indicates the importance of managing CSR expectations to CSR managers.

Customer awareness of CSR was one of the identified gaps in the literature. The majority of previous studies implicitly assumed that customers were aware of CSR.

The current study looked into customer awareness of CSR and customer support level to examine the influence of CSR awareness on customer support. The first finding was that the awareness level of CSR does not influence customer support of socially responsible organizations. The second finding confirmed CSR managers' claims that customers are not aware of CSR, as the weight average for awareness level reported a disagreement of awareness. The third finding showed customer willingness to support socially responsible organizations is high, which contradicts the findings of the qualitative data. Customer awareness is a critical construct, as it is the antecedent of CSR perception. This incremental contribution provides practically and scientifically useful information (squares 2 & 3) as they clarify the role of CSR awareness into consumer behaviours and highlights the importance of promoting CSR activities for CSR managers.

Another important contribution of this study is the perceived value of CSR and its role in customer loyalty. The perceived value of CSR has been neglected in previous studies and a number of them theoretically assumed that CSR creates value for consumers. The current study has empirically examined the perceived value of CSR and found that customers only gain emotional value from dealing with socially responsible organizations. This finding contradicts the propositions that create economic, social, and functional values for customers. These revelatory scientific findings (square no. 1) are expected to shed light on new areas of investigation (i.e., perceived value of CSR) to better understand the influence of CSR on consumer behaviour.

11.3.3 The Managerial Contributions

This study contributes to policymakers and CSR managers in a number of ways. For policymakers, it explored how CSR is perceived by one of the most critical industries in the economy. Understanding the banks CSR perception will help policymakers ensure they communicate CSR with a consistent understanding of local banks. Moreover, it identified the motives and challenges for banks to become more socially engaged. Knowing these factors is critical to improve the current environment of social work. It also reported banks expectations from the public sector (i.e., the coordination of social work, providing information about the social needs, regulations to control and ensure sustainability of social work, and providing incentives and rewards for organizations to get involved in social work). This helped provide a practical, incremental understanding to the CSR perception, motives, challenges, and the role of the public sector (square no. 3).

This study also contributes to the industry by providing the CSR managers' insights about their customers' expectations of CSR, current awareness level, and their willingness to support social initiatives. It also explains consumer loyalty towards socially responsible organizations and sheds light on the importance of perceived value on influencing customer loyalty. These findings recommend that CSR managers review the CSR value proposition to achieve better result from CSR activities. This insight provides a practical incremental contribution for this study (square no. 3).

11.3.5 Methodological Contributions

The majority of academic research is based on a mono-method approach due to the difficulties of collecting and analysing two different sets of data. Although dyadic

research is more expensive and time consuming, a number of contributional purposes can only be achieved by mixed methods; i.e., triangulation, complementarity, development, initiation, and expansion (Greene et al., 1989). This study adopted an equal-status, sequential, mixed-method approach for developmental purposes; i.e., both qualitative and quantitative phases are equally important, and the results of the qualitative study helped develop the quantitative study. Practically, the qualitative exploration phase of the perception of CSR has to be conducted prior to the quantitative data in order to establish the basic understanding of the phenomena, while the quantitative aims to examine and the confirm the proposed hypotheses; e.g., the influence of CSR perception on loyalty, the role of customer awareness, the nature of the perceived value of CSR, and its role in customer loyalty and support. Dyadic research allows investigating CSR perception from two different perspectives; i.e., banks and customers, which contribute to a better understanding of the phenomena. According to Creswell (2007), the importance of employing dyadic research comes from the fact that one set of data can be insufficient to tackle the research problems, the need for explaining and generalizing the initial findings may exist, and helping to answer the research questions may require multiple approaches. For the current research the dyadic research helped explore the perception of socially responsible banks and explain the structural nature of CSR. It also helped utilize a different set of data to maximize the understanding of CSR by benefiting from words and numbers and from different views banks and customers.

The pragmatic approach adopted in this study allowed the researcher to be free from philosophical assumptions that limit the research to a certain type of data. The abductive nature of pragmatism allows moving from qualitative to quantitative data

and from observation-theory formation to theory-observation-confirmation. The majority previously adopted either positivism or interpretivism paradigms, which are limited to their epistemological assumptions and view of realities. Therefore, the majority of previous studies about CSR perception were either exploratory researches that proposed an understanding of the concept or explanatory (causal) researches that examined the causal relationships between constructs. The current study was free to deal with words and numbers to better understand the perception of CSR.

Only a limited number of studies utilized the partial least square (PLS) technique to evaluate the structural nature of the tested variables (Wetzels et al., 2009). The technique has been used to evaluate the structural level of CSR by running the PLS algorithm test on CSR perception and CSR expectations. It was also used to evaluate the structural nature of perceived value. This technique allows confirming the formative nature of the construct. All of these methodological contributions fall into the incremental practical contribution.

11.4 Limitations and Recommendation for Further Research

This study employed dyadic research to address the research objectives and systematically contributed to marketing and CSR knowledge. However, there is no research without limitations. These limitations are driven by the nature of CSR, time, cost, and access ability forces. The limitations of this study can be classified into three groups: theoretical, methodological, and contextual. In accordance with these limitations, further studies have been recommended.

11.4.1 Theoretical Limitations

The complexity of the CSR concept influenced the findings of this research. Different individuals hold different understandings of socially responsible banks; therefore, their willingness to support and become loyal is subject to their understanding of socially responsible banking. The fact that CSR is a contested subject allows organizations to become more creative and innovative in designing their social initiatives; however, this makes it difficult to define CSR and evaluate social performance. This limitation was minimized by adopting a well-established scale to measure CSR, but this issue is still valid and worth mentioning. It is notable in the literature that a number of studies have avoided this limitation by specifying certain aspects of CSR while investigating their influence on consumer behaviour (i.e., fair trade products, donations, or environmentally friendly products). The scope of this research was to investigate the complete construct of CSR to fully understand a socially responsible bank. Therefore, this limitation still existed.

Although the dyadic nature of this research allowed examining banks' and customers' CSR perspectives, other stakeholders groups' perspectives were neglected (e.g., shareholders, charitable organizations, employees, and the beneficiaries of these activities, such and disabled and poor people). As a marketing study, this research was most concerned about the service providers and customers. Examining each and every stakeholder group requires additional resources, consumes more time, and may deviate the research from its scope by complicating the phenomena. It would be interesting for the forthcoming researches in the CSR field to examine different stakeholders' groups and identify the variation of

understanding among these groups in order to widen understanding of socially responsible banking.

The high correlation between customer satisfaction and loyalty prevented investigating customer satisfaction toward responsible businesses (Ngoc & Mguyen, 2010; Nasirabadi & Bokaei, 2013; and Flores-Zamora, 2012). The construct of satisfaction was dropped due to the high correlation among items and a new model was proposed. Similarly, dropping the emotional perceived value of CSR limited the ability to measure the influence of the complete construct of perceived value, especially as the emotional perceived value was the only value that consumers perceived while dealing with socially responsible banks. Further studies are encouraged to investigate customer satisfaction and emotional perceived value by adopting different scales to measure these constructs. This will help justify the contradictory findings between the relationships between these two constructs. It is also recommended for future researches to focus on emotional perceived value and its role in different consumer behaviour aspects.

A lack of scales that measure customer awareness of CSR prevented directly measuring this construct. The current study measured customer awareness of CSR initiatives and assumed that a high level of customer support towards responsible businesses indicates that customers are aware of the CSR concept. The majority of previous studies either implicitly assumed that customers are aware of the CSR concept or they used a direct question to measure their awareness level (i.e., "Are you aware of CSR?"). The CSR concept is relatively new in Saudi Arabia and there is a need to measure it explicitly and deeply. Therefore, developing a scale that measure awareness of CSR is recommended. The new scale needs to embrace the

three dimensions of CSR awareness: awareness of the concept, awareness of the current initiatives, and awareness of social issues and problems.

The current study showed a high level of willingness from customers to support social activities; however, customers are not aware of these activities. This could be due to the lack of communicating social activities or the lack of trust on social campaigns. Therefore, it is recommended to investigate customer trust towards social campaigns in Saudi Arabia and to explore the best ways to communicate social campaigns. The construct of trust will help improve the proposed conceptual model and re-evaluate the existing relationships. More importantly is to investigate how to communicate CSR campaigns in a way that builds customer trust and support.

Furthermore, further study is suggested to investigate the adaptation of the WBCSD's definition in the official Saudi forums and conferences and the implications of this adoption on the general understanding of CSR in different industries. This is expected to clarify the role of definitions on CSR perception and will respond to the question of whether or not the definition really matters. Moreover, measuring customers' ability to recall brand images that appear in social campaigns and compare these with ones from traditional advertising is recommended. This would examine the claim made by local banks that CSR activities are better recalled that advertising. This finding will provide insight to better understand both CSR literature and marketing communication literature. CSR advertising is a new field and a potential area for researchers. Finally, it is important to explore the factors that drive customer support for social activities. Understanding these factors is expected to control the contradictory findings concerning the perception of CSR and its influence on different aspects of consumer behaviour.

11.4.2 Methodological Limitations

Although the current study interviewed the population of the study (i.e. all local banks), only one member of each bank was interviewed. The researcher identified the most direct person to CSR activities in each bank depending on the structure of the bank (i.e., CSR managers, public relations manager, or marketing manager). These members were designated to manage the CSR activities of their bank and were assumed to hold the banks' view of CSR. Others may argue that the board of directors' and employees' views also constitute the bank view. Due to access difficulties to interview the board of directors and the time consumed to interview other employees in the bank, the current study assumed that CSR managers represented the banks' views of CSR. This assumption may influence the findings in some ways. It is suggested for further studies to embrace different departments in the bank and to members of the board directors to capture the complete perception of CSR.

Despite a dramatic increase in Internet usage in Saudi Arabia and the fact that online surveys help access different geographic locations in Saudi Arabia and collect as many responses as possible from female members, online surveys limit the responses to those customers with Internet access. This limitation was due to the cost and time to collect responses from different geographic locations in Saudi Arabia; however it is expected to influence the findings of this study in one way or another. It is recommended for further studies to conduct a traditional paper-based questionnaire to capture the non-Internet user segment, as they represent 35% of the population (CITC, 2014).

It would be interesting for further studies to conduct real-case experiments to measure the actual support of customers towards responsible products. It has been reported in the literature that the actual behaviours of customers differs from what they say and promise (Woodruff, 1997). Due to this gap between philosophy and practice, the actual purchase behaviours of customers are essential to accurately assessing customer support level.

This study employed SEM-PLS technique which concerns with reducing the standard of errors and/or increasing the R^2 rather than assessing the overall model of fit of the proposed model (Hulland, 1999). SEM- CB is more appropriate to confirm hypnotized theories as it reduces the differences between observed covariance table and estimated covariance table (Hair et al., 2009). Another advantage for SEM-CB packages is that it can assess model of fit i.e. PLS does not provide the overall fit of the proposed model (Abbasi, 2011). It would be interesting to employ SEM-CB (such as AMOS) to examine the proposed model in the future by adopting reflective scales only.

Interviews were not recorded and the 'transcript' could be subject to bias. The researcher understands that recording the interviews would allow him to collect much data; however, it would limit the respondents to answer freely. Hence, the researcher was aiming to deeply understand the CSR concept and preferred not to record the interviews to allow more freedom to talk. To overcome missing some data, the researcher was taking notes during the interviews and started writing the transcription right after he left the bank to avoid losing some data.

11.4.3 Contextual Limitations

Although responsible behaviours of individuals are embedded in the Saudi culture and driven by Islamic values, the CSR term and concept are relatively new in Saudi Arabia. Customers are still not clear of what to expect socially from organizations. The dominance of Islamic values shifts CSR understanding slightly toward donation and charity. Moreover, the distinctive characteristics of Saudi culture limit the ability to generalize the findings of this study. With the increased attention given to CSR in the media and social platforms, it is expected that Saudi CSR perception might change. It would be interesting to duplicate this study in 10 years' time to find out how the understanding of CSR has changed.

The narrow number of local banks operating in Saudi Arabia, in one way or another, limited the investigation of CSR perception from the provider prospective. Although the saturation point of data was achieved, the narrow number of local banks in the industry and the fact that 11 out of 12 banks have their CSR manager located in Riyadh (the capital of Saudi Arabia) may be responsible for similar codes and understanding extracted from the interviews. It might be helpful to embrace banks operating in GCC countries, as they share a similar culture and Islamic values of Saudi Arabia.

11.5 Conclusion

This study contributed to the body of knowledge by addressing number of aims: first, to explore the perception of socially responsible banks; second, to examine CSR influence on consumer behaviour; third, to investigate the perceived value of CSR; fourth, to find out how it relates to relevant aspects of consumer behaviour.

These aims were addressed by employing a dyadic research to respond to the research objectives. This study contributed to extend our understanding of CSR perception, provide better insight about the role of CSR perceptions in consumer behaviour, deeply assess consumer awareness and support level, and investigate the perceived value of CSR. At the methodological level, it is one of few researches that adopted dyadic research to investigate CSR perception; employed a pragmatic paradigm; and utilized the partial least square (PLS) technique to evaluate the structural nature of the tested variables. At the managerial level, it contributed to the policymakers and CSR practitioners to better understand embedded CSR in the Saudi banking industry.

However, this study is limited in certain aspects. The complexity of the CSR concept and the fact that there is no global understanding of CSR influenced the study's ability to assess customer awareness and support. This research only focused on customer and CSR manager perspectives of CSR; other stakeholder groups were neglected. It failed to assess customer satisfaction and emotional perceived value. The lack of scales to measure customer awareness of CSR also probably influenced this study. The online survey, the limited number of banks operating in Saudi Arabia, and interviewing only one manager from each bank may have influenced this study. Finally, the newness of the concept in Saudi Arabia and the dominance of the Islamic values impacted this study in one way or another.

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13. Appendices

13.1 About Saudi Arabia

13.1.1. Facts and Figures

Saudi Arabia is situated on the south-western corner of Asia (geographic coordinates: 2500 N, 4500 E) (CIA, 2011). It occupies four-fifths of the Arabian Peninsula, and it is "bordered to the northwest by Jordan, to the north by Iraq and Kuwait, to the west by the Red sea and to the east Qatar, the United Arab Emirates and Oman, and to the south by Yemen" (Country Report, 2010). Saudi Arabia is ranked as the 14th largest country in the world with a total size of 2,149,690 sq. km. It is just more than one-fifth the size of the United States and just more than 8.5 times the United Kingdom. The population of Saudi Arabia is 26 million (with 5.5 million foreign residents), which makes the kingdom of Saudi Arabia the 46th largest population in the world (CIA, 2011). More than 65% of Saudi citizens are under 25, which makes Saudi Arabia one of the youngest nations in the world (Buchele, 2009). Ethnic groups consist of 90% Arab origin, 5% African origin, and 5% Asian origin (Buchele, 2009). Major cities in Saudi Arabia are as follows (CIA, 2011):

- Riyadh: the Capital with 4.7 million people. Nine out of 11 local bank head offices are located in Riyadh.
- Jeddah: the main port and the gate for the holy cities, with 3.2 million people. Two of the 11 local bank head offices are located in Jeddah.
- Dammad: the second port and the capital of the oil industry region with population of 1 million.
- Makkah: the birthplace of Islam, it has Al Masjed Al Harram (Holy Mosque) and 1.5 million people
- Maddinah: where the Prophet Mohammed is buried;it has the Prophet Holy Mosque and a population of 1.1 million

447

Saudi Arabia is a Kingdom that is governed by a legal system based on Shariah Law (which is the Islamic law) (Royal Embassy, 2011). It is considered to be a monarchy because the King is the head of government, the prime minister and the chief of the army (Buchele, 2009).

13.1.2 Economy of Saudi Arabia

Saudi Arabia is the largest oil exporting country in the world. It exports between 8.5 and 12.5 million barrels a day. It has 25% of the world's oil reserves and it produces 30% of OPEC (Organization of Petroleum Exporting Countries) annual production. Almost 91% of the revenues of the government of Saudi Arabia come from oil exporting. The trade balance of Saudi Arabia in 2010 included imports of US $100 billion and exports US $235 billion. In 2010, the GDP of Saudi Arabia was US $ 625 billion. The local currency is the Saudi Riyal which is fixed to the US dollar (1 US Dollar = 3.75 Saudi Riyal) (SAMA, 2011; CIA, 2011; and AlRayes, 2006). Muslim pilgrims from all over the world have to visit Saudi Arabia to perform religious duties, i.e., Hajj, Umrah, and Ziyarah in Makkah and Maddinah (the two holy cities). Saudi Arabia expects to have 15 million pilgrims perform these religious duties by 2013. This "Religious Tourism" generated US $7.5 billion in 2009 from local and foreign pilgrims (MAS, 2010).

13.2 Financial Tables

13.2.1 Financial Statements

Local Banks	Capital	Equity	Total Assets	Net Income	No. Employees	Branches
The National Commercial Bank (NCB)	$4,000	$11,342	$100,608	$2,130	5,443	284
Saudi Arabian British Bank (SABB)	$2,666	$6,088	$47,280	$1,015	2,091	80
Saudi Arabian Investment Bank (SAIB)	$1,466	$2,733	$21,465	$174	820	45
Al-Inma bank	$4,000	$4,488	$16,800	$319	1,052	20
Banque Saudi Fransi (BSF)	$2,410	$6,190	$45,348	$1,035	2,439	81
Riyad Bank	$4,000	$9,032	$54,732	$521	4,768	241
Samba Financial Group (Samba)	$2,400	$9,280	$54,676	$1,637	3,120	68
Saudi Hollandi Bank (SHB)	$1,058	$2,506	$21,458	$580	1,417	44
Al Rajhi Bank	$4,000	$10,241	$74,632	$1,983	7,500	451
Arab National Bank (ANB)	$2,266	$5,088	$36,782	$699	3,600	139
Bank AlBilad	$1,066	$1,360	$9,686	$145	2,000	75
Bank AlJazira	$800	$1,527	$15,993	$1.87	1,805	50
Total	$30,135	$69,880	$499,463	$10,245	36,055	1,578
Source: Saudi Market Authority (Tadawul) 2012						

13.2.2 Credit Rating Reports

Banks	Fitch	Moody's	S&P	Capital Intelligence
The National Commercial Bank (NCB)	A+	A	A+	AA-
Saudi Arabian British Bank (SABB)	A	Aa3	A	A+
Saudi Arabian Investment Bank (SAIB)	A-	A2	A-	A
Al-Inma bank	NR	NR	NR	NR
Banque Saudi Fransi (BSF)	A	Aa3	A	A+
Riyad Bank	A+	A	A+	AA-
Samba Financial Group (Samba)	A+	Aa3	A+	AA-
Saudi Hollandi Bank (SHB)	A-	A1	NR	A
Al Rajhi Bank	A+	A1	A+	AA-
Arab National Bank (ANB)	A	A1	A	A+
Bank AlBilad	NR	NR	NR	NR
Bank AlJazira	A-	A3	NR	BBB+
Source: BankScope (2012)				

13.2.3 Banks operating in Saudi Arabia

There are more than 110,000 ATMs in Saudi Arabia, more than 1,500 branches, and more than 36,000 employees working in the banking sector. Subject to the uniqueness of Saudi society, there are four Islamic banks (Al Rajhi, Al Biland, Al Inma and AlJazira). However, all other local banks in Saudi Arabia provide limited Islamic services through selected dedicated Islamic branches (SAMA, 2011). The pure Saudi local banks are (1) The National Commercial Bank (NCB), (2) Riyad Bank, (3) Al Rajhi Bank, (4) Bank AlBilad, (5) Al-Inma bank, (6) and Samba Financial Group (used to be a partner with Citigroup). The mixed capital (partnershipped) banks are:

1. Bank AlJazira (Pakistan National Bank 5.8%)
2. Saudi Arabian British Bank   (SABB) (Partner HSBC 40 %)
3. Saudi Arabian Investment Bank   (SAIB) (Partner JP Morgan 7%)
4. Saudi Hollandi Bank   (SHB) (Partner ABN AMRO Group 39.9%)
5. Arab National Bank (ANB) (Partner Arab Bank 40%)
6. Banque Saudi Fransi (BSF) (Partner Crédit Agricole Corporate and Investment Bank 31.1%).

The purely foreign banks are;(1) Gulf International Bank (GIB) – Bahrain, (2) Emirates NBD – United Arab Emirates (UAE), (3) National Bank of Bahrain (NBB) – Bahrain, (4) National Bank of Kuwait (NBK) – Kuwait, (4) Muscat Bank – Oman, (5) Deutsche Bank – Germany, (6) BNP Paribas – France European, (7) J.P. Morgan Chase N.A – United States of America USA, (8) T.C.ZIRAAT BANKASI A.S. – Turkey, (9) National Bank of Pakistan (NBP) – Pakistan, and (10) State Bank of India (SBI) – India.

13.3 List of Relevant CSR Studies

Author	Year	Subject	Dimension	Effect	Industry	Country	Methodology	Limitation/ Comments	Findings
Carroll	1991	The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders	Multidimensional 4ds (Economic, Legal, Ethical and Philanthropic)	Understanding CSR components. Understanding the obligation towards stakeholders	Development Paper	NA	NA	Did not study the impact on the consumer behaviour.	Better understanding of CSR's components. Link CSR to Stakeholders theory. Classify the ethical (moral) dimension of CSR into immoral, amoral and moral.
Brown et. al	1997	The Company and the Product: Corporate Association and Consumer Product Responses	Limited Dimensions Corporate Ability (technological innovation and manufacturing ability) CSR Association (Corporate Giving and Community Involvement)	Product Evaluation Corporate Evaluation	Study One: fictitious Study Two & Three: 12 well-known companies that produce consumer products (two each from six different industries)	USA	Quantitative LISREL	Limited Aspect of CSR	Study One: Corporate Ability association are more influential than CSR association. Study Two: Both CA and CSR association influence product evaluation through corporate evaluation and CA associations influence the perception of product attributes. Study Three: positive corporate associations enhanced product evaluations and negative corporate associations deflated product evaluations.
Maignan	2001	Consumers' Perceptions of Corporate Social Responsibilities: A Cross-Cultural Comparison	Multidimensional 4ds(economic, legal, ethical and philanthropic).	level of Customers' support to responsible businesses. The importance	Insurance companies and banks.	Comparative study (France, Germany and USA)	Questionnaires - MANOVA	It does not study the impact on customers loyalty nor satisfaction	French and German are most concerned with responsible businesses compared to Americans. French and German are more willing to support

					of CSR dimensions				responsible businesses compared to Americans.
Sen et al.	2001	Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility	Unidimensional	It measures the effect of CSR information on purchase intention moderated by CSR support, CA-CSR belief and CSR Domain	USA Manufacturing Company of Calculators and Printers	USA	Questionnaires - ANOVA	it does not study the impact on customers loyalty nor satisfaction. Unidimensional scale for CSR	There is a positive effect of CSR initiatives on consumers' company evaluations is mediated by their perceptions of self-company congruence and moderated by their support of the CSR domain.
Singhapakdi et. al	2001	How important are ethics and social responsibility? A multinational study of marketing professionals	Unidimensional	The influence of Age, gender, country differences and organizational ethical climate on CSR perception.	General Perception of Companies	Australia, Malaysia, South Africa and USA	Questionnaires-MANOVA	Unidimensional scale for CSR. It studies the effect on CSR perception not of CSR perception. Not linked to consumer behaviour.	The overall country of residence, organizational ethical climate, gender, and age significantly explain differences in the perception of the importance of ethics and social responsibility.
Dean	2004	CONSUMER PERCEPTION OF CORPORATE DONATIONS: Effects of Company Reputation for Social Responsibility and Type of Donation	Corporate Donations (philanthropic dimension)	upon corporate revenue and reputation of the firm	A well-known athletic shoe company	USA	Questionnaires - Stimuli MANOVA, ANOVA, Factory Analysis	The company described in this study was fictional, and subjects were given relatively little information about the firm. One Dimension of CSR.	Irresponsible firms increased their favour with consumers by pursuing either type of donation. The average firm enhanced its image by pursuing an unconditional donation, but a conditional donation did not damage firm image. Perception of the scrupulous firm was little changed after

									unconditional donation, but a scrupulous firm suffered a loss of favour by pursuing CRM. It is concluded that the average firm does not risk a loss of public goodwill when using CRM.
Lichtenstein et. al.	2004	The Effect of Corporate Social Responsibility on Customer Donations to Corporate-Supported Non-profits	Unidimensional	Customer-corporate identification. Perceptual corporate benefits (i.e. store loyalty, emotional attachment and store interest).	Food Chain stores	USA	In-store survey (questionnaires) Regression Analysis.	Unidimensional scale for CSR.	Perception of CSR affects perceptual corporate benefits (i.e. loyalty, emotional attachment and store interest) directly and indirectly via customers - corporate identification.
Garcia de los Salmones et. al	2005	Influence of Corporate Social Responsibility on Loyalty and Valuation of Services	Multidimensional 2ds (Legal-Ethical and Philanthropic). The Economic Responsibility has been excluded based on factor analysis	Valuation of Services (functional & technical quality and perceived price). Loyalty.	Mobile telephones industry	Spain	Questionnaires - SEM	Only two dimensions of CSR have been used to measure CSR (Legal-ethical & philanthropic). Measures customers' loyalty not loyalty intention. It has only used one dimension of perceived value (price) and two dimensions of	The perception of CSR has a direct positive influence on consumers' valuations of CSR The perception of CSR does not have a direct positive influence on loyalty, but it has indirect positive relation via overall valuation of services.

454

								perceived quality (technical and functional). This study did not focus on behavioural loyalty, but it measures behaviour, commitment and price tolerance.	
Swaen	2006	Analysis of consumers' perceptions and reactions to companies' CSR initiatives	Multidimensional 4ds (Philanthropic, Environment, consumers, and employees)	Trust, Perceived Quality and Loyalty	General	Belgium, France, Spain, Portugal and Denmark.	Questionnaires EFA,CFA and SEM	Stakeholders dimensions of CSR.	CSR activities have a positive influence on customers' trust in the company. They play a role in developing and maintaining long term relationships with customers, However they don't influence – not yet – customers' loyalty.
Tan et al	2006	Perceptions of Corporate Social Responsibility: An empirical study in Singapore	Multidimensional 7ds (economic, legal, ethical, philanthropic, charity, stewardship and Environmental)	level of Customers' support to responsible businesses. The importance of CSR dimensions	General	Singapore	Questionnaires - ANOVA	Does not study the impact of perception on consumer behaviour.	Environmentally friendly is very important. Carroll's pyramids exist in different order, i.e. legal, ethical, economic and philanthropic.
Luo and Bhattacharya	2006	Corporate Social Responsibility, Customer Satisfaction, and Market Value	The amount of CSR investments disclosed in firms' annual reports	Customers' satisfaction and market value.	Fortune 500 companies	USA	Quantitative Secondary data	Does not measure perception of CSR, does not measure loyalty. Does not study the perceived value	CSR has a direct positive effect on customers' satisfaction and market value. Unless the firm has low innovativeness capability.

455

								(market value is different).	
Du et. al	2007	Reaping relational rewards from corporate social responsibility: The role of competitive positioning	General measurement of CSR i.e. this brand is socially responsible. This brand has made a real difference through its socially responsible	Consumers reaction of CSR (i.e. CSR positioning).	Three competitors in the yogurt industry	USA	Online questionnaires. Differences of means test and regression analyses	Direct questions to measure consumer awareness and consumers support. General measurement of CSR Beliefs.	Higher CSR beliefs lead to higher purchase likelihood and higher longer-term loyalty and advocacy behaviours. Company that integrates its CSR strategy with its core business strategy is more likely to reap a range of CSR-specific benefits in the consumer domain than brands that merely engage in CSR.
Pomering et. al.	2008	Assessing the prerequisite of successful CSR Implementation: Are Consumers Aware of CSR Initiatives?	Multidimensional 4ds (Economic, Legal, Ethical and Philanthropic)	Measuring consumers awareness of CSR initiatives	Banking	Australia	Mixed Methods. For Quantitative Percentages were used. For Qualitative not shown	Unidimensional scale for CSR. Poor analysis. Does not study the effects on consumer behaviour.	Low awareness level of CSR. CSR communication is more effective compared to advertising or public relations.
Swaen et al.	2008	Impact of CSR on consumers trust	Multidimensional 4ds (Philanthropic, Environment, consumers, and employees)	Trust, Perceived Quality, Satisfaction, Expectations, Personal support, Perceived Motives.	cosmetics and sportswear	Belgium	Questionnaires EFA,CFA and SEM	Stakeholders dimensions to measure CSR. Does not measure loyalty.	Consumers perception of CSR has direct and indirect (via perceived quality) positive influence on their trust toward a company.
Ramasamy et al.	2008	Chinese Consumers' Perception of Corporate Social	Multidimensional 4ds (Philanthropic, Environment,	level of Customers' support to responsible	Insurance companies and banks.	China	Questionnaires - MANOVA	it does not study the impact on customers	Chinese are supportive to socially responsible businesses. Carroll's pyramid exists in

456

								loyalty nor satisfaction	the same order.
		Responsibility (CSR)	consumers, and employees)	businesses. The importance of CSR dimensions					
Turker	2008	Measuring Corporate Social Responsibility: A Scale Development Study	Multidimensional 4ds (social and non-social stakeholders, employees, customers, and government)	Importance of CSR Dimensions.	General	Turkey	Questionnaires - EFA	Does not study the impact of perception on consumer behaviour. Does not adopt Carroll's model	Proposed a new measurement scale to measure CSR.
Visser	2008	Revisiting Carroll's CSR Pyramid: an African Perspective	Multidimensional 4ds (Economic, Legal, Ethical and Philanthropic)	Importance of CSR Dimensions.	General	Africa	Descriptive Analysis	Does not study the impact of perception on consumer behaviour.	Carroll's pyramid exists in different order (i.e. economic, philanthropic, legal, and ethical). Majority of CSR studies have been conducted in America. Culture factor must be considered while studying CSR perception
Poolthong et al.	2009	Customer expectations of CSR, perceived service quality and brand effect in Thai retail banking	Multidimensional 4ds (Philanthropic, Environment, consumers, and employees)	Perceived Service Quality Brand Effect	Banking	Thailand	Questionnaires PLS and SEM	Does not study loyalty or satisfaction. Stakeholders dimension to measure CSR.	CSR has a direct influence in Brand effect and indirect influence via perceived quality.
Ferreira et. al.	2010	Corporate social responsibility and consumers' perception of price	Limited Dimensions Corporate Ability (technological innovation and manufacturing ability) CSR Association (Corporate Giving and Community Involvement)	Price fairness, Perceived Value, Perceived Benefits and buying intention	Clothing Industry (Jeans Pants).	Brazil	4 Experimental research scenarios	Unidimensional scale for CSR. Experiment based scenarios. Unrated journal. Not peer reviewed Does not study loyalty or satisfaction.	Among equivalent products qualities, consumers are willing to buy 10% more for socially responsible products. Consumers perceived additional benefits when buying from socially responsible companies.

457

								Unidimensional scale for perceived benefits.	
Tian et al.	2011	Consumer Responses to Corporate Social Responsibility (CSR) in China	Unidimensional	Corporate Evaluation, Product Association and Purchase Intention	household, appliance, travelling, food, apparel, insurance and digital trades	China	Questionnaires-SEM	Unidimensional scale for CSR. Does not Study loyalty or satisfaction	Consumers' perception of CSR has a direct influence on Corporate Evaluation, Purchase Intention and Product association.
Senthikumar et. al.	2011	Impact of CSR on customer satisfaction in banking services (Banking Service Quality).	Unidimensional	Direct Impact of CSR Service Quality and indirect impact via customer satisfaction.	Banking	India	Questionnaires-SEM	Unidimensional scale for CSR. Unrated journal (African Journal of Business and Management). Not peer reviewed It does not study the loyalty.	CSR has a significant impact on customer satisfaction. Customers' satisfaction is the most significant predictor of banking service quality.
Hirunpattarasilp at .al	2011	Factors affecting consumers' purchasing decisions on CSR Banking	Unidimensional (moral obligation of consumers)	Purchase Intention	Banking	Thailand	Questionnaires Regression	Unidimensional scale for CSR. Unrated Journal (RJAS). Not peer reviewed. Does not study loyalty or satisfaction	Consumers' moral obligation positively influences their purchase intention purchase

458

Mandhachitara et al.	2011	A model of customer loyalty and corporate social responsibility.	Multidimensional 4ds (Philanthropic, Environment, consumers, and employees)	Loyalty, Repeat Patronage Intention and Perceived Service Quality	Banking	Thailand	Questionnaires PLS	Does not study perception (studies expectations). Does not adopt Carroll's pyramid.	Expectations of CSR affect customers' loyalty. Perceived Service Quality mediate the relationships between CSR expectations and loyalty.
Bigne et al	2012	Dual nature of cause-brand fit Influence on corporate social responsibility consumer perception	Unidimensional	Functional Fit Brand Credibility Altruistic Attribution Image Fit	Toiletries and cosmetics products	Spain	Quantitative SEM	Discussed CSR as Unidimensional construct Study the impact on CSR perception not the impact of CSR perception	Functional fit has a direct impact on CSR perception Image Fit has an indirect impact on CSR perception via altruistic attribution
Smirnova	2012	Perceptions of corporate social responsibility in Kazakhstan	Multidimensional 7ds (economic, legal, ethical, philanthropic, charity, stewardship and Environmental)	Importance of CSR Dimensions. Perceived benefits of CSR form corporate.	General for Kazakhstani companies	Kazakhstan	Questionnaires. Regression Analysis	it does not link the perception of CSR to the consumer behaviour.	The environmental and legal responsibilities are the most important, while the Philanthropic responsibility and Charity principle are the least important. Carroll's pyramid of CSR exists in different order; legal, ethical, economic and philanthropic.
Chen et. al.	2012	Enhance green purchase intentions The roles of green perceived value, green perceived risk, and green trust.	Unidimensional (Green)	Trust and Purchase intention	Information and Electronics products	Taiwan	Questionnaires-SEM	Focuses on green companies not socially responsible companies. It measures the perceived value of green as a Unidimensional construct.	Green perceived value would positively affect green trust and green purchase intentions, while green perceived risk would negatively influence both of them.

Green et. al.	2012	How does corporate social responsibility create value for consumers?	NA	How CSR would enhance the consumers' values	General consumers' perception	USA	Qualitative - Interviews	Qualitative research. It does not study the economic value	CSR can provide three forms of value to consumers: emotional, social, and functional. Each of these enhances or diminishes the overall value proposition for consumers. Further, value created by one form of CSR can either enhance or diminish other product attributes.
Ali et. al.	2012	Corporate Social Responsibility in Saudi Arabia	Economic, legal, ethical, philanthropic, charitable and environmental	Importance of CSR Dimensions.	Managers and Employees	Saudi Arabia	Quantitative-Manova	It does not study the consumer behaviour. It does not measure customers' perception	The economic dimension of CSR does not exist. The others dimensions of CSR exists in the following order environmentalism, legality, voluntarism, philanthropy, and ethical responsibility.
Hur et. al.	2012	Assessing the Effects of Perceived Value and Satisfaction on Customer Loyalty: A 'Green' Perspective	Green	How hedonic, social and functional values affect Satisfaction, loyalty and price consciousness	Automobile	USA	Quantitative SEM and CFA	Only limited to Green. Only limited to three perceived values	All these three values affect customers' satisfaction. Functional values have the strongest effects on customers' satisfaction against other factors.
Gatti et al.	2012	The role of corporate social responsibility, perceived quality and corporate reputation on purchase intention: Implications for	Fairness of commeralization, social and ethical.	Corporate reputation and purchase intention.	2 Italian Christmas cake brands	Italy	Quantitative SEM	Different dimensions of CSR, and does not study loyalty of satisfaction	Perception of CSR has an impact on reputation of company.

		brand management								

13.4 Quantitative Statistics

13.4.1. Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	310	77.3	77.3	77.3
Valid	Female	91	22.7	22.7	100.0
	Total	401	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
	18-27	112	27.9	27.9	27.9
	28-37	155	38.7	38.7	66.6
	38-47	84	20.9	20.9	87.5
Valid	48-57	48	12.0	12.0	99.5
	More than 57	2	.5	.5	100.0
	Total	401	100.0	100.0	

Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
	Less than 5000	42	10.5	10.5	10.5
	5001-10000	94	23.4	23.4	33.9
	10001-15000	88	21.9	21.9	55.9
	15001-20000	72	18.0	18.0	73.8
Valid	20001-25000	51	12.7	12.7	86.5
	25001-30000	30	7.5	7.5	94.0
	More than 30001	24	6.0	6.0	100.0
	Total	401	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
	High School or Under	22	5.5	5.5	5.5
	Diploma	35	8.7	8.7	14.2
Valid	Graduate	168	41.9	41.9	56.1
	Post Graduate	176	43.9	43.9	100.0
	Total	401	100.0	100.0	

Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
	Wholesale or Retail	40	10.0	10.0	10.0
	Manufacturer or Construction	34	8.5	8.5	18.5
	Communication and Transportation	43	10.7	10.7	29.2
	Banking & Financial Services	59	14.7	14.7	43.9
Valid	Education	120	29.9	29.9	73.8
	Military	42	10.5	10.5	84.3
	Other	63	15.7	15.7	100.0
	Total	401	100.0	100.0	

13.4.2. Multicollinearity tests

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Legal Perception of CSR	.279	3.924
	Ethical Perception of CSR	.197	3.588
	Philanthropic Perception of CSR	.386	2.589

a. Dependent Variable: Economic Perception of CSR

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Ethical Perception of CSR	.356	2.809
	Philanthropic Perception of CSR	.386	2.590
	Economic Perception of CSR	.791	1.264

a. Dependent Variable: Legal Perception of CSR

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Philanthropic Perception of CSR	.545	1.836
	Economic Perception of CSR	.723	1.383
	Legal Perception of CSR	.459	2.177

a. Dependent Variable: Ethical Perception of CSR

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Economic Perception of CSR	.724	1.382
	Legal Perception of CSR	.255	3.924
	Ethical Perception of CSR	.279	3.588

a. Dependent Variable: Philanthropic Perception of CSR

13.4.3. Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests

Tests of Normality

	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Awareness of Practices 1	.236	401	.000	.884	401	.000
Awareness of Practices 2	.239	401	.000	.882	401	.000
Awareness of Practices 3	.217	401	.000	.891	401	.000
Awareness of Practices 4	.212	401	.000	.895	401	.000
Awareness of Practices 5	.168	401	.000	.908	401	.000

Awareness of Practices 6	.178	401	.000	.905	401	.000
Awareness of Practices 7	.213	401	.000	.890	401	.000
Awareness of Practices 8	.192	401	.000	.902	401	.000
Awareness of Practices 9	.228	401	.000	.899	401	.000
Awareness of Practices 10	.201	401	.000	.904	401	.000
Awareness of Practices 11	.192	401	.000	.906	401	.000
Awareness of Practices 12	.177	401	.000	.909	401	.000
Economic Perception of CSR 1	.192	401	.000	.882	401	.000
Economic Perception of CSR 2	.206	401	.000	.889	401	.000
Economic Perception of CSR 3	.243	401	.000	.872	401	.000
Economic Perception of CSR 4	.258	401	.000	.865	401	.000
Legal Perception of CSR 1	.208	401	.000	.880	401	.000
Legal Perception of CSR 2	.197	401	.000	.878	401	.000
Legal Perception of CSR 3	.175	401	.000	.877	401	.000
Legal Perception of CSR 4	.189	401	.000	.879	401	.000
Ethical Perception of CSR 1	.170	401	.000	.878	401	.000
Ethical Perception of CSR 2	.166	401	.000	.885	401	.000
Ethical Perception of CSR 3	.186	401	.000	.890	401	.000
Ethical Perception of CSR 4	.184	401	.000	.887	401	.000
Philanthropic Perception of CSR 1	.171	401	.000	.881	401	.000
Philanthropic Perception of CSR 2	.178	401	.000	.891	401	.000
Philanthropic Perception of CSR 3	.167	401	.000	.880	401	.000
Philanthropic Perception of CSR 4	.169	401	.000	.885	401	.000
Economic Expectation of CSR 1	.216	401	.000	.886	401	.000
Economic Expectation of CSR 2	.218	401	.000	.882	401	.000
Economic Expectation of CSR 3	.254	401	.000	.804	401	.000
Economic Expectation of CSR 4	.248	401	.000	.821	401	.000
Legal Expectation of CSR 1	.279	401	.000	.755	401	.000
Legal Expectation of CSR 2	.296	401	.000	.749	401	.000
Legal Expectation of CSR 3	.309	401	.000	.743	401	.000
Legal Expectation of CSR 4	.307	401	.000	.743	401	.000
Ethical Expectation of CSR 1	.291	401	.000	.744	401	.000
Ethical Expectation of CSR 2	.287	401	.000	.744	401	.000
Ethical Expectation of CSR 3	.256	401	.000	.771	401	.000
Ethical Expectation of CSR 4	.270	401	.000	.764	401	.000
Philanthropic Expectation of CSR 1	.234	401	.000	.805	401	.000
Philanthropic Expectation of CSR 2	.231	401	.000	.811	401	.000
Philanthropic Expectation of CSR 3	.259	401	.000	.775	401	.000
Philanthropic Expectation of CSR 4	.245	401	.000	.791	401	.000
Customer Support 1	.234	401	.000	.887	401	.000
Customer Support 2	.275	401	.000	.849	401	.000
Customer Support 3	.234	401	.000	.811	401	.000
Customer Support 4	.233	401	.000	.853	401	.000
Customer Support 5	.277	401	.000	.752	401	.000
Economic Perceived Value of CSR 1	.199	401	.000	.907	401	.000
Economic Perceived Value of CSR 2	.205	401	.000	.903	401	.000

Economic Perceived Value of CSR 3	.218	401	.000	.904	401	.000
Social Perceived Value of CSR 1	.231	401	.000	.883	401	.000
Social Perceived Value of CSR 2	.204	401	.000	.908	401	.000
Social Perceived Value of CSR 3	.183	401	.000	.908	401	.000
Emotional Perceived Value of CSR 1	.248	401	.000	.878	401	.000
Emotional Perceived Value of CSR 2	.265	401	.000	.849	401	.000
Emotional Perceived Value of CSR 3	.243	401	.000	.879	401	.000
Functional Perceived Value of CSR1	.247	401	.000	.885	401	.000
Functional Perceived Value of CSR2	.243	401	.000	.884	401	.000
Functional Perceived Value of CSR3	.241	401	.000	.888	401	.000
Functional Perceived Value of CSR4	.236	401	.000	.889	401	.000
Satisfaction 1	.280	401	.000	.845	401	.000
Satisfaction 2	.263	401	.000	.872	401	.000
Satisfaction 3	.288	401	.000	.853	401	.000
Satisfaction 4	.285	401	.000	.824	401	.000
Loyalty 1	.302	401	.000	.801	401	.000
Loyalty 2	.282	401	.000	.830	401	.000
Loyalty 3	.258	401	.000	.854	401	.000
Loyalty 4	.251	401	.000	.871	401	.000
Loyalty 5	.249	401	.000	.877	401	.000
Loyalty 6	.240	401	.000	.884	401	.000

a. Lilliefors Significance Correction

13.4.4. Number of Outliers for each indicator

Indicators	No. of Cases
Economic Perception of CSR 1	0
Economic Perception of CSR 2	0
Economic Perception of CSR 3	0
Economic Perception of CSR 4	0
Legal Perception of CSR 1	0
Legal Perception of CSR 2	0
Legal Perception of CSR 3	0
Legal Perception of CSR 4	0
Ethical Perception of CSR 1	0
Ethical Perception of CSR 2	0
Ethical Perception of CSR 3	0
Ethical Perception of CSR 4	0
Philanthropic Perception of CSR 1	0
Philanthropic Perception of CSR 2	0
Philanthropic Perception of CSR 3	0
Philanthropic Perception of CSR 4	0
Economic Expectation of CSR 1	1
Economic Expectation of CSR 2	2
Economic Expectation of CSR 3	1
Economic Expectation of CSR 4	2
Legal Expectation of CSR 1	3
Legal Expectation of CSR 2	4
Legal Expectation of CSR 3	3
Legal Expectation of CSR 4	4
Ethical Expectation of CSR 1	1
Ethical Expectation of CSR 2	2
Ethical Expectation of CSR 3	0

Ethical Expectation of CSR 4	0
Philanthropic Expectation of CSR 1	0
Philanthropic Expectation of CSR 2	0
Philanthropic Expectation of CSR 3	0
Philanthropic Expectation of CSR 4	0
Economic Perceived Value 1	0
Economic Perceived Value 2	0
Economic Perceived Value 3	1
Emotional Perceived Value 1	1
Emotional Perceived Value 2	2
Emotional Perceived Value 3	1
Social Perceived Value 1	0
Social Perceived Value 2	0
Social Perceived Value 3	4
Functional Perceived Value 1	0
Functional Perceived Value 2	4
Functional Perceived Value 3	2
Functional Perceived Value 4	4
Satisfaction 1	3
Satisfaction 2	5
Satisfaction 3	0
Satisfaction 4	7
Loyalty 1	6
Loyalty 2	0
Loyalty 3	0
Loyalty 4	3
Loyalty 5	3
Loyalty 6	3

13.4.5. Trimmed Values for Outliers

Indicators	5% Trimmed mean	Lower Bound	Upper Bound
Awareness of Practices 1	2.36	2.31	2.54
Awareness of Practices 2	2.33	2.28	2.51
Awareness of Practices 3	2.47	2.41	2.64
Awareness of Practices 4	2.43	2.37	2.60
Awareness of Practices 5	2.89	2.78	3.02
Awareness of Practices 6	2.89	2.78	3.03
Awareness of Practices 7	2.51	2.43	2.68
Awareness of Practices 8	2.61	2.53	2.77
Awareness of Practices 9	2.68	2.61	2.82
Awareness of Practices 10	2.65	2.58	2.80
Awareness of Practices 11	2.55	2.48	2.70
Awareness of Practices 12	2.61	2.54	2.76
Economic Perception of CSR 1	3.35	3.18	3.45
Economic Perception of CSR 2	3.32	3.16	3.42
Economic Perception of CSR 3	3.66	3.48	3.72
Economic Perception of CSR 4	3.75	3.57	3.79
Legal Perception of CSR 1	3.52	3.34	3.59
Legal Perception of CSR 2	3.47	3.29	3.56
Legal Perception of CSR 3	3.34	3.17	3.45
Legal Perception of CSR 4	3.38	3.21	3.48
Ethical Perception of CSR 1	3.23	3.07	3.35
Ethical Perception of CSR 2	3.28	3.11	3.39
Ethical Perception of CSR 3	3.29	3.13	3.39
Ethical Perception of CSR 4	3.30	3.13	3.40
Philanthropic Perception of CSR 1	3.02	2.88	3.16
Philanthropic Perception of CSR 2	3.07	2.93	3.20
Philanthropic Perception of CSR 3	3.17	3.01	3.29
Philanthropic Perception of CSR 4	3.11	2.96	3.23
Economic Expectation of CSR 1	3.42	3.25	3.50
Economic Expectation of CSR 2	3.53	3.35	3.60
Economic Expectation of CSR 3	4.09	3.87	4.09
Economic Expectation of CSR 4	4.07	3.86	4.07
Legal Expectation of CSR 1	4.17	3.93	4.17
Legal Expectation of CSR 2	4.20	3.96	4.20
Legal Expectation of CSR 3	4.15	3.91	4.16
Legal Expectation of CSR 4	4.14	3.90	4.16
Ethical Expectation of CSR 1	4.14	3.90	4.16
Ethical Expectation of CSR 2	4.15	3.91	4.16
Ethical Expectation of CSR 3	4.08	3.84	4.09
Ethical Expectation of CSR 4	4.11	3.87	4.12
Philanthropic Expectation of CSR 1	3.94	3.72	3.98
Philanthropic Expectation of CSR 2	3.94	3.72	3.97
Philanthropic Expectation of CSR 3	4.07	3.84	4.09

Philanthropic Expectation of CSR 4	4.03	3.80	4.05
Customer Support 1	3.61	3.43	3.66
Customer Support 2	3.85	3.66	3.87
Customer Support 3	3.98	3.76	4.00
Customer Support 4	3.79	3.59	3.83
Customer Support 5	4.24	4.01	4.23
Economic Perceived Value of CSR 1	2.70	2.61	2.84
Economic Perceived Value of CSR 2	2.81	2.72	2.94
Economic Perceived Value of CSR 3	2.81	2.72	2.93
Social Perceived Value of CSR 1	3.37	3.22	3.44
Social Perceived Value of CSR 2	3.01	2.89	3.12
Social Perceived Value of CSR 3	3.18	3.05	3.28
Emotional Perceived Value of CSR 1	3.66	3.49	3.70
Emotional Perceived Value of CSR 2	3.89	3.70	3.91
Emotional Perceived Value of CSR 3	3.72	3.55	3.76
Functional Perceived Value of CSR1	3.29	3.17	3.36
Functional Perceived Value of CSR2	3.26	3.14	3.33
Functional Perceived Value of CSR3	3.21	3.09	3.29
Functional Perceived Value of CSR4	3.25	3.12	3.33
Satisfaction 1	3.88	3.70	3.90
Satisfaction 2	3.71	3.55	3.75
Satisfaction 3	3.82	3.66	3.86
Satisfaction 4	4.01	3.82	4.02
Loyalty 1	4.06	3.87	4.06
Loyalty 2	3.96	3.77	3.97
Loyalty 3	3.87	3.68	3.89
Loyalty 4	3.78	3.60	3.81
Loyalty 5	3.68	3.50	3.72
Loyalty 6	3.59	3.42	3.65

13.4.6. Skewness and Kurtosis Analysis

Statistics Perception of CSR

	Economic 1	Economic 2	Economic 3	Economic 4	Legal 1	Legal 2	Legal 3	Legal 4	Ethical 1	Ethical 2	Ethical 3	Ethical 4	Philanthropic 1	Philanthropic 2	Philanthropic 3	Philanthropic 4
N Valid	401	401	401	401	401	401	401	401	401	401	401	401	401	401	401	401
Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Skewness	-.297	-.285	-.613	-.724	-.428	-.386	-.241	-.315	-.183	-.213	-.278	-.260	-.011	-.065	-.126	-.079
Std. Error of Skewness	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122
Kurtosis	-1.171	-1.125	-.617	-.280	-.980	-1.069	-1.254	-1.165	-1.301	-1.210	-1.110	-1.160	-1.363	-1.276	-1.318	-1.316
Std. Error of Kurtosis	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243

Statistics Expectation of CSR

	Economic 1	Economic 2	Economic 3	Economic 4	Legal 1	Legal 2	Legal 3	Legal 4	Ethical 1	Ethical 2	Ethical 3	Ethical 4	Philanthropic 1	Philanthropic 2	Philanthropic 3	Philanthropic 4
N Valid	401	401	401	401	401	401	401	401	401	401	401	401	401	401	401	401
Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Skewness	-.450	-.513	-1.124	-1.041	-1.255	-1.254	-1.177	-1.171	-1.216	-1.239	-1.153	-1.175	-.955	-.935	-1.124	-1.053
Std. Error of Skewness	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122
Kurtosis	-.873	-.764	.596	.532	.570	.544	.171	.140	.291	.380	.248	.293	-.209	-.214	.167	.039
Std. Error of Kurtosis	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243

Statistics Perceived Value of CSR

	Economic 1	Economic 2	Economic 3	Social 1	Social 2	Social 3	Emotional 1	Emotional 2	Emotional 3	Functional 1	Functional 2	Functional 3	Functional 4
N Valid	401	401	401	401	401	401	401	401	401	401	401	401	401
Missing	0	0	0	0	0	0	0	0	0	0	0	0	0
Skewness	.039	-.145	-.131	-.579	-.085	-.281	-.677	-.903	-.646	-.130	-.182	-.157	-.210
Std. Error of Skewness	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122

Kurtosis	-.752	-.808	-.677	-.306	-.643	-.673	-.017	.562	.012	.076	.106	.021	-.040
Std. Error of Kurtosis	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243

Statistics Customers' Support, Satisfaction, and Loyalty

		Customer Support 1	Customer Support 2	Customer Support 3	Customer Support 4	Customer Support 5	SAT 1	SAT 2	SAT 3	SAT 4	Loyalty 1	Loyalty 2	Loyalty 3	Loyalty 4	Loyalty 5	Loyalty 6
N	Valid	401	401	401	401	401	401	401	401	401	401	401	401	401	401	401
	Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Skewness		-.549	-.876	-.978	-.753	-1.361	-.930	-.696	-.836	-1.076	-1.214	-1.039	-.861	-.725	-.672	-.557
Std. Error of Skewness		.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122	.122
Kurtosis		-.503	.163	-.037	-.400	1.110	.692	.185	.322	1.089	1.388	.852	.360	.069	-.202	-.575
Std. Error of Kurtosis		.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243	.243

13.4.7. Cross Loading

	Support	Eco Exp	Eco Per	Eth Exp	Eth Per	Legal Exp	Legal Per	Philan Exp	Philan Per	Loyalty	Eco PV	Emo PV	Func PV	Soc PV	Satisfaction
CS1	0.6904	0.3318	0.3239	0.2945	0.2225	0.3067	0.2645	0.3071	0.1790	0.4334	0.1903	0.3852	0.3536	0.3601	0.3968
CS2	0.7318	0.4228	0.3840	0.3987	0.2668	0.4127	0.3257	0.4040	0.2278	0.4283	0.1922	0.4563	0.3019	0.3265	0.4683
CS3	0.8126	0.4643	0.3804	0.4018	0.2156	0.4383	0.3182	0.4004	0.1250	0.4808	0.1954	0.4814	0.3654	0.3422	0.4601
CS4	0.7842	0.3966	0.3090	0.3875	0.2348	0.4001	0.2741	0.4081	0.1681	0.4659	0.1938	0.4490	0.4141	0.3758	0.4729
CS5	0.8389	0.5407	0.3987	0.5126	0.2691	0.5378	0.3535	0.5201	0.2177	0.5140	0.2151	0.5406	0.3986	0.3816	0.5547
EcCSR1	0.2294	0.6730	0.4342	0.2507	0.1198	0.2747	0.1482	0.1941	0.1144	0.0817	0.1557	0.0881	0.1042	0.1731	0.1858
EcCSR2	0.2894	0.7504	0.4810	0.3511	0.1757	0.3812	0.2209	0.2976	0.1749	0.1112	0.1939	0.1644	0.0995	0.1638	0.1976
EcCSR3	0.5756	0.8871	0.5420	0.6676	0.3034	0.6913	0.3785	0.6450	0.3013	0.3334	0.2210	0.4197	0.2957	0.3403	0.3743
EcCSR4	0.5689	0.8769	0.5220	0.6015	0.2591	0.6244	0.3213	0.5747	0.2437	0.3176	0.1689	0.4159	0.2569	0.3202	0.3679
EcPCSR1	0.2757	0.4409	0.5895	0.1904	0.0517	0.2217	0.0984	0.1724	0.0097	0.1471	0.0770	0.0876	0.1377	0.0923	0.1654
EcPCSR2	0.3383	0.4799	0.6843	0.2339	0.1608	0.2733	0.2177	0.2062	0.1238	0.1697	0.1096	0.1494	0.1367	0.1034	0.1896
EcPCSR3	0.3792	0.4940	0.8665	0.3500	0.5055	0.3768	0.5482	0.3175	0.4386	0.2298	0.2431	0.2545	0.1786	0.2567	0.3197
EcPCSR4	0.4029	0.5012	0.8280	0.3435	0.3959	0.3756	0.4665	0.3184	0.3150	0.2166	0.2287	0.2641	0.1616	0.2651	0.3143
EthCSR1	0.5010	0.6019	0.3736	0.9653	0.4364	0.9064	0.4749	0.8491	0.3939	0.3048	0.1935	0.3880	0.2259	0.1906	0.3344
EthCSR2	0.5047	0.6068	0.3778	0.9673	0.4460	0.9138	0.4819	0.8480	0.3949	0.3040	0.1975	0.3894	0.2266	0.1955	0.3314
EthCSR3	0.4943	0.6060	0.3758	0.9493	0.4426	0.8842	0.4724	0.8298	0.3925	0.2983	0.2027	0.3794	0.2210	0.1864	0.3431
EthCSR4	0.5003	0.6081	0.3750	0.9475	0.4352	0.8855	0.4721	0.8297	0.3868	0.2999	0.1806	0.3876	0.2160	0.1822	0.3535
EthPCSR1	0.2748	0.2375	0.3937	0.3968	0.9246	0.3779	0.7915	0.3087	0.7320	0.1224	0.2013	0.1215	0.1040	0.1113	0.1737
EthPCSR2	0.2723	0.2402	0.3923	0.4153	0.9333	0.4030	0.8038	0.3274	0.7293	0.1137	0.1999	0.1256	0.0858	0.0928	0.1622
EthPCSR3	0.3097	0.2976	0.4517	0.4573	0.9188	0.4414	0.7659	0.3729	0.7165	0.1610	0.1899	0.1955	0.1376	0.1640	0.2244
EthPCSR4	0.3015	0.2877	0.4568	0.4327	0.9263	0.4270	0.7834	0.3471	0.7228	0.1461	0.1799	0.1868	0.1032	0.1457	0.2047
LCSR1	0.5442	0.6721	0.4418	0.8778	0.4462	0.9456	0.5101	0.8062	0.3527	0.2976	0.1553	0.4093	0.2661	0.2270	0.3695
LCSR2	0.5448	0.6759	0.4449	0.8844	0.4416	0.9479	0.4973	0.8123	0.3460	0.3010	0.1862	0.4203	0.2726	0.2412	0.3738
LCSR3	0.4797	0.5691	0.3621	0.8801	0.3881	0.9381	0.4626	0.8007	0.3131	0.2514	0.1483	0.3365	0.1986	0.1657	0.2825
LCSR4	0.5047	0.5859	0.3809	0.9012	0.4065	0.9482	0.4823	0.8280	0.3339	0.2812	0.1559	0.3615	0.2053	0.1811	0.3052
LO1	0.5723	0.3465	0.2532	0.3625	0.1718	0.3454	0.1852	0.3570	0.1029	0.8803	0.3065	0.7085	0.5896	0.4572	0.7383
LO2	0.5533	0.2890	0.2377	0.3333	0.1534	0.3090	0.1637	0.3206	0.0693	0.9305	0.2805	0.7216	0.6112	0.5051	0.7721

LO3	0.5627	0.2768	0.2489	0.2838	0.1215	0.2747	0.1562	0.2936	0.0674	0.9246	0.2427	0.6967	0.5799	0.4701	0.7632
LO4	0.5209	0.2307	0.2164	0.2270	0.0790	0.2300	0.1161	0.2396	0.0495	0.9037	0.2480	0.6650	0.5841	0.4692	0.7170
LO5	0.4964	0.2325	0.2294	0.2494	0.1339	0.2262	0.1511	0.2241	0.0739	0.8610	0.2909	0.6690	0.5638	0.4355	0.6796
LO6	0.4346	0.1743	0.1684	0.1735	0.1045	0.1626	0.0952	0.1779	0.0462	0.7202	0.2435	0.4989	0.5368	0.3814	0.5615
LPCSR1	0.3448	0.3613	0.5128	0.4916	0.7221	0.5187	0.8705	0.3922	0.5468	0.1567	0.1890	0.2025	0.1419	0.1518	0.2188
LPCSR2	0.3556	0.3447	0.5049	0.4730	0.7497	0.4914	0.8858	0.3717	0.5672	0.1641	0.1788	0.1993	0.1425	0.1355	0.2106
LPCSR3	0.3261	0.2457	0.3993	0.3584	0.7467	0.3734	0.8761	0.2879	0.6199	0.1185	0.1554	0.1780	0.1333	0.1463	0.1645
LPCSR4	0.3803	0.3110	0.4430	0.4303	0.7776	0.4416	0.8968	0.3572	0.6438	0.1513	0.1671	0.2082	0.1555	0.1608	0.1840
PVEC1	0.2822	0.2651	0.2905	0.2042	0.2121	0.1844	0.2165	0.1362	0.1041	0.2585	0.9068	0.3287	0.3142	0.4454	0.2476
PVEC2	0.1969	0.1835	0.1948	0.1721	0.1692	0.1374	0.1542	0.1172	0.0880	0.3002	0.9377	0.3630	0.3320	0.4430	0.2387
PVEC3	0.2272	0.1875	0.2057	0.1824	0.1941	0.1510	0.1700	0.1277	0.0972	0.2892	0.9144	0.3626	0.3189	0.4282	0.2407
PVEM1	0.5701	0.3799	0.2624	0.3928	0.1495	0.3944	0.2172	0.3886	0.1236	0.6683	0.3080	0.8891	0.5985	0.6011	0.6626
PVEM1	0.5701	0.3799	0.2624	0.3928	0.1495	0.3944	0.2172	0.3886	0.1236	0.6683	0.3080	0.8891	0.5985	0.6011	0.6626
PVEM2	0.5465	0.3495	0.2605	0.3893	0.1612	0.3945	0.2059	0.3907	0.1008	0.7111	0.3572	0.9405	0.6285	0.5584	0.6941
PVEM2	0.5465	0.3495	0.2605	0.3893	0.1612	0.3945	0.2059	0.3907	0.1008	0.7111	0.3572	0.9405	0.6285	0.5584	0.6941
PVEM3	0.5420	0.3344	0.2491	0.3296	0.1572	0.3262	0.1926	0.3346	0.1020	0.7148	0.3866	0.9243	0.6107	0.5842	0.6749
PVEM3	0.5420	0.3344	0.2491	0.3296	0.1572	0.3262	0.1926	0.3346	0.1020	0.7148	0.3866	0.9243	0.6107	0.5842	0.6749
PVFC1	0.4350	0.2264	0.1871	0.1827	0.0789	0.2139	0.1359	0.2099	0.0264	0.6284	0.3190	0.6237	0.8950	0.5310	0.5141
PVFC2	0.4211	0.2410	0.2022	0.1934	0.0956	0.2178	0.1367	0.2182	0.0443	0.5950	0.3201	0.6003	0.9247	0.5179	0.4847
PVFC3	0.4150	0.2578	0.1923	0.2331	0.1261	0.2327	0.1591	0.2199	0.0657	0.5604	0.3201	0.5699	0.9035	0.4768	0.4813
PVFC4	0.4511	0.2257	0.1564	0.2345	0.1218	0.2417	0.1585	0.2314	0.0599	0.6140	0.3099	0.6255	0.9044	0.4945	0.5138
PVSO1	0.4140	0.3240	0.2932	0.2290	0.1730	0.2398	0.1909	0.2458	0.1084	0.4735	0.4765	0.5807	0.4906	0.8214	0.4714
PVSO2	0.3815	0.2505	0.1944	0.1111	0.0831	0.1258	0.1201	0.1711	0.0580	0.4229	0.3687	0.5097	0.4522	0.9108	0.4159
PVSO3	0.3924	0.2794	0.2102	0.1643	0.0985	0.1876	0.1208	0.1887	0.0507	0.4440	0.3807	0.5377	0.4920	0.8471	0.4523
PhECSR1	0.5003	0.5572	0.3395	0.8260	0.3298	0.7897	0.3575	0.9560	0.4094	0.2929	0.1450	0.3887	0.2257	0.2267	0.3121
PhECSR2	0.5000	0.5517	0.3351	0.8135	0.3159	0.7851	0.3420	0.9560	0.4051	0.2996	0.1223	0.3814	0.2271	0.2371	0.3183
PhECSR3	0.5194	0.5778	0.3549	0.8552	0.3853	0.8550	0.4155	0.9512	0.4234	0.2925	0.1460	0.3909	0.2119	0.2244	0.3340
PhECSR4	0.5153	0.5630	0.3328	0.8475	0.3637	0.8450	0.4051	0.9513	0.4188	0.3046	0.1128	0.3804	0.2597	0.2121	0.3356
PhPCSR1	0.2319	0.2587	0.3696	0.3533	0.7176	0.3095	0.6115	0.4083	0.9169	0.0752	0.1019	0.1197	0.0664	0.0980	0.1362
PhPCSR2	0.2403	0.2731	0.3710	0.3704	0.6855	0.3282	0.5825	0.4270	0.9066	0.0906	0.1024	0.1345	0.0614	0.1119	0.1409

PhPCSR3	0.2004	0.2488	0.3320	0.3900	0.7438	0.3390	0.6418	0.3797	0.9301	0.0591	0.1063	0.1000	0.0127	0.0591		0.1059
PhPCSR4	0.2039	0.2504	0.3212	0.3963	0.7416	0.3372	0.6501	0.3898	0.9356	0.0668	0.0762	0.0839	0.0594	0.0463		0.0843
ST1	0.5971	0.3765	0.3461	0.3589	0.2269	0.3506	0.2410	0.3367	0.1605	0.7097	0.2263	0.6810	0.4731	0.4768		0.9027
ST2	0.5286	0.3178	0.2949	0.2620	0.1581	0.2700	0.1621	0.2541	0.0841	0.7465	0.2468	0.6359	0.5050	0.4927		0.9092
ST3	0.5381	0.3198	0.3159	0.2964	0.1579	0.3011	0.1734	0.2844	0.0732	0.7554	0.2643	0.6583	0.4944	0.4726		0.9045
ST4	0.5370	0.3332	0.3086	0.3619	0.1996	0.3463	0.2153	0.3517	0.1360	0.7087	0.2094	0.6778	0.5052	0.4290		0.8798

13.4.8. Outer Loading

	Support	Eco Exp	Eco Per	Eth Exp	Eth Per	Legal Exp	Loyalty	Legal Per	Eco PV	Emo PV	Func PV	Soc PV	Philan Exp	Philan Per	Satisfaction
CS2	0.7318														
CS3	0.8126														
CS4	0.7842														
CS5	0.8389														
EcCSR2		0.7504													
EcCSR3		0.8871													
EcCSR4		0.8769													
EcPCSR3			0.8665												
EcPCSR4			0.828												
EthCSR3				0.9493											
EthCSR4				0.9475											
EthPCSR1					0.9246										
EthPCSR3					0.9188										
LCSR1						0.9456									
LCSR3						0.9381									
LO1							0.8803								
LO2							0.9305								
LO5							0.861								
LO6							0.7202								
LPCSR2								0.8858							
LPCSR3								0.8761							
LPCSR4								0.8968							
PVEC2									0.9377						
PVEC3									0.9144						
PVEM1										0.8891					
PVEM2										0.9405					
PVFC1											0.895				
PVFC3											0.9035				
PVFC4											0.9044				
PVSO1												0.8214			
PVSO2												0.9108			
PVSO3												0.8471			
PhECSR1													0.956		

PhECSR2	0.956	
PhPCSR3	0.9301	
PhPCSR4	0.9356	
ST1		0.9027
ST3		0.9045
ST4		0.8798

13.4.9. EFA

Exploratory Factor Analysis
CSR Perception

Rotated Factor Matrix[a]

	Factor	
	1	2
Economic Perception of CSR 3		.595
Economic Perception of CSR 4		.681
Legal Perception of CSR 2	.719	
Legal Perception of CSR 3	.759	
Legal Perception of CSR 4	.770	
Ethical Perception of CSR 1	.871	
Ethical Perception of CSR 3	.831	
Philanthropic Perception of CSR 1	.811	
Philanthropic Perception of CSR 2	.772	

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Factor Transformation Matrix

Factor	1	2
1	1.000	.303
2	.303	1.000

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

CSR Expectations

Pattern Matrix^a

	Factor	
	1	2
Economic Expectation of CSR 2		.806
Economic Expectation of CSR 3		.792
Economic Expectation of CSR 4		.612
Legal Expectation of CSR 1	.751	
Legal Expectation of CSR 3	.874	
Ethical Expectation of CSR 3	.883	
Ethical Expectation of CSR 4	.877	
Philanthropic Expectation of CSR 3	.949	
Philanthropic Expectation of CSR 4	.972	

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Factor Correlation Matrix

Factor	1	2
1	1.000	.390
2	.390	1.000

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

Perceived Value

Pattern Matrix^a

	Factor		
	1	2	3
Economic Perceived Value of CSR 2			.936
Economic Perceived Value of CSR 3			.856
Social Perceived Value of CSR 1		.475	
Social Perceived Value of CSR 2		.365	
Social Perceived Value of CSR 3		.315	
Emotional Perceived Value of CSR 1		.767	
Emotional Perceived Value of CSR 2		.956	
Functional Perceived Value of CSR1	.763		
Functional Perceived Value of CSR3	.919		
Functional Perceived Value of CSR4	.793		

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Factor Correlation Matrix

Factor	1	2	3
1	1.000	.207	.402
2	.207	1.000	.484
3	.402	.484	1.000

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

Satisfaction, Loyalty and Customers' Support

Pattern Matrix^a

	Factor	
	1	2
Satisfaction 1	.562	
Satisfaction 3	.754	
Satisfaction 4	.659	
Loyalty 1	.841	
Loyalty 2	.971	

Loyalty 5	.824	
Customer Support 2		.776
Customer Support 3		.787
Customer Support 4		.505
Customer Support 5		.783

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Factor Correlation Matrix

Factor	1	2
1	1.000	.473
2	.473	1.000

Extraction Method: Maximum Likelihood.

Rotation Method: Promax with Kaiser Normalization.

13.4.10.   KMO and Bartlett's Test

KMO and Bartlett's Test Perception of CSR

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.935
Bartlett's Test of Sphericity	Approx. Chi-Square	5786.255
	Df	120
	Sig.	.000

KMO and Bartlett's Test Expectation of CSR

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.960
Bartlett's Test of Sphericity	Approx. Chi-Square	8568.942
	Df	120
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.884
Bartlett's Test of Sphericity	Approx. Chi-Square	4138.167
	Df	78
	Sig.	.000

KMO and Bartlett's Test Customers' Support, Satisfaction and loyalty

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.923

			Approx. Chi-Square	4344.622
Bartlett's Test of Sphericity			Df	78
			Sig.	.000

13.4.11. Outer Loading After CFA

	Support	Econ Exp	None Econ Exp	Econ	Econ Per	None Econ Per	Econ PV	Func PV	Soc PV	Loyalty
CS2	0.7807									
CS3	0.8460									
CS4	0.7422									
CS5	0.8563									
EcCSR2		0.7376								
EcCSR3		0.9209								
EcCSR4		0.8755								
EthCSR1				0.9425						
EthCSR3				0.9226						
LCSR3				0.9068						
LCSR4				0.9270						
PhECSR3				0.9205						
PhECSR4				0.9143						
EcPCSR3					0.9009					
EcPCSR4					0.8489					
LPCSR2						0.7956				
LPCSR3						0.8100				
LPCSR4						0.8375				
EthPCSR1						0.8901				
EthPCSR3						0.8735				
PhPCSR1						0.8138				
PhPCSR2						0.7877				
PVEC2							0.9375			
PVEC3							0.9134			
PVFC1								0.8943		
PVFC3								0.9045		
PVFC4								0.9036		
PVSO1									0.8195	
PVSO2									0.9121	
PVSO3									0.8477	
LO1										0.8807
LO2										0.9299
LO5										0.8610

13.4.12. Cross Loadings after CFA;

	Support	Econ Exp	Econ Per	None Econ Exp	None Econ Per	Loyalty	Econ PV	Func PV	Soc PV
CS2	0.7805	0.4475	0.3836	0.4206	0.2958	0.4278	0.1922	0.3017	0.3259
CS3	0.8460	0.4866	0.3451	0.4292	0.2369	0.4805	0.1956	0.3651	0.3416
CS4	0.7424	0.4086	0.2968	0.4137	0.2446	0.4666	0.1943	0.4143	0.3761
CS5	0.8563	0.5643	0.3825	0.5434	0.3027	0.5139	0.2152	0.3982	0.3810
EcCSR2	0.3023	0.7376	0.4157	0.3567	0.2059	0.1112	0.1941	0.0996	0.1634
EcCSR3	0.5773	0.9209	0.5171	0.6935	0.3542	0.3336	0.2212	0.2958	0.3397
EcCSR4	0.5691	0.8755	0.4893	0.6232	0.2970	0.3177	0.1693	0.2569	0.3198
EcPCSR3	0.3604	0.4894	0.9009	0.3615	0.5396	0.2300	0.2436	0.1789	0.2564
EcPCSR4	0.4079	0.4956	0.8489	0.3591	0.4251	0.2162	0.2289	0.1615	0.2645
EthCSR2	0.5088	0.6368	0.3780	0.9453	0.4783	0.3041	0.1977	0.2266	0.1949
EthCSR3	0.5010	0.6316	0.3835	0.9226	0.4729	0.2983	0.2028	0.2211	0.1858
LCSR1	0.5556	0.6968	0.4361	0.9103	0.4729	0.2975	0.1556	0.2661	0.2264
LCSR3	0.4793	0.5992	0.3623	0.9068	0.4201	0.2514	0.1485	0.1985	0.1652
PhECSR1	0.5066	0.5908	0.3445	0.8892	0.3958	0.2929	0.1450	0.2257	0.2263
PhECSR2	0.5047	0.5842	0.3408	0.8832	0.3835	0.2995	0.1224	0.2270	0.2367
EthPCSR1	0.2661	0.2482	0.4528	0.3755	0.8901	0.1227	0.2014	0.1041	0.1110
EthPCSR3	0.3048	0.3078	0.5061	0.4406	0.8735	0.1613	0.1900	0.1378	0.1636
PhPCSR1	0.2140	0.2653	0.4220	0.3704	0.8138	0.0754	0.1020	0.0665	0.0979
PhPCSR2	0.2376	0.2837	0.4242	0.3892	0.7877	0.0907	0.1024	0.0615	0.1118
LPCSR2	0.3325	0.3555	0.5554	0.4630	0.7956	0.1644	0.1792	0.1424	0.1351
LPCSR3	0.3134	0.2601	0.4511	0.3533	0.8100	0.1188	0.1557	0.1332	0.1461
LPCSR4	0.3800	0.3261	0.4887	0.4258	0.8375	0.1511	0.1673	0.1556	0.1604
LO1	0.5669	0.3678	0.2411	0.3686	0.1666	0.8807	0.3063	0.5894	0.4566
LO2	0.5460	0.3074	0.2333	0.3333	0.1401	0.9299	0.2803	0.6109	0.5047
LO5	0.4976	0.2559	0.2302	0.2423	0.1299	0.8610	0.2907	0.5633	0.4348
PVEC2	0.1868	0.1797	0.2171	0.1481	0.1497	0.3007	0.9375	0.3321	0.4425
PVEC3	0.2256	0.1907	0.2218	0.1599	0.1681	0.2895	0.9134	0.3188	0.4273
PVFC1	0.4181	0.2421	0.1828	0.2097	0.0865	0.6289	0.3190	0.8943	0.5306
PVFC3	0.3998	0.2611	0.1797	0.2373	0.1267	0.5610	0.3202	0.9045	0.4765
PVFC4	0.4443	0.2409	0.1498	0.2449	0.1228	0.6144	0.3097	0.9036	0.4940
PVSO1	0.4174	0.3400	0.3100	0.2472	0.1709	0.4732	0.4763	0.4903	0.8195
PVSO2	0.3583	0.2575	0.2234	0.1407	0.0939	0.4231	0.3690	0.4521	0.9121
PVSO3	0.3646	0.2742	0.2287	0.1869	0.0975	0.4442	0.3809	0.4922	0.8477

13.4.13. List of items deleted

Codes	Items	Reasons
Customer support 1	I would pay more to buy products from a socially responsible company	low loadings
Economic expectation 1	Maximize profits	low loadings
Economic perception 1	Maximize profits	low loadings
Economic perception 2	Control their production costs strictly	low loadings
Loyalty 6	I will still visit the socially responsible bank even if others are lower priced.	Highly Covariance with Satisfaction
Satisfaction	Full Construct	Highly Covariance with Loyalty and Emotional PV
Emotional PV	Full Construct	Highly Covariance with Loyalty and Satisfaction
Legal Perception 1	Ensure that their employees act within the standards defined by the law	To reduce redundancy
Ethical Perception 2	Ensure that the respect of ethical principles has priority over economic performance	To reduce redundancy
Ethical Perception 4	Avoid compromising ethical standards in order to achieve corporate goals.	To reduce redundancy
Philan Perception 3	Allocate some of their resources to philanthropic activities.	To reduce redundancy
Philan Perception 4	Play a role in our society that goes beyond the mere generation of profits.	To reduce redundancy
Legal Expectation 2	Refrain from putting aside their contractual obligations.	To reduce redundancy
Legal Expectation 4	Always submit to the principles defined by the regulatory system.	To reduce redundancy
Ethical Expectation 1	Permit ethical concerns to negatively affect economic performance.	To reduce redundancy
Ethical Expectation 2	Ensure that the respect of ethical principles has priority over economic performance.	To reduce redundancy
Philan Expectation 1	Help solve social problems.	To reduce redundancy
Philan Expectation 2	Participate in the management of public affairs.	To reduce redundancy
Econ PV 1	Fees of services at socially responsible banks are reasonably priced	To reduce redundancy
Func PV 3	Socially responsible banks have an acceptable standard of quality	To reduce redundancy
Loyalty 3	I will encourage friends and relatives to do business with a socially responsible bank	To reduce redundancy
Loyalty 4	I will consider a socially responsible bank as my first preferred choice.	To reduce redundancy

13.5 Consent Forms

13.5.1 English Version

**The HUBS RESEARCH ETHICS COMMITTEE
CONSENT FORM: SURVEYS, QUESTIONNAIRES**

UNIVERSITY OF **Hull**

I,   of

Hereby agree to participate in this study to be undertaken by Ahmed Suhail Ajina
and I understand that the purposes of the research are:
1. To identify and understand the range of factors that define CSR within the banking industry and how those factors shape stakeholders' perceptions.
2. To evaluate the CSR engagement of Saudi Arabian banks CSR to judge the depth of commitment.
3. Determine the factors that impact on CSR implementation within the banking sector, to identify drivers, barriers and opportunities for deeper engagement.

I understand that
1. Upon receipt, my interview data will be coded and my name and address kept separately from   it.
2. Any information that I provide will not be made public in any form that could reveal my identity to an outside party i.e. that I will remain fully anonymous.
3. Aggregated results will be used for research purposes and may be reported in scientific and academic journals.
4. Individual results **will not** be released to any person except at my request and on my authorisation.
5. That I am free to withdraw my consent at any time during the study in which event my participation in the research study will immediately cease and any information obtained from me will not be used.

Signature: Date:

The contact details of the researcher (Ahmed Suhail Ajina) are:
Mobile no. 0555993353
Email: AAJINA@GMAIL.COM

The contact details of the secretary to the HUBS Research Ethics Committee are Karen Walton, Hull University Business School, University of Hull, Cottingham Road, Hull, HU6 7RX. Email: k.a.walton@hull.ac.uk tel. 01482-463646.

13.5.2 Arabic Version

جامعة هال – لجنة أخلاقيات البحث العلمي
كلية إدارة الأعمال

UNIVERSITY OF Hull

نموذج الموافقة على جمع بيانات البحث العلمي

أنا..من...
....

أوافق على المشاركة في هذه الدراسة الخاص بالباحث أحمد بن سهيل عجينة لجمع البيانات المتعلقة ببحثه العلمي والذي يهدف إلى:-

1. تحديد ومعرفة مجموعة العوامل المؤثرة في تحديد تعريف البنك المسؤول إجتماعياً ومدى تأثيرها على تصور أصحاب المصلحة المعنيين.
2. تقييم مدى تبني البنوك السعودية لمبدأ المسؤولية الإجتماعية لتقييم مدى إلتزامهم بها.
3. تحديث العوامل المؤثرة على تطبيقات المسؤولية الإجتماعية في القطاع المصرفي السعودي لتحديد الدوافع, العوائق والفرص لزيادة نسبة الإلتزام بالمسؤولية الإجتماعية.

وهذه الموافقة مشروطة بما يلي:-

1. أن يقوم الباحث بتحليل البيانات وترميزها بطريقة علمية وأن يقوم بفصل إسم ومعلومات المجيب والبنك الذي يعمل فيه عن البحث.
2. أن الباحث لن يقوم بنشر إي معلومة تتعلق بالمجيب أو بنكه في هذا البحث العلمي. وأن جميع المعلومات سوف تكون مجهولة المصدر.
3. النتائج النهائية الإجمالية لهذا البحث العلمي قد تنشر في مجلات علمية وأكاديمية وفقاً لأهداف البحث مع المحافظة على ما ذكر أعلاه.
4. النتائج الفردية والخاصة بالمجيب والبنك الذي يعمل به **لن** تنشر أبداً إلا في حالة طلب المجيب أو بموافقة خطية منه.
5. يحق للمجيب أن يطلب إلغاء هذه الموافقة في أي لحظة خلال فترة البحث العلمي , وسيترتب على هذا الإلغاء حذف جميع المعلومات التي حصل عليها الباحث من خلال المقابلة العلمية.

التوقيع: التاريخ:

بيانات الإتصال بالباحث (أحمد بن سهيل عجينة) :
جوال: 0555993353
إيميل: AAJINA@GMAIL.COM

13.6 Interviews Questions

13.6.1 English Version

1. First of all I would like you kindly to introduce yourself (education and experience)?
2. What is/are your sources of information about CSR? How do you learn CSR? Hear about the new updates?
3. Can you explain to me what CSR is in general?
4. Is CSR a culture and industry product? Explain
5. What is the role of the CSR manager inside and outside the organization?
6. How did you build the CSR strategy?
7. Do you have an action plan? What is it?
8. What permissions and privileges do you need to become a more CSR oriented bank?
9. How do you see the current CSR level in the banking industry?
10. How do you see your CSR activities compared to other banks?
11. How do you evaluate your CSR activities?
12. Why do banks want to become CSR oriented?
13. What are the challenges that face banks to become more CSR oriented?
14. Is the anything else you would to add?

13.6.2 Arabic Version

1. في البداية أود أن نتحدث عن شخصك الكريم وعن وظيفة مسؤول المسؤولية الإجتماعية, ممكن تخبرني نبذه سريعة عنك و ممكن تشرح لي دورك الوظيفي؟

المسمى الوظيفي:

المرتبة والرئيس المباشر:

عدد سنوات الخبرة:

الشهادة:

2. ما هو مصدر معلوماتك عن المسؤولية الإجتماعية؟ كيف تعلمتها؟ كيف تعرف الجديد والتطورات في الموضوع؟ هل الموضوع متطور ومتجدد كيف تواكب التجدد فيه؟

3. هل ممكن أن تشرح لي موضوع المسؤولية الإجتماعية بصورة عامة؟ الواقع والمفروض

تعريف

أركان

عوامل مؤثرة

- القطاع المصرفي
- السعودية
- المفروض أن يكون

4. بتفصيل أكثر, كيف تختلف المسؤولية الإجتماعية للبنوك عن غيرها من الصناعات؟

5. ما هو الدور الذي يلعبه قسم أو مسؤول المسؤولية الإجتماعية داخل البنك؟ وخارج البنك؟ من حيث الإتصال و التأصيل؟

داخل البنك

خارج البنك

6. ممكن تشرح لي كيف تم وضع استراتيجية المسؤولية الإجتماعية؟

كم عدد الناس اللي شاركوا في الموضوع, من هم

كيف تم وضوع الأهداف

من هم أصحاب المصالح

كيف تم المفاضلة بين أصحاب المصالح

7. ما هي خطة العمل التطبيقية للمسؤولية الإجتماعية؟

كيف تطورت وكيف تم تطبيقها

8. ماهي القرارت والصلاحيات لو منحت لكم لكان لها دور في زيادة أداء البنك للمسؤولية الإجتماعية؟

9. كيف تقييم وضع البنوك الراهن في المسؤولية الإجتماعية؟ هل ترى أن المسؤولية الإجتماعية متبناه بالشكل الصحيح؟

10. ما مدى رضاك عن المسؤولية الإجتماعية لبنككم؟ كيف تقارن بنككم بالمنافسين؟ كيف تقيس نجاحك؟

11. ما هي الخطوات المأخوذة لتقييم أداء المسؤولية الإجتماعية للبنك؟ كيف تصلون إلى أهدافكم المستقبلية؟

12. لماذا يرغب البنك أن يكون بنكا مسؤول اجتماعيا؟ ما أهمية ذلك بالنسبة لكم؟

13. ما هي التحديات والصعوبات التي تواجه تطبيق المسؤولية الإجتماعية؟ كيف تم التعامل معها؟

14. هل ترغب في إضافة نقاط أخرى؟

13.7 The Questionnaires

13.7.1 Englsih Version

Dear Participant;

My name is Ahmed S. Ajina. I am a PhD candidate at the University of Hull. For my PhD thesis, I am examining the impact of Corporate Social Responsibility (CSR) initiatives on consumer behaviour in the Saudi banking sector i.e. perceived value, customers' satisfaction and loyalty. CSR is anything that corporations provide to support any groups of stakeholders.

I appreciate your kind contribution in completing this survey. Your participation is extremely important to me and it will greatly add to value of this research. All information will remain confidential and will be used for academic purposes only. In order to ensure your anonymity, please do not include your name or your bank name in this survey.

This questionnaire will require approximately 20 minutes to complete. There are no right or wrong answers to these statements. This survey is only concerned with your opinion regarding the subject matter. Please note that the completion of the survey constitutes consent.

If you require any assistance by do not hesitate to contact me.

Thank you for your cooperation
Ahmed S. Ajina
a.s.ajina@2010.hull.ac.uk
University of Hull
Business School
Marketing Department

Supervisors' Contact Details
Dr David Harness
Phone: +44 (0) 1482 463 485
Email: d.harness@hull.ac.uk

Please tick in the box that best reflects your attitude to each statement;

To what extent do you agree or disagree that banks do perform the following activities?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Donate to charitable organizations					
2. Supporting volunteer programs					
3. Materials policy of reduction, reuse and recycling					
4. Energy conservation					
5. A healthy and safe work environment					
6. Job security for employees					
7. Provide transparent information to customer					
8. Provide safe products					
9. Utilise local suppliers					
10. Inclusion of an environmental and social element in the selection of suppliers					
11. Good rate of long term return to shareholders					
12. Disseminate comprehensive and clear information to shareholders					

Do you think the banks place enough emphasis on the following?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
13. Maximize profits					
14. Control their production costs strictly					

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
15. Plan for their long term success					
16. Always improve economic performance					
17. Ensure that their employees act within the standards defined by the law					
18. Refrain from putting aside their contractual obligations.					
19. Refrain from bending the law even it this helps improve performance.					
20. Always submit to the principles defined by the regulatory system.					
21. Permit ethical concerns to negatively affect economic performance.					
22. Ensure that the respect of ethical principles has priority over economic performance.					
23. Be committed to well-defined ethical principles.					
24. Avoid compromising ethical standards in order to achieve corporate goals.					
25. Help solve social problems.					
26. Participate in the management of public affairs.					
27. Allocate some of their resources to philanthropic activities.					
28. Play a role in our society that goes beyond the mere generation of profits.					
Do you think the banks should place more emphasis on the following?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
29. Maximize profits					
30. Control their production costs strictly					
31. Plan for their long term success					
32. Always improve economic performance					
33. Ensure that their employees act within the standards defined by the law					
34. Refrain from putting aside their contractual obligations.					
35. Refrain from bending the law even it this helps improve performance.					
36. Always submit to the principles defined by the regulatory system.					
37. Permit ethical concerns to negatively affect economic performance.					
38. Ensure that the respect of ethical principles has priority over economic Performance					
39. Be committed to well-defined ethical principles.					
40. Avoid compromising ethical standards in order to achieve corporate goals.					
41. Help solve social problems.					
42. Participate in the management of public affairs.					
43. Allocate some of their resources to philanthropic activities.					
44. Play a role in our society that goes beyond the mere generation of profits.					

To what extent do you agree with the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
45. I would pay more to buy products from a socially responsible company					
46. I consider the ethical reputation of businesses when I shop					
47. I avoid buying products from companies that have engaged in immoral actions					
48. I would pay more to buy products from a socially responsible company					
49. I would pay more to buy the products of a company that shows caring for the well-being of our society					
50. If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation.					

To what extent do you agree or disagree to the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
51. Fees of services at socially responsible banks are reasonably priced					
52. Fees of services at socially responsible banks offer value for money					
53. Fees of services at socially responsible banks are economical					
54. Dealing with socially responsible banks would help me to feel acceptable					
55. Dealing with socially responsible banks would improve the way I am perceived					
56. Dealing with socially responsible banks would make a good impression on other people					
57. I would enjoy dealing with socially responsible banks					
58. Socially responsible banks would make me want to use them					
59. I would feel relaxed about socially responsible banks					
60. Socially responsible banks have consistent quality					
61. The services at socially responsible banks are well made					
62. Socially responsible banks have an acceptable standard of quality					
63. Socially responsible banks would perform consistently					

To what extent do you agree or disagree with the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
64. Dealing with socially responsible bank will increase my satisfaction about it.					
65. Dealing with socially responsible bank will meet my expectations.					
66. I would feel my choice of a bank was correct, if they become socially responsible.					
67. I will give a high valuation to socially responsible banks.					

To what extent do you agree or disagree with the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
68. I will say positive things about the socially responsible bank to other people					
69. I will recommend the socially responsible bank to someone who seeks my advice					
70. I will encourage friends and relatives to do business with a socially responsible bank					
71. I will consider a socially responsible bank as my first preferred choice.					
72. I will do more business with a socially responsible bank in the next few years					
73. I will still visit the socially responsible bank even if others are lower priced.					

To what extent do you agree or disagree with the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
74. If I use an e-billpayment services, I will lose control over the privacy of my payment information.					
75. My payment information would be less confidential if I were to use an e-billpayment.					
76. Using an e-billpayment service would lead to a loss of privacy for me.					
77. If I used an e-billpayment services hackers (criminals) might steal my personal information.					

78. Gender
Male   Female

79. Age:
18 to 27 years   28 to 37 years   38 to 47 years   48 to 57 years   More than 57 years

80. Monthly Income:
Less than 5,000   SR   5,001 to 10,000   SR   10,001 to 15,000 SR   15,001 to 20,000 SR
20,001 to 25,000 SR   25,001 to 30,000 SR   more than 30,001 SR

81. Education:
High school or Under High school   Diploma Graduate Degree   Postgraduate or over

82. Occupation:
Wholesale or RetailManufacturer or ConstructionCommunication or Transportation   Banking
or Financial Services   Education   Military   Other

13.7.2 Arabic Version

عزيزي المجيب:

هذا الاستبيان خاص ببحث رسالة دكتوراة في جامعة هال – بريطانيا University of Hull. وهذه الدراسة تهتم بقياس مفهوم المسؤولية الإجتماعية و القيمة المتصورة Perceived Value للمسؤولية الإجتماعية ومدى تأثيرهما على رضا وولاء العميل. ويقصد بالمسؤولية الإجتماعية في هذا البحث هو ما تقدمه الشركات من أعمال لخدمة المجتمع. والقيمة المتصورة هي ما يكتسبه العميل من التعامل مع مقدمي الخدمات أو المنتجات.

أقدر لك مساهمة في إكمال هذا الاستبيان الذي لن يستغرق أكثر من 20 دقائق لإتمامه. مساهمتك مهمة جدا لي وسوف تساعد في تقديم إضافة علمية. كل المعلومات المقدمة في البحث سوف يقتصر استخدامها على المجال الأكاديمي فقط وسوف تعامل معاملة سرية. للتعزيز خصوصية المجيب نرجو منك عدم ذكر اسمك أو أسم البنك الذي تتعامل معه في هذا الاستبيان.

لا توجد إجابة صحيحة أو خاطئة لأي من الأسئلة التالية ولكن هذا الاستبيان يهتم بفهم وجهات نظر عملاء البنوك السعودية. كل ما عليك هو الإجابة على الأسئلة التالية حسب ما تراه مناسبا. إكمالك لها الاستبيان يعني موافقتك على إستخدام الإجابات في البحث العلمي.

في حالة وجود أي استفسار أو طلب مساعدة في إتمام الإستبيان. أرجو عدم التردد في مخاطبتي.

تقبلوا تحياتي
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كلية إدارة الأعمال – قسم التسويق

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أرجو تحديد مدى إتفاقك مع العبارات التالية وذلك باختيار درجات الإتفاق المقابلة لكل عبارة:

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تعتقد بأن البنوك تقوم بالأعمال التالية
					1. التبرع للجمعيات الخيرية
					2. دعم الإعمال التطوعية
					3. التقليل من إستخدام الورق
					4. المحافظة على الطاقة
					5. بناء بيئة صحية للموظفين
					6. توفير أمن وظيفي للموظفين
					7. الشفافية في التعامل مع العملاء
					8. توفير استثمارات آمنة
					9. التعامل مع موردين محليين
					10. اشتراط معايير بيئية عند التعامل مع الموردين
					11. تحقيق عائد عالي لحملة الأسهم
					12. نشر بيانات واضحة وشاملة للمستثمرين

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تعتقد بأن أداء البنوك للأعمال التالية يعتبر جزء من مسؤوليتها الإجتماعية
					13. السعي لتحقيق أعلى ربح ممكن
					14. التقليل من التكاليف بأقصى صورة
					15. التخطيط طويل المدى للنمو
					16. الحرص على تحسين الوضع المالي للبنك
					17. التأكد من أن القوانين والأنظمة الرسمية مطبقة في البنك بشكل كامل
					18. عدم التحايل على الأنظمة والقوانين
					19. عدم استغلال ثغرات القوانين لزيادة أرباحه
					20. الخضوع التام للأنظمة الرقابية
					21. تقديم أخلاقيات المهنة على زيادة الربحية

			لا		
أوافق بشدة	أوافق	محايد	أوافق	لا أوافق بشدة	
					22. التأكد من أن أخلاقيات المهنة مطبقة ضمن إطار العمل
					23. لديه قائمة معلنة للموظفين تخص أخلاقيات المهنة
					24. عدم التحايل على أخلاقيات المهنة لتحقيق أهداف الشركة
					25. المساهمة في حل القضايا الإجتماعية
					26. المشاركة في المحافل الإجتماعية العامة
					27. تخصيص جزء من مواردهم للأعمال الخيرية
					28. له دور على الصعيد الإجتماعي

			لا		
أوافق بشدة	أوافق	محايد	أوافق	لا أوافق بشدة	لأي مدى تعتقد بأن البنوك يجب أن تقوم بالأعمال التالية في المستقبل
					29. السعي لتحقيق أعلى ربح ممكن
					30. التقليل من التكاليف بأقصى صورة
					31. التخطيط طويل المدى للنمو
					32. الحرص على تحسين الوضع المالي للبنك
					33. التأكد من أن القوانين والأنظمة الرسمية مطبقة في البنك بشكل كامل
					34. عدم التحايل على الأنظمة والقوانين
					35. عدم استغلال ثغرات القوانين لزيادة أرباحه
					36. الخضوع التام للأنظمة الرقابية
					37. تقديم أخلاقيات المهنة على زيادة الربحية
					38. التأكد من أن أخلاقيات المهنة مطبقة ضمن إطار العمل
					39. لديه قائمة معلنة للموظفين تخص أخلاقيات المهنة
					40. عدم التحايل على أخلاقيات المهنة لتحقيق أهداف الشركة
					41. المساهمة في حل القضايا الإجتماعية
					42. المشاركة في المحافل الإجتماعية العامة
					43. تخصيص جزء من مواردهم للأعمال الخيرية
					44. له دور على الصعيد الإجتماعي

			لا		
أوافق بشدة	أوافق	محايد	أوافق	لا أوافق بشدة	لأي مدى تتفق مع العبارات التالية والتي تصف سلوكك الشرائي
					45. أنا مستعد لدفع سعر أعلى لشراء منتجات من الشركات التي تهتم بالمجتمع

496

			لا أوافق	لا أوافق بشدة	

					46. أنا أحرص على الشراء من الشركات ذات السمعة التجارية الجيدة
					47. أنا أتجنب الشراء من الشركات ذات الممارسات التجارية غير الأخلاقية
					48. أنا مستعد لدفع سعر أعلى لشراء منتجات من الشركات التي تهتم بالمجتمع
					49. أنا مستعد لدفع سعر أعلى لشراء منتجات من الشركات التي تظهر إهتماماً بمصالح المجتمع
					50. إذا تساوى السعر والجودة لمنتجين, فأنا أفضل منتج الشركة ذات المسؤولية الإجتماعية

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تتفق مع العبارات التالية
					51. رسوم الخدمات في البنوك المسؤولة إجتماعياً تعتبر مبررة
					52. رسوم الخدمات في البنوك المسؤولة إجتماعياً تعتبر قيمة جيدة مقابل ما يقدمه البنك
					53. رسوم الخدمات التي أدفعها للبنك المسؤول إجتماعياً تعتبر مناسبة
					54. التعامل مع البنوك المسؤولة إجتماعياً له قبول اجتماعي جيد
					55. التعامل مع البنوك المسؤولة إجتماعياً يحسن صورتي لدى الناس
					56. التعامل مع البنوك المسؤولة إجتماعياً يترك انطباعاً جيداً عن شخصيتي لدى الناس
					57. أنا استمتع بالتعامل مع البنوك المسؤولة إجتماعياً
					58. أنا أرغب في التعامل مع البنوك المسؤولة إجتماعياً
					59. أنا أشعر بارتياح عندما أتعامل مع البنوك المسؤولة إجتماعياً
					60. البنوك المسؤولة إجتماعياً لها مستوى خدمة ثابت
					61. البنوك المسؤولة إجتماعياً تخدم العملاء بشكل جيد
					62. مستوى خدمة العملاء في البنوك المسؤولة إجتماعياً عالي
					63. تجارياً, البنوك المسؤولة إجتماعيا تسير بخطى ثابتة نحو الأفضل

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تتفق مع العبارات التالية
					64. أذا أصبح البنك الذي اتعامل معه مسؤولاً أجتماعياً, سوف يزيد ذلك من رضائي عنه كعميل
					65. أذا أصبح البنك الذي اتعامل معه مسؤولاً أجتماعياً, سوف يحقق ذلك ما اطمح إليه
					66. أنا أشعر أنا اختياري للبنك كان موفقاً, إذا كان للبنك برامج مسؤولية اجتماعية
					67. في نظري, البنوك ذات برامج المسؤولية الإجتماعية لها قيمة إجتماعية أعلى من غيرها

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تتفق مع العبارات التالية
					68. سوف أتحدث إيجابياً عن البنك الذي يقدم برامج مسؤولية أجتماعية
					69. سوف أنصح من يستشرني بالتعامل مع البنوك التي تقدم مسؤولية إجتماعية

أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة		
					سوف أحث أصدقائي وأقاربي بالتعامل تجارياً مع البنوك التي تقدم برامج مسؤولية إجتماعية	70.
					البنك المسؤول إجتماعياً هو إختياري الأول	71.
					سوف أحرص على زيادة تعاملي مع البنوك ذات المسؤولية الإجتماعية	72.
					سوف أتعامل مع البنك المسؤول اجتماعياً حتى لو كان البنك المنافس يقدم سعراً أفضل	73.
أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشدة	لأي مدى تتفق مع العبارات التالية	
					عندما أقوم بالشراء عن طريق الإنترنت فأنا عرضة لسرقة معلومات بطاقتي الاتمانية	74.
					بيانات بطاقتي الانتمانية تفقد سريتها عندما اقوم الشراء عن طريق الانترنت	75.
					استخدام مواقع الشراء بالبطاقة الاتمانية يفقدني خصوصية بياناتي الشخصية	76.
					عندما استخدم مواقع الشراء بالبطاقة الاتمانية فإن قراصنة الانترنت قد يحصلون على بياناتي	77.

78. الجنس ☐
ذكر ☐   أنثى ☐

79. العمر: ☐
18 - 27 ☐   28 – 37 سنة ☐   38-سنة ☐   48 - سنة ☐   أكثر من 57 سنة

80. الدخل الشهري بالريال السعودي: ☐
أقل من 5 ☐   5,000-5,000 ☐   10,001-000 ☐   15,001 -20,000
20,001☐ 25,0 ☐   01 30.000-2☐   أكثر من 30,000

81. التعليم: ☐
ثانوي أو ☐   دبلو ☐   جام ☐   دراسات عليا

82. القطاع: ☐
التجزئة والمبيعات ☐   الصناعة والبنا ☐   الإتصالات أو المواصلات
النبوك أو الخدمات ا ☐ التعليم ☐   القطاع العسكري أو الأمني ☐   أخرى