



The Model of Social Responsibility of Islamic Banks

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Abstract

Islamic banks, in addition to their "specialized duties", also have "social responsibilities". In economic and managerial literature, this is interpreted as "Corporate Social Responsibility" (CSR), which is a set of benevolent duties arising from the divine and voluntary will that has been determined in the structure of serving the Islamic and human community for Islamic banks. In the Islamic perspective, the responsibility of banks goes beyond the level of shareholder profitability and encompasses the realm of public interest and welfare. Welfare includes both worldly interests and salvation in the hereafter. The origin of these "social responsibilities" is the will of God, from which only wise matters arise. This research aims to present a "model of social responsibility" for Islamic banks. The proposed model consists of structures and variables: the "independent variable" such as governance of ethical and religious values, institutional factors, and economic motivations; the "moderating variable" such as education and awareness of Islamic bank managers, technological and technical factors, compliance with regulations and laws of the Islamic government, the proximity of Islamic banks' location, and convenience for customers; and the "mediating variable" such as market factors (banking products and services), media coverage (advertising), economic-political factors (economic institutions), cultural-social factors (effective cultural-social institutions), international factors (civil society institutions). The "dependent variable" is the social responsibility of Islamic banks. Data analysis was performed using both quantitative and qualitative methods, and the study population is Afghan banks. For fitting the conceptual model of research and investigating the main hypotheses of the research, the structural equation modeling (SEM) method by software (SMART PLS3) has been used, and the research findings indicate that there is a significant relationship between all research variables.

Keywords: *Social Responsibility; Islamic Bank; Social Justice; Independent Variable; Mediator; Moderator*

Introduction

The concept of "Corporate Social Responsibility (CSR) of Islamic banks" refers to the duties, obligations, and responsiveness that banks have in the presence of divine directives, human conscience, human society, and the environment. When banks operate within the social sphere, they utilize social space and opportunities, engage in societal activities, fulfill obligations towards the environment in which they operate, derive benefits, and have responsibilities towards all human societies. These responsibilities require commitment and adherence to ethical standards, ensuring that the environment is not polluted by material, psychological, and ideological issues, and striving to improve social justice and economic, spiritual, and ideological problem-solving in society. Such issues are referred to as "social responsibilities of banks". Establishing an Islamic bank without social responsibility is contrary to the perception of a Muslim human being. Therefore, the discussion is not about the essence of banks' social responsibility but about the reasons and methods of banks' responsibility. This study aims to propose a model for achieving accountability in Islamic banks. From the content discussed, the following questions arise:

- What is meant by "Corporate Social Responsibility of Islamic banks and the areas of its realization"?
- What model can Islamic banks utilize to fulfill their social responsibilities?
- Which factors or tools enable Islamic banks to fulfill their social responsibilities, and what are the consequences and implementation solutions?
- The aforementioned questions raise the following hypotheses:
- It is believed that there is a connection between religious governance and values, and the accountability of Islamic banks.
- The involvement of official and unofficial institutions (government and central bank) contributes to creating social responsibility.
- The economic motivations of Islamic banks lead them to pay attention to their social responsibility.
- The education of Islamic bank managers plays a role in achieving social responsibility.
- Timely utilization of religious, cultural, and social capacities contributes to the social responsibility of Islamic banks.

Research on the issue of "Corporate Social Responsibility of Islamic banks" is necessary for several reasons:

- The need of Islamic banks: Islamic banks need research findings as they become familiar with the concept of social responsibility, recognize the theories that create the rules of responsibility, find the model that determines this responsibility, and accept standards as criteria.
- The need of bank founders and managers: Such research is essential for bank founders, investors, and bank executives as it allows them to act more broadly and recognize various dimensions and areas of social responsibility accurately. They will know where to invest and will be able to monitor and evaluate bank behavior more accurately in cultural, social, economic, and environmental matters and essentially how to utilize Zakat money or endowment money most effectively.
- The need of beneficiaries of Islamic banks' responsibility: When society becomes more familiar with the social responsibility of banks, it will expect and demand more responsible and accurate behavior from banks. As a result, they will have stronger and more precise capabilities and will take advantage of the optimal results of responsibility.
- The need of the time: Today, more than ever, the social responsibility of Islamic banks has gained more importance because the networks of societies have become so splendid that if Islamic society does not regulate the social responsibility of banks, the caravan of progress will fall and will be criticized as a backward society by others.

1- Concepts and Generalities

In this section, key concepts of the analyzed research are examined.

1-1. Concept of Responsibility

The word "responsibility" is derived from the root "saghthi" which means "guarantee, commitment, accountability, being obliged to do something, being committed to it" in literal terms, and it refers to human duties, acts, and actions for which a person is responsible (Hasan Amidi, 1375; Mohammad Moein, 1391, under the word "responsibility"). However, the term "responsibility" has different meanings in each scientific field and its specific branches, some of which will be addressed in subsequent concepts. The word "responsible" appears in four verses of three chapters of the Quran (Isra/34, Furqan/36, Ahzab/15). In all of them, the same meaning of "being questioned by humans" is inferred. It seems that responsibility is a kind of commitment between humans and God. There are three types of responsibility in Islam: religious responsibility, social responsibility, and pure ethical responsibility (Mohammad Abdullah Daraz, 1378, p. 214). All three are mentioned in the blessed verse 27 of Surah Al-Anfal: "O you who have believed, do not betray Allah and the Messenger or betray your trusts while you know [the consequence]" (Al-Anfal/27). In fact, many social relations and economic lines revolve around contracts, and if the commitment to the contract is not fulfilled, life will be engulfed in turmoil and chaos (Makarem Shirazi, 1371, p. 15). In previous jurisprudential books and many contemporary writings of jurists, the term "guarantee" is used instead of "responsibility", conveying various meanings:

Some excerpts from jurisprudential books have been mentioned: "Guarantee means general commitment and obligation to something, whether it relates to property or human beings. Guarantee in this usage also encompasses the meanings of surety, trust, and guarantee" (Shahid Thani, 1410, p. 113; Vafadel Moqaddam, 1404, p. 183). If a person undertakes responsibility for someone else's property, the guarantee in the specific sense (opposite to surety and trust) is fulfilled (Sayyid Abdul Ali al-Mousawi al-Sabzevari, 1416, p. 213). One of the meanings of guarantee in jurisprudence is "obligation to compensate for damages." Various statements by jurists can be considered as references to this usage, such as "the necessity of providing something with actual replacement" (Sheikh Morteza Ansari, 1418, p. 184).

The meaning that fulfills the purpose of this research can be seen in many writings of jurists: "Entering into someone's trust" (Hassan Helli, 1415, p. 24).

It appears that guarantee has two negative and positive aspects, and two obligations are hidden in its content: negative obligation (not to harm others) and positive obligation (compensation for damages). This means that a person is obliged not to cause any unreasonable harm to others and to conduct themselves in such a way that it does not lead to encroachment on the property, psyche, or life of others. However, if there is opposition, intentional or unintentional, and their behavior becomes harmful, they must accept their action and repair the damage caused through common methods. Therefore, the final definition of guarantee/responsibility will be: "The accountability of a person towards their conscience, God, people, and nature in the direction of reducing difficulties and increasing tranquility."

1-2. Concept of Social Responsibility

Finding a specific definition of the concept of social responsibility is difficult. According to some, Dalsorood has reviewed thirty-seven different definitions of social responsibility and concluded that the multiplicity of definitions is due to its fivefold environmental, social, economic, stakeholders, and voluntary aspects. Additionally, the reason for this is the connection of this concept with several different sciences such as management, sociology, ethics, law, and the values prevailing in society, as well as temporal and spatial conditions (Alireza Erfani and Sedigheh Mohammad Moradi, 1400, p. 538). Furthermore, social responsibility is a value-based concept, and various definitions of it have been

presented based on different epistemological and value foundations. Despite previous difficulties in better understanding social responsibility and its dimensions and finding the necessary understanding and common language, it is necessary. By reviewing the definitions presented, a definition suitable for the discussions in this research should be provided, although this definition may not be comprehensive and logical. Therefore, social responsibility of companies and banks should be analyzed and examined based on the perspectives of Islamic scholars:

Scholar Shahid Mortaza Motahhari, emphasizing that "in Islam, responsibility is referred to by the term 'responsibility'," noted: "Social responsibility is a type of service, not interference" (Motahhari, 1399, p. 74). On the other hand, social responsibility is more humane and superior to individual and familial responsibility, and fundamentally, social responsibility itself is social. From Motahhari's perspective, the nature of social responsibility is "service," and the type of responsibility is "social," and its rank is higher than individual and familial responsibility (ibid). Some researchers have written: "Social responsibility, in general, refers to a set of activities performed voluntarily by capital owners and economic enterprises as active and useful members of society" (Naami and Gholampour, 1395, p. 3). Others in pursuit of presenting a comprehensive definition of social responsibility have stated: "A set of duties and obligations that, within the framework of national and international laws and in line with the activities of the relevant organization, help the organization achieve its goals by implementing ethical and philanthropic activities and create public benefit for society, thereby facilitating sustainable development" (Erfani and Moradi, p. 539). In critiquing both definitions, it must be said: the first interpretation, firstly, has placed "voluntariness" as an element of the definition of institutional social responsibility, while some aspects of social responsibilities go beyond voluntariness and rely on legal requirements or at least ethical condemnation and international sensitivity, unless a clear boundary is drawn for social responsibility that separates it from moral and legal responsibility, and such a thing will be irrelevant in social issues. Secondly, there is no difference between such interpretations and Western definitions of social responsibility when the element of divine will is forgotten. The second interpretation, firstly, is very long and complicated and is, in fact, a narrative explanation, not a definition of essence. There is no need for so much rhetoric and circumlocution, and the practical issues and goals and effects of responsibility should not be included in the definition. Secondly, there is no indication of "divine wisdom," according to Islamic insight, responsibilities are based on divine will and are conducted based on heavenly principles. The West, with a broader perspective, has defined social responsibility in Islam as "the commitment of an organization to participate in activities based on justice in its operations towards various groups it deals with, as a result of a duty accepted in accordance with Islamic law, with the aim of society's progress" (Abdul Majeed Al-Ani, 2017, p. 280). The important point in this definition is putting "justice and principles of Islamic law." Islamic principles cannot be ignored in the social responsibility of accepted institutions by Islam. Based on the mentioned content, it can be briefly stated that institutional social responsibility in Islam is as follows: "A set of altruistic duties arising from divine will that institutions must perform in the form of service for the Islamic and human community." In explaining this definition, it can be added: Firstly, the foundation is the divine will: In Islam, the real and intrinsic basis of responsibility rules and the criterion of legitimacy and obligating goodness of the intentions and thoughts of institutions is "divine wisdom." This divine wisdom is both indicative of the creative aspect and establishment of responsibility rules and indicative of the real aspect. Other matters referred to as foundational are considered subsidiary and partial foundations. Therefore, this should be referred to in the definition. Secondly, the service aspect of responsibility: Social responsibility is, in fact, service to people. Institutions go into society and earn their livelihood from society, so banks and other social institutions should ideally have a strategic and practical plan to serve society. Thirdly, the duty aspect of responsibility: Social responsibility is a religious or ethical obligation of institutions that takes place for the benefit of society and the social good and each institution, when it breathes in society, has a duty to perform benevolent and beneficial duties. This is a "duty," not the charity and mercy of institutions to society. Fourthly, the breadth of responsibility: The scope of this responsibility is not only the Muslim community but also extends to all human societies, although Islamic banks and institutions are obliged to perform benevolent actions for Muslims and to "attract benefit and repel harm," as they say, but

concerning non-Muslim societies, they have a negative duty, and if their behavior is not harmful to them, the meaning of social responsibility has been fulfilled.

1-3. The Concept of Social Responsibility of Islamic Banks

In exploring the concept of social responsibility of Islamic banks, some examples are brought to light in the following texts:

Al-Maghribi defines the social responsibility of Islamic banks as follows: "Social responsibility in Islamic banks can be seen as the commitment of the bank to participate in certain activities, programs, and social ideas to meet the social needs of the parties involved and, under the influence of its activities, both domestically and internationally, to seek the satisfaction of God and strive for progress and social awareness of individuals, taking into account balance and fair interests in the direction of social benefits." (Al-Arabi Mustafa and Nuzhir Al-Tarubiya, 2012, p. 8)

Saleh Ayash defines the social responsibility of Islamic banks as follows: "Social responsibility is a moral commitment whereby Islamic banks adopt policies and methods to help shape, improve, and support the welfare of society in general, and to take care of the interests and social objectives of its members, with the aim of pleasing God and contributing to comprehensive development." (Mohammed Saleh Ali Ayash, 2010, p. 15)

From the above definitions, it is clear that the social responsibility of Islamic banks is based on four fundamental pillars:

- First: Accountability of Islamic Banks: This pillar indicates that banks must be accountable for all their transactions and interactions and pursue their obligations in line with Shariah objectives. (Al-Arabi Mustafa and Nuzhir Al-Tarubiya, 2012, p. 9)
- Second: Motivation of Islamic Banks: Motivation to fulfill social commitments is another pillar of the responsibility of Islamic banks. Islamic banks act with a motivated spirit in fulfilling their social role towards various activities and diverse groups.
- Third: Adherence to Shariah: All actions of Islamic banks must be in accordance with the requirements and laws of Shariah, and any activity beyond the scope of Shariah is prohibited. Therefore, bank managers must ensure that bank activities comply with Shariah principles.
- Fourth: Acceptance of Religious Supervision: Activities and services that raise doubts or suspicions must be assessed and supervised by religious law, and banks must refer to Shariah to determine whether such activities and services are permissible or prohibited. (Abdullah Ahmed Al-Tayyar, p. 88) A selected concept of the social responsibility of Islamic banks, based on the chosen meaning of responsibility and social responsibility, can be summarized as follows: "A set of benevolent duties stemming from the divine wisdom's will, which has been determined within the framework of serving the Islamic and human community for the bank."

With the points outlined in the selected concept of social responsibility, there is no need for further explanation. This definition encompasses all the important elements of other definitions in a concise statement. The responsibility of banks in Islam goes beyond the level of people's benefits and extends to the domain of welfare. This welfare includes both worldly benefits and salvation in the hereafter. The origin of these "beneficent duties" lies in the will of God, from which only wise matters emerge. Therefore, these duties are not to the detriment of the banks but are actually in their real interest. The responsibility of banks in Islam towards non-Muslims is to ensure that their actions do not cause harm, while towards Islamic societies, it is to promote benefits and mitigate harms to the best of their ability.

2. Research Background

Asiraf, V., Doosuki, J., & Homayoun, A. (2007) conducted a study titled "Interpretation of Stakeholders' Rights on Social Responsibility - Governance of Islamic Banks Based on the Malaysian Economy." They attempted to investigate the expectations of various groups and stakeholders of Islamic banks regarding social responsibility in Malaysia. Seven different stakeholder groups such as "customers," "depositors," "employees," "branch managers," "Sharia supervisors," "legislators," and "local associations" were identified and examined in this research. The results indicate that stakeholders of Islamic banks in Malaysia generally have a positive approach towards Corporate Social Responsibility (CRS). One significant reflection of this positive approach is that CRS is perceived as an important criterion in banking decisions, implying that Islamic banking operations in a competitive dualistic system like Malaysia can still be influential, and individuals who focus on social responsibilities and act upon them are influenced by banking activities. Furthermore, the subject of CRS in Islamic banking is considered a religious duty, and Islamic banks enhance social responsibility based on their own foundations because social responsibility is supported and endorsed within the framework of Shariah. Salma Serali (2007) derived the following results using the experiences of "socially responsible investment funds":

All financial institutions and mutual funds are committed to social responsibility in order to create a secure market, particularly suitable for individuals who want to invest in "ethical and religious values," such as developed Islamic financial institutions in the 1970s aimed at creating an alternative financial system that refrained from Islamicly prohibited usury and other unauthorized operations. From an institutionalization perspective of Islamic financial operations, Islamic financial institutions must commit to CSR. Compliance with CSR leads to benefits and interests for the organization. Syed Farooq and Roman Lins (2007) believe that Islamic banks, regardless of existing differences in transparency levels, disclose very little transparency. Factors contributing to transparency include "civil rights and freedoms" (PRCL), "Muslim population ratio" (MUSPOS), "corporate governance factors" (SCORE_IG), "investment account holder rights" (SAH), and company size (SIZE). These variables were estimated using regression analysis, and the following hypotheses were tested: the research results show that all hypotheses have been proven, and there is a significant relationship between the independent and dependent variables.

Bilal Durani (2016) compared the performances of CSR of Islamic and conventional banks in Pakistan. Six different banks were selected as samples, and research data were collected from annual reports for the past four years. Dimensions such as "education," "environment," "government collaboration," and "legal and sports issues" were considered as the main variables. Generally, the findings indicate that CSR is currently the most prevalent phenomenon among both types of financial institutions (Islamic and conventional), with a slight difference between Islamic and conventional banking in this regard. However, the Islamic banking sector operates under a different "value and religious system," guiding the entire process and social activities. But considering the "history and size" of conventional banks, they invest more budget in CSR approaches. On the other hand, despite being in the "growth phase of organizational life cycle," Islamic banks are richer in many aspects compared to conventional banks. However, Islamic banks in Pakistan still need more activity for CSR because Islamic banks have a richer content for promoting CSR, and Islamic banks must follow the "principles of Islamic ethics," which provide a broader framework for CSR and can promote areas of promoting ethical virtues. (Oula & Jamali, 2010). This study also showed that both Islamic and conventional banks in Pakistan lean towards a "humanitarian" approach and there is a need for developing a standard and comprehensive CSR framework for both banks regarding CSR actions.

3. Conceptual Research Model

For conceptual modeling, the following content is examined:

3-1. Introduction of Model Variables

Initially, the model variables are defined and categorized into three sections: "Independent Variables," "Dependent Variables," and "Mediating Variables."

A) Independent Variables

An "independent variable" is a variable that affects other variables and causes "intensification" or "weakening" of their value (Yasser Sobhani Fard, 2015; 33). Named, or independent variable, is a variable that affects at least as much as another variable in the pattern, but is not affected by any of the variables in the pattern (Shahriyar, Azizi, 2015; 45) These variables are:

- 1) Ethical values of Islamic banks (Governance of ethical and religious values over Islamic banks): Undoubtedly, the governance of ethical and religious values has a fundamental impact on the activities and responsibilities of Islamic banks. Ethical values and religious governance are the result of the ultimate goal and purposes of social action and are defined in line with the objectives and principles of the economic system. Values are apparent in ethical and religious doctrines, norms, propositions, techniques, and material objects that shape thoughts and tendencies within a society. Values can be categorized into various types: social values, which are widely accepted; spiritual values, which prioritize non-material, psychological, mental, mystical, or religious aspects; individuals and organizations' adherence to religious values ensures their longevity. Thus, Islamic banks are no exception to this rule. Some have delegated responsibilities to Islamic banks, believing that their primary duty is to operate based on Islamic contracts and strive to maximize the wealth of shareholders, facilitating the survival of Islamic banks and their presence in global financial markets. However, it should be noted that a strong emphasis on this issue and neglecting other factors such as social justice, income redistribution, and disregard for social responsibility will not yield desirable results for banks and companies. In other words, adherence to religious values can lead to the conclusion that Islamic banks are both efficient and strive for social justice.
- 2) Institutional and Legal Requirements (Central Bank and Government): Legal institutions such as the government, central bank, and other relevant entities play a constructive role in achieving the responsibility of Islamic banks and, if necessary, can compel banks to fulfill their social responsibility through the enactment of laws and regulations. There are conflicting opinions regarding government and central bank intervention. Some advocate for minimal government and central bank interference, emphasizing that banks should increase shareholder and stakeholder returns without getting involved in other issues. Some limit the role of government and the central bank to regulatory and legal aspects. Since governments have legal tools at their disposal, they can compel banks to fulfill their social responsibility. Some believe that the nature of social responsibility is voluntary and charitable, and governments and central banks should not intervene; only adopting incentive policies. Given the principles and objectives of the Islamic economy, everyone is responsible for their social performance towards society, including the government, central bank, commercial banks, and other entities. Moreover, governments and state-owned companies can set examples for banks and private companies and create a conducive environment for the social responsibility of Islamic banks. It is known that getting trapped in the extremes does not solve the problem. Taking a pragmatic approach to this issue is necessary to find a fair solution.
- 3) Informal factors and requirements: The most important factors and informal requirements that play a fundamental role in realizing the social responsibility of banks can be named as follows: a) universities b) seminaries c) social media

- 4) Civil society and social institutions. In addition to the above, Dusuki mentions other things: the price of the financial product, the quality of the service provided to the customers, the convenience of accessing the bank, the proximity of the bank's location to the home or workplace, polite and respectful property management, The factor of workforce with knowledge and skills, the factor of Islamic work environment, the factor of Islamic financial and economic fame, the factor of respect for human rights, the factor of having an Islamic image and reputation, the factor of presence in society, the factor of environmental actions and effects (Dusuki, 2013, 340).)
- 5) The economic motivation of Islamic banks: preserving personal interests or pursuing personal goals is one of the goals and purposes of Sharia, and religious and rational teachings also confirm this issue. Undoubtedly, the goal of creating commercial companies is to maximize the wealth of shareholders and increase their profits. does not exist Islamic banks are not exempt from this economic rule. Therefore, this card is not only legitimate, but it is considered a kind of obligation in Islamic culture. However, there is a requirement that these interests are obtained through legitimate means and do not threaten the interests of others and the society.

B) Moderating Variables

A moderating variable is a variable that affects the direction and strength of the relationship between the independent and dependent variables (Shahriar, Azizi, 2016; p. 49). For example, in a study evaluating the effect of employee effort on organizational performance, the level of a variable such as organizational support can moderate the effect of effort on performance. These moderating variables include:

- 1) Training and awareness of Islamic bank managers
- 2) Technological and technical factors
- 3) Government regulations and laws
- 4) Proximity of Islamic bank locations and convenience for customers

c) Mediating Variables

A mediating variable acts as an intermediary between the independent and dependent variables, indirectly influencing the relationship between them (Shahriar, Azizi, 2016; p. 45). Sometimes referred to as an intervening variable, it affects the previous variable and, in turn, influences the subsequent variable. These mediating variables include:

- 1) Market factors (banking products and services)
- 2) Media exposure (advertising)
- 3) Economic-political factors (economic institutions)
- 4) Socio-cultural factors (influential socio-cultural institutions)
- 5) International factors (international institutions and civil society)

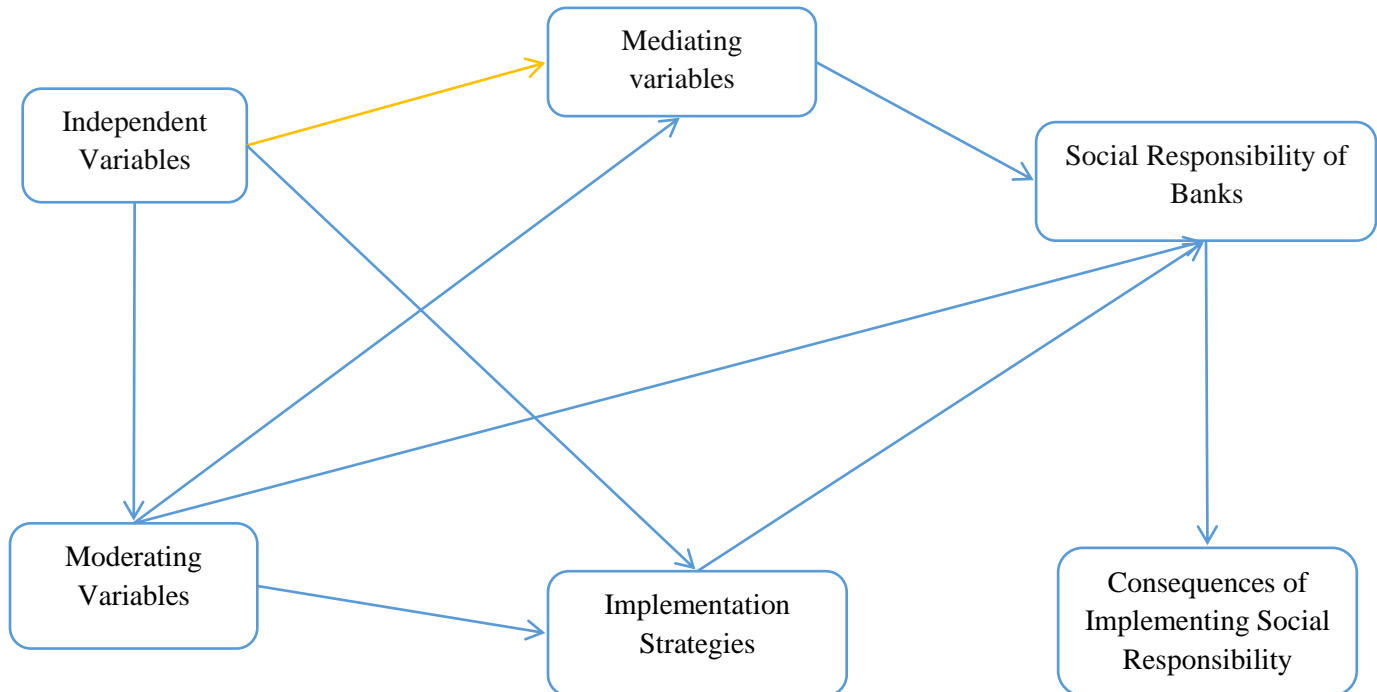
3-2. Research Model Strategies

The fundamental strategies for effectively implementing social responsibility in Islamic banks can be outlined as follows:

- a) Utilizing religious and spiritual capacities.
- b) Paying attention to cultural matters (cultural values, human rights, and humanitarian principles).
- c) Social affairs (capabilities of social factors and institutions).
- d) Implementing long-term political management policies of Islamic banks in line with achieving social justice.

3-3. Consequences of Implementing Social Responsibility in Islamic Banks

- 1) Improvement of brand and quality (credibility sustainability).
- 2) Environmental sustainability of Islamic banks.
- 3) Creation of religious and spiritual values.
- 4) Social-cultural consequences (social justice).
- 5) Economic consequences (poverty reduction).
- 6) Ethical orientation.
- 7) Global consequences (environmental conservation).



The Executive Model of Social Responsibility in Islamic Banks

3-3. Data Analysis of the Model

For the analysis of the model, the following content is addressed.

3-3-1. Population and Statistical Sample

The population under study in this section includes employees of Islamic banks, shareholders of Islamic banks, and researchers in Islamic sciences. The selected banks for this research include: Afghanistan Islamic Bank, International Islamic Bank of Afghanistan, Kabul Bank, Azizi Bank, and Ghazanfar Bank. These banks offer banking services and facilities based on Islamic contracts. Data collection was conducted in the field through questionnaires. After collection, the research data were analyzed based on the questions and objectives outlined in this study. The research path is divided into two main sections. In the first section, data analysis is descriptive. In this stage, the population's demographic variables, such as gender, age, marital status, education level, are described, along with the description of central parameters and indices. The second part of the research involves inferential statistics. Based on the assumptions of the research and the information obtained from the questionnaire, each hypothesis is examined and confirmed through Structural Equation Modeling (SEM) using PLS3 software.

2-3-3. Descriptive Analysis of Research Data

This section consists of two stages. In the first stage, the description and analysis of the demographic variables of the research are addressed. In the second stage, descriptive statistics of the research questions included in the questionnaire are mentioned. In this part, the status of each variable in the conceptual model of the research is presented in the sample using descriptive statistics. For this purpose, the mean, standard deviation, mode, minimum, and maximum values of each variable are calculated and presented in Table 2. Based on the following table, it can be concluded that the majority of the sample population are in the average range in all research dimensions.

Table 2: Descriptive Statistics of Research Variables

Dimensions	Average	Middle	fashion	Deviation with helper	the least	the most
Independent variables	3.55	3.66	4	0.870	1	5
Mediating variables	3.68	3.80	3.60	0.672	1	5
Modulating variables	3.97	4	4	0.624	2	5
Implementation strategies	3.44	3.40	3.40	0.675	1.60	5
social responsibility	3.81	3.75	4	0.643	2	5
Implementation implications	4.8	4	5	0.760	1	5

3-3-3. Structures and Symbols Used in the Study

To fit the conceptual model of the research and investigate the main hypotheses, Structural Equation Modeling (SEM) method was employed using the software (SMART PLS3). Since each component of the model is represented by symbols in the SMART PLS3 software, Table (3) introduces these symbols.

Table 3: Names of Variables and Symbols Used in the Software (SMART PLS3)

Row	structure (variable)	Symbol used
1	Independent variables	Mo
2	Mediating variables	M.I
3	Modulating variables	TA
4	Implementation strategies	RA
5	social responsibility	MJ
6	Implementation implications	Pa

4-3-3. Inferential Analysis of Research Data

The research model is examined through three stages. In the first stage, the "outer model" of the research is investigated. In the second stage, the focus shifts to examining the "inner model," followed by the third stage, which involves the examination of the "overall model" of the research.

A) Evaluation of the Measurement Model (Outer Model)

In the examination of the outer model, the construct validity of the research questions (or indicators) is initially assessed. Subsequently, reliability and then validity of the inner model are examined.

B) Construct Validity and Indicators or Questionnaire Items

Construct validity is calculated by computing the correlation between the indicators of a construct with that construct. If this value is equal to or greater than 0.4 (Hulon, 1999), it indicates that the variance between the construct and its indicators is greater than the error variance of measuring that construct, and the reliability regarding that measurement model is acceptable. However, some authors like Hair and Hult (1988) have mentioned the criterion of 0.5 for construct validity. It is important to note that if a researcher encounters correlation values between constructs and their indicators less than 0.4; they should revise those indicators (questionnaire items) or remove them from their research model. Additionally, the standard threshold for the t-statistic (t) is greater than or equal to 1.96. The construct validity and t-statistic (t) for the questionnaire items of the research are presented in Table 5-4.

Table 4: factor load of the questions (indices) of the research questionnaire

Structures	Questions	factor load	statistic (t)
Independent variables	Q1	0.786	11.911
	Q2	0.612	4.300
	Q3	0.650	6.700
	Q4	0.830	18.144
Mediating variables	Q5	0.897	7.214
	Q6	0.673	4.43
	Q7	0.852	5.719
	Q8	0.734	1.893
	Q9	0.882	39.428
Modulating variables	Q10	0.853	27.58
	Q11	0.865	24.457
	Q12	0.894	38.725
	Q13	0.624	6.210
Implementation strategies	Q14	0.676	8.875
	Q15	0.780	15.704
	Q16	0.755	12.764
	Q17	0.683	11.189
social responsibility	Q18	0.830	31.767
	Q19	0.887	3.916
	Q20	0.635	6.982
	Q21	0.898	066.7
Implementation implications	Q22	0.863	6.638
	Q23	0.775	17.382
	Q24	0.703	1.355
	Q25	0.791	19.965
	Q26	0.739	19.161
	Q27	0.869	3.885

As seen in Table 4, the factor loading of all research questions is greater than 0.5 and the t-statistic is greater than 1.96. Therefore, the research model has been confirmed in terms of factor loading.

C) External Model Reliability (Internal Validity)

"Cronbach's alpha coefficient" and "Rho_a coefficient" and "combined reliability criterion" (CR) were used to check the "reliability of the external model". In this research, the values of Cronbach's alpha coefficient and composite reliability (CR) and "Rho_a coefficient" related to each of the dimensions of the research questionnaire are shown in table (5)

Table 5: Cronbach's alpha coefficient values and composite reliability

Row	Structure	Cronbach's alpha	Composite reliability	Rho_A
1	Implementation strategies	0.755	0.733	0.737
2	Modulating indicators	0.827	0.897	0.844
3	Independent indicators	0.833	0.737	0.785
4	Intermediate indicators	0.754	0.754	0.754
5	social responsibility	0.733	0.799	0.821
6	Implementation implications	0.804	0.811	0.854

According to Table 5, the Cronbach's alpha coefficient and the composite reliability of "Rho_a coefficient" for the 5 structures in question are higher than 0.7, which indicates the appropriate reliability of the model.

d) External Model Validity (External Validity)

Two criteria have been used to check the validity of the external model. The first criterion; "convergent validity" and the second criterion; It is "divergent narration".

1) Convergent validity (CV)

To calculate the convergent validity (CV) index (AVE) is used as shown in Table 6. The standard limit for the AVE index is a number greater than or equal to 0.5. The results obtained for the research variables are given in the table below.

Table 6: Convergent validity values of research dimensions

Row	Structure	Convergent validity (AVE)
1	Implementation strategies	0.525
2	Modulating indicators	0.700
3	Independent indicators	0.521
4	Intermediate indicators	0.801
5	social responsibility	0.582
6	Implementation implications	0.711

It should be noted that according to the results of the data in Table 6, all the convergence validity values (AVE) of the research constructs were greater than 0.5; Therefore, the convergence validity of the current research model has been confirmed.

2) DV

In this research, "Fornell" and "Larker" methods were used to check validity and reliability. Divergent validity check was done by Fournell-Larker method by SMART PLS3 software, and the results of this check for all aspects of the research are according to table (7).

Table 7: Validity and accuracy of Fornell and Larcker method

	RA	TA	Mo	M.I	MJ	Pa
RA	0.724					
TA	0.464	0.836				
Mo	0.258	0.486	0.721			
M.I	0.275	0.501	0.409	0.894		
MJ	0.348	0.547	0.469	0.252	0.763	
Pa	0.110	0.376	0.351	0.323	0.258	0.843

According to the data in Table 7, the validity square of the convergence of each construct is larger than the correlation values between other constructs; Therefore, the research model is confirmed in terms of divergent validity according to the method of Fornell and Larker.

e) Evaluation of the Structural (Internal) Model

After examining the fit of the measurement models, it is time to fit the structural model of the research. Unlike measurement models, the structural model part is not related to the questions (manifest variables) and only the hidden variables are examined along with the relationships between them (Arash Rashazadeh and Ali Davari, 2013, 35).

1) Z significance Coefficients (T-Values)

To check the fit of the structural model of the research, several criteria are used, the first and most basic criterion is the significance coefficients Z. The fitting of the structural model using t coefficients is such that these coefficients must be greater than 1.96 in order to confirm their significance at the 95% confidence level. Of course, it should be noted that the «t» numbers only show the accuracy of the relationships and the intensity of the relationship between the structures cannot be measured with them. At the 95% confidence level and if the value of the t statistic is greater than 2.58, the path coefficient is significant at the 99% confidence level (Davari and Rezaadeh, 2012). The significant Z coefficients related to the paths of the research model are shown in Table (5-8) and Figure (4-2).

Table 8: Z significance coefficients (t-values)

Row	Direction	Amounts_ t-value
1	Independent indicators → mediating indicators	6.417
2	Independent indicators → adjusting indicators	5.449
3	Independent indicators → executive strategies	11.804
4	Modulating indicators → mediating indicators	15.505
5	Mediation indicators → executive strategies	7.793
6	Modulating indicators → implementation strategies	3.72
7	Mediating indicators → social responsibility	1.584
8	Modulating indicators → Social responsibility	9.114
9	Executive strategies → Social responsibility	6.506
10	Social responsibility → executive consequences	14.80

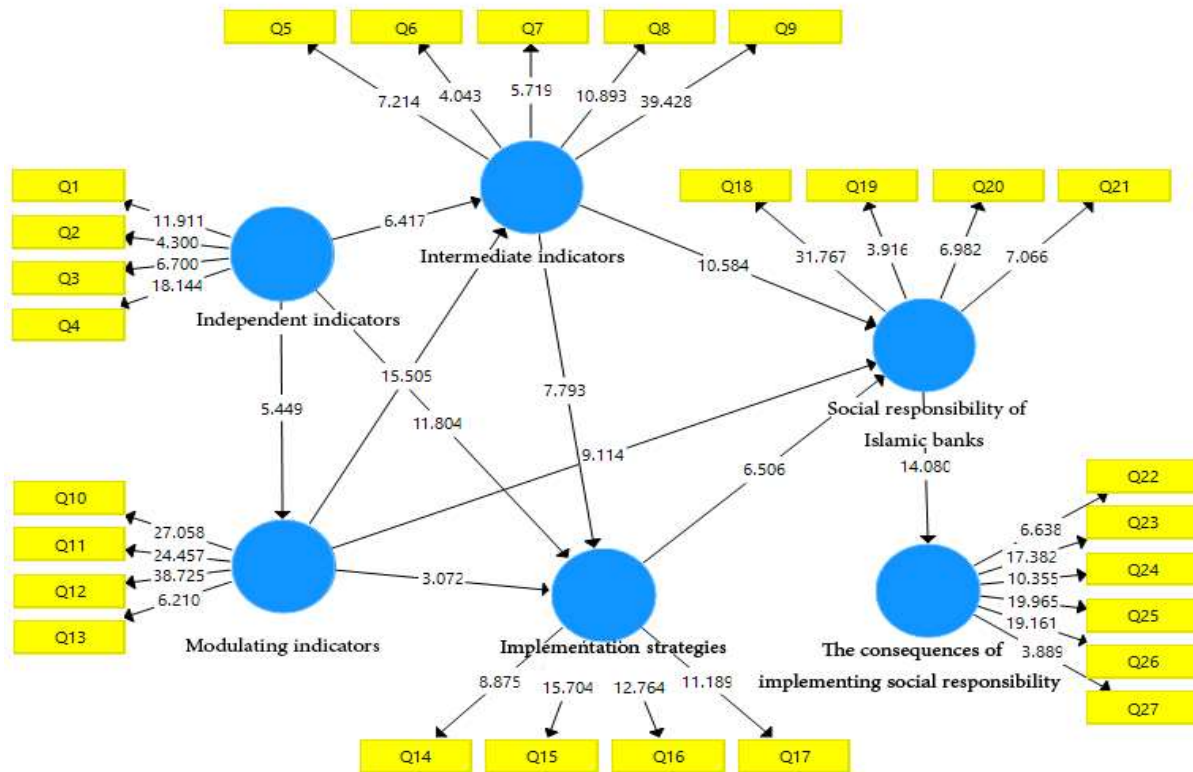


Figure 5-2: The value of the coefficient (t) of the research structural model

2) Regression Coefficients of Paths

In this section, the significance of the regression coefficient parameter or the path coefficient is analyzed between the research indicators and the related constructs. The results of this study are shown by SMART PLS3 software in Table No. 4-9 and Figure 4-3.

Table 9: Regression coefficients (beta) of paths

Row	Direction	Regression coefficient
1	Independent indicators → mediating indicators	0.447
2	Independent indicator → adjusting indicators	0.374
3	Independent indicators → executive strategies	0.664
4	Modulating indicators → mediating indicators	0.765
5	Mediation indicators → executive strategies	0.516
6	Modulating indicators → implementation strategies	0.394
7	Mediating indicators → social responsibility	0.689
8	Modulating indicators → Social responsibility	0.461
9	Executive strategies → Social responsibility	0.511
10	Social responsibility → executive consequences	0.679

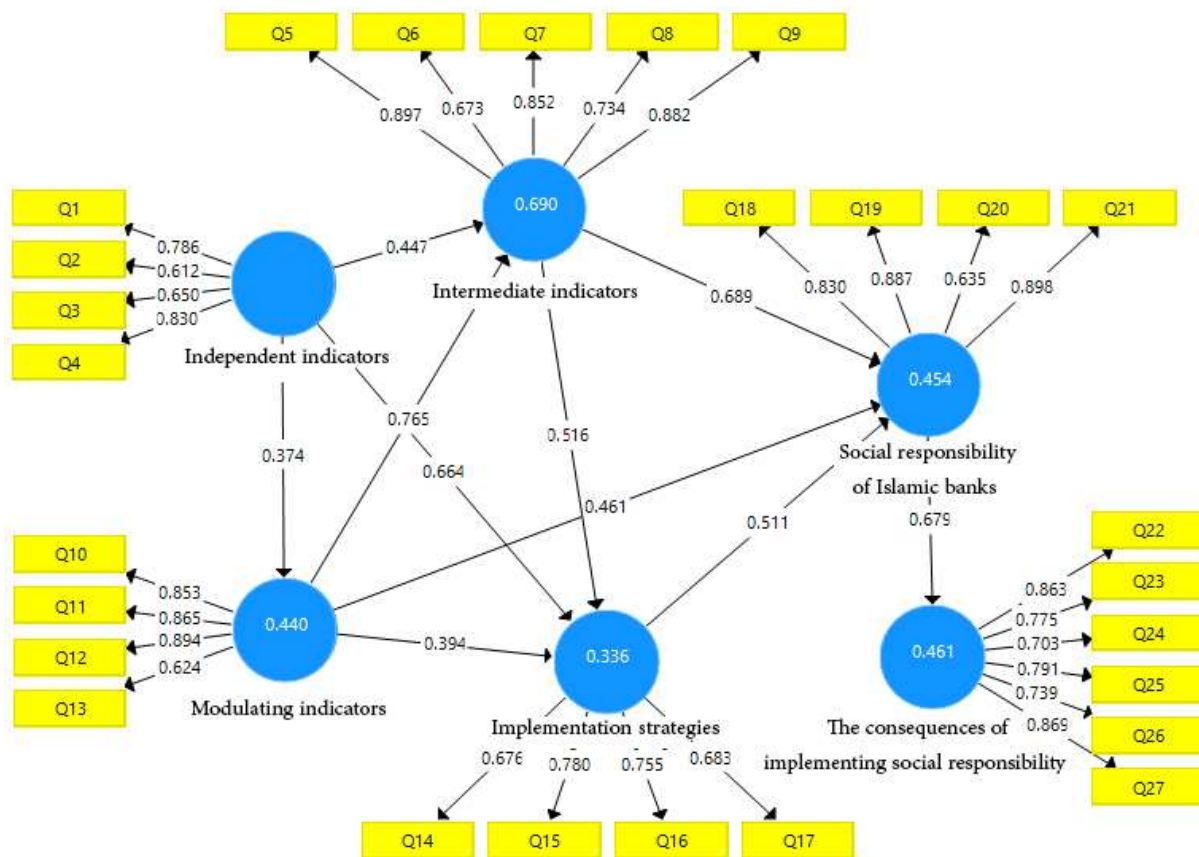


Figure 5-3: The value of the regression coefficient of the research structural model

3) Coefficient of Determination (R²)

In this research, the values of the parameter (R²) belonging to the variables of the research model have been calculated by the software (SMART PLS3) so that the higher the value of R² related to the endogenous structures of a model, the better the fit of the model. Chain (1998) three values of 0.19, 0.33, and 0.67 are considered as criteria values for weak, medium, and strong values of the fit of the structural part of the model by the R² criterion. The result of this investigation is shown in Table 10.

Table 10: Values (R²) of research dimensions

Row	Dimensions	Values (R) ²
1	Implementation strategies	0.336
2	Modulating indicators	0.440
3	Intermediate indicators	0.690
4	social responsibility	0.454
5	Implementation implications	0.461

According to the results of table (5-10), the research structures in terms of parameter (R²) are greater than the value of 0.33 and less than the value of 0.67; Therefore, it has a relatively good condition.

4) Effect Size Criterion (f²)

Impact size criterion (f²) This criterion determines the intensity of the relationship between the model structures and the values of 0.02, 0.15 and 0.35 respectively indicate the small, medium and large impact of one structure on another structure. In this research, the criterion value of the effect size (f²) related to the variable of improving production performance is shown in Table 5-11.

Table 11: Effect size f²

Row	Direction	f ²
1	Independent indicators → mediating indicators	0.282
2	2Independent indicators → adjusting indicators	0.362
3	I3ndependent indicators → executive strategies	0.661
4	M4odulating indicators → mediating indicators	0.626
5	M5ediation indicators → executive strategies	0.333
6	Modul6ating indicators → implementation strategies	0.454
7	Me7diating indicators → social responsibility	0.600
8	Mod8ulating indicators → Social responsibility	0.633
9	Exe9cutive strategies → Social responsibility	0.328
10	Social responsibility → executive consequences	0.857

According to the results obtained from Table 11-4, the effect size of the path of the relationships of this research in terms of the parameter (f^2) has a good condition; Therefore, the research model is confirmed in terms of index (f^2).

5) Criterion Q^2

Q^2 criterion This criterion determines the predictive power of the model, and if the value (Q^2) in the case of an endogenous structure obtains three values of 0.02, 0.15 and 0.35, it indicates a weak or moderate predictive power, respectively. And it has strong exogenous structures related to it (Arash Rezazadeh and Ali Davari, 2013; 35) Criterion values (Q^2) belonging to the research variables are shown in Table 5-12.

Table 12: Values (Q^2) of research dimensions

Row	Dimensions	Values (Q^2)
1	Implementation strategies	0.318
2	Modulating indicators	0.535
3	Independent indicators	0.578
4	Intermediate indicators	0.421
5	social responsibility	0.350
6	Implementation implications	0.443

According to the results obtained from Table 12-4, the value (Q^2) for the research variables has a favorable condition and the research model is approved in terms of the condition (Q^2).

g) Examining the Fit of the Overall Research Model

In this research, due to the fact that the modeling process of structural equations has been done by the software (SM), therefore, the indices (SRMR), (rms Theta) and (NFI) have been used to check the main fit of the research model. So that the value of the index (SRMR) is equal to 0.002, which is less than the value of 0.05, and the value of the index (rms Theta) is equal to 0.041 and is smaller than the value of 0.1, and finally the value of the index (NFI) is equal to It has become 0.995, which is greater than the value of 0.95; Therefore, the model has the ability to fit and generalize.

h) Results and Testing of Research Hypotheses

In the table below, the significant relationship between the model variables and the validity of the research hypotheses, from the structural equation modeling method. The value of the statistic (T-Value) and path coefficient (Beta) are shown.

Table 13-5: The results of the test (T-Value) and the path coefficient of the hypotheses

theories	Statistical value (T-Value)	path coefficient (beta)	Condition
A meaningful and significant relationship exists between independent variables and mediating variables.	6.417	0.447	accept
Significant and meaningful relationships exist between independent variables and moderating variables	5.449	0.374	accept
Significant and meaningful relationships exist between independent variables and executive strategies	11.804	0.664	accept
Significant and meaningful relationships exist between moderating variables and mediating variables	15.505	0.765	accept
Significant and meaningful relationships exist between mediating variables and executive strategies	7.793	0.516	accept
Significant and meaningful relationships exist between moderating variables and executive strategies	3.072	0.394	accept
Significant and meaningful relationships exist between mediating variables and social responsibility	10.584	0.689	accept
Significant and meaningful relationships exist between moderating variables and social responsibility	9.114	0.461	accept
Significant and meaningful relationships exist between executive strategies and social responsibility	6.506	0.511	accept
Significant and meaningful relationships exist between social responsibility and executive outcomes	14.080	0.769	accept

Conclusion

- 1- Social responsibility has its roots in Islamic texts and sources. Islamic institutions and banks are obligated to be accountable for their performance. Social responsibility is a form of service, not interference, and fundamentally social responsibility is also social. The type of responsibility is social and ranks higher than individual and familial responsibilities.

- 2- Social responsibility is generally defined as a set of activities that owners of capital and economic enterprises voluntarily perform as effective and beneficial members of society. In other words, it includes a set of duties and commitments within the framework of national and international laws, aligned with the activities of the relevant organization, aimed at helping the organization achieve its goals through ethical and philanthropic activities, creating public benefit for society, and facilitating sustainable development.
- 3- Various factors contribute to the realization of social responsibility in Islamic banks. In this study, various influential factors were identified, and the relationship between these factors and variables was tested using a conceptual model, showing statistically significant relationships.
- 4- A set of variables, acting as independent variables, directly influences the social responsibility of Islamic banks, such as the Islamic values perspective (governance of religious values), institutional factors (Islamic government intervention), and economic motivations. It can be concluded that the governance of religious values in Islamic society, timely intervention and balanced measures by the Islamic government towards achieving social justice and creating a healthy business environment in line with "halal profit" will lead to social and financial responsibility of Islamic institutions.
- 5- "Education and awareness of Islamic bank managers, technological and technical factors, compliance with Islamic regulations and laws, proximity of Islamic banks' location, and ease for customers" as "mediating variables" facilitate the grounds for social responsibility in Islamic banks.
- 6- Market factors (banking products and services), media space creation (advertising), economic-political factors (economic institutions), cultural-social factors (effective cultural-social institutions), and international factors (institutions and civil society) act as "moderating variables" making the path to social responsibility of Islamic banks smoother.

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