

The Role of Financial Organizations in the Modern Economy of the Kingdom of Saudi Arabia

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ABSTRACT *This study aims to assess financial organizations' level of social responsibility in Saudi Arabia. This research's main objectives are to determine financial organizations' social responsibility; employees' attitudes toward their organizations' social responsibility; major helping and constraining factors affecting performance of social responsibility activities; and skills needed by managers to perform different initiatives needed by society in various economic, environmental, social, legal, and cultural areas. The researchers relied on questionnaires and used path analysis as a structural equation modeling technique. The sample size was 384 participants. One important finding is that the area of cultural responsibility was the most influential variable for the corporate social image, while the economic area was the least influential. Other findings were related to the financial area that influenced the level of social responsibility; on the other hand, managers' skills required to carry out social activities were the least influential variables for social responsibility.*

KEYWORDS: *Social Responsibility, Financial organizations, Performance Level, Structural Equation Modeling, Path Analysis*

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I. INTRODUCTION

Changes faced by financial organizations today in Saudi Arabia require them to set strategies that correspond to those challenges, so they can bear their responsibility and carry out their duties toward society. Some organizations try to avoid this responsibility and concentrate on accumulating profits by limiting their interests in improving working conditions, increasing wages, and the like (Shaukat, Qiu, & Trojanowski, 2016). However, these efforts are not enough to increase social solidarity and satisfy the interest of different segments of society. Two ideological trends emerged in the context of social responsibility (Schrempf-Stirling, Palazzo, & Phillips, 2016). The first is the classical perspective (led by Friedman, 1970), which calls for increasing corporate profits. He considered any spending on social activities as a waste of investors' profits, and an increase in costs. Moreover, the lack of experienced managers in dealing with social activities made companies miss opportunities that could be exploited better. The opposite direction called companies to play their social role by providing social activities, such as fixing any damage caused by environmental pollution, as doing so will help them improve their image in society (Cannon, 2012).

The role of financial organizations grows daily with the development of technology. This role is not only limited to the traditional role of providing service to customers, but also extends to include many aspects, such as providing a better work environment, increasing the level of challenges, offering employees opportunities to improve their intellectual skills, and ensuring employees have positive attitudes toward the companies and society (Baghalab, 2013).

The goal of most financial companies is to achieve profits and provide services to consumers at the lowest costs; on the other hand, selling at a low price is no longer enough from the perspectives of customers and society. Thus, such companies face pressure to assume their social responsibilities. Since social responsibility involves self-volunteering and is not an obligation imposed by the legal legislators of these companies, some companies are negligent in activating their role in social activities. Besides, a weak image of companies and their practices to achieve minimum social responsibility, not to mention weak identification of social responsibility frameworks, are obstacles in activating such roles (Christies, 2009). In the same context, even when companies assume their social responsibilities, some managers lack the skills to identify which social activities are needed by the society, and so they tend to spend money on charity work that benefits limited groups of society, (Kim, Kim, Kim, & Hong, 2011).

After reviewing several research studies and examining financial reports of some financial institutions, mainly in Saudi Arabia, the researchers discovered that these organizations lack a mechanism to assess their corporate social responsibility (CSR) status and performance of social responsibility activities. The main research question of this study is "How do financial institutions assess their current status concerning their social responsibility?" From this, the following questions arise:

1. What are the attitudes of employees in financial organizations toward social responsibility? Is it a legal responsibility or a social response?
2. Do managers of such companies have social responsibility skills to conduct social activities, thereby helping them improve their market reputation?
3. Which areas of social responsibility (environmental, economic, legal, social, and cultural) are the most interesting to financial institutions?
4. Which helping factors assist financial institutions in carrying out their social responsibilities?
5. Which hindering factors prevent financial institutions from carrying out their social responsibilities?

The main objectives of this study are to pinpoint the importance of improving the level of social responsibility of financial institutions and to raise awareness about the concept of social responsibility through (1) identifying the attitudes of employees in financial institutions toward their CSR; (2) assessing managers' skills to practice social activities; (3) identifying areas of social responsibility: legal, social, cultural, economic, and environmental; (4) examining the most important factors that help financial companies carry out their social duties or hinder them; (5) measuring the community image that organizations portray by estimating a quantitative model corresponding with the nature of the data under study; and (6) measuring the level of performance of CSR by using some quantitative methods.

This study is considered important because it is one of the few types of research dealing with the concept of social responsibility in the Arab region, especially in Saudi Arabia. It is also one of the few rare studies that seek to identify employees' attitudes toward social responsibility and identify the most important skills required by managers for bearing social responsibility activities. CSR improves the company's image, market share, sales, and competitive advantage. Furthermore, the greatest beneficiaries of CSR are the different social classes that those activities target. The Saudi government will also benefit from this study by spreading cultural responsibility among different organizations and encouraging the role of community partnership in achieving sustainable development.

II. LITERATURE REVIEW

Academic researchers in recent years have focused their attention on studying the economic and administrative implications of CSR. Today's companies are assuming their social responsibilities by practicing diverse activities that exceed the legal and environmental requirements, and they are aiming to achieve a social goal that is often one of their operational goals, such as producing environmentally friendly products, using recycled materials, and even turning factories into plants with emissions. This may be in response to pressures from consumers, employees, suppliers, government, etc. It should be noted that these companies do not engage in economic activities unless their benefits outweigh the costs (Baron, 2001; McWilliams, Siegel, & Wright, 2006).

The seeds of social responsibility and community partnerships are attributed to the industrial revolution. The rapid spread of the machine has led to the emergence of industrial cities. There was a need for infrastructures such as electricity, railways, and sewage systems. The fastest-growing cities were those located around rivers and transport networks. Thus, life changed radically, creating a gap between the rich who became richer and the poor who were increasingly suffering from industrial and environmental changes. The business people's response to social and environmental problems was monotonous. The private sector saw the state as being fully responsible for caring for and ensuring the needs of the people of the society. Thus, the second phase of social responsibility emerged, and activists called for the protection of the rights of stakeholders, namely, customers, employees, suppliers, creditors, debtors, government, etc. Moreover, companies converted from being individual companies to joint-stock companies, businesses and capital expanded, and some businessmen sought to improve the working and living conditions of their employees. The third phase of social responsibility began. As companies faced technological developments, they also developed the quality of life for their employees; more advanced goods and services were accompanied by negative effects on both employees and consumers such as price manipulation, withholding of employee information, neglect of workers' health and safety rules, environmental pollution, and administrative corruption. (Cannon, 2012; Schrempf-Stirling, Palazzo, & Phillips, 2016).

Therefore, social responsibility can be defined as the intention of a company to overcome its legal and economic obligations, to put things in perspective, and to act following the interests of society. It is clear from this definition that companies not only are committed to the legal aspects but also have moral dimensions (Robbins, Coulter, Sidani, & Jamali, 2011).

Employee's Attitudes Toward their Organization's Social Responsibility

The concept of social responsibility was described in different ways. For example, Robbins and Judge (2017) differentiated between social commitment and social responsiveness. The company's social commitment is limited to its involvement in social work and meets certain economic and legal responsibilities; the idea is based on the classical view of social responsibility, which holds that the only social responsibility function of a company is to maximize profits. When company managers decide to participate in some charitable and social activities, they add to the company's total costs, which are passed on to consumers through rising prices for goods and services, or a reduction in dividends and bonds. On the other hand, the concepts of social responsiveness and social responsibility reflect the socio-economic point of view, which states that the responsibilities go beyond profits to protect and improve the welfare of society. This view is based on the belief that companies are not independent entities, accountable only to shareholders, but have a greater commitment to society at large. Jamali, Sidani, and Al-Asmar (2009) showed that 84% of managers support the need to create a balance between obligations toward shareholders and commitments to the public good. The researchers applied their study in some Arab countries—Lebanon, Syria, and Jordan—measuring the psychological attitudes of managers toward CSR. Their data indicated a strong tendency among managers in the region to value the importance of social responsibility. Finally, a social response entails a company's response to society's needs in which managers' social norms and values coincide with market interests (Robbins and Judge, 2017).

Valentine and Godkin (2017) aimed to understand the relationship between social responsibility, compliance with values, and professional ethics. The researchers distributed two surveys to 92 pairs of managers and their employees working in the banking sector. The results showed a positive relationship between the participants' understanding of social responsibility and psychological attitudes related to their values. Rizvi (2012) distributed 250 questionnaires to employees working in the banking sector and found that CSR enhances the concept of organizational commitment in three dimensions: emotional, normative, and economic. If the company assumes its social responsibilities, focuses on the moral dimension, and shows interest in employees, then the loyalty of staff will increase because they realize that they are getting the ultimate benefits.

Alshbiel and Al-Awawdeh (2011) examined the relationship between internal social responsibility—which was measured through organizational structure, administrative policies, creativity, and change—and job commitment. The researchers distributed 131 questionnaires to Jordanian employees working at a cement company. Their data showed a significant positive relationship between organizational structure and employee loyalty, while there was no significant relationship between organizational creativity and loyalty.

Also, Im, Chung, and Yang (2017) examined the relationship between an organization's participation, including employees, in CSR and performance. They distributed their questionnaire to 393 employees in various sectors. Data showed a positive relationship between social responsibility and job satisfaction, organizational integration, and organizational commitment. The researchers concluded that social responsibility affects organizational performance. This is in line with the study of Gaudencio, Coelho, and Ribeiro (2017), who found that social responsibility affects staff attitudes and behavior, and it especially affects emotional commitment, job satisfaction, turnover, and organizational trust. Khaleel, Chelliah, Rauf, and Jamil (2017) indicated that companies could change their employees' attitudes if they improve their CSR.

H₁. There is no relationship between corporate social responsibility (CSR) and employee's attitudes toward their organization's social responsibility.

Skills Required for Managers to Implement Social Activities

The skills of managers in carrying out their social responsibilities lie in conducting market research to identify consumer needs, support social activities, make appropriate decisions, maintain transparency in disclosing company data, provide necessary information, balance the interests of stakeholders and shareholders, and work to improve the image of the organization (Mott & Daro, 2014).

Alonso-Almeida, Navarrete, and Rodriguez-Pomeda (2015) believe that managers' responsibility is to manage their relationships with customers, suppliers, employees, and financial organizations to maximize the economic value of these groups and achieve a fair distribution of returns among them. Profits should be distributed fairly among shareholders who also contribute to the success of the enterprise. Therefore, bearing social responsibility can extend the life of the company, improve its reputation, and reduce risks associated with market behavior. If the company loses the confidence of consumers and some other sectors in the society, one remedy is to engage in social activities that benefit the community, which of course require the managers' skill to make good decisions at the right time and place, with some risks (Jha & Cox, 2015). Choi et.al. (2018) discovered that the stronger the commitment of employees to the firm the higher the overall CSR including societal and environmental dimensions. Besides, in the case of a bad event, CSR initiatives can encourage

business groups to resolve the situation. The researchers mentioned that other studies specified certain advantages in particular forms of the market's response to CSR which in turn will lead to lower cost of capital. Nevertheless, some may consider that CSR activities may be the cause of a decrease in efficiency and a cause of managers to focus on their gains rather than the firms. Girerd -Potin et al. (2014) investigated SR by dividing it into three dimensions: the first are employees, customers, and suppliers, the second dimension includes the environment and social perspective, and the third dimension consists of the financial stock and debt holders. Their main findings were that managers play an impelling role when interacting with all stakeholders, stockholders, and the society depending on which group has more influence on the manager. Furthermore, the researchers concluded that the average social responsibility risk is higher for the first and third dimensions; although investors have been paying more attention to the second dimension lately. Harjoto and Laksmana, (2018) hypothesize that CSR can be used as a regulator between disproportionate risk-taking and complete risk prevention, keeping aberrations from ideal risk-taking to a minimum. Businesses with CSR must distribute their resources to gratify the welfares of their investing and non-investing stakeholders in addition to other stakeholders as well. A total number of five measures of corporate risk-taking and a sample of 1718 participants from 1998 to 2011 were used in this study and it revealed that stronger CSR performance is linked with slighter deviances from prime risk-taking levels. Through the impact of CSR on risk-taking, mechanisms, where CSR had an impact on value, were tested and positive indirect influence of CSR on firm value was found. Therefore, it can be concluded that CSR performance is positively associated with firm value because CSR reduces deviations from optimal risk-taking. Kim, J. W., Kim, E. J., Kim, S. M., & Hong, H.G. 2011 showed that the administrative activities of managers focus on not only quantitative growth but also qualitative growth to achieve sustainable enterprise development, which enables the company to move to the ranks of global organizations. This forces managers to pay attention to integrated activities, which are concerned with social, environmental, and economic performance. Their study aimed to emphasize the importance of linking the company's managerial skills of taking social responsibility initiatives, because of their obvious effects of improving the company's image in the consumer's mind, with the value-added product.

McWilliams et al. (2006) found many different views regarding social responsibility and management skills; one view considered CSR as the self-interest of managers, which affects the benefits of shareholders, who in turn influence the company's output. It is not enough for managers to satisfy the shareholders or owners' needs; indeed, they have social obligations as well. These commitments are not related to profits, yet they are important because their absences will make the stakeholders reluctant to provide support to the company. The ethical and moral dimensions of managers' behaviors are important as well in clarifying the role of social responsibility. In an advanced stage, social responsibility is used to serve the company's strategic objectives in providing goods and services to attract consumers. Social responsibility has been transformed into "supply and demand," which means that the company can best determine its social responsibility through cost-benefit analysis, especially when such responsibilities are used to create a sustainable competitive edge for the company.

When companies make an effort to take social responsibility beyond the dictates of the law, these efforts are often described as strategic, to meet the requirements of stakeholders and managers. Jha and Cox (2015) examined whether there is a relationship between social capital in a given region and social responsibility, showing that the self-interest of stakeholders or managers are not the reasons for a company's social responsibility, but altruism is. The value system among stakeholders dictates itself to managers.

According to Zheng, Luo, and Maksimov (2015), companies are under internal and external pressures from many stakeholders. They found that the integration strategy applied by companies operating in China tends to respond quickly to CSR requirements; when a company is expected to respond positively to a particular category of stakeholders, it can either perform philanthropy or assume sustainable social responsibility. Through the distribution of 288 questionnaires to several companies, they found philanthropy to be a response to government-imposed laws and the interests of non-corporate stakeholders; however, the company has a sustainable social responsibility when it responds to the requirements of stakeholders within the company.

H₂. There is no relationship between the CSR and skills needed by managers to practice social activities.

Areas of CSR

Social responsibility is related to the following areas:

Environmental. Companies should demonstrate ethical behavior toward society. Therefore, they should take responsibility for their actions through participation in sustainable development and produce friendly products while preserving the quality of the environment in which they operate. Managers should be interested in working in a green environment (Wi, Shen, Zhou, & Li, 2017). The motives for adopting environmental responsibility can be divided into optional and compulsory motives. The first is voluntary by companies, which helps them protect the environment by using resources efficiently and minimizing global warming problems. That, in turn, improves the company's reputation and increases the loyalty of its employees.

Compulsory motives are due to government requirements, such as laws related to consumer awareness, and pressure exerted by shareholders and investors, not to mention the increased awareness of associations and civic organizations. Lai, Yang, and Wu (2015) noted that companies can be the cause of a crisis due to the misuse of manufactured products or resources, resulting in defective and dangerous products. This, in turn, reflects negatively on consumers and the environment. The researchers concluded that a company's internal crisis, such as a fire, may not affect consumers because it is considered an internal problem unless it harms the environment. The researchers, therefore, suggest that CSR plays a vital role in limiting the impact of some environmental problems caused by those companies. The extent of CSR (Corporate Social Responsibility) contribution in businesses and how it is displayed in the firm's potential determinants like growth opportunities, profitability, visibility, and agency costs were important strategic factors for organizations to consider. Also, the researchers discussed various ways CSR is integrated within businesses which can be conveyed through environmental, community, and governance disclosures. The size of the sample was 137 real estate investment trusts (REITs), which were carefully hand-picked, from the National Association of Real Estate Investment Trusts (NAREIT). It was concluded that environmental and ethical involvements give firms competitive advantages of growth and opportunities, (Chiang et al; 2017). The purpose of Chuang and Huang's (2018) research paper was to put the influence of ECSR on green IT capital and in turn the effect of green IT capital on environmental performance and a firm's competitiveness to the test. The data collected for this study included 358 companies from the top 1000 manufacturers in Taiwan. Results appeared to show that ECSR had significant positive effects on human capital, structural capital, environmental performance, and business competitiveness. Besides, it was found that structural capital and relational capital have fractional interceding effects on ECSR, environmental performance, and business competitiveness.

Economic. This is the most important factor in helping companies share their social responsibilities by improving their reputation, increasing credibility profits, and creating a positive work environment. Famiyeh (2017) indicated that there is a relationship between a company's social responsibilities, economic performance, and competitiveness, measured by cost, quality, and flexibility. Factors that hinder companies' social responsibilities exist when the companies' decisions conflict with the society's aspirations, misunderstand consumers' needs and wants, indicate a deficiency in management skills, and focus too much on profits (Cannon, 2012). Businesses seek to maximize their and shareholders' profits by providing services to the community, especially when society faces natural crises. Iqbal, Ahmad, and Hamad (2014) concluded that there is a positive relationship between the components of social responsibility, corporate financial performance, net profit, and earnings per share. Social responsibility is a natural response to a series of factors that impact corporations' performance. Manning (2013) concluded that social responsibility is often of low value to the company if consumers' tastes change. Recently, the economic factor had a significant impact on consumers' purchasing decisions. At the same time, the researcher recommended that organizations should ensure proper correspondence between CSR activities and customer's needs to acquire market share and consumer loyalty. Social responsibility affects consumer preferences toward certain brands. Mirabi, Asgari, Tehrani, and Moghaddam (2014) investigated different variables—transparency, commitment, and social responsibility programs—in relation to perceived brand quality. The researchers assumed that the first three variables were instrumental in achieving social responsibility, while the fourth variable—perceived brand quality—was a powerful tool in achieving social responsibility programs. They distributed 768 questionnaires to banks' customers. The results showed that the type of social responsibility programs applied by the bank and the quality of its perceived brand has a significant impact on consumer preferences. Tong, Wong, and Leung (2013) distributed 3,000 questionnaires to participants working in financial institutions to find that CSR has a positive impact on the transparency of advertising, price of the service, intention of consumers' repurchasing behavior, and transfer of information. Cuervo-Cazurra (2018) studied the relationship between the level and diversity of CSR investments within business groups and their respective country's economic state – this relationship depends on two main factors: the level of infrastructure deficiencies and the cost of negative externalities. When the author spoke in terms of infrastructure deficiencies, he meant the shortcomings the firm may face whether it was related to lack of advanced telecommunication system, or an insufficient number of hospitals, or the inability to provide paved highways, etc. due to the country's economy. Furthermore, the writer defined negative externalities as pressures the business may experience from external stakeholders, again, as a result of the country's economic well-being. The article continues to show the detailed development of CSR and how it is affected by the two, previously stated, dependent factors in three targeted economies: under-developed, emerging, and advanced. The author presented substantial historical evidence to prove his propositions about how the country's economy morphs the level and diversity of CSR investments in various firms. In conclusion, the situation can be seen as a domino effect: A country's economic development is the prime driver of CSR investments which, in turn, can lead to business group diversification.

Social. A positive phenomenon exists when companies participate in social activities and assume social responsibilities. It becomes an example when success stories are shared among staff, positive values are

maintained, and interest in employees' health and safety is improved, not to mention there is social solidarity. Unfortunately, the problem is that the company has to assume social responsibilities only to allocate funds for charity or to support public events (Vveinhardt & Zygmantaite, 2015). The most prominent feature of modern societies is the rapid changes in lifestyles. Globalization often plays a major role in changing the values, concepts, and principles of a society. Organizations should, therefore, play an important role in consolidating the values of social solidarity, engage and communicate among members of society, and maintain the cultural identity of the community. This was addressed by Yammahi and Guruswamy (2017) who showed the need to strengthen the cooperation between national responsibility structures at the state level and the responsibility of companies. The researchers stressed that cooperation efforts should emerge at the senior department levels in companies as they are a symbol for employees at lower levels.

Cultural. In the Arab world, there is limited cooperation between universities and the private sector in the areas of research. Community partnership can take different forms such as consultation or research aimed at providing solutions to problems as well as conferences, seminars, and scientific meetings that benefit the society in general and companies, universities, and academics in particular (Jamali, Sidani, & Al-Asmar, 2009). Particularly, many companies whose work is scientific in nature need to collaborate with universities to do more academic research: each side needs the other. Universities need to finance their innovative work, and companies need to develop their products and services. The reciprocal relationship provides not only knowledge, research, equipment, and facilities but also access to cash. This is achieved through a partnership between the two parties (Soetanto & Geenhuizen, 2015).

Legal. CSR efforts can affect any part of the organization. Companies are often obliged to respect employees' rights, security and safety laws, corporate governance standards, health prevention, education, and disaster relief. In general, social responsibility programs have contributed to reducing corporate scandals. Not to mention, there is increased interest by stakeholders focusing on social responsibility activities as well as laws and regulations. The role of the media in promoting the importance of CSR, highlighting how companies follow legitimate standards, gives the organizations a competitive advantage (Christies, 2009).

Antošová and Csikósová (2015) reported that companies are pursuing not only their economic objectives but also environmental, social, and legal aspects. When a company takes on its social responsibilities, it helps governments solve some of the social problems for which they have been responsible. This requires transparency of information and legal accountability toward customers and employees; customers are increasingly interested in the ethical behavior of a company that supports community partnership, and they demand its products and services.

Insert Figure 1 about here

H₃. There is no relationship between the CSR of financial institutions and areas of social responsibility.

In conclusion, CSR does not have a negative impact, as previously thought, on companies' financial and economic performance. Moreover, due to the increasing social pressures on companies, managers develop strategic plans for community partnership and deal with CSR as an investment beneficial to both the society and organization. One cannot ignore the company's ability to improve its reputation when it provides services to the community, commits to a level of transparency, and maintains integrity.

Helping factors assist in carrying CSR

The increasing interest of the society, government, and corporations in social responsibility drive companies to pay more attention to social initiatives having tangible and intangible benefits for all parties, such as reducing greenhouse gas emissions, dropping the use of chemicals and waste, and encouraging recycling. Thus, a company can improve its reputation when it provides services to the community and commits to a level of transparency with clear and rigorous rules that reflect its integrity level while taking into account environmental considerations and human investment. This will increase sales, develop customer loyalty, improve product quality, reduce damage rates, maintain a high level of efficiency and effectiveness, and improve the working environment. CSR requires companies to improve their internal environments by developing training programs that help employees increase their performance and productivity and reduce their absence (Vveinhardt & Zygmantaite, 2015).

Organizations with good social responsibility reputations find it easy to recruit and maintain a well-qualified and efficient workforce. This reduces the costs of recruitment and training and helps achieve harmony among the values of the company, its employees, and the community, which creates a positive working environment (Jain & Jain, 2013).

H₄. There is no relationship between the CSR of financial institutions and factors that assist companies in carrying out their social duties.

Hindering factors prevent CSR

Some challenges that can hinder the way companies perform their social activities are caused by organizational obstacles. Often, managers lack the skills to conduct these initiatives and communicate with the beneficiary group in the society; moreover, there exists a weak sense of social responsibility among managers and neglect by senior administrations to involve different departments in the organizations in developing social responsibility strategies (Schrempf-Stirling, Palazzo, & Phillips, 2016).

In the absence of governmental rules and regulations, legal constraints can exist, in which companies are required to undertake certain social activities. Moreover, there is a lack of ethical conduct required of staff and managers to engage in volunteer social work. Additionally, social responsibility as a moral obligation of religion is not prescribed by the regimes but imposed by certain necessities, which leads to reduced interest or companies not taking it seriously. Finally, if the company aims to increase profits and it views social responsibility as an increase in costs, reduction in profits, and minimization of its ability to cope with competition, it is very difficult to combine profitable work with community participation, since social work requires a sacrifice of some financial resources (Levis, 2005).

H₅. There is no relationship between the CSR of financial institutions and factors that prevent companies from carrying out their social duties.

From this literature review, it can be noted that most previous studies did not consider how employees perceive CSR as a legal or social responsibility. Furthermore, less attention was given to the type of skills a manager needs to carry out social responsibility initiatives. Although the areas of CSR are wide and varied, some are more important than others in Saudi Arabia.

III. METHODOLOGY

The aim of the present study is assessing the financial organizations' level of social responsibility in the Kingdom of Saudi Arabia.

Sample

The research community in this study consists of all financial institutions operating in the Kingdom of Saudi Arabia as well as their employees. The researchers adopted the simple random sampling method to select participants according to the size of the community and degree of confidence. The primary data are based on the number of areas in the Kingdom, specifically in the following regions: Al-Ehsa – 2; Al-Kharj; Dammam – 2; Riyadh – 2; and Jeddah – 3. The sample included 384 participants, and trained assistants administered the distribution of questionnaires and answered any questions.

Financial Institutions in Saudi Arabia

Over the past years, Saudi Arabia has established a strong financial system aimed at serving the economy effectively. The system is based on a wide range of institutions that offer a variety of financial services to investors. The Saudi financial system generally includes the following types of institutions. The first is the Saudi Arabian Monetary Agency (2018), which is the central bank of the Kingdom. The second are commercial banks of which the following are currently operating in the Kingdom: National Commercial Bank, Riyadh Bank, Al Jazira Bank, Saudi Investment Bank, First Bank, Saudi Fransi Bank, SABB Bank, Arab National Bank, Samba Bank, and Al-Enma Bank. The third is specialized lending institutions that include the Saudi Industrial Development Fund, the Saudi Arabian Agricultural Bank, the Real Estate Development Fund, the Public Investment Fund, and the Saudi Credit Bank. Also, there are other institutions mainly engaged in the sale and purchase of foreign exchange, independent government institutions including the Pension Authority, the General Organization for Social Insurance, a large number of agents of foreign insurance companies, and the National Cooperative Insurance Company.

Statistical Analysis

Validity, Reliability, and Sample Adequacy

The researchers evaluated the coefficient of stability or the so-called Cronbach's alpha coefficient, validity coefficient, a measure of sampling adequacy, KMO, and Bartlett's test to judge the adequacy of the sample size.

Insert Table 1 about here

Table 1 shows the following:

1. The value of the reliability factor was 0.969 in the sample of financial institutions.
2. The value of the validity was 0.984 in the sample of financial institutions. This means that this questionnaire can measure the variables mentioned by 98.4%.
3. The statistical value of the KMO and Bartlett's test was 0.965, indicating the sufficiency of sample size.

Analysis of Employee Attitudes Toward Social Responsibility

This section focuses on measuring the relationships between the CSR of financial institutions and employee attitudes, skills required by the managers of these institutions, and areas of social responsibility.

Analysis of the relationship between CSR and employees' attitudes. Table 2 investigates the correlation between participants' attitudes and CSR

Insert Table 2 about here

The following is clear from this table:

1. There is a relationship between the CSR and employees' attitudes toward their CSR due to all the factors related to legal responsibility. All levels of significance associated with p-values were less than 0.05 for all factors: companies operate within the legal framework (0.51), comply with all laws set by the government (0.50), adhere to the principles of justice and honesty (0.50), and comply with all the required amendments (0.49).
2. From employees' points of view, there is a relationship between the CSR and employees' attitudes: The social responsibility of the company is to participate in community development (0.55), become involved in cleaning campaigns (0.52), help society when disasters happen (0.50), support volunteerism (0.49), improve the lives of employees (0.45), and consider social responsibility as a long-term investment that benefits the community (0.28).

Analysis of the relationship between CSR and the skills required by managers to practice social initiatives. Table 3 shows the required skills to perform social activities.

Insert Table 3 about here

It is clear from Table 3 that from the employees' points of view, there is a relationship between the CSR and skills required by the managers to carry out social activities. All levels of significance associated with the p-values were less than 0.05 for all skills.

Analysis of the relationship between CSR and areas of social responsibility. Table 4 presents the different areas of social responsibility.

Insert Table 4 about here

It is clear from the data in Table 4 that there is a significant relationship between CSR and the environmental, economic, social, legal, and cultural areas. All levels of significance associated with the p-values are less than 0.05.

Analysis of the relationship between the CSR and helping factors that assist financial institutions to carry out their social responsibilities. Table 5 presents the main factors in assisting CSR.

Insert Table 5 about here

The following is clear from this table:

1. There is a relationship between CSR and financial factors. All financial factors associated with the p-values were less than 0.05. The strengths of the relationships based on the coefficient compatibility were as follows: work on increasing sales (0.39), reduce operating costs (0.37), reduce the costs of recruitment, conduct recruitment and training (0.36), and increase profits (0.33).
2. There is a relationship between CSR and non-financial factors. All non-financial factors associated with the p-values were less than 0.05. The strengths of the relationship based on the coefficient compatibility were as follows: delegate and participate in decision making (0.44), increase credibility and integrity (0.42), improve employee performance (0.42), develop consumer loyalty (0.42), improve employee performance (0.42), improve market reputation (0.40), and reduce corruption (0.37).

Analysis of the relationship between the CSR and hindering factors that limit these organizations in carrying out their social responsibilities. Table 6 shows the hindering factors to practice CSR.

 Insert Table 6 about here

Table 6 shows the following:

1. From the employees' points of view, there is a relationship between CSR and some hindering factors in carrying out social responsibilities. The significance levels associated with the p-values were less than 0.05. The following is a list of factors that hinder financial institutions from carrying out their responsibilities: managers' lack of experience (0.55), manager's focus on profits (0.47), and senior management's neglect of social responsibility strategies (0.29).
2. From the point of view of employees, there is no relationship between the CSR and hindering factors that affect financial institutions in carrying out their social responsibilities. The significance levels associated with the p-values were less than 0.05. These factors were the following: the conflict between the company and consumer, misunderstanding of the society's needs, and weak communication with different social groups.

Proposed Quantitative Model for Measuring Social Responsibility

The researchers used the path analysis method of structural equation modeling (SEM) to measure social responsibility. The SEM technique depends on analyzing the relationships between one or more independent variables, whether those variables are continuous or discrete, and one or more dependent variables, whether continuous or discrete, to determine the most important indicators impacting the dependent variables (Tabachnick & Fidell, 1996). The SEM combines multiple regression analysis with global analysis, known by several names, including causal modeling, analysis of covariance structures, path analysis, and confirmatory factor analysis (Hair, Anderson, Tatham, and Black, 1995)

$$\begin{aligned}
 y_1 &= x_{11} + x_{12} + x_{13} + \dots + x_{1n}, \\
 y_2 &= x_{21} + x_{22} + x_{23} + \dots + x_{2n}, \\
 y_m &= x_{m1} + x_{m2} + x_{m3} + \dots + x_{mn}.
 \end{aligned}$$

Structural Model for Path Analysis

There are no differences between the path analysis and confirmatory factor analysis, except in the dependent variables measured in the path analysis. The model is as follows (Hair, Anderson, Tatham, and Black, 1995; Timm, 2002):

$$\mathbf{y} = \mathbf{B} \mathbf{y} + \mathbf{\Gamma} \mathbf{x} + \boldsymbol{\xi}$$

$p \times 1 = p \times p \times 1 + p \times q \times 1 + p \times 1$

- \mathbf{y} Matrix of dependent variables; p number of dependent variables.
 $p \times 1$
- \mathbf{B} The direct effects matrix for dependent variables that is dependent on other dependent variables, which are path parameters.
 $P \times P$
- $\mathbf{\Gamma}$ The direct effects matrix for independent variables that is dependent on dependent variables, which are the path parameters; q is the number of independent variables.
 $p \times q$
- \mathbf{x} Independent variables matrix
 $q \times 1$
- $\boldsymbol{\xi}$ Matrix of errors
 $p \times 1$

The proposed model is applied to measure the CSR and level of social responsibility performance.

The CSR Measuring Model

In this model, the dependent variable is the attitude employees have of the social role of the company, which is symbolized by y2. The intermediate variables are the main axes of the areas of social responsibility. Finally, the independent variables are factors related to the areas of CSR. The variables and symbols are described in table 7.

 Insert Table 7 about here

Measuring the CSR of financial organizations. Figure 2 illustrates the path analysis model for measuring the CSR.

 Insert Figure 2 about here

The following is clear from Figure 2:

- Variable y_2 is a dependent variable that represents the CSR. Variables f1, f2, f3, f4, and f5 are intermediate variables that reflect the main axes of the areas of social responsibility. The variables from x20 to x51 are independent variables related to the CSR.
- The values shown on the arrows exchanged between the indicators of the measurement of social responsibility represent the value of the variance between each pair of variables.
- Values shown above each indicator represent the amount of variance explained by that indicator in the intermediate variables.
- The standard error value associated with each regression equation explains the amount of unexplained variance by independent or intermediate variables.

Table 8 illustrates the values of the standardized effects of the independent variables on both intermediate and dependent variables:

Insert Table 8 about here

The following is noted based on Table 8:

- The area of cultural responsibility, f5, is the most influential intermediate variable in the CSR, with an impact rate of 0.274.
- The area of economic responsibility, f2, is an intermediate variable affecting the CSR the least, with an impact rate of -0.068.
- To measure social responsibility, the intermediate variables are estimated first by using the effect rates given by each independent variable. The weighted mean variables in the measurement of social responsibility are also used by measuring the effect rates relative to each variable.

Quality of the proposed structural model test. The results of the statistical analysis indicate that the structural model has a good quality match with the assumed model of the data. Table 9 summarizes the results of these indicators.

Insert Table 9 about here

The following is noted based on Table 9:

- The value of Chi-square to the degrees of freedom (CMIN/DF) is less than two, indicating that the proposed model is identical to the presumed model of the sample data.
- The value of the root means square error of approximation (RMSEA) is less than 0.05, indicating that the proposed model for measuring social responsibility fully matches the presumed model of data.
- The remaining indicators in the table are greater than 0.90, indicating the quality of the proposed model.

A model for measuring the level of social responsibility performance. In this model, the dependent variable is the attitude employees have of the social role of the company, which is symbolized by y_2 . The intermediate variables are the main axes of the level of social responsibility performance (managers' skills required to carry out social activities – factors that help institutions to fulfill their social responsibilities). Finally, the independent variables are factors related to the performance of the organization for its social responsibility. The symbols in Table 10 are related to these variables.

Insert Table 10 about here

Level of performance of social responsibility. Figure 3 illustrates the path analysis model for measuring the level of CSR performance.

Insert Figure 3 about here

The following is clear from Figure 3:

- Variable y_2 is a dependent variable that expresses the CSR. Variables f6, f7, and f8 are intermediate variables that reflect the main axes of each managers' skill required to carry out social activities and helping factors for the organizations to carry out their social responsibilities (financial and non-financial), respectively.

- The values shown on the arrows exchanged between independent variables represent the value of the variance between each of these variables.
- Values shown above each indicator represent the amount of variance explained by that indicator in the intermediate variables.
- The standard error value associated with each regression equation explains the amount of unexplained variance by independent variables or intermediate variables.

Table 11 shows the values of the standardized effects of independent variables on both intermediate and dependent variables.

Insert Table 11 about here

The following is clear from Table 11:

- The financial aspects, f7, are variables with the most influence on the performance of social responsibility, with an impact rate of 0.303.
- Managers' skills required to carry out social activities, f6, are intermediate variables affecting the performance of social responsibility the least, with an impact rate of -0.048.
- To predict the level of social responsibility performance, the intermediate variables are estimated first using the effect rates presented for each independent variable. The estimated intermediate variables are then used to measure the level of CSR performance.

Quality of the proposed structural model to measure the level of performance of social responsibility. The results of the statistical analysis presented in Table 12 show the quality of the proposed structural model to measure the level of performance of CSR.

Insert Table 12 about here

The following is noted based on Table 12:

- The value of CMIN/DF is less than two, indicating that the proposed model is the same as the model assumed for the sample data.
- The value of the RMSEA is less than 0.05, indicating that the proposed model for measuring the level of performance of social responsibility exactly matches the presumed model of data.
- The remaining indicators in the table are greater than 0.90, indicating the quality of the proposed model.

IV. DISCUSSION

The first hypothesis indicated that there is no relationship between the CSR and employees' attitudes toward their organization's social responsibility. The results show that there is a significant relationship between the CSR and employees' attitudes to all the factors related to legal responsibility: the company works within the legal framework of the society and seeks to comply with all the laws set by the government. This confirms that the laws in Saudi Arabia are compulsory for companies. The National Anti-Corruption Commission was recently established in 2011, to reduce corruption and collect data and information regarding corruption by encouraging moral commitment, transparency, and justice. Companies today are more susceptible to pressure and surveillance from all sectors of the society as well as the government, so any default a company can fall into makes it more likely to be prosecuted. This result agrees with the findings of Taskiran and Gökçe (2017) that CSR affects the perception of all shareholders, mainly the employees.

The results also indicate that there is a relationship between the CSR and the attitudes of employees toward the social responsibility of their companies for all the factors related to the social response: the company contributes to the development of the society, participates in cleaning campaigns, provides donations in case of disasters, supports voluntary work, provides many services to improve the lives of employees, and considers social responsibility as a long-term investment. This confirms that Saudi companies today are no longer limited in their interests to profit, but rather they establish cooperative efforts with different sectors of the society to achieve sustainable development, taking into account that economic development and building of a knowledge society must go hand in hand with bearing of social responsibility (Alsubaie, 2016; Gupta & Sharma, 2016; Khan, Al-Maimani, & Al-Yafi, 2013).

A significant relationship was found between the CSR and the skills required by managers: making appropriate decisions by providing services to the community promptly, supporting social activities, improving the company image, and identifying the required activities according to the needs of the community with a balance between achieving the interests of all parties, planning and implementing activities beneficial to society, and carrying out market research that identifies consumer needs of goods and services. The initiatives taken by companies to provide social activities are considered useful and related to the managers' skills regarding

decision making, time of delivery, targeted group, and development of appropriate strategies. All these results are consistent with the National Commercial Bank's (2012) community-based initiatives that require their managers to identify the needs of the community and make appropriate decisions to respond to them (The National Commercial Bank, 2012).

It was hypothesized that there is no relationship between the CSR of financial institutions and areas of social responsibility: environmental, economic, legal, social, and cultural; the results revealed that there is a relationship between the CSR and environmental factors of social responsibility through the company's participation in reducing the causes of disasters, using animal and plant resources, protecting the environment, and spreading environmental awareness. Therefore, the participants' view was positive toward the commitment of their companies to apply social responsibility in the environmental field (Ali & Al-Aali, 2012; Guoa et al., 2015; Ubrežiová, Kozáková, & Malejčiková, 2015).

The results also indicated that there is a relationship between the CSR and economic factors through companies' responding to the government's economic policies, offering services despite prior knowledge that the prices will rise in the future, using the required resources regardless of their scarcity, working to reduce unemployment, and finally looking at competition as a means of profit. The results of this study, underscored by Ali and Al-Aali (2012) and Wood (2010), indicate that CSR is vital to the government and private sector; nevertheless, Ali and Al-Aali indicated that participants view CSR as a voluntary initiative, and the government's goal to make it a part of the private-sector strategy is not attainable.

There was a significant relationship between the CSR and legal areas as regards following the instructions of the Consumer Protection Association, working with social security laws, and providing health and safety programs. Companies are subject to government laws and regulations, and regulatory laws in Saudi Arabia are binding on all companies. Any failure to comply with them makes companies liable to legal fines and penalties out that social responsibility is closely linked to governance, and commitment is linked to ethical values.

The relationship between the CSR and the social area was significant as regards the following: the company providing financial support for social solidarity, strengthening cooperation and moral values, reinforcing human relations and joint ties, and working with people with special needs. Similarly, Alshbiel and Al-Awawdeh (2011) noted that companies are working to improve social well-being, respect customs and traditions, and provide assistance to the needy through programs that contribute to the well-being of the society.

The results show that there is a significant relationship between the CSR and the cultural area through sponsoring seminars, providing financial scholarships, supporting scientific research centers, having cultural communication with diverse groups, and supporting youth and literary activities.

As regards helping and hindering factors affecting the organizations' initiatives of bearing social responsibility, data indicated that there is a relationship between the CSR and financial factors that help the organizations fulfill their responsibilities in terms of working to reduce the costs of recruitment, training, and development, increasing profits and sales and reducing operating costs. Therefore, companies that assume their social responsibilities are often more exposed to improving their market reputation and enhancing their market position (Klimkiewicz & Oltra, 2017). As for the relationship between the CSR and non-financial factors, data showed that there were significant relationships between the CSR and values of society, level of delegation, participation in decision making, credibility and integrity, consumer loyalty, improvement in market reputation, and minimization of damage. Gaudencio et al. (2017), Mott and Daro (2014), and Wolczek (2014) pinpointed that companies aim to establish good relations with their employees and with different social classes.

RECOMMENDATIONS

Financial organizations pay great attention to improving their CSR by establishing cultural partnerships with different educational and research institutions. Accordingly, Saudi companies should include CSR in their strategies after conducting a quadratic analysis to define their strengths, weaknesses, opportunities, and threats. The results of this analysis should serve the community by providing humanitarian initiatives and meeting social needs. Garcia-Rosell (2019) brings to light different ways CSR can be taught to business students. The author believes that a "story co-creation exercise," in other words, telling stories about successful corporation bearing their cultural responsibility, and discussing certain ethical events would enable students to understand the importance of CSR in the context of education. A conclusion can be drawn, proving that altering the methods of how CSR is taught to business students can aid future managers to fill the gap between theory and practice. That can be arranged if firms would coordinate with business schools to execute the proposed method.

Social responsibility at present is still in the initial stage. It needs a higher corporate body, such as commercial or industrial chambers, to coordinate between private companies and the government to determine social needs. Moreover, prioritizing these needs reduces the provision of repetitive, unorganized services to different social classes. Social responsibility should not only include voluntary initiatives but must also be

binding on all companies as long as companies operate under an open system that receives input from the society to return outputs to the society. The following further recommendations might be useful:

1. Financial companies need to pay great attention to social responsibility and integrate it into their economic strategies.
2. They should create a social responsibility unit that involves employees and administrators at various organizational levels and participate in community-oriented activities.
3. They must train managers to develop their social responsibility skills and respond to community needs.
4. The companies should partner with civil society organizations and charities to activate community partnership initiatives.
5. They should create a guide to illustrate the company's vision, mission, and goals toward social responsibility.

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TABLE 1

Validity, Reliability, and Sample Adequacy

Reliability coefficient	Validity coefficient	KMO and Bartlett's test
0.969	0.984	0.965

TABLE 2 Employee Attitudes toward Social Responsibility

Employee attitudes toward social responsibility	Mean	Chi-square		
		P-value	Contingency coefficient	Notes
Legal responsibility				
The company seeks to comply with laws set by the government.	4.15	0.000	0.50	Significant
My company operates within the legal framework of the community.	4.15	0.000	0.51	Significant
My company follows the principles of justice and honesty.	3.87	0.000	0.50	Significant
My company complies with all the required amendments.	3.93	0.000	0.49	Significant
Social response				
Corporate social responsibility is participating in community development.	3.95	0.000	0.55	Significant
Social responsibility is a long-term investment that benefits society first.	4.20	0.002	0.28	Significant
The company supports volunteerism as a vehicle for social responsibility.	3.5	0.000	0.49	Significant
The company provides the services necessary to improve the lives of employees as they are parts of the society.	3.37	0.000	0.45	Significant
My company participates in helping society when disasters happen.	3.42	0.000	0.50	Significant
My company is involved in cleaning campaigns in the city.	3.06	0.000	0.52	Significant

TABLE 3
Analyzing the Skills Required by Managers to Carry Out Social Activities

Skills required by managers to carry out social activities	Mean	Chi-square		
		P-value	Contingency coefficient	Notes
The company's managers conduct marketing research to identify the needs of consumers before producing the product.	3.78	0.000	0.45	Significant
Managers support social activities.	3.57	0.000	0.54	Significant
Managers make appropriate decisions regarding community service promptly.	3.55	0.000	0.60	Significant
The company's managers are transparent in disclosing the company's most important activities.	3.57	0.000	0.55	Significant
Managers provide the necessary information to the stakeholders (such as media, researchers, etc.) as part of their social responsibility.	3.53	0.000	0.52	Significant
Balancing stakeholder interests and achieving company goals are one of the many skills of the company's managers.	3.63	0.000	0.50	Significant
Managers work to improve the company's image in society.	3.44	0.000	0.54	Significant
Managers have the skills to identify the necessary activities that help them assess the needs of the community.	3.37	0.000	0.53	Significant
Company managers work on planning and implementing activities that are beneficial to the society.	3.33	0.000	0.46	Significant

TABLE 4
Analyzing the Areas of Social Responsibility: Environmental, Economic, Legal, Social, and Cultural

Areas of social responsibility	Mean	Chi-square		
		P-value	Contingency coefficient	Notes
Environmental area				
My company protects the environment.	3.22	0.000	0.48	Significant
My company is developing an environmental protection mechanism.	3.22	0.000	0.48	Significant
My company maintains aquatic, animal, and plant resources.	3.49	0.000	0.50	Significant
The company is involved in reducing the causes of disasters.	3.53	0.000	0.54	Significant
My company cares about the green environment.	3.44	0.000	0.53	Significant
The company reduces waste.	3.47	0.000	0.52	Significant
The company encourages environmental awareness.	3.96	0.000	0.40	Significant
Economic area				
The company provides services needed by society.	3.85	0.000	0.47	Significant
The company is involved in reducing unemployment.	3.84	0.000	0.40	Significant

My company consolidates its relationship with consumers.	3.89	0.000	0.50	Significant
The company is selling products at a regular price despite the knowledge that the prices might rise in the future.	4.08	0.000	0.46	Significant
My company is looking at competition as a way to profit to outperform competitors.	3.65	0.000	0.49	Significant
The company uses the resources required regardless of its scarcity to provide services.	3.92	0.000	0.38	Significant
My company responds to the government's economic policies.	4.13	0.000	0.42	Significant
Legal area				
My company is committed to government laws and regulations.	3.62	0.000	0.56	Significant
Transparency is high in my company.	3.76	0.000	0.53	Significant
The company considers all the instructions of the Consumer Protection Association.	4.09	0.000	0.33	Significant
The company provides comprehensive health insurance for employees.	3.83	0.000	0.42	Significant
Health and safety programs are available in my company.	3.90	0.000	0.39	Significant
The company is committed to social security laws.	3.95	0.000	0.40	Significant
Social area				
My company promotes ethical values.	3.63	0.000	0.43	Significant
The company supports the concept of social solidarity among its employees.	3.75	0.000	0.45	Significant
The company promotes the principle of co-operation among its employees.	3.66	0.000	0.45	Significant
The company is interested in maintaining good relationships among employees.	3.31	0.000	0.42	Significant
The company provides job opportunities for people with special needs.	3.18	0.000	0.46	Significant
Cultural area				
The company works to provide financial aid to cultural associations.	3.21	0.000	0.45	Significant
My company supports youth activities and sports clubs.	3.12	0.000	0.48	Significant
The company offers educational scholarships.	3.51	0.000	0.56	Significant
The company supports educational activity centers.	3.33	0.000	0.56	Significant
The company achieves global cultural communication by supporting translation centers.	3.36	0.000	0.56	Significant
The company supports scientific research centers.	3.47	0.000	0.53	Significant
The company is keen to organize cultural seminars for employees.	4.27	0.000	0.28	Significant

TABLE 5
Analyzing the Helping Factors that Assist Companies To Fulfill their Social Responsibilities

Helping factors that assist companies to fulfill their social responsibilities	Mean	Chi-square		Notes
		P-value	Contingency coefficient	
Financial factors				
Increase profits	3.40	0.000	0.33	Significant
Increase sales	4.19	0.000	0.39	Significant
Reduce operating costs	3.94	0.000	0.37	Significant
Reduce recruitment and recruitment and training expenses	4.15	0.000	0.36	Significant
Non-financial factors				
Improve market reputation	3.96	0.000	0.40	Significant
Increase credibility and integrity	3.87	0.000	0.42	Significant
Improve employee performance	3.99	0.000	0.42	Significant
Develop consumer loyalty	3.28	0.000	0.42	Significant
Reduce corruption	3.14	0.000	0.37	Significant
Ensure employees' delegation and participation in decision making	3.21	0.000	0.44	Significant
Ensure harmony with the values of the society	3.24	0.000	0.53	Significant

TABLE 6

Analyzing the Hindering Factors that Limit Companies from Fulfilling their Social Responsibilities

Hindering factors that limit companies from fulfilling their social responsibilities	Mean	Chi-square		
		P-value	Contingency coefficient	Notes
Lack of experience of managers in how to bear social responsibility	3.51	0.000	0.55	Significant
Managers' focus on profits	3.10	0.000	0.47	Significant
A lot of disputes between the company and consumers	3.66	0.080	--	Significant
Decisions that misunderstand the society's needs	3.66	0.160	--	Significant
Negligence of senior management of social responsibility strategies	3.62	0.001	0.29	Significant
Weak communication with different community groups	3.82	0.320	--	Significant

TABLE 7

Symbols of variables for environmental, economic, legal, social, and culture

Variables	Symbols
Environmental area	F1
My company protects the environment.	X20
My company is developing an environmental protection mechanism.	X21
My company maintains aquatic, animal, and plant resources.	X22
The company is involved in reducing the causes of disasters.	X23
My company cares about the green environment.	X24
The company reduces waste.	X25
The company encourages environmental awareness.	X26
Economic area	F2
The company provides services needed by society.	X27
The company is involved in reducing unemployment.	X28
My company consolidates its relationship with consumers.	X29
The company is selling products at a regular price despite the knowledge that the prices might rise in the future.	X30
My company is looking at competition as a way to profit to outperform competitors.	X31
The company uses the resources required regardless of its scarcity to provide services.	X32
My company responds to the government's economic policies.	X33
Legal areas:	F3
My company is committed to government laws and regulations.	X34
Transparency is high in my company.	X35
The company considers all the instructions of the Consumer Protection Association.	X36
The company provides comprehensive health insurance for employees.	X37
Health and safety programs are available in my company.	X38
The company is committed to social security laws.	X39
Social area	F4
My company promotes ethical values.	X40
The company supports the concept of social solidarity among its employees.	X41
The company promotes the principle of co-operation among its employees.	X42
The company is interested in maintaining good relationships among employees.	X43
The company provides job opportunities for people with special needs.	X44
Cultural area	F5
The company works to provide financial aid to cultural associations.	X45
My company supports youth activities and sports clubs.	X46
The company offers educational scholarships.	X47
The company supports educational activities centers.	X48
The company achieves global cultural communication by supporting translation centers.	X49
The company supports scientific research centers.	X50
The company is keen to organize cultural seminars for employees.	X51

TABLE 8

Values of Standardized Effects of the Independent and Intermediate Variables on the Corporate Social Responsibility

Effect	Estimate	Effect	Estimate
f1 <--- x26	-.016	f3 <--- x39	.070
f1 <--- x25	.063	f4 <--- x44	.195
f1 <--- x24	.080	f4 <--- x43	.186
f1 <--- x23	.180	f4 <--- x42	.071
f1 <--- x22	.085	f4 <--- x41	.044
f1 <--- x21	.015	f4 <--- x40	.192
f1 <--- x20	.222	f5 <--- x49	-.046
f2 <--- x28	-.009	f5 <--- x48	.141
f2 <--- x29	.028	f5 <--- x47	.268
f2 <--- x30	-.079	f5 <--- x46	-.027
f2 <--- x31	.112	f5 <--- x45	.214
f2 <--- x32	.294	f2 <--- x27	.066
f2 <--- x33	.364	f5 <--- x50	.144
f3 <--- x34	.261	y2 <--- f1	.092
f3 <--- x35	.362	y2 <--- f2	-.068
f3 <--- x36	-.089	y2 <--- f5	.274
f3 <--- x37	.096	y2 <--- f3	.263
f3 <--- x38	.087	y2 <--- f4	.195

TABLE 9

Quality Indicators for the Structural Model with the Assumed Data Model

CMIN/DF	GFI	NFI	CFI	TLI	IFI	RMSEA
1.441	0.937	0.905	0.987	0.991	0.913	0.034

TABLE 10

Symbols of variables for required managerial skills and helping factors that assist companies to fulfill their social responsibilities

Variables	Symbols
Required managerial skills for social responsibility	F6
The company's managers conduct marketing research to identify the needs of consumers before producing the product.	X11
Managers support social activities.	X12
Managers make appropriate decisions regarding community service in a timely manner.	X13
The company's managers are transparent in disclosing the company's most important activities.	X14
Managers provide the necessary information to the stakeholders (such as media, researchers, etc.) as part of their social responsibility.	X15
Balancing stakeholder interests and achieving company goals are one of the many skills of the company's managers.	X16
Managers work to improve the company's image in the society.	X17
Managers have the skills to identify the necessary activities that help them assess the needs of the community.	X18
Company managers work on planning and implementing activities that are beneficial to society.	X19
Helping factors that assist companies to fulfill their social responsibilities	
Financial factors	F7
Increase profits	X52
Increase sales	X53
Reduce operating costs	X54
Reduce recruitment and recruitment and training expenses	X55
Non-financial factors	F8
Improve market reputation	X56
Increase credibility and integrity	X57
Improve employee performance	X58
Develop consumer loyalty	X59
Reduce corruption	X60
Ensure employees' delegation and participation in decision making.	X61
Ensure harmony with the values of society.	X62

TABLE 11
Values of the Standardized Effects of the Independent and Intermediate Variables on the Level of CSR Performance

Effect	Estimate	Effect	Estimate
f7 <--- x52	-.050	f6 <--- x18	-.168
f7 <--- x53	.075	f6 <--- x17	.550
f7 <--- x54	.225	f6 <--- x16	-.090
f7 <--- x55	.345	f6 <--- x15	.005
f8 <--- x58	.167	f6 <--- x14	.045
f8 <--- x59	-.130	f6 <--- x13	-.205
f8 <--- x60	-.011	f6 <--- x12	.205
f8 <--- x61	.190	f6 <--- x11	.052
f8 <--- x62	-.285	y2 <--- f6	-.048
f8 <--- x57	.202	y2 <--- f7	.303
f8 <--- x56	.169	y2 <--- f8	.165
f6 <--- x19	.184		

TABLE 12
Quality Indicators for the Structural Model to Measure the Level of Social Responsibility Performance of the Presumed Data Model

CMIN/DF	GFI	NFI	CFI	TLI	IFI	RMSEA
1.705	0.981	0.948	0.909	0.927	0.977	0.048

FIGURE 1
Areas of Corporate Social Responsibility

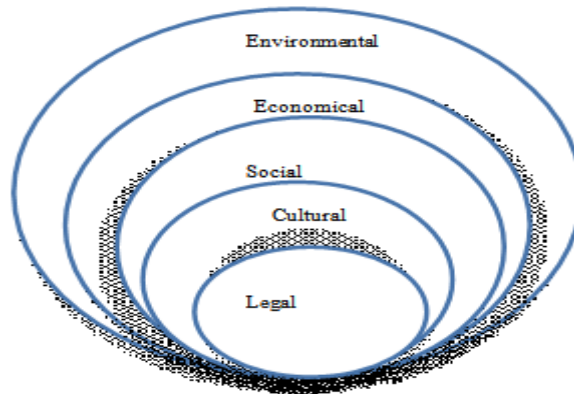


FIGURE 2
Path Analysis for Measuring Corporate Social Responsibility

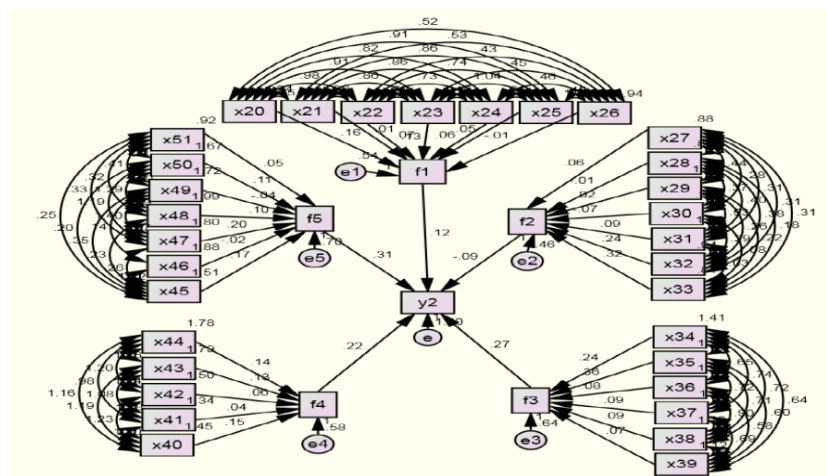
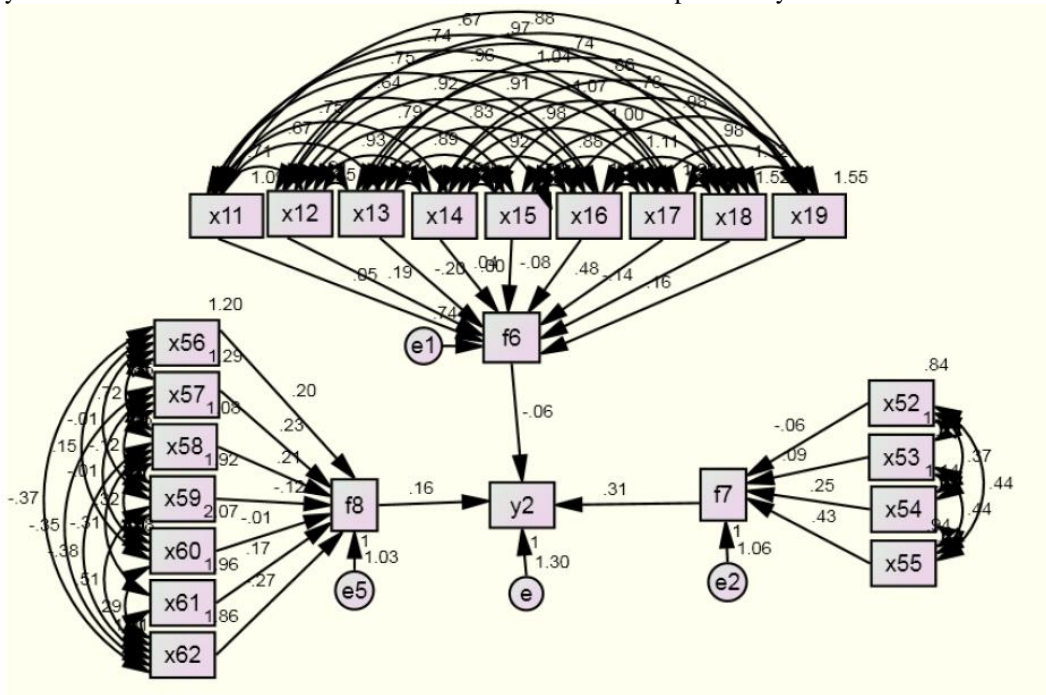


FIGURE 3

Path Analysis Model to Measure the Level of Performance of Social Responsibility



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