

Corporate Social Responsibility Disclosure by Islamic Banks in GCC Region

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Abstract This paper aimed to assess the level of CSR disclosure of Islamic banks in the GCC region against a backdrop of Islamic finance principles and Islamic moral economy, using content analysis to create the CSR disclosure index. As well, it employs the qualitative research approach, which is followed by measurement and the interpretation of the qualitative conclusions. This paper used the content analysis approach to examine data from annual reports a total of twenty-eight Islamic banks, analysing 334 annual reports from 2006 to 2019. Furthermore, Bahrain Islamic banks took first place, while Saudi Islamic banks earned the lowest rate in the region. However, when compared to previous studies, the level of CSR disclosure shows a slight improvement. Despite this, the data reveals that CSR disclosure remains low, at 55%. Commitment to debtors placed best in a cross-sectional analysis of CSR disclosure dimensions, with an overall value of 0.69. For Zakat, charity, and beneficent loans, the minimum score is (0.36). Several reports from the tested Islamic banks were found to be lacking CSR disclosure information, according to these findings. This research adds to the body of knowledge and will be valuable to policymakers, government entities, and regulators who may want to encourage Islamic banks to issue and determine a basic index for CSR disclosure policies in their annual reports and websites. In addition, future research may examine survey methodologies that include more in-depth interviews with administration and important stakeholder, which could improve the CSR disclosure degree of understanding in Islamic banking.

Keywords CSR Disclosure, Islamic Banks, Content Analysis, Annual Reports, GCC Region

1. Introduction

Since the last few decades, there has been an increase in corporate consciousness of Corporate Social Responsibility (CSR) (Reverte, 2009; Ineizeh, 2014a). Gustafson (2002) has acknowledged this concept as one of the significant variables that contributed to the banks' success via enhancing their character, which immediately led to increased profitability. As a strategic approach to image rebranding, Corporate Social Responsibility Disclosure (CSR D) is viewed as an instrument for moving info about societal actions used by external and internal decision-makers into the corporate communication process (Van-Marrewijke, 2003; Basu & Palazzo, 2008).

The rising Islamic financial foundations that function on the basis of Islamic financial principles obtained from the roles and morality values of Islamic financial law have been rationalized by the incorporation of business morality into all financial processing those Islamic banks (Al-Zaqeba & AL-Rashdan, 2020a). Correspondingly, it is reasonable to conclude that CSR activities should be provided and considered in all Islamic bank financial products and operations. CSR efforts can be traced back to an Islamic finance notion that a company's activities should be ethical in

addition to its financial obligations.

The primary reason for focusing on Islamic banks in the GCC region is the affinity of architecture socioeconomic, which allows control for cultural and macro elements that may have an impact on the research fields of the researcher. Furthermore, the GCC region is used as a case study as its status as an axis for Islamic finance, which has had a significant impact on the swift growth of Islamic banking globally.

In comparison to conventional banks, Islamic banks are not only qualified for promoting and protecting interests of their shareholders, but they are also accountable to society as a whole (Belal et al. 2015; Al-Zaqeba et al., 2018; Al-Zaqeba & AL-Rashdan, 2020). As a result, "Expanding the liability of enterprises further than the conventional function of presenting a financial account to venture capitalists, notably shareholders," according to CSR reporting (Gray et al., 1995: 36).

A survey of the relevant literature finds a shortcoming in previous research that quantifies CSR disclosure levels as an example for foundations or enterprises merely. These studies are mainly concerned with the gap between what is expected and what is possible in CSR disclosure terms and standards in Islamic institutions. As a result, it is critical to investigate the CSR impacts and determinants in Islamic banks in order to fully comprehend their policies.

As a result, the disclosure levels in this research evaluate of the sampled Islamic banks, and then examine the determinants and their impact on CSR. As a result, in this study was purposefully chosen the banks which included to broaden the scope of the research, including 334 notes of GCC Islamic banks made between 2006 and 2019, it is worth mentioned that the Omani Islamic banks launched Islamic Finance Industry recently in 2012, to justify the differences in the sample number. The measures conducted for this study will aid in obtaining a thorough view of CSR practices as indicated by prominent Islamic banks throughout the world.

In general, there is a gap between transactional or ideal and actual disclosures. Nonetheless, because to a small sample size, the number of banks that may be sampled is limited, which makes generalizing the results difficult (Al-edenat, 2018; Haniffa & Hudaib, 2007; Maali et al. 2006). As a result, the generalization of the research findings will be rationalized by focusing on the most recent CSR practices displayed by GCC Islamic banks.

As a consequence, this paper investigates CSR at Islamic banks in the GCC. Prior research appears to provide potential for more CSR disclosure research in the context of Islamic Financial foundations, likewise providing a focused viewpoint on CSR and CSR expertise.

This research intends to examine the amount of CSR of Islamic banks in the GCC region, entrenched in the Islamic finance principles backdrop and Islamic moral economy. This study will establish a theoretical framework for CSR in accordance with Islamic financial viewpoints, as well as an

index to quantify the CSR levels of Islamic Banks in the GCC region in accordance with Islamic ethical and financial principles. This study offers an understanding of CSR index, based on a comprehensive literature review and employing text analysis to extract the information of CSR disclosure from 334 notes of 28 Islamic banks, covering the period from 2006–2019 in the GCC region.

Based on previous literature of CSR disclosure such as Platonova et al. (2016); Maali et al. (2006); and Haniffa & Hudaib (2007); Hence, six major dimensions were chosen namely; vision and services and mission statement products commitments employees, commitments, community, debtors, zakat, charity and benevolent loans.

Theoretical Background of CSR Disclosure

The concept of CSR has evolved to include how organizations can act in ways that benefit the public's well-being (Griseri & Seppala, 2010). Other than profit generating, CSR has described as a company's accountability, social integration and approachability (Chapple and Moon, 2005). These objectives far exceed what is required of businesses by law or the government. CSR also defined as corporate behaviour that positively promote the well-being of stakeholders and goes beyond economic interests (Turker, 2009). According to UNICEF (2013), CSR is defined as "a collection of voluntary measures conducted by a firm in addition to legal compliance, such as charity and corporate governance". Even though the terms have different nomenclature, their meanings all have a similar concept. As a result, building a conceptual knowledge of CSR is crucial in order to lay the groundwork for hypothesis development. CSR disclosure, on the other hand, is considered as a means of disseminating information regarding socially responsible operations to internal and external decision makers as part of the corporate reporting process (Basu and Palazzo, 2008; Van Marrewijk, 2003). However, CSR is a broad notion that could involve societal participation in disclosure, customer interactions and products, energy and environmental issues in disclosure, and human data (Gao et al., 2005; Gray et al., 1995b). It could also encompass ethical investments and moral issues (Maali et al., 2006). As a result, how the organization and its stakeholders define CSR in the community will have an impact on the range and quality of disclosure (Inezeh, 2014b; Van Smith et al., 2005).

CSR offers several advantages to the business in a variety of ways. As a result, Cragg (2002) claims that CSR values and objectives in corporate statements boost a company's stock price appeal to socially concerned investors. CSR also satisfies investors' requirement for social and ethical validity, according to Sethi (1975). According to Hummels and Timme (2004), CSR provides for corporations a clear road map to make sustainable long-term investment decisions.

Agency theory has been shown to emphasize the

interconnections between the principal and the agents who are tasked with managing the principal's interests and making sound decisions. General stakeholder theory, on the other hand, asserts that society has specific expectations of corporations, that they exhibit a positive disposition that is more aligned with their economic or social role. Furthermore, the legitimacy theory illustrates that environmental as well as non-environmental elements, such as political, economic, and social considerations, impact a corporation's decision to disclose, which are used for the legal authorisation of the corporation's actions and operations. Furthermore, according to Patten (2002), the theory fundamentally thinks that Islamic banks' societal activities are established through social contracts, which serve as the foundation for public policy development rather than a market place. According to previous research, such as Lindblom (1994), Patten (2002), and Deegan and Blomquist (2006), social information disclosure appears to be likewise if Islamic banks had proof to reveal data about their actions, which would justify its behaviour. As a result, Islamic banks must give adequate information to allow their firms to be assessed as good business citizens or not (Maali et al., 2006).

Islamic Finance Perspectives

Islamic financial rules govern the activities and conduct of Islamic banks, addressing the CSR concept from an Islamic finance viewpoint is critical. CSR and CSRD relate to a company's business duty to its stakeholders, which include communities, employees, customers and suppliers, among others (Al-Zaqeba, 2019; Aribi, 2009). Similarly, the Auditing Organisation and Accounting for Islamic Financial Institutions (AAOIFI) addresses this by issuing governance standards for IFIs and providing recommendations on CSRD to Islamic banks (AAOIFI, 2010: 38). Shari'ah, on the other hand, encompasses values and ethics that apply to several elements of life: societal, economic, intellectual, political, and personal. Shari'ah, according to Dusuki and Abdullah (2007a), is Islam's holistic perspective, which viewed like full code and a comprehensive or guide to life.

The (Maqasid Al-Shari'ah) have basic goals of Islamic law which to adopt the comfort of mankind. "Promote the comfort of all people, which consists in safeguarding their religion (ad-din) are the basic purpose of the Shari'ah, in addition to their family (nasl), their human-self (nafsa), their intellect (aql), and their money (mal)," according to Al-Ghazali (as reported in Dusuki & Abdullah, 2007). Moreover, The Shari'ah includes three basic components: I Aqidah, which deals with faith and belief; (ii) Akhlaq, which deals with ethics and morals; and (iii) Fiqh, which deals with legal decisions and human administration (Mohammad and Shahwan 2013). Fiqh, or statutory judgements, may fluctuate and change depending on context and interpretation, whereas Aqidah and Akhlaq are regarded essential and hence not subject to change (Siwar & Hossain, 2009).

According to Siwar & Hossain, (2009) Islam is seen as more than a religion; it is a complete, all-encompassing lifestyle. The Sunnah (the Prophet Muhammad Pbu'h's maxims and daily routines) and Quran (Islam's Holy Book) are the primary sources of guidance for Muslims in all aspects of their lives (Inezeh, 2019; Abu-Tapanjeh, 2009; Platonova, 2013).

These are considered ontological and epistemological beginnings of Islamic doctrine and constitute the fundamental sources of knowledge in Islam. According to AAOIFI (2010) "Islamic stance on social responsibility holds that activities must directly benefit society or individuals to improve their environmental conditions or living or to higher conform with religious norms and rules,"

According to Islamic financial principles, haram (prohibited) actions promote social fairness and economic throughout the society. As a result, Islamic banks can indeed be classified as social establishments (Jamali & Mirshak, 2007). CSR is an important aspect of Shari'ah law and, such as, should be practiced by foundations as Islamic banks which function according to Islamic standards According to Zainal et al. (2013).

Economic development is a cause of worry from the viewpoint of Islamic finance. Thus, the primary goals of Islamic economics are to establish social justice and economic, equal and fair income disparity, and the abolition of business exploitation by outlawing agencies of unfair inequality (Asutay, 2012; Iqbal and Mirakhor, 2011). Furthermore, Islamic financial principles emphasizing the importance of working for the good of others in order to benefit the community and God please (Suliman & Willett, 2003). As stated in Holy Qur'an verses 90: 12-16 and 3: 92, this is further emphasized in the Qur'an's claim.

Islamic Financial Values and CSR

Dusuki, (2008) Justice in society is among the key components of Islamic finance principles (Graafland et al., 2006). Advocating for socioeconomic justice strengthens individual brotherhood and sisterhood, which means that mankind's spiritual and material needs are met justly and equally (Chapra, 1992). The idea of justice underlines the fact that all people are the same and could only be distinguished by their commitment to God and their moral character. According to Kamla et al. (2006), human duty extends beyond personal gains to community, nature, and future generations.

Islam promotes social justice through economic activity by contributing a significant sum to the construction and establishment of socioeconomic justice. Through zakat, a mandatory portion of one's income imposed by Islam, charity (sadaqah) and alms, philanthropic trusts (Waqf) and interest-free loans (Qard al Hassan), for example (AAOIFI, 2010).

Zakat, which literally means purification, is a major

defining feature of Islam that serves as the foundation for the Islamic economic system (Saheeh, 2000; Mohammed, 2007). Zakat is stated in several verses of the Holy Qur'an and in Sunnah (Hadith). Furthermore, the primary goal of Zakat is to redistribute wealth and eliminate poverty (Ibrahim et al., 2014). Zakat is regarded as a Muslim's to societal and charitable obligation those who are in need it (Bering & Bjorklund, 2004). Zakat is a sort of obligatory scholarship paid to the treasury (Amil), whether or not it is required (Belal et al., 1997).

Zakat is honored by donating a share of revenues to charitable organization or by administering Zakat (Bjorklund, 2004). Islamic banks seem to be concerned about how they administer Zakat, ensuring that all those who are in need benefit from it. In this context, AAOIFI (2010) emphasizes in this context that Islamic banks are obliged to reveal Zakat data in annual reports as just a critical element of one's CSR obligations to stake-holders. The prohibition of Riba (usury) from Islamic banking activity is another of ethical value that influences CSR operations when considering Islamism. Riba is defined by EI-Ashker (1987) as the increase in the amount paid back in regards to the quantity of money borrowed, with the former generally being greater than the latter; due to all banking interest payments are classified as Riba, the Islamic Research Centre (IRC) put a moratorium on them in 1996. (Maali, 2005). As a result, the Islamic banking business can be said to have higher moral and ethical standards when it comes to transactions. As a result, greater socioeconomic justice and equity are promoted.

Within Islamic legal theory, Maslahah (Public Interest) is viewed as a means for serving justice (Dusuki, 2008), Alternatively, according to Laldin (2010), the second source of Shari'ah in Islam is Maslahah, and establishing Shari'ah law norms based on Maslahah provides the goals of achieving fairness and justice by removing burdens as well as producing advantages. According to Al-logic Shatibi's (quoted in Laldin, 2010 & Dusuki, 2010): Maslahah has been divided into three fundamental categories or priorities, (i) dharuriyat (main needs), (ii) hajiyat (auxiliary needs), and (iii) tahsiniyat (special needs) (supplement). Al-Mubarak & Osmani, (2010) Dharuriyat relates to an essential and basic human need, emphasizing a critical component for individual and societal sustenance. It must be safeguarded because it is necessary for survival.

The Maslahah pyramid provides a basic framework for developing and managing Islamic banks' CSR management activities and strategies, which are prioritized. The weight of the Maslahah can provide strategy creation and guiding principles for CSR management based on the specified priorities.

Conforming to Ali, (2006) the idea of CSR corresponds to the idea of unification in Islam (Tawhid). As a result of this perspective, God is seen as the Owner, Creator, and Source of all things, and as such, he has required people to act as khalifah (vicegerent) to utilize and manage the world's

bounty. In Islam, one's private and public life are still not divided. As a result, Islamic principles serve as the foundation for all actions and decisions in business and personal life. The above idea principal applies, among other things, to Muslims' interactions with the society, environment, and non-Muslims.

Benevolence is characterized by positive behaviours such as monetary donations, volunteer work, constructive work, and assistance (Arieli et al., 2014; Grant & Mayer, 2009). According to, Bhuiyan et al., (2012) Islamic banks provide various mechanisms to alleviate poverty in the community, including a charity (Sadaqa) financing, a Waqf finance (endowment finance), as well as beneficent lending (Qard Hassan). Based on Obaidullah (2008) Qard Hasan is a phrase that related to an inferred loan that has no benefit or return to the lender as well as is interest-free. Primarily, Islamic banks offer Qard Hassan assistance to aid and facilitate the growth of medium and small businesses (SMEs). Moreover, Qard Hassan meets brief financial needs or wellbeing needs, with borrower specifying simply the principal payments in Qard Hassan.

Regarding commercial transparency, Islam far outperforms the UN Global Compact transparency criteria (Williams & Zinkin, 2010). Openness, on the other hand, needs greater accountability and transparency by requiring complete information on the standards utilized. As a result, Islamic banks have been intended to boost increased transparency in their processes.

Hypotheses Developing

According to Shari'ah norms, the enormous disparity between corporate citizenship disclosure practices and optimum disclosure levels was discovered by Maali et al. (2006). They also discovered that majority of banks made CSR information public in order to improve public conceptions of them. Haniffa & Hudaib (2007) also discovered a significant gap between the conveyed and ideal morally acceptable transparency. They claimed that in order for Islamic banks to remain relevant in contemporary market, those who must communicate more effectively and, as a result, improve their image and prestige in society.

According to Farook et al. (2011), in order to objectively examine Islamic banks' CSR disclosure, it is essential to analyse their political independence and level of social responsibility, as well as the proportion of saving and investments to total assets. Furthermore, Platonova et al. (2016) discovered a significant favorable relationship between financial success and CSR in GCC Islamic banks from 2000 to 2014.

Corporate disclosure research, according to agency theory, has mostly focused on the impact of company characteristics on corporate disclosure (Ahmed & Courtis, 1999). According to Aksu & Kosedag (2006), is a significant factor and a powerful indicator of the quality of the corporate's prowess.

As a result, agency theory adds to a paradigm that ties CSR disclosure and corporate governance together. This is accomplished through keeping track of both the occurrence and the strategies used to protect and assist stakeholders, as well as intervening when disputes arise (Jensen & Meckling, 1976).

The following hypothesis is developed based on advanced arguments from agency literature and theory, and offered to those Islamic banks that function under Islamic financial principles that encourage ethical aspects in their actions toward society, with special reference to visibility as a key goal of Islamic financial law:

H1: Due to the uniqueness of Islamic financial rules, Islamic banks are supposed to positively convey their CSR.

2. Methodology

Islamic banks are designed to contribute to potentially promoting the disclosure and CSR activities of such choices that will benefit society due to the complex characteristics of Islamic financial products and processes, which are performed in accordance with Islamic financial principles and are derived from the objectives of Islamic financial commercial transaction law. Moreover, to test the assumptions, the researchers used data from annual reports of the selected sample GCC Islamic banks, which span the years 2006 to 2019. As a result, the information from twenty-eight Islamic banks was analysed using the content analysis method in this study. This paper, on the other hand, decided to begin the analysis with the year 2006 as the beginning point, with 334 observations. However, depending on national distribution, the names of the analysed Islamic banks are listed below:

Oman: Nizwa Islamic Bank and Al Izz Islamic Bank.

Qatar: Qatar Islamic Bank, Barwa Bank, Qatar International Islamic Bank, and Qatar First Bank Masraf Al Rayan.

Bahrain: Al Baraka Islamic Bank, Khaleeji Commercial Bank, Al Salam Bank, Ithmaar Bank and Bahrain Islamic Bank.

The United Arab Emirates: Emirates Islamic Bank, Ajman Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank, Al Hilal Bank, Sharjah Islamic bank and Noor Bank.

Kuwait: Kuwait International Bank, Kuwait Finance House, Boubyan Bank, Warba Bank and Ahli United Bank.

Saudi Arabia: Bank Al Jazeera, Bank Al Bilad, Alinma Bank and Al Rajhi Bank.

Developing the CSR Disclosure Measure

This study used the following index to measure CSR in the sampled banks across dimensions and years, as per the literature (Haniffa and Hudaib, 2007; Platonova et al., 2016; Maali et al., 2006).

CSR Index is:

$$CSRDI = \sum_{i=1}^n \frac{x_{ijt}}{N}$$

Where:

CSR index for dimension j referred to as the CSR index in period t;

X_{ijt} is variable X (1 ... n) for dimension j or time t;

N is number of variables and statements.

Before creating the CSR index that served as the original study tool, several parameters were evaluated: (i) Each dimension from the CSR declaration must be measured using the research instrument; (ii) The six CSR aspects should be included in the initial checklist; and (iii) Different themes for categorizing each CSR item should be defined to aid in subsequent analysis.

To assure validity, this work employed validity evaluation in accordance with existing literary work on CSR disclosure (Tsalavoutas and Dionysiou, 2014; Hope, 2003; Hassan & Marston, 2010). The device was modelled and constructed using prior research to ensure suitable items and inclusion of relevant items for measuring CSR. In addition, the checklist layout has been followed by an independent assessment by other researchers in field of study to confirm that the instrument is valid, which is congruent with (Tsalavoutas & Dionysiou, 2014); these criticisms and ideas given by reviewers are considered and thoroughly examined in order to improve the research instrument's rationale. Unless an index item was included in report, the scoring system gave the example Islamic GCC bank a score of (1), and a score of (0) otherwise. The overall amount of CSR extent for Islamic bank was calculated by adding these scores together.

The constructed CSR disclosure index in this ongoing study assumes the equivalent significance of each item using an un-weighted dichotomous approach (Cook, 1989: 116). Previous research supports the best use of unweighted indices in this study, stating that indices that target all users rather than a single group of yearly report consumers are preferable (Cooke 1989). However, this study seeks to examine and analyze the CSR made by Islamic banks in the GCC nations by establishing CSR disclosure index utilizing content analysis to collect secondary data from yearly reports just on the websites of sampled Islamic banks.

The research is based on six CSR disclosure aspects, as shown in table 1, and the study data from the sample is sourced for the years 2006 to 2019.

Table 1. Dimensions CSR Disclosure and Sub-Dimensions

| Main Dimensions | Sub-Dimensions |
|------------------------------|--|
| Mission and Vision | <ul style="list-style-type: none"> • Commitments to functioning in accordance with Shariah principles and aspirations • Commitments to provide returns in accordance with Shariah law • Current approaches to meeting the needs of the Muslim community • Contract (uqud) statements represent commitments to fulfill contractual obligations with diverse stakeholders • Future directions in fulfilling the Muslim community's demands • Assurances that only permitted funding activities will be pursued • Prioritize maximizing stakeholder profits • Customers are thanked • Contract (uqud) declaration commitments to fulfill contracts |
| Product and Service | <ul style="list-style-type: none"> • No participation in prohibited activities • Percentage of profit from non-permissible activity • Justification for participating in prohibited activities • Non-permissible acts are dealt with • Launched a new item • Pre-approval by the SSB of a new item • In authorizing new products, the Shari'ah concept is used as a foundation. • item definition/ glossary • investing activities in general • General project financing |
| Commitment towards Employees | <ul style="list-style-type: none"> • Staff members' gratitude • Employees' ID • An equal- opportunity policy • Competitive remuneration • Employee well-being • Shari'ah- compliant training • Additional types of training • Recruitment /student scheme for training • Financial support of training • Staff members are rewarded |
| Commitment towards Community | <ul style="list-style-type: none"> • There is a separate branch for women. • Create new job opportunities • Services for charitable organizations that serve community • Legal qualification in government sponsored social activities • Social activities that are sponsored • Belief in one's ability to play a social role • Regular conferences on other Islamic educational topics and economics are held. |
| Commitment towards Debtors | <ul style="list-style-type: none"> • Debt management • The way people feel about debt products • Number of debts forgiven • General types of loan operations • Detailed description of lending activity |
| <i>Zakat</i> | <ul style="list-style-type: none"> • Zakat is the responsibility of the bank. • The amount of zakat that has been paid • Zakat's sources • Zakat's uses and beneficiaries • The remaining Zakat has not been distributed—the amount is unknown. • The reasons for the zakat's balance • The SSB certifies that the sources and uses of Zakat are in accordance with Shari'ah. • The SSB certifies Zakat has been calculated in accordance with Shari'ah. • Individuals must pay zakat in a certain amount. • Charitable sources (sadaqa) • Charitable purposes (sadaqa) • Qard al-sources hassan's • qard al-applications hassan's • The policy governing the distribution of qard al-hassan • Failure to pay qard al-hassan is a violation of the law. |

Source: Platonova et al., (2016)

3. Results and Discussion

The investigated Islamic banks in the GCC region had a low degree of CSR, with a value of 0.55. Bahrain came in first with a score of 0.60, while Saudi Arabia came in last with a score of 0.48 for overall CSR.

The overall rate of the mission and vision dimension is 0.65. This rating is ranked second in the CSR dimensions. However, as Platonova (2014, p. 145) points out, the statement of mission and vision of the sampled Islamic banks in the GCC region shows an obvious weakness. Even though the words in the 'mission and vision' statement are limited, it may explain why selected Islamic banks were unable to disclose crucial information under the 'vision and mission' dimension due to a lack of vital information.

The rate of disclosure for Islamic banks' products and services ranged from 0.39 to 0.68 percent. Bahrain Islamic banks came out on top, while Saudi Islamic banks obtained the lowest in the area, according to the data. Overall, the 0.49 score for service and item transparency implies a poor level of disclosure. As a result, it might be claimed that stating that the SSB's principal responsibility is to assess and oversee the sacred components of Islamic banks' transactions, goods, and services is vital. As a result, Haniffa and Hudaib, (2007) ensure that all financial exchanges comply with Shari'ah is SSB's job. Consequently, Islamic banks are much more likely to be pushed to reveal more CSR data about their products and services.

The aggregate score of commitments to the employee dimensions was 0.51, according to the data. Bahrain received the greatest score of 0.67, while the UAE received the least score of 0.36 in CSR of information pertaining to Islamic banks' promises to their staff members. In a nutshell, Islamic banks in the GCC paid little regard to staff loyalty. Due to the low level of disclosure, Islamic banks must develop their communication by presenting, for example, training courses such as providing cash training to undergraduates and students, Shari'ah-compliant financial activity-based training programs for ability improvement and professional skill. Staff member equal and welfare opportunity rules, including competitive pay information, are still not disclosed.

As a result, GCC Islamic banks must make much more efforts to provide more data on these topics, such as the reward system and data on employee social assistance data. Platonova et al., for example, came to similar results (2016). For the GCC Islamic banks, the aggregate score of commitments to community dimension is 0.59. As a result, it places this dimension's disclosure in third place among the CSR disclosure dimensions. Omani Islamic banks had the greatest level of disclosure, 0.67, the highest score, and so rated among the six GCC countries, whereas Saudi Arabian Islamic banks received the least score, 0.47.

Finally, the results of this dimension demonstrate that Islamic banks in Gulf Cooperation Council (GCC) region disclose fewer information than predicted. Regarding the

possibility for such data to have a direct impact on social welfare, it's vital to stress the importance of its disclosure. As a result, these findings could be considered to be incompatible with Islamic ideals of justice and accountability, and that further efforts are required to emphasize the relevance of these kind of disclosure in promoting societal well-being. According to the analysis, Islamic banks in the GCC region rating 0.69 in sharing CSR data linked to the 'Commitment towards Debtors,' placing it first among several CSR figures. According to the findings, UAE received a score of 0.75 and was placed first in the transparency level among the examined regions.

According to the aforesaid data interpretation, the findings of the commitment to debtors dimension are on ordinary good and rank first among the other CSR aspects. This is in line with Platonova's findings (2014, p. 161). As a result, it is clear that the GCC Islamic banks have noted this aspects satisfactorily, which could be attributed to the real effect of this dimension on the banks' economic status. However, additional disclosures about the semi of their debtor commitment are still required.

According to the findings, GCC Islamic banks received an total score of 0.36 in terms of releasing data pertaining to charity, Zakat, and benevolent loans. Bahraini Islamic banks had the greatest level of CSR in the GCC region, with a score of 0.46, while Oman and Qatar had the lowest, with a rate of 0.28 in releasing data relating to charity, Zakat, and beneficent lending. This could be a reference to the fact that Zakat is regarded as a mandatory for share-holders instead of foundations like banks.

To summarize, Islamic banks must disclose Zakat, or benevolent (interest-free) lending, as a foundational Islamic financial necessity. However, individual did not disclose enough detailed data about Zakat in their yearly reports, like the Zakat sources, beneficiaries, and amounts, as well as individual people who, in their ability as shareholders, are legally required to pay Zakat in accordance with Islamic law. In addition, according to AAOIFI, (2010), this aspect has the lowest rating among GCC tested Islamic banks, which could be interpreted to mean that Zakat is deemed a requirement for share-holders instead of banks as entities. Another reason, per some experts, is that Zakat is regarded a religious responsibility between God and man.

The empirical results for the data obtained were provided in Table 2. Bahrain has the greatest total CSR index (0.60), whereas Saudi Arabia has a lowest overall CSR disclosure index (0.30). (0.48). The resulting index for the four remaining GCC countries included in poll ranged from 0.48 to 0.60. The evident mismatch between the 'real' or reported CSR index and the 'ideal' CSR disclosure index was presented in this way. On other hand Oman is ranked second with a CSR score of 0.57, Kuwait is third with a score of 0.56, Qatar is fourth with a score of 0.55, and the United Arab Emirates is fifth with a score of 0.52. When compared to those previous studies such as Inezeh (2019) Platonova,

(2014), Rahman & Bukair, (2013), Maali et al. (2006); Platonova et al., (2016) Haniffa & Hudaib (2007), Hassan et al., (2012), and El-Halaby & Hussainey (2015), it is clear that there has been a minor improvement in the levels of CSR in. It is worth to mention that the Kingdom of Bahrain and Oman ranked first regarding CSR disclosure index. Bahrain's role as an assertive model in Islamic finance could be attributed to the presence of AAOIFI as a regulatory governmental that organizes and legitimizes the Islamic finance business, whereas Oman recently established Islamic financing based on AAOIFI, mirroring Bahrain and the UAE.

Table 2. Overall Score and Rank of CSR Disclosure Index for the GCC Countries

| Dimensions of CSR Index | Total score | Total Rank |
|-------------------------|-------------|------------|
| Saudi Arabia | 0.48 | 6 |
| United Arab Emirates | 0.52 | 5 |
| Kuwait | 0.56 | 3 |
| Qatar | 0.55 | 4 |
| Bahrain | 0.60 | 1 |
| Oman | 0.57 | 2 |

Data Source: yearly reports of the examined bank during the period 2006-2019.

Notably, the State of Qatar ranked among the greatest countries in terms of GDP, while ranking fourth among GCC

countries, which could be attributed to the large number of non-profit organizations that exist in Qatar (For instance, Hamad Foundation and Qatar Foundation). Furthermore, both Qatar and Saudi Arabia represent a passive model in Islamic finance, which means that each Islamic bank has its own regulatory body SSB, which could explain both countries' low rankings.

The total ranking for each CSR dimension level is shown in Table 3. The statement of vision and mission, community commitments, employee commitments, Product and Service, and ultimately the minimal score (0.36) for Zakat, charity, and benevolent loans performed best, with an overall value of 0.69.

Table 3. Overall Score and Ranking of CSR Disclosure Dimensions

| Dimensions of CSR Disclosure Index | Overall Score | Overall Rank |
|-------------------------------------|---------------|--------------|
| Zakat, charity and benevolent loans | 0.36 | 6 |
| Community | 0.59 | 3 |
| Debtor | 0.69 | 1 |
| Product and Service | 0.59 | 5 |
| Employees | 0.51 | 4 |
| Vision and Mission | 0.65 | 2 |

Source of Data: Annual reports from (2006-2019)

Table 4. CSR of Disclosure Index

| CSR DISCLOSURE INDEX | QATAR | OMAN | SAUDI ARABIA | KUWAIT | BAHRAIN | UNITED ARAB EMIRATES | OVERALL CSR INDEX | OVERALL RANK |
|-------------------------------------|--------------|-------------|---------------------|---------------|----------------|-----------------------------|--------------------------|---------------------|
| EMPLOYEES | 0.55 | 0.43 | 0.51 | 0.52 | 0.67 | 0.36 | 0.51 | (4) |
| RANKING | (2) | (5) | (4) | (3) | (1) | (6) | | |
| ZAKAT | 0.28 | 0.28 | 0.38 | 0.37 | 0.46 | 0.38 | 0.36 | (6) |
| RANKING | (5) | (5) | (2) | (4) | (1) | (2) | | |
| DEBTOR | 0.65 | 0.70 | 0.66 | 0.69 | 0.67 | 0.75 | 0.69 | (1) |
| RANKING | (6) | (2) | (5) | (3) | (4) | (1) | | |
| VISION AND MISSION | 0.72 | 0.70 | 0.44 | 0.62 | 0.79 | 0.61 | 0.65 | (2) |
| RANKING | (2) | (3) | (6) | (4) | (1) | (5) | | |
| COMMUNITY | 0.60 | 0.67 | 0.47 | 0.63 | 0.62 | 0.56 | 0.59 | (3) |
| RANKING | (4) | (1) | (6) | (2) | (3) | (5) | | |
| PRODUCT AND SERVICE | 0.47 | 0.68 | 0.39 | 0.53 | 0.41 | 0.48 | 0.49 | (5) |
| RANKING | (4) | (1) | (6) | (2) | (5) | (3) | | |
| OVERALL YEARLY AVERAGE (INDIVIDUAL) | 0.55 | 0.57 | 0.48 | 0.56 | 0.60 | 0.52 | 0.55 | |
| RANKING | (4) | (2) | (6) | (3) | (1) | (5) | | |

It is worth noting in this context that AAOIFI (2010) justified the low Zakat score by viewing Zakat as a statutory requirement for shareholders rather than banks as entities. Another reason, according to some experts, is that Zakat is considered a religious obligation between man and God. Furthermore, the fact that Islamic banks were founded and formed from a regulatory standpoint on the foundation of conventional banks, with a credit and debit relationship between those banks and their customers, could support the first place for debtors. As a result, it emphasizes this relationship more by sharing more data in general and CSR in particular.

In contrast to Rahman and Bukair (2013), who found a high level of CSR disclosures by Islamic banks in the GCC region, with an overall value of 83.30 percent, the performed analysis suggests that the CSR disclosure level is comparatively low among the sampled Islamic banks at 55 percent. This is because their sample size was 53 Islamic banks, whereas this study's sample size was 28 Islamic banks. This study's findings are consistent with those of Platonova et al. (2016) who obtained a value of 49.56 percent. However, when compared to Haniffa and Hudaib (2007),

Haat et al., (2012), El-Halaby and Hussainey (2015) and Maali et al. (2006), where attained levels of CSR disclosure were in the 30 percent range, this paper's result was in a better position. El Hussain in 2018 conducted a comprehensive study on SSB and CSR disclosure around the world, discovering that levels of disclosure range from 13.3 percent to 49 percent.

Various factors, as discussed above, influence the level of CSR disclosure practice in Islamic banks. Content analysis has been criticized as a method because it has some drawbacks, such as being time consuming and costly, especially when analysing large amounts of data. In addition, there are human errors in the coding process. As a result, it is possible to say that this study contributes to a better understanding for Islamic banks' CSR disclosure from 2006 to 2019 in GCC.

4. Conclusions

The findings suggest that Islamic banks should pay more attention to the impact of CSR disclosure operations on their social and financial performance. As a result, focusing on profit maximization is clearly preferable to developing and maintaining consistent knowledge of CSR disclosure standards. According to the findings, numerous reports from the sampled Islamic banks lacked CSR disclosure information. Following that, policymakers and regulators may direct Islamic banks to create and publish a bottom-line index for CSR disclosure practices on their websites and in their annual reports. As a result, it could be argued that Islamic banks must incorporate Maqasid al Shariah (Islamic law objectives) into their transactions in order to achieve social and economic justice by

implementing Shariah principles in their essence, form, and spirit.

This paper adds to the existing literature on CSR disclosure. This article, on the other hand, provides empirical data on current CSR practices in GCC region for managers, regulators, policymakers as well as investors with the goal of expanding the body of knowledge in the field of CSR disclosure. It will also reveal any disparities between ideal CSR disclosure methods and actual CSR disclosure practices used by Islamic institutions.

Disclosures from internal publications, newspapers, company websites, and press releases may be included in future research studies. Future research may also look into survey methods that include more in-depth interviews with management and relevant stakeholders, which could improve the level of understanding of CSR disclosure in the Islamic banking sector. Future research could expand the sample to include all IFIs in the GCC region.

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