

CSR Disclosure of the Banking Sector in Saudi Arabia

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Abstract

Purpose - This paper aims to explore corporate social responsibility disclosure practices in the banking sector in Saudi Arabia. Evaluating the performance of the banks as responsible corporate citizens and their success or otherwise in meeting the needs of all stakeholders is important as this sector contributes directly to the economy.

Design/methodology/approach- Content analysis is used to examine the banking sector corporate social responsibility disclosure as found in the banks' annual reports. The annual reports over the four-year period of 2011-2014 were analysed to investigate the extent and nature of corporate social responsibility disclosure.

Findings- Analysis of annual reports reveals that all sampled banks conducted some kind of corporate social responsibility disclosure, but the level of information provided by these banks for each category is different. The largest disclosure information was in the employee data category. The information provided was small or there was no information in some other categories. This suggests that banking sector in Saudi Arabia needs to pay more attention to corporate social responsibility disclosure practices.

Originality/value- This paper makes two important contributions to both literature and practice. First, the results will extend previous research by adding to the relatively small body of literature that focuses on this issue in the developing countries in general, and in Saudi Arabia in particular through improving our understanding of this phenomenon. Second, the results are expected to help shareholders, regulators and all other stakeholders in Saudi Arabia to facilitate better understanding and provide information which will lead to the enhancement of CSR.

Key words Corporate Social Responsibility Disclosure, Stakeholder Theory, Annual Reports, Content Analysis, Banking Sector and Saudi Arabia.

1. Introduction

The concept of Corporate Social Responsibility (CSR) recognizes an organization's commitment to operate in a socially responsible manner. It takes into consideration the social and environmental implications of corporate financial decisions. Businesses should not only pursue profitability, but should also consider the impact of their activities on society. However, the role of businesses worldwide, and especially in developing countries, has changed over the last few decades, from the classical "profit maximizing" approach to a "social responsible" approach. There are many reasons why the role of business has shifted from the classical concept to a social responsible approach as the expectations of consumers, employees, investors and local communities regarding the impact of business on society are increasing (Rouf, 2011).

In Saudi Arabia, CSR initiatives are affected by strong sociocultural factors which already enhance such values, it is a natural part of the religious practice to give back to the community. Although, traditionally, this has been seen as a philanthropic practice, most firms have now become more aware about the value it adds to the bottom line. While business philanthropy involves no financial benefit, a well-developed CSR strategy is designed to feed back into the firm's bottom line. However, some firms which are following international benchmarks are conducting a strategic approach to CSR and searching for ways to accommodate stakeholder interests and expectations in a manner that benefits profitability and long-term survival.

In any economic system, Banks often play a motivational role in influencing the environmental behavior of other sectors. Currently, CSR is being encouraged and highly recommended and the attitudes of the financial community, may motivate banks to behave in a highly responsible manner (Hossain & Momin, 2008). Therefore, it is expected that banks are socially responsible citizens and, in this case, Saudi Arabian banks are not exception. Hence, it is important to undertake a research to explore CSR within the banking sector in a country like Saudi Arabia.

Business organisations in Saudi Arabia have started paying attention to CSR and have begun to show more commitment in terms of instituting programs for CSR. However, their efforts are likely to be slowed since there are no guiding theoretical and practical frameworks that have examined this phenomenon, exclusively within Saudi Arabia (Mandurah, 2012). This paper is exploratory in nature and focuses on banking sector CSR practices in Saudi Arabia. There is little evidence regarding the nature and extent of CSR within the Saudi Arabian context. Thus, this paper aims to fill a research gap by adding to the relatively small body of literature that focuses on this issue in the developing countries in general and in Saudi Arabia in particular through improving our understanding of this phenomenon and provide information which will lead to the enhancement of CSR to meet different stakeholder needs.

2. CSR in Saudi Arabia

This paper reflects the economic status of Saudi Arabia being the world largest oil producer with massive economic development programmes which generate large number

of different business firms that require and justify more emphasis on CSR. Saudi Arabia is one of the leading Arab countries, economically and politically. It is one of the world's most rapidly rising economic powers, which starts focusing on CSR culture and practice (Ali & Alali, 2012; Mandurah et al., 2012).

Recently, the term CSR has attracted considerable attention in Saudi Arabia. This interest did not come from the state and public sector only, but a lot of businesses working in the private sector displayed socially responsible practices. The interest in CSR in Saudi Arabia has become widespread and is organised by the institutions of the state and other organisations operating in the private sector. However, firms have a special role to play as they should contribute to the development of the communities in which they operate. This development depends on the social responsibility initiatives of the business and their objectives which should be in line with the objectives of national development (Elasraj, 2014). Based on a report on the Top CSR trends in Saudi Arabia published by the annual CSR summit in 2014, the popularity of CSR is developing and increasingly being viewed as a means to promote competitiveness – this would eventually contribute to Saudi Arabia's future national development.

However, in 2008, a study commissioned by the Saudi Arabian General Investment Authority (SAGIA) and the Harvard Kennedy School suggested that there exist a number of initiatives in the kingdom of Saudi Arabia to promote and increase responsible business practices (Ali & Alali, 2012). These include the establishment of the council for social responsibility, which is part of the body of the Chamber of Commerce and Industry in Riyadh. This council is responsible for encouraging social responsibility and sustainable development and for stimulating organizations to support CSR. The council also sponsors several conferences and exhibitions related to CSR. The Chamber of Commerce and Industry has adopted the CSR award to encourage businesses to consider their impact on society.

Also, the King Khalid Foundation and SAGIA instituted the first annual King Khalid Awards for Responsible Competitiveness in 2008. Moreover, the CSR summit 2014 in Saudi Arabia started to run the first CSR award. The award honours organisations by integrating the principles of corporate responsibility into their business goals and practices, and are

given to programmes that achieve excellence in terms of having a positive impact on their stakeholders and innovative sustainable development regarding pressing social challenges as well as encouraging the entire business community to consider the growing competitive importance of CSR issues.

Alsuhaibani (2009) conducted a study to investigate the weakness in the market incentives for firm's social responsibility in Saudi Arabia. He stated that there is an apparent absence of mechanisms and strategies for social responsibility in most companies, as well as a weakness in the governmental and popular interest regarding environmental issues and the lack of large private sector initiatives about it. Alsuhaibani (2009) further stated that most Saudi companies have started to show an interest in social responsibility lately, and are undertaking limited social activities in the field of community service and focus on specific areas. In addition, the involvement of social responsibility in corporate strategies is limited due to an absence of evaluation and specialized studies on the impact of the environment and society at the business level.

Furthermore, the National Commercial Bank (2009) conducted a study about Saudi firms' CSR awareness and Saudi society's perception of CSR. The study shows that 62% of the participants in the study believe that the social services provided by firms contribute to the development of a stronger relationship between these firms and their customers. However, 49% of the participants believe that firms involved in social activities enjoy sound business ethics. Further expectations are seen in light of the opportunities for businesses to contribute to the development of and benefit the society in which they operate (Alasraj, 2014). CSRD is an appropriate tool for achieving these projects.

3. CSRD and Stakeholder Theory

Stakeholder theory broadly refers to the notion that firms have responsibilities not only toward their shareholders or other primary stakeholders such as customers and employees but also toward their secondary stakeholders, such as environment. Stakeholder theory posits that a firm's long-term existence depends on addressing its stakeholders' concerns, and that CSRD has expanded the firm's responsibilities to include those stakeholders (Price, 2004, Thijssens et al., 2015).

Freemans (1984) defines stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. The stakeholder theory is used to analyze those groups to whom a firm should be responsible. Boatright (2003) asserts that firms are operated or ought to be operated for the benefit of all those who have a stake in the firm. Hence, this include shareholders who invest their money in enterprises, employees who invest their time and intellectual capital, customers who invest their trust and repeated business and communities provide infrastructure and education for future employees (Graves et al., 2001).

Stakeholder theory suggests that the economic, legal, ethical and philanthropic dimensions are integrated into the global business strategies of the firms and they appear as social initiatives. Through these social initiatives, organizations perform their legal business and integrate ethics and philanthropy, which bring them a competitive advantage. In this way, society becomes an equal stakeholder with the suppliers, investors, employees and customers (Figar & Figar, 2011).

From the stakeholder theory perspective, organizations are expected to responsibly manage an extended range of stakeholder interests across firm’s boundaries and acknowledge their responsibilities towards traditional stakeholder groups as well as their silent stakeholders such as the local community and the environment. Moreover, even when serving shareholders as a primary concern, firms’ success in doing this is likely to be affected by the other stakeholders. Stakeholder theory diverted attention beyond profit maximization by suggesting that the needs of shareholders cannot be met without satisfying to some degree the needs of the other stakeholders (Jamali, 2008).

Therefore, stakeholder theory is generally considered as being related to the manner in which a firm interact with all its stakeholders, and connects its perspective and goals to its substantial strategic success (Gray et al., 1995). Thus, CSRD is accordingly adjusted by firms to meet the expectations and needs of its stakeholders. This research aims to explore the extent and nature of CSRD provided by banks operating in Saudi Arabia.

4. CSRD within the Banking Sector

In the banking sector, the number of people affected by the activities of financial organisations tends to be very large compared to many other sectors. Banks' stakeholders include their owners, borrowers, depositors, managers, employees and regulators (Lentner et al., 2015). The different stakeholders who are using their services are linked to a given institution for years or even decades. Thus, this relationship is a long-term commitment rather than a one-off act or system of relations that can be easily dissolved (Sagi, 2012).

In relation to the banking sector, CSR is considered the obligation of banks to manage their social, economic and environmental activities at the local and international levels (Abbasi et al. 2012). This involves banks considering the interests of society and the environment by taking responsibility for the impact of their activities on their stakeholders, employees, shareholders, customers, suppliers and civil society, besides their profitability and growth (Masud & Hossain, 2012).

The core business of banks is taking deposits, granting loans and providing complementary services. Banks need to be responsible for their customers in a socially responsible manner, regardless of the kind of countries in which they operate, the culture and what kind of banking products and investors they manage. Hence, in order to maintain a competitive advantage in the market and be responsible to their customers, banks need to understand the economic situation, develop a new marketing strategy, adopt a sound risk management system, identify the needs of their customers and apply fair operation procedures to protect their customers and society as a whole (Yeung, 2011).

In developed countries, banks have started to focus more on CSRD. In fact, a bank's financial position, stability, sound economic performance, ethical activities and responsible financial services can ensure its predictable and reliable operations, which also enable it to acknowledge and meet the interests of society to a larger degree. CSRD is a tool that the banking sector employs to increase and legitimize its economic performance and also appears as the application of the basic principles of business ethics (Casaba et al., 2015).

However, in developing countries, there is a lack of intentional and effective actions. Azim et al. (2011) investigated the CSRD of banks in Bangladesh. In their study, they conducted

content analysis of corporate social reporting by listed banking companies in Bangladesh. An analysis of the annual reports published in 2007 and 2008 revealed that 41% of the listed banking sector companies made some kind of CSR disclosure. Banks in Bangladesh emphasize the disclosure of human resources factors, i.e. employees' health and safety, employees' training needs, community activities, and health related activities. The study revealed that CSR is an emerging concept in Bangladesh and its limited familiarity is perhaps the greatest impediment to its wider adoption.

Lipunga (2013) conducted a study to explore the CSR practices in the annual reports of banks in Malawi. The study used content analysis to examine the annual reports of the sampled banks. His study revealed that all of the sampled banks (100%) made some sort of CSR, but placed greater emphasis on disclosing community involvement information (0.49) followed by product/customer information (0.38) and human resources information (0.2). The least disclosed theme was environmental activities (0.08). The overall disclosure level was low (0.3), suggesting that less than a third of the items on the CSR framework were disclosed.

More recently, Ramdhony (2015) examined CSR by banks operating in Mauritius. Annual reports for 2011 were explored using the content analysis method. The study investigates the CSR of Mauritian banks under five categories: environmental issues, product and consumer issues, employee related issues, community involvement issues and ethical issues. CSR is prevalent among all banks operating in the country, but 40% of banks disclose CSR activities information relating to one category, which only indicate a narrow view of CSR. The primary area of disclosure is human resources.

This reveals that CSR practices receive little attention within banks in developing countries. The banking sector around the world is under massive pressure from its stakeholders to carry out more social responsible practices. Little research has been carried out on this area so far in developing countries, exclusively within the Saudi Arabian context. This paper will explore CSR practices within the banking sector in Saudi Arabia.

5. Research Method

5.1 Content Analysis

Research methods are either qualitative based on inquiring process (Creswell, 1998 & Denscombe, 2010) or quantitative. This analysis is defined by Krippendorff (2004) as a

way to draw inferences from data to the data context. Weber (1990) defined content analysis as a method for codifying the written text segments based on a certain criteria. Many hidden aspects of what is being communicated through the written text can be disclosed by content analysis (Denscombe, 2010).

In this paper, the annual reports of the Saudi banks for the years 2011, 2012, 2013 and 2014 are studied in order to explore the current status of CSRD in these banks. There are twelve banks operating in Saudi Arabia, The sample of the banks constitute of eleven banks which are listed on the Saudi Stock Exchange. The twelfth bank was excluded because its annual report was not available. The names of the banks are listed in Table I.

Table I: Names of the Sampled Banks

Name of the Bank
Albelad Bank (Albelad)
Alinma Bank (Alinma)
Aljazira Bank (Aljazira)
Alrajhi Bank (Alrajhi)
Arab National Bank (ANB)
Saudi Fransi Bannk (Fransi)
National Commercial Bank (NCB)
Riyad Bank (Riyad)
SAAB Bank (SAAB)
Saudi Hollandi Bank (SHB)
Saudi Investment bank (SAIB)

The sampling unit is the annual reports because they are more creditable and widely distributed. Other studies (Guthrie & Parker, 1990; Gray et al., 1995a, 1995b; Unerman (2000); Adams, 2004; Azim et al., 2011) highlighted the annual reports as a common instrument for presenting the business firms to public. Moreover, annual reports are used by many researchers as a popular unit in CSRD, for instance, Guthrie & Parker (1990), Hackston & Milne (1996), Gray et al., (1995b), Deegan & Gordan (1996), Imam (2000), Masud & Hossain (2012), Lipunga (2013) and Ramdhony (2015).

The coding unit is a tool to measure the content (Krippendorff, 2004). There are number of coding units such as number of words (Deegan & Gordon, 1996), number of sentences (Hackston & Milne, 1996; Sobhani et al., 2009). The proportion of pages is another unit (Guthrie & Parker, 1990; Gray et al., 1995a, 1995b; Imam, 2000; Hamid & Atan, 2001; Gray et al., 2002; Kuasirikun & Sherer, 2004). However, measuring CSRD in terms of the number of words characters will lead to non-narrative CSRD, this is due to ignoring the figure and charts. This way of coding reflects the total space of the topic which indicates the importance of the topic (Gray et al., 1995b). Therefore, proportion of pages turn to be more preferred as a coding unit. Thus, the proportion of pages is used as a coding unit in this paper to measure CSRD volume provided by the annual reports of Saudi banks under analysis.

The next important step in capturing the content analysis is to define the categories for CSRD. The major categories which are identified by the mainstream CSRD literature are environment, employees, community and customer. To capture data, an explicit decision rules are required. However, in this paper, the categories for CSRD and the detailed decision rules which determine the categories follows Gray et al., (1995b) to be more precise and well defined. CSRD categories are classified as follows: environment, consumers, charity, community, employee data, pension data, consult employee, disabled employment, value added statement, health and safety, share ownership, employee other and general other (appendix 1). Statistical descriptive tests are employed to analyse the data collected for the thirteen categories.

6. Findings and Analysis

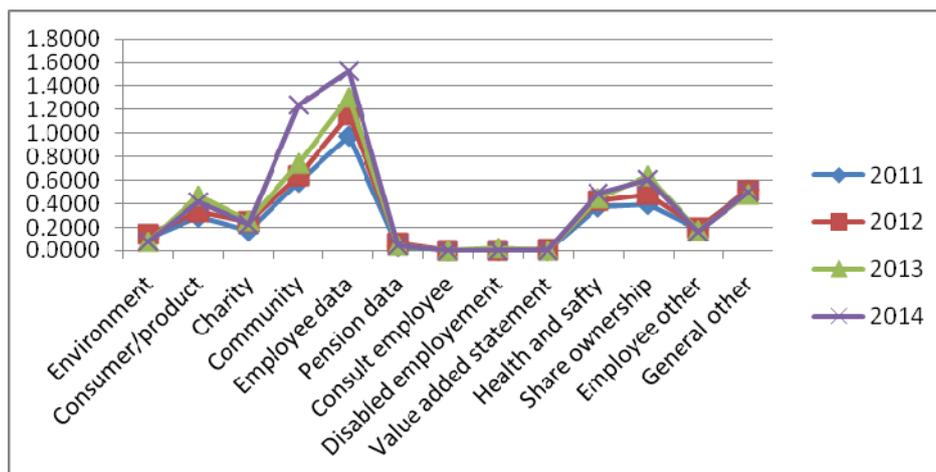
The findings of CSRD of Saudi Arabia banks during the four-year period from 2011-2014 are shown in Table II, Table III and Figure 1.

Table II: Percentage of CSR Categories

This table shows the percentage of CSR for each category for all the sampled banks

Categories of disclosure	Percentage of disclosing banks			
	2011 (11 banks)	2012 (11 banks)	2013 (11 banks)	2014 (11 banks)
Environment	55	64	55	64
Consumer/product	64	82	82	91
Charity	100	100	100	100
Community	91	82	82	91
Employee data	100	100	100	100
Pension data	91	100	100	91
Consult employee	0	0	0	0
Disabled employment	0	9	19	0
Value added statement	0	19	0	0
Health and safety	91	91	100	100
Share ownership	46	46	73	82
Employee other	100	100	100	100
General other	82	82	82	91

Figure 1: Total Sample - Mean Number of pages of CSR



Categories of Reporting

Note: This Figure shows CSR mean number of pages during the period 2011-2014

Table II shows that over the four-year period all of the sampled banks reported some CSR information. Figure 1 show the mean disclosure level during the period 1011-2014 by means of the number of pages concerned with this information. However, a number of observations can be made from a visual inspection of Table II and III. The mean (median) number of pages rose from 3.6518 (3.3707) in 2011 to 5.2889 (4.3400) in 2014. Thus, users of annual reports were supplied with more information regarding CSR in 2014.

The amount of this information is different among categories. However, during the period 2011-2014, the largest mean value of pages is found in the employee data category (0.9800, 1.1600, 1.300 and 1,5250 respectively) and the smallest in the consult employee category, for which none of the sampled banks provided any information.

The mean (median) values of the number of pages devoted to the environment category were 0.10820 (0.0200) in 2011, increasing to 0.1420 (0.0300) in 2012. Between 2012 and 2013, the disclosure decreased from 0.1420 (0.0300) to 0.0727 (0.0200). However, in 2014 the number increased to 0.0736 (0.0200).

In the consumer/product category, the mean (median) number of pages that banks provided was 0.2890 (0.2400) in 2011, rising to 0.3310 (0.2400) in 2012. Additionally, the number increased to 0.473 (0.1600) in 2013. In other words, the number of banks reporting charity related information increased through the period 2011-2013. However, in 2014 the CSRD decreased to 0.4200 (0.0200).

The mean (median) number of pages in the charity category was 0.1709 (0.1400) in 2011, which rose to reach 0.4730 (0.1600) in 2013. Additionally, in 2014 the CSRD decreased to 0.2245 (0.0200). Moreover, the total number of companies disclosing charity information was 100 % of the sample through the period 2011-2014.

For information in the category of community involvement, the CSRD has increased over the four-year period, rising from 0.5840 (0.5500) in 2011 to 1.2400 (1.100) in 2014. This finding suggests that these banks had begun to pay more attention to this type of information.

The employee data category had the largest mean (median) values over the period 2011-2014; the mean (median) number of pages was 0.9800 (0.9200) in 2011, increasing to 1.5250 (1.4400) in 2014. Moreover, the total number of banks disclosing employee data information was 100 % of the sample during the period 2011-2014.

The pension data category provided by banks is relatively small. The mean (median) number of pages was 0.0400 (0.0300) in 2011. The highest level of number of pages was 0.0682 (0.0400) in 2012. However, the mean (median) number of pages was 0.0454 (0.0300) in 2013 which decreased to 0.0427 (0.0300) in 2014.

The mean number of pages in the consult employee category was the lowest figure among those for all the categories. No bank provided any information on this issue over the four years period, which suggests that none of the sampled banks paid attention to this type of information.

For the “disabled employment” category, no bank provided any information in 2011 or 2014. However, in 2012 and 2013, the information provided regarding disabled employment is relatively small, the mean (median) number of pages was 0.0073 (0.0000) and 0.0236 (0.0000) respectively. Only SABB provided information regarding disabled employment in its annual report, devoting 0.0800 pages to this category. This finding indicates that banks did not pay attention to this issue.

No information was provided by any bank regarding the value added category in 2011, 2013 or 2014. However, in 2012 the mean (median) number of pages devoted to this category was 0.0100 (0.0000) which suggest that the sampled banks did not pay attention regarding this issue.

For information in the category of community involvement, the CSRD has increased over the four years period, rising from 0.3750 (0.4000) in 2011 to 0.5844 (0.5200) in 2014. This finding suggests that these banks had begun to pay more attention to this type of information.

In the Share ownership category, the mean (median) number of pages that banks provided was 0.3970 (0.0000) in 2011, rising to 0.475 (0.0000) in 2012. Additionally, the

number increased to 0.635 (0.3100) in 2013. In other words, the number of banks reporting charity related information increased through the period 2011-2013. However, in 2014 the CSRD decreased to 0.6090 (0.0260).

The employee other category mean (median) number of pages was (0.1300) in 2011 which increased to 0.1773 (0.1200) in 2013. However, this number decreased to 0.1591(0.1200) in 2014.

In the general other category, the mean (median) number of pages decreased through the period 2011-2014. The mean (median) number of pages that banks provided was 0.5190 (0.3200) in 2011 which decreased to 0.4110 (0.4400) in 2014.

The standard deviation values of total disclosure over the four years period are 3.3707, 3.6814, 4.1364 and 3.9216 respectively. These figures suggest that efforts devoted to CSRD vary among the sampled banks. The values for share ownership are the largest, meaning that the number of pages of share ownership information in the annual reports show relatively large differences across different banks.

7. Discussion

This study used content analysis of annual reports to explore the nature and extent of CSRD practices. The findings indicate that all banks annual reports published during the years 2011-2014 issued some kind of CSRD, but the level of CSRD is different between categories. However, there was an increase in the mean number of pages of total CSR information provided in the annual reports during 2011-2014. The increase indicates that the sampled banks have become more aware of CSRD importance and, in particular, that they devoted more effort to CSRD in these annual reports. Even though, banks need to improve their CSRD practices as the findings of the current paper indicates that the amount of CSRD information is low in some categories (e.g. disabled employment; value added statement) and equal to zero in some other categories (consult employee).

To illustrate, none of the sampled banks reported details for the consult employee category during the four-year period 2011-2014. Furthermore, none of the sampled banks gave any information on disabled employment in 2011 and 2014. Moreover, the sampled

banks did not provide any information regarding value added statement in 2011, 2013 and 2014, and the mean number of pages was only 0.0110 in 2012. This finding suggests that banks did not realise the necessity of reporting on these three categories, or place any importance on it, as it was relatively poorly covered in the sampled banks' annual reports. On the other hand, all sampled banks during 2011- 2014 devoted the largest amount of CSR space to the employee data, community, share ownership and general other categories. This finding was found consistent with other studies in the field of CSR (e.g. Guthrie and Parker, 1990; Sobhani et al, 2009; Azim et al., 2011, Lipunga, 2013; Ramdhony, 2015). The fact that banks in Saudi Arabia report more on employees data and share ownership may indicate that employees are the most important stakeholders. However, it can be observed that Saudi Arabian banks provide less information in the areas of environment, consumer/product information, charity information, pension data, health and safety and employee other information where there was little information regarding these issues. Which is consistent with previous studies that reported that CSR is less organised in the developing countries (e.g. Azim et al., 2011; Belal & Cooper, 2011; Mandurah et al., 2012; Lipunga, 2013; Ramdhony, 2015). These findings reveal that banks in Saudi Arabia will find it necessary to develop their CSR practices in order to win continued social respect. This suggests that the nature and extent of CSR seems to be poor in some categories which indicates that CSR is still lagging as compared to that of the developed countries.

The findings on standard deviations and maximum and minimum levels of number of pages of total CSR information in annual reports show that there are gaps between the sample banks' CSR practice, not all of the sampled banks providing the same level of CSR. The number of pages devoted to each category differs among these banks.

8. Conclusion

The extent and nature of CSR information provided by Saudi banks were investigated. Such information is the essence of CSR practices which benefit different stockholders such as owners, employees, clients and shareholders. Ochoti et al. (2013) emphasised that disclosing social and environmental information will improve the image and reputation of the organisations.

Many developed countries adopted CSR information, while developing countries are lagging behind in this activity (Belal, 2001; Islam & Deegan, 2008; Lipunga, 2013; Ramdhony, 2015). Therefore, this paper attempted to investigate further the CSR practices in Saudi banking sector through examining the bank's annual reports. This was done by using the content analysis method for the period 2011-2014.

Results shows that there is a need to exert more efforts to improve CSR practice in the bank's annual reports from quantity point of view and as well as the quality. These finding are consistent with (Jamali et al., 2009; Mandurah et al., 2012; Ramdhony, 2015) which suggest that CSR in developing countries is less well organized and primarily oriented towards CSR.

The results also indicate that all the sampled banks in Saudi Arabia published some kind of CSR information in their annual reports, the level of information in most of the categories are not high which suggest that the banking sector in Saudi Arabia is still in the early stages of CSR awareness and integrating its activities into their policies and strategies. This is consistent with Mandurah et al. (2012) research which reported that Saudi Arabia was still in the early stages of CSR awareness. However, the significant increase in CSR through the four-year period indicates that CSR is becoming a general practice for these banks and show that there is an increasing interest toward it.

Banking sector in any society is accountable for the implementation of different socially responsible practices which require a balance between economic, environmental and social objectives. CSR can be an important tool for delivering such information to the different stakeholders. CSR can affect the perceptions of society toward the impact of the activities of the bank on the community and the environment as a whole, and consequently improve the bank reputation and image. Thus, banking sector organisations in Saudi Arabia should adopt appropriate strategies for improving the socially responsible practices and conduct business responsible means to serve the interest and meet the needs of all its stakeholders.

Appendices

Appendix 1: The decision rules for the categories of CSRD

- 1) Environment
 - Environmental policy.
 - Environmental audit.
 - Waste, packaging, pollution.
 - Financially-related data.
 - Sustainability.
 - Environmental other.
- 2) Consumers
 - Product and customer safety.
 - Consumer complaints.
 - Specific consumer relations (over and beyond “our duty to the customer”).
 - Provision for disabled, aged, etc. customers.
 - Provision for difficult-to-reach customers
- 3) Charity
 - Donations or in kind to registered charities within the Company Act.
 - Donations ditto by/through employees.
 - Include references and amounts of political donations (as they fall within the same Company Act requirement).
- 4) Community
 - Excluding charities.
 - Any reference to community and/or social involvement outside the labour force.
 - Employee involvement with above if company support is apparent.
 - Schools, arts, sport, sponsorship.
 - Business-in-the-community, secondment of staff.
- 5) Employee Data
 - Statutory average numbers employed by category and wages.
 - Statutory numerical analysis of employees.
 - Average numbers employed by geographic area.
 - Statutory disclosure of directors’ emoluments.
- 6) Pension Data
 - Statutory particulars of commitments for pensions, whether or not provided.
- 7) Consultation with employees:
 - Statutory action with respect to informing employees, consulting employees, encouraging (and engaging in) employee participation.
 - Statutory increasing employee financial and economic awareness.
 - Excludes profit sharing.
- 8) Disabled employment:
 - Employment of disabled persons (including retraining).

- Distinction between registered/unregistered disabled is not relevant here.
- 9) Value added statement:
 - Any reference to the creation and distribution of value added.
 - Any statement headed value added or added value.
 - Any statement with “distribution” to employees and state > shareholders.
- 10) Health and safety:
 - Health and safety at work.
 - Toxic hazards (e.g.) to employees and the public.
 - Any reference to health and safety law and/or inspectorate.
 - Information to employees, training.
 - Accidents.
- 11) Share ownership:
 - Participation of employees in share schemes, profit sharing where employees means > directors.
 - Schemes/reference must be to employees (exclude if reference is to executive or directors only).
 - Loans for this purpose but not directors.
- 12) Employee other:
 - Anything else on employees not covered above.
 - For example: staff turnover; thanks to employees; length of service; pensioners; pensions beyond coverage of statutory material; employee trends/statistics by sex, age for more than two years and more than statutory; statement of employment policy(ies), redundancy; changes in salaries/wages.
- 13) General other:
 - Anything else.
 - For example: corporate objectives, mission statement; statement of social responsibility; ethics; political statements (need/approval/disapproval of government policy, control of unions); value of company to community, society, nation, economy; money transactions with government/inland revenue.
- **Evidence**

Reporting was classified as “Narrative” if it contained and was related primarily to narrative and non-numerical information. Reporting was classified as “Numerical” if it contained and was related primarily to financial reporting of actual financial numbers or actual numbers of a non-financial nature.

(Adopted from Gray et al., 1995b)

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