

Corporate Social Responsibility of Islamic and Conventional Banks: Evidence in Bahrain

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Abstract. *Several researchers found a positive relationship between the company's performance and corporate social responsibility (CSR) activities. The current study aims to explore the clients' awareness and perception of CSR in Islamic and conventional banks across Bahrain. The study surveyed 305 clients that 175 from the Islamic banks, and 130 from the conventional banks. The results indicated that the clients of Islamic banks are more aware of their banks CSR activities than the clients of conventional banks. The result shows that Islamic banks clients have a more positive perception of their banks' CSR than those of the conventional banks. Additionally, the results indicated that there are statistically significant differences in the clients' awareness and perception of banks' CSR activities when the client's group according to age, income, education, and bank type.*

Keywords: *corporate social responsibility, Islamic banks, conventional banks*

JEL Classification: G21, M14

Abstrak. *Beberapa peneliti menemukan hubungan positif antara kinerja perusahaan dan kegiatan tanggung jawab sosial perusahaan (CSR). Studi saat ini bertujuan untuk mengeksplorasi kesadaran dan persepsi klien tentang CSR di bank-bank Islam dan konvensional di seluruh Bahrain. Studi ini mensurvei 305 klien yang 175 dari bank syariah, dan 130 dari bank konvensional. Hasil penelitian menunjukkan bahwa klien bank syariah lebih mengetahui kegiatan CSR bank mereka daripada klien bank konvensional. Telah ditemukan bahwa klien bank syariah memiliki persepsi yang lebih positif tentang CSR bank mereka daripada bank konvensional. Selain itu, hasil menunjukkan bahwa ada perbedaan yang signifikan secara statistik dalam kesadaran dan persepsi klien tentang kegiatan CSR bank ketika klien dikelompokkan berdasarkan usia, pendapatan, pendidikan, dan jenis bank.*

Kata Kunci: *corporate social responsibility, perbankan syariah, perbankan konvensional*

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Introduction

Corporate social responsibility (CSR) has become an important integral part of companies' activities and a hot academic research topic during recent decades. Nowadays, companies conduct CSR activities not only to be compliant with regulatory requirements but also to enhance the companies' images, clients' perceptions and financial performance (Klein, 2004). Many previous studies have highlighted the economic advantages that a firm might gain through CSR activities. Among the advantages are positive brand and product evaluations, high intention to purchase and repurchase, and brand and product recommendations (Brown & Dacin, 1997; Drumwright, 1994; Handelman & Arnold, 1999; Sen & Bhattacharya, 2001), and improvement in firm's performance (Wang et al., 2015; Rhou et al., 2016; Chu & Yang, 2009; Peters & Mullen, 2009). In other words, those studies have proven that CSR activities can lead to positive clients' perception towards the company and positive perception will result in clients' retention and loyalty.

The above case also applies to the banking industry. All types of banks around the world have been spending a considerable amount of money on CSR activities. One of the banking types, which get special attention especially when it comes to CSR, is Islamic banking (Dusuki & Dar, 2007). This condition is because conceptually Islamic banking and finance has been regarded as a banking type based on permanent divine ethical values, and revealed social and religious responsibilities (Wilson, 2001). Islam as a comprehensive way of life has embedded CSR concept in its teaching. The concept of CSR in Islam can found in the objectives of Shariah (Maqasid Al-Shariah). An essential principle in Maqasid Al-Shariah is Maslahah (the welfare of the society) where benefits establish, and harms are preventing. This principle based on the axioms of unity, justice, free will and responsibility (Mohammed, 2007).

Given the importance of CSR and its advantages to the banking industry, it is essential to ensure that the clients are aware of the CSR initiatives undertaken by the banks. Clients' awareness can define as behaviors, opinions, approach, judgments, and attitudes of people towards certain information they obtain about a company (Gregory & Miller, 1998). Awareness also has been empirically found to have a positive relationship with market preference. It means as higher the level of awareness as higher the market preference towards a specific product or a brand. For that reason, it is important for all the companies including banks to periodically measure the level of their clients' awareness towards their CSR initiatives. Besides, given the Islamic banks' unique characteristics, it is also important to conduct a comparative study on the clients' perception and level of awareness towards CSR activities and initiatives between Islamic and conventional banks. One of the best places to do this comparative study is the Kingdom of Bahrain.

There are several reasons why Bahrain regard as the best place for this study. First, the Kingdom of Bahrain regards as an international Islamic financial hub. In 2014, the country was ranked as the GCC's top Islamic financial hub for the second consecutive year and the second out of ninety-two countries globally at the ICD-Thomson Reuters Islamic Finance Development Indicator (IFDI) report. Also, it is the host to several crucial Islamic finance

infrastructures and standard-setting organizations such as the International Islamic Financial Market (IIFM) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Second, financial services are the second most significant contributor to Bahrain's GDP. Thus, the kingdom has a significant number of Islamic and conventional banks. Third, it has an absorbing advance over its competitors owing to its expertise (Hidayat & Abduh, 2012). Last, Bahrain banks do not only operate in the Arabian Peninsula but also operate in South Asia and other international financial centers. Based on the above background, this study is attempting to achieve some objectives.

The first objective is to comparatively analyze the clients' perceptions of CSR activities between Islamic and conventional banks in the Kingdom of Bahrain. Secondly, to comparatively analyze the clients' level of awareness of CSR initiatives between Islamic and conventional banks in the Kingdom of Bahrain. Finally, to determine whether there are significant differences in the clients' awareness and perception of banks' CSR activities when the clients are group according to age, income, education, and bank type.

Review of the literature reveals that there are significant numbers of studies that discuss the importance of CSR perception. For example, Klein (2004) provides a summary of 3 research papers that evaluate the effect of CSR perception towards product judgment. Using literature/library based methodology; the study concludes that CSR is perceived to have a positive impact on the product quality only when CSR activities are relevant to the judgment of corporate ability. Besides, the study also concludes that a good record of CSR helps a company in maintaining its brand image during a product crisis.

Belal & Roberts (2010) measures the perception of non-managerial stakeholders towards CSR practices in Bangladesh. The study is qualitative using a series of semi-structured interviews as its research instrument. The interviews' results reveal that non-managerial stakeholders in Bangladesh believe that CSR practices in the country still need many improvements. The stakeholders are also in the opinion of supporting mandatory verified CSR reporting as part of the implementation of principles of accountability and transparency. Elsakit & Worthington (2012) highlight the importance of understanding the perception of managerial and non-managerial stakeholders on CSR and environmental issues disclosures worldwide. The study reveals that stakeholders have a different perception of the importance of CSR and environmental disclosures. Interestingly, the study also finds that most analysts still regard CSR and environmental issues disclosure as less important in the process of evaluating a company's performance.

Smith et al., (2010) concludes that the awareness of the company's CSR activities will influence the perception of the consumers. If they are aware of some CSR activities, they will have a positive perception of the company for other related CSR activities even though they have little information about it. Chu & Lin (2013) reveals that respondents in China have a higher level of perception on the importance of CSR activities than the respondents in the US and the differences are statistically significant especially for purchase intentions aspect. Dusuki & Dar (2007) indicate that in general, the stakeholders of the Islamic banks in Malaysia perceive positively the CSR activities and initiatives taken by their respective banks.

Based on the above studies, it can conclude that consumers' perception of CSR activities and initiatives is crucial; thus measuring it periodically becomes necessary.

Usually customers show different level awareness of companies CSR activities (Pomeroy & Dolnicar, 2009). Several available studies discuss CSR awareness. Ramasamy & Ting (2004) indicate that the level of employees' awareness of CSR activities is relatively low in both countries. When the results of both countries compared, it found that employees in Singapore are more aware rather than the employees in Malaysia. Özkan & Tanç (2012) conclude that most of the department managers in the hotel industry in Cappadocia are aware of the CSR concept and they also apply the concepts in their business.

Mohammed (2007) reveals that the selected managers are relatively aware of the CSR concepts and implement them in their respective banks. Hidayat & Al-Hur (2015) conclude that the level of depositors' awareness of CSR activities and initiatives taken by the Islamic banks in Saudi Arabia is still low. The study also finds that there is a significant difference in the level of depositors' awareness among banks in Saudi Arabia. Based on the above studies, it found that measuring awareness of stakeholders on CSR activities and initiatives is very important and should be done periodically.

Khursid et al., (2014) found a significant difference among the respondents when they are group according to their gender, that male students were more aware than female students. Another significant difference found when the respondents are group according to their work experience that those who have more experience are more aware than those who have less experience. Finally, the findings revealed that students who are working in the middle and top management have partial awareness of the CSR activities. Part of their study, Fatma & Rahman (2016) indicated that the customers have low awareness level regarding these initiatives.

From the above studies, it is important to note that there is no prior study has conducted in Bahrain related to CSR perception and awareness, especially in the banking sector. Another novelty of the current study is that it compares the clients' perception and awareness of CSR activities in Islamic and conventional banks. Other studies have not investigated this contribution according to the researchers' search and knowledge. As it has mentioned earlier, banking is an important sector to Bahrain's economy. Therefore, given the importance of consumer perception and awareness of CSR activities and initiatives, this study adds value to the above previous studies by comparatively analyzing the clients' perception and level of awareness of CSR activities and initiatives between Islamic and conventional banks in Bahrain.

This study is expected to benefit both Islamic and conventional banks' management in Bahrain to know how their clients perceive their CSR activities, and what the level of their clients' awareness of their CSR initiatives. The results of this study can be used as an input to set up strategies to improve the clients' perception on CSR activities, and their level of awareness of CSR initiative as this will be reflected on their customer's loyalty and so the bank profitability. This study can also help banking regulators in Bahrain and other countries to evaluate the practice of CSR in both Islamic and conventional banks from the client perspective. This study adds value to the existing literature of CSR since to the best knowledge of the researchers no previous study that comparatively analyzes the clients' perception

and level of awareness of CSR activities and initiatives between Islamic and conventional banks generally and in Bahrain particularly. This paper consists of four sections. Section 2 discusses the research methodology employed by this study. After that, Section 3 shows the findings of this study. The last section concludes the study and also comes out with several recommendations to improve the CSR practices among the banking sector in Bahrain.

Apart from the importance of the current study, it has some limitations that can be overcome by other studies; the current study is limited to banks in Bahrain, repeating the same study on different sector might reveal different results. Moreover, the topic of the current research needs more exploration; employing a qualitative research method might imply more comprehensive results. This fact will give the client the opportunity to express their understanding of the corporate social responsibility, and the most important social events they consider in appreciating the firm. Additionally, future studies may study the moderating effect of customer satisfaction between the clients' awareness and the firms' performance.

Methods

This section presents the method followed by the current research. This article aims to investigate the clients' perception and awareness of CSR among Islamic and conventional banks across Bahrain. The majority of the previous studies related to the field of the current study have relied on survey questionnaire to collect the research data (Ramasamy & Ting, 2004; Dusuki & Dar, 2007; Smith et al., 2010; Özkan & Tanç, 2012; Chu & Lin, 2013; Hidayat & Al-Hur, 2015; and Fatma & Rahman, 2016)

Accordingly, the current research uses the same method to collect the required data. The study factors (Perception and awareness of the CSR activities) are latent (unobservable) variables and cannot be measured directly. However, the variable development and the questionnaire were guided by the literature. The questionnaire divided into three sections. The first section collects the demographic profile of the respondents. The second section of the questionnaire collects the required data regarding the respondents' perception, awareness, evaluation, and the perceived importance of CSR. The last section of the questionnaire provides information about the client's level of awareness of his/her bank contribution to different social issues. The clients' perception and awareness of his/her bank CSR activities have taken from the study of Fatma & Rahman (2016). Client's perception of the bank CSR activities has been measured using 5 items, while the clients' awareness has been measured using two items. The second and the third sections of the questionnaire use 5-likert scale ranged from strongly disagree to strongly agree, with regard clients' awareness the 5-likert scale ranged from very low to very high.

The population of the study comprises all clients of the Islamic and conventional banks in Bahrain. Convenience sampling was applied to collect the research data since this technique widely employed for exploratory research. This sampling method gathers information from participants who agree to participate in the research. The 500 questionnaires have distributed manually and through e-mails to the clients' of the Islamic and conventional banks in Bahrain. However, only 305 questionnaires were collected and well responded.

The collected data has been analyzed using descriptive and ANOVA techniques. The descriptive analysis was used to describe the respondents' demographic profile and to explore their perception and awareness of the banks CSR activities. ANOVA test was used to test the impact of the demographic variables on the client's perception and awareness of their bank CSR activities. Moreover, Cronbach's alpha coefficient was used to test the internal consistency of the scales.

Table 1. Cronbach's Alpha coefficient

Variable	α
Awareness of banks CSR activities	0.777
Perception of banks CSR activities	0.723

Result and Discussion

Reliability concerns whether the instrument will yield the same results under different conditions or not. Reliability was tested using a simplified method called Cronbach's alpha coefficient (α). In order to consider the results are consistent and reliable, Cronbach's alpha coefficient should be 0.7 or more. In the current study as seen in Table 1, the Cronbach's alpha coefficient for both variables is higher than 0.7. This result indicates that the results are considered reliable.

Table 2. Demographic profile of the respondents

Variable	Frequency	%
Gender		
Male	170	55.7
Female	135	44.3
Total	305	100.0
Age		
25 and below	106	34.8
26-35	116	38.0
36-45	44	14.4
46-55	31	10.2
56 and above	8	2.6
Total	305	100.0
Income		
Under1000	158	51.8
1001-2000	73	23.9
2001-3000	54	17.7
3001-4000	15	4.9
4001 and more	2	.7
Missing	3	1
Total	305	100.0
Education		
high school and under	38	12.5
Bachelor	164	53.8
Master or Equivalent	94	30.8
PhD or equivalent	9	3.0
Total	305	100
Bank		
Islamic	175	57.4
Conventional	130	42.6
Total	305	100

Table 2 presents the demographic profile of the study's sample, which comprises gender, age, income, education, and bank's type. Out of 305 respondents, 55.7% were males, and 44.3% were females whereby 72.8% of them are below 36 years old, while 27.2% of the respondents are in the age of 36 and above. In term of education, 12.5% are high school graduates, 53.8% hold a bachelor degree and 30.8% are holding a Master or equivalent degree, and 3% are having a Ph.D. or equivalent degree. In term of income, 51.8% have monthly income below BD 1000. 23.9% of the respondents have monthly income in the range of BD 1001-2000. 17.7% of the respondents earn in the range of BD 2001-3000 monthly, and 4.9% earn monthly income between BD 3001 and BD 4000. Only 0.7% earns more than BD 4000 a month.

Table 3 shows that the overall weighted average of the respondents' responses regarding their perception towards CSR of their bank is 3.66, with a verbal interpretation of "Agree." Besides, the average responses regarding the five elements of this category have a verbal interpretation of "Agree." The question about "the bank is socially responsible" has the highest average score (3.76). Next, it followed by the question about "The bank does not harm the environment," with an average score of 3.71. The question about "The bank contributes to the welfare of society" with an average score of 3.69, followed by "The bank contributes to the donation program" with an average score of 3.62, and "My bank contributes to the recovering from the economic crises" with an average score of 3.51. The findings indicate the respondents have a positive perception regarding their banks CSR activities.

Table 3. Banks' Clients' Responses Regarding Their Perception of Their Banks' CSR activities

Item	Mean	Interpretation
My bank is socially responsible	3.75	Agree
My bank doesn't harm the environment	3.71	Agree
My bank contributes to the welfare of society	3.69	Agree
My bank contributes to the donation program	3.62	Agree
My bank contributes to the recovering from the economic crises.	3.51	Agree
Overall weighted Average	3.66	(Agree)

In terms of the client's response regarding each item of the five items mentioned above according to the clients' bank type Table 4 summaries these responses. 58.04% of the clients from both have positive perception towards their banks' CSR initiatives. In terms of each bank and as seen in Table 4 the majority of the Islamic bank's clients agree on four out of five items with an overall weighted average of 66.6%, but concerning the conventional banks this is not the case. Less than 50% of the conventional banks' clients (46.48%) have a positive perception regarding their banks' CSR activities.

The clients of Islamic banks scored a higher percentage than the clients of the conventional banks in 4 items out the five perception items. For example, 79.5% of the

Islamic banks' clients agree that their bank is socially responsible while only 46.2% of the conventional banks' clients agree on this item. About 71.5% of the Islamic banks' clients agree that their bank does not harm the environment, while only 43.1% of the conventional banks' clients believe in this. After that 65.1% of the Islamic banks' customers agree that their banks contribute to the welfare of the society, while 48.5% of the conventional banks' clients agree on this item, and 70.3% of the Islamic banks' clients believe that their bank contribute to the donation program, but 44.6% of the conventional banks' customer believe that their banks contribute to some donations. However, only 46.9% of the Islamic banks' clients believe that their banks contribute to the recovering from the economic crises, while 50% of the conventional banks' customers believe that their banks play a role in recovering the social-economic crises.

The above result is in line with Chu & Lin (2013), Dusuki & Dar (2007), and Smith et al., (2010), who found a positive perception of the stakeholders toward the companies' CSR activities. However, the current study finding with regard of the client's perception of CSR contradicts the results of Belal & Roberts (2010) who found that the stakeholders have negative perception toward their companies' CSR activities. Unlike the previous studies, the current study compares between the clients' perception in Islamic and conventional banks and found remarkable results.

Table 4. Distribution of the Banks' Clients' Responses Regarding Their Perception of their bank CSR activities according to the bank type

Item	Percentage of Bank clients'		
	Islamic	Conventional	Total
My bank is socially responsible	79.5	46.2	65.3
My bank doesn't harm the environment	71.5	43.1	59.3
My bank contributes to the welfare of society	65.1	48.5	58
My bank contributes to the donation program	70.3	44.6	59.4
My bank contributes to the recovering from the economic crises.	46.9	50	48.2
Overall weighted average	66.6	46.48	58.04

Table 5 shows the overall weighted average of the clients' responses regarding their awareness of their banks CSR initiatives are 3.38 with a verbal interpretation of "Not sure." The awareness of the CSR initiatives for improving each the social conditions in the community and the environmental conditions scores almost the same average of 3.4 and 3.3 respectively with a verbal interpretation of "Not sure." This finding indicates that the banks do not announce clearly the CSR initiatives they are involved. In terms of the clients' response regarding the awareness items mentioned above according to the clients' bank type Table 6 summaries these responses. On average only 48% of the respondents from both banks are aware of their banks' CSR activities.

Table 5. Clients awareness of the bank CSR activities

Item	Mean	Interpretation
I am aware of some CSR initiatives my bank involved in, which are aimed at improving the social conditions in the community	3.4	Not sure
I am aware of some CSR initiatives my bank involved in, which are aimed at improving the environmental condition.	3.3	Not sure
Overall weighted Average	3.35	(Not sure)

In terms of each bank, Islamic banks clients showed more awareness of their banks' CSR activities than the conventional banks' clients. 62.8% of the Islamic banks' clients believe that they are aware of the CSR initiatives that aim to improve the social conditions in the community, while only 39.3% of the conventional banks' clients believe in this. Additionally, more than 50% of the Islamic banks' clients are aware of the CSR initiatives that aim to improve the environmental conditions, but 67% of the conventional banks' clients are not aware of this CSR initiative in their bank.

Table 6. Distribution of the Banks' client's responses regarding their awareness of their bank CSR activities according to the bank type

Item	Percentage of Bank clients'		
	Islamic	Conventional	Total
I am aware of some CSR initiatives my bank involved in, which are aimed at improving the social conditions in the community.	62.8	39.3	52.8
I am aware of some CSR initiatives my bank involved in, which are aimed at improving the environmental condition.	50.8	33	43.3
Overall weighted average	56.8	36.2	48

Table 7 shows that the majority of the respondents have little information about their banks' contribution in some social activities, that the overall average of the respondents' responses is 3.37. The respondents showed a high level of awareness about their bank contribution in only two social activities, namely Education and Charity, with an average score of 3.68 and 3.52 respectively. The remaining social issues scored an average ranged between 3.14 and 3.41.

Table 7. Clients' awareness level of their bank contribution in different social issues

Social activities	Mean	Level of awareness
Charity	3.52	High
Culture	3.41	Not sure
Education	3.68	High
Research	3.19	Not sure
Environment protection	3.33	Not sure
Sports	3.14	Not sure
Support of national institutions	3.38	Not sure
Health services	3.27	Not sure
Overall weighted Average	3.37	(Not sure)

The results of the current study is line with the results of each of Ramasamy & Ting (2004), Hidayat & Al-Hur (2015), and Fatma & Rahman (2016), who found low awareness among the respondents of their studies. However, the results of the current study contradict the results of Özkan & Tanç (2012), and Mohammed (2007) who found high awareness of CSR activities among the stakeholders of the companies studied.

Table 8 shows that only 47% of both banks’ clients are aware of the eight social activities, with the highest percentage for education activity, followed by charity and culture activities. It has found that the majority of the Islamic banks’ clients are aware of their banks’ role in supporting charity, culture, and education, but the majority is not aware or they do not know if their banks support the other social activities. About the conventional banks, the majority of the respondents have low awareness about the banks’ role in supporting all the social activities mentioned in Table 8 except for education the majority of the clients expressed high awareness about the support that their banks provide to this social activity.

Table 8. Distribution of the Clients Responses regarding Their Awareness Level of Their Bank contribution in different social activities

Social issue	Percentage of Bank clients		
	Islamic	Conventional	Total
Charity	66.8	40.8	55.8
Culture	58.2	47.7	53.7
Education	70.3	51.5	62.3
Research	40.6	32.3	37.1
Environment protection	49.2	40.8	45.6
Sports	44	32.3	39
Support of national institutions	47.4	40.8	44.6
Health services	41.2	34.6	38.3
Overall Weighted Average	52.2	40.1	47

The results prove that Islamic banks are more severe concerning the application of good CSR. This result might be since the Islamic banking system based on Shari’ah rules. Shari’ah has special care about the ethical and social issues within the community. Moreover, the fundamental differences between Islamic and conventional banks in terms of values that are guided by Shari’ah reflected in supporting society activities. Additionally, good CSR practices must be embedded in the operations of Islamic banks and according to Shari’ah principles. Therefore, it expected that the clients of the Islamic banks would have higher perception towards their banks CSR in comparison to the conventional banks’ clients. The low perception of the conventional banks’ clients towards their banks CSR might be because conventional banks do not put the CSR on its top priority as they lack the values that concentrate on improving the society unless required by the central bank regulations.

It had found that the majority of the Islamic banks’ clients are aware of the CSR initiatives that aim at improving the social and environmental conditions in the community. However, conventional banks’ clients have low awareness of these two CSR initiatives. The

findings also indicated that the majority of the Islamic banks' clients are more aware of three social activities supported by their banks, namely charity, culture, and education, but this is not the case of the conventional banks that low majority (51.5%) of the clients are aware of only the educational, social activities supported by their bank. This data can consider as an expected result based on the clients' perception. As if the bank puts the CSR on its top priority this will lead to a high awareness towards the CSR.

One of the remarkable results of the current study is that clients' awareness of CSR activities has a positive impact on their perception towards CSR activities. This result obvious for the Islamic banks' clients, it has been found that they are more aware of the CSR activities than the clients of the conventional banks, and have better perception towards the CSR activities. This matches the results of Smith et al., (2010) who found that customer's awareness of the clients has a direct relationship with their level of perception. The comparison between the customers' awareness toward CSR activities in Islamic and conventional banks is considered an essential contribution of the current study to fill the gap in the literature by providing a study that conducts the above comparison.

The current study employed analysis of variance (ANOVA) at a 90% level of confidence to test for any significant influence of demographic variables on the perception of CSR activities. ANOVA was conducted to identify any statistical significance in the differences between sample elements' responses when they are grouped based on their gender, age, level of income, level of education, and bank type.

Table 9. ANOVA test for gender

		N	Mean	F-test	
				F-ratio	F Sig
Perception of CSR activities	Male	170	3.7117	2.879	.091*
	Female	135	3.5970		
Awareness of banks CSR initiatives	Male	170	3.4000	0.076	0.783
	Female	135	3.3703		

* P < 0.10

The effects of gender on the perception of bank's CSR activities, awareness of banks CSR initiatives, and the perceived importance of banks CSR behavior were examined using an ANOVA. The mean scores, F-ratios and the significance levels of the F-ratios is present in Table 9. Male respondents had a higher mean score than female respondents for all factors except for the perceived importance of CSR behavior. By using a significance level of 0.10, significant gender differences found for client perceptions of the bank CSR activities, and the perceived importance of the bank CSR behavior. That is, males' ratings of the bank CSR activities (M= 3.711) were higher than those of females (M= 3.59) (F= 2.879; P= 0.091). This result is in line with results of Khursid et al., (2014) who found similar results that males are more aware than females of the CSR activities.

Table 10. ANOVA test for age

		N	Mean	F Test	
				F-ratio	F Sig
Perception of CSR activities	25 and below	106	3.5585	3.352	.011*
	26-35	116	3.7086		
	36-45	44	3.8955		
	46-55	31	3.5548		
	56 and above	8	3.4500		
Awareness of banks CSR initiatives	25 and below	106	3.2500	6.074	.000*
	26-35	116	3.4397		
	36-45	44	3.9091		
	46-55	31	3.0161		
	56 and above	8	3.0000		

* P < 0.10

The influence of age on clients’ perception of the bank CSR activities and awareness of banks CSR initiatives were examined using an ANOVA. Table 10 shows the mean scores, F-ratios and significance levels of the F-ratios. Age categories in the questionnaire were as follows: (1) 25 and below, (2) between 26 and 35, (3) between 36 and 45, (4) between 46 and 55, (5) and 56 and above. As seen in Table 10, clients who were between 36 and 45 had higher scores than others for all factors; namely, the perception of bank CSR activities, Awareness of banks’ CSR initiatives, and the perceived importance of CSR behavior. Moreover, significant age differences found for the three factors

When the respondents’ group according to their age, ANOVA outputs reveal that significant differences found for the three factors. Concerning client’s perception of bank’s CSR activities, clients who are between 36-45 have the highest perception about bank’s CSR activities among the five groups (M= 3.8955) (F= 3.352; P= .011). Additionally, clients who are between 36-45 have the highest awareness about their bank’s CSR initiatives among the five groups (M= 3.9091) (F= 6.074, P= .000).

Table 11. ANOVA test for the level of income

		N	Mean	F Test	
				F-ratio	F Sig
Perception of CSR activities	Under 1000	158	3.5038	8.297	.000*
	1001-2000	73	3.7945		
	2001-3000	54	3.8852		
	3001-4000	15	4.0533		
	4001 and more	2	3.8		
Awareness of banks CSR initiatives	Under 1000	158	3.2975	2.009	.093*
	1001-2000	73	3.4315		
	2001-3000	54	3.6667		
	3001-4000	15	3.2		
	4001 and more	2	4		

ANOVA was used to determine the effect of the level of income on the clients' perception of their bank's CSR activities, and awareness of their bank's CSR initiatives. Table 7 shows the results, including the mean scores, F-ratios and the significance levels of the F-ratios. As seen in Table 11, clients who earn BD4001 and more have a better awareness level of their banks' CSR initiatives than others. However, clients who earn between BD3001 and BD4000 have a higher score about their perception of their bank's CSR activities. Significant income differences found for client perceptions of the bank CSR activities, and the client awareness of their bank CSR initiatives. Those clients who earn between 3001 and 4000 ratings of the bank CSR activities (M= 4.0533) were higher than other groups. Concerning the awareness of the bank's CSR initiatives clients who earn BD4000 and more ratings (M= 4) were higher than others.

Table 12. ANOVA test for the level of education

		N	Mean	F Test	
				F-ratio	F Sig
Perception of CSR activities	High school and under	38	3.5842	4.039	.008*
	Bachelor	164	3.6756		
	Master or Equivalent	94	3.7255		
	PhD or equivalent	9	3.0444		
Awareness of banks CSR initiatives	High school and under	38	3.2368	5.979	.001*
	Bachelor	164	3.4085		
	Master or Equivalent	94	3.5213		
	PhD or equivalent	9	2.2222		

An ANOVA was used to determine the effect of the level of education on the clients' perception of their bank's CSR activities, and awareness of their bank's CSR initiatives, Table 12 shows the results, including the mean scores, F-ratios and the significance levels of the F-ratios. By using a significance level of 0.10, significant education level differences found for client perceptions of the bank CSR activities, and the client awareness of their bank CSR initiatives. That clients who have Master or equivalent have higher perception of the bank CSR activities (M= 3.7255) (F= 4.039; P= .008) and better awareness (M= 3.5213) (F= 5.979; P=.001) than other groups.

Table 13. ANOVA test for the bank type

		N	Mean	F Test	
				F-ratio	F Sig
Perception of CSR activities	Islamic	175	3.8102	28.865	.000*
	Conventional	130	3.4600		
Awareness of banks CSR initiatives	Islamic	175	3.5743	17.516	.000*
	Conventional	130	3.1346		

An ANOVA was used to determine the effect of the bank type of the clients on the clients' perception of their bank's CSR activities, and awareness of their bank's CSR initiatives, Table 13 shows the results, including the mean scores, F-ratios and the significance levels of the F-ratios.

By using a significance level of 0.10, significant bank type differences found for the three factors, namely client perceptions of the bank CSR activities, and the client awareness of their bank CSR initiatives. Those clients of the Islamic banks have a higher perception of the bank CSR activities ($M= 3.8102$), and better awareness ($M= 3.5743$). In summary, it had found there are significant differences to age, income, education, and bank type against the clients' perception of their bank CSR activities and awareness of their bank CSR initiatives, but when the clients are group according to gender a significant difference was found only for the clients' perception of their bank CSR activities. This result implies that consumer satisfaction must be imparted its fair share of importance (Chaudary et al., 2016; Rivera et al., 2016). Potepkin & Firsanova (2017) states that the CSR activities will be a significant factor of forming customer loyalty. CSR will build a good corporate organization (Yadav et al., 2018).

Conclusion

In the current study, an attempt was made to conduct a comparison between the clients' perception and awareness of the Islamic and conventional banks' CSR in Bahrain. Three hundred five clients participated in this study, of which 175 respondents are Islamic banks' clients, and 130 are clients of conventional banks. Overall, the findings of this study indicated that the clients' of the Islamic banks have more positive perception and awareness than the conventional banks' clients. This result indicates that Islamic banks in Bahrain are more diligent in informing their clients about the efforts they do in supporting the community social activities.

Based on the findings, the study comes out with several recommendations. Both types of banks must make more efforts to improve the clients' awareness of the banks' CSR activities. The improvement of this awareness might lead to a better perception of the CSR activities conducted and so might improve the firm's performance. There is a need to enhance it by improving the methods of communications with the clients through more awareness campaigns. Conducting seminars and workshops, sponsoring events related to different social activities such as cultural events, can do this.

Moreover, banks must consider the demographic characteristics of their clients. Banks must think more about how to reach other age categories. For instance, banks can contribute to sports activities to reach young clients.

Another way to improve the level of awareness is by issuing a special CSR report that includes the bank's CSR activities and initiatives conducted and their plans. This report must be accessible by all clients through different possible ways, such as the bank website, and social media. The bank also can notify their clients about their CSR activities by sending them SMS. Conventional banks in Bahrain must pay more attention to their CSR activities and to put them at their top priorities since several studies have found a significant positive relationship between CSR activities and firm's performance.

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