

The Effectiveness of Islamic Banks' Corporate Social Responsibility as Perceived By Gender in Malaysia: An Exploratory Research

Jaiyeoba Haruna Babatunde,¹ Adewale Abideen Adeyemi²

Abstract: The main aim of this study is to investigate the effectiveness of Islamic banks' corporate social responsibility (ICSR) as perceived by gender in Malaysia. Islamic financial institutions have been encouraged to be conversant in discharging both obligatory and recommended forms of Islamic corporate social responsibility. It had also been argued that corporate social responsibility from Islamic perspective is capable of improving standard of living of people if well practice. Based on this, it is highly important to investigate the effectiveness of ICSR as perceived by the people. Hence, this study studied the opinion of Islamic banks stakeholders in Malaysia using questionnaire that comprises of 19 questions. Exploratory Components Factor Analysis (PCA) and Cronbach's alpha confirmed the construct validity and internal consistency of the measurement scale of these questions. After reducing these questions into four factors, they were renamed as investment development, human development, poverty alleviation and social development in accordance with the kind of the question in each category, and Mann-Whitney U test was applied on them because the data was not normally distributed. The results revealed that both male and female of the Islamic banks' stakeholders perceived the ICSR of been effective.

¹ Jaiyeoba Haruna Babatunde, PhD Researcher, Department of Business Administration, International Islamic University Malaysia, Email: jaiyebab@yahoo.com

² Adewale Abideen Adeyemi, Assistance Professor, Department of Business Administration, International Islamic University Malaysia, Email: abidewale@iium.edu.my

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INTRODUCTION

Corporate Social Responsibility (CSR) from Islamic perspective has been occupying the discussions of Islamic researchers especially since last decade. While few have focused on the effectiveness of this CSR on the economic development, majority have concentrated on what should constitute the subject matter from the Islamic perspective. Within the context of Islam, it has been revealed that socially responsible, justice, brotherhood and the rest are part and parcel of the Islamic religion according to Qur'an and the Sunnah of the holy Prophet Mohammed (PBUH). In the same direction, Islamic institutions as entities are required to render their responsibilities to their respective society and environment. This is because entities such as Islamic institutions are having relationship with Allah, human being and environment. Hence, they are required to contribute to the economic development as part of their relationship with environment in accordance with the Islamic law (Maqasid Shari'ah) (Muwazir, Mukhazir, & Noordin, 1970).

Following the recent discussions on the role and responsibility of the business in the society since last three decades, scholarly debates on this issue had turned around the ways in which corporations can play an active role in social and internalizing environmental concerns into their enterprise. This issue together with the other deliberated issues such as corporate scandals of the early 21st century have make the field of CSR appears to be more important than ever (Aktüre & Jaldín, 2006). According to Dusuki & Dar (2007), Corporate Social Responsibility outline the standard of behaviour that the businesses must subscribe in order to impact society in a positive and productive manner that abides by values which exclude profit seeking at all cost. Indeed, Islamic banks are not exempted from this discussion. While this so, the responsibility of Islamic Banks from Shari'ah perspective beyond the paying of zakat to the poor and the needy but extended to the societal welfare, wellbeing and any other activities that can actively impact the society in a positive and capable of bringing about development to the society.

Meanwhile, Islamic financial institution as a whole are said to be concerned with much more than just refraining from charging interest. It is a system that aims at contributing positively to the

fulfillment of the socioeconomic of Islamic societies. Hence the issue of ethics, social responsibility, good corporate governance and citizenship that are widely propagated in the West are not an alien to Islamic banking. Rather, they are part of a natural outlook that should be manifest in the operation of any Islamic institution that claims to be based on the principles of the Shari'ah (Dusuki, 2011). Idowu & Towler (2004) also claimed that organizations should make positive contribution to the society in order to demonstrate that they care about people and environment where they are operating.

Conventionally, CSR has been considered as only corporate voluntary obligation that organizations subscribed as a reward for the economic benefits obtained from the society. However, Islamic scholars have considered it as a corporate voluntary obligation as well as a manifestation of corporate spiritual commitment (Yusoff, Adeyemi, & Babatunde, 2013). Yusoff, Adeyemi, & Babatunde (2013) asserted that organizations are expected to contribute to the economic development as a reward for the economic benefits obtained from society. They also argued further that the rewards of such nature should take into cognizance of both the mechanics and spirit of operational efficiency in its entire ramification that covered economic, social, and spiritual development.

In addition, Islamic financial institutions such as Accounting and Auditing Organization for Islamic financial Institutions (AAIFI), Islamic Financial Services Board (IFSB) and other Islamic bodies have constantly giving their support for the development of CSR within the terrain of Islamic financial institutions. As a result of these, Islamic financial institutions (IFIs) or any other institution which derives its justification from Islamic law and principles must discharge a socially responsible activity that transcends smooth employer-employees relationship but extend to society in which they operates at large. As mentioned, researchers have concentrated on what should constitute the CSR of Islamic financial institutions during the last decade. It is now important to assess the effectiveness of the proposed CSR from Islamic perspective as contributed to the economic development based on the expectation of the people. In response, this paper investigates the effectiveness of the Islamic banks' corporate social responsibility as by gender in Malaysia.

The present study aimed at making a distinctive contribution to the field of Islamic banking and corporate social responsibility. Assessing the various stakeholders of Islamic banks on the effectiveness of CSR of Islamic banks in Malaysia is

expected to motivate Islamic financial institution to contribute more to people welfares as well as country's economic development. This paper is structured into five main sections including this brief introduction, literature review, data and methodology, data analysis and conclusion.

LITERATURE REVIEW

This section reviewed the extant and relevant studies within the scope of this paper. The discussions here are sectioned into two main sections. It has been reiterated that most of the writers during last decade had concentrated on what Islamic corporate social responsibility should be by deducing justifications from the Qur'an and Sunnah of the Prophet (PBUH), as well as those making inferences from the conventional counterpart (Western theoreticians). This and other pertinent discussions of this nature were discussed in the first section while the second section discussed the empirical studies on the corporate social responsibility especially from the Islamic perspective together with those from the conventional discussions where necessary.

Islamic Corporate Social Responsibility

Among those studies that recently proposed what should constitute Islamic corporate social responsibility for Islamic Financial Institutions (IFIs) were Farook (2007); Dusuki & Abdullah (2007); Dusuki (2011); Hasan (2011); Yusuf & Bahari (2011); Adnan Khurshid, Al-Aali, Ali Soliman, & Mohamad Amin (2014) and Dorasamy (2013). Interestingly, the above studies on what should constitute Islamic corporate social responsibility have commonly encouraged IFIs to positively contribute to people's welfares and economic development. For instance, foundation for the Islamic social responsibility derived from divine sources was provided by Farook (2007), according to him, Islamic banks are required to firstly fulfill the collective religious obligation that Muslims cannot fulfill individually; secondly, Islamic financial institutions are exemplary in the society. Based on these reasons, he set the basis for the CSR standard for the IFIs that were based on a dichotomy of mandatory and recommended conduct.

The study of Farook (2007) among others in the field of Islamic corporate social responsibility is highly essential, this is not only because it was derived from the divine sources, but because the proposed Islamic corporate social responsibility covered all operational aspects of IFIs. Because of its relevancy to the field of study as perceived by the writer, the present study strongly depends on its proposed Islamic CSR. Farook divided the Islamic corporate

social responsibility into major area as mandatory and recommended forms. Screening of investment, earning prohibited by Shari'ah, responsible dealing with clients, employee and zakat were grouped under the obligatore form. Qard hasan, charitable activities, employee welfare, micro & small size business and social savings and investment, par excellence customer service, environmental impact based investment quotas, social impact based investment quotas, industry wise investment quotas, screening clients and contractors reduction of impact on the environment and waqf management were all grouped under the recommended form. Based on these obligatory and recommended forms by Farook (2007), 19 questions were developed by the researchers on Islamic banks' corporate social responsibility in order to examined the effectiveness of the Islamic banks' corporate social responsibility as perceived by people in Malaysia.

While several similarity can be found in the studies of Dusuki (2011) and Farook (2007), the former study had concentrated on proving that CSR is not an alien to the Islamic financial system and therefore proved that proposed CSR by the Western theoreticians and international bodies can also be applied to Islamic banking since they were consistent with the spirit and Islamic teachings. According to Dusuki (2011), some of the ethical and social responsibility dimensions of Islamic banks may be similar to those which have been recognized in the West. Based on his argument, he traced the established CSR dimensions (the environmental dimension, the human resource dimension, the philanthropic dimension, and the human rights dimension) by the Western theoreticians to the divine sources of Islam.

In another study, Dusuki & Abdullah (2007) also developed CSR for Islamic financial institutions using *Maqasid Shari'ah* (objective of Islamic law) and *maslahah* (public interest). In the first instance under the objective of Islamic law, they asserted that CSR is more holistic in nature because it covers workers, managers, corporations, customers, and society as a whole. Public interest on the other hand stressed on the public interest as opposed to the individual interest according to Islamic religion. Discussions were also made on how IFIs can used both *Maqasid Shari'ah* and *maslahah* to discharge their responsibility to the society. *Maslahah* pyramid was as well provided in order to prove the IFIs with decision making tools with respect to ICSR. Obviously, *Maqasid Shari'ah* and *maslahah* as used in this study are similar to the obligatory and recommended form of CSR as proposed by Farook (2007).

Similarly, the discussion on the CSR from Islamic perspective by Hasan (2011) is very similar to those proposed by Farook (2007) and Dusuki (2011). The study of Hassan on one hand is similar to that of Farook because he reitratred the obligatory and recommended forms of Islamic CSR as proposed by Farook (2007) and then discussed how IFIs can discharged their responsibility as proposed. His study is also similar to that of Dusuki on the other hand because he discussed several CSR as proposed by the Western theoreticians and gave strong recommendation on how those CSR could serve as basis for IFIs but his discussion was centered on the Carroll (1979) on CSR theory which covered economic responsibilities, legal responsibilities, ethical responsibilities and philanthropical responsibilities.

Among the study that proposed Islamic corporate social responsibility (ICSR) model is the study of Adnan Khurshid et al. (2014), their study was similar to that of Dusuki (2011) and Hasan (2011) because they focused on divine sources, previous literatures and most especially the Western theoreticians as basis for the development of ICSR model. According to them, the development of ICSR model was based on the extension of the CSR theory (economic responsibilities, legal responsibilities, ethical responsibilities and philanthropical responsibilities) of Carroll (1979). Based on the above Carroll's CSR model, they now developed Islamic economic responsibilities, Islamic legal responsibilities, Islamic ethical responsibility and Islamic philanthropical responsibilities for the Islamic financial institutions. They also discussed how their proposed model could be used by IFIs to provide the expected welfares to the people and how they can be used to contribute to the economic development.

Also, in an attempt to hunt for standard CSR as practice by the Islamic banks, Yusuf & Bahari (2011) interviewed expertise of Islamic banking in Indonesia and it was deduced that six fundamental criteria are required in order to ensure that corporate social responsibility have impact on the society. According to them, these criteria are *shari'ah* compliance, equality, responsibility at work, the guarantee of welfare, the guarantee environmental sustainability and charity for preservation of virtue. However, the application of these must be guided by *maslahah* and social capital in the society.

The study of Dorasamy (2013) is another study that fall within the realm of this section. Dorasamy discussion was centered on three main headings by making references to studies that were

based on divine sources as well as those from the Western theoreticians. Responsible behaviour, environmental issues and sustainable development were the proposed ICSR for the IFIs. They discussed that responsible behaviour of Islamic banks is to report their corporate social responsibility as required by law and that Islamic banks are required to manage their environment in a way that create values to the society by considering environmental sensitive issues in their policies and practices, and sustainable development which means that Islamic banks need to be a profit making institutions as incorporated in the economic responsibility of Carroll CSR theory but they must contribute more to the people welfares as well.

Empirical Studies on Islamic Corporate Social Responsibility

Ever since invention of the CSR from the Islamic perspective, researchers have one way or the other to investigate empirically the impact, awareness, stakeholders opinion and disclosure of this Islamic corporate social responsibility from different location in the world. Some of these within this category are Yusoff et al. (2013); Atan & Halim (2011); Hossain & Siwar (2009); Dusuki (2005); Hidayat & Alhur (2011); Zubairu, Sakariyau, & Dauda (1997) and Samina (2012). Among these studies, Yusoff et al. (2013) investigated the impact of Islamic banks' corporate social responsibility on the Malaysian economic development using structured questionnaire. These authors deduced their dependent variable as well as the independent variables from the obligatory and recommended forms of Islamic corporate social responsibility as proposed by Farook (2007). The stakeholders' opinion revealed that Islamic banks in Malaysia have positively contributed to the economic development in terms of zakat, charitable activities, *qard hasan*, micro & small size business and social savings and investment, and social impact based investment quotas policies.

Another study that depend strongly on the proposed ICSR by Farook (2007) was the study of Samina (2012). Samina (2012) investigated the possibility of the Bangladeshi Islamic Banks being adhered to the obligatory and recommended forms of ICSR for IFIs according to Farook (2007) using sample of six privately owned local full-fledged Islamic banks. According to this writer, these banks were found to be compliance with the mandatory form of ICSR. However, variation was found as per the involvement in the recommended form of ICSR by these Islamic banks. Dusuki (2005) also investigated the opinion of the Islamic banks stakeholders in Malaysia in order to ascertain whether they are subscribed to the idea of CSR so as to prove that CSR is not an alien to the field of

Islamic banking and finance. He found that Islamic banks stakeholders in Malaysia have positive views to the practices of CSR because CSR also accounted for the reason why they have decided to choose Islamic banking as their preferred banking institution.

On the opinion of the Malaysian managers as related to the responsibility of corporations to society, Siwar & Hossain (2009) examined the relation between the concepts of Islam with the Malaysian managers' opinion regarding corporate social responsibility using open- and close-ended questionnaire. Their study covered 50 listed organizations in Malaysia that included multinational, government link, non-government link and SME companies. Having used correlation analysis and descriptive statistics, it was found that Islamic concept and top executives' opinion about CSR were similar and this made the researchers to conclude that Islam encourages responsible behavior to the society, environment and economy.

In another direction, Hidayat & Alhur (2011) examined the public awareness of Islamic banks' corporate social responsibility in Saudi. According to their findings, it was found that general public of Saudi were aware of the Islamic banks social responsibility that are related to policy to screen prospective clients for Shari'ah compliance that is actively implemented to avoid using the bank in criminal activities such as money laundering, policy to develop and monitor par excellence customer service skills of its employees, policy for responsible dealing with clients with provisions relating to marketing ethics, implementing responsible financing practices in all types of transactions with clients, and dealing with late repayment and insolvent clients, policy to restrict earnings and expenditures prohibited by Shari'ah, policy to encourage social savings for marriages, children's education, community-based programs, and other social welfare programs. However, they were not aware of the Islamic banks' programs and activities related to the pursuit of corporate social responsibility.

In the area of corporate social responsibility reporting, Zubairu, Sakariyau, & Dauda (1997) examined corporate social responsibility reporting practices by Islamic Banks in Saudi Arabia which involved the comparison of the social disclosures of 4 Islamic banks as reported in their annual reports against the adequate level of corporate social responsibility disclosures that Islamic banks are expected to make covering from 2008 to 2009. Using Ethical Identity Index (EII) developed by Haniffa & Hudaib (2007), it was found that Islamic banks in Saudi Arabia cannot be

easily differentiate from their conventional counterparts because the expected dichotomy between the Islamic banks and conventional banks in relation to Islamic ethics were not clearly shown.

From the above discussions, it can be inferred that Islamic corporate social responsibility is not an alien to the Islamic finance. Also, what constituted ICSR was derived majorly from the divine sources as well as from Western theoreticians where their basis does not contradict the teaching of Islam. It can also be deduced that Islamic corporate social responsibilities are very important for the wellbeing of the people. Testimony for this discussion can be found from the study of Yusoff et al., (2013) and Samina (2012) and others. Another interesting thing is that, these studies have strongly revealed the potential of ICSR in terms of the economic development. However, the present study will extend the existing studies as well as proving that Islamic corporate social responsibility is highly effective in investment development, human development, social development and poverty alleviation. More so, unlike the study of Yusoff et al., (2013) that lacked concrete literatures, the present study had provide a comprehensive literatures in order to prove the effectiveness of ICSR and to support the views that ICSR is not alien to the field of Islamic finance.

DATA AND METHODOLOGY

Researchers have studied the opinion of stakeholders of Bank Islam Malaysia Berhad, Bank Muamalat Malayasia Berhad, CIMB Islamic Bank Berhad and Maybank Islamic Berhad operating in Alor Setar, Kedah State of Malaysia that comprises of bank managers, employees, customers and local communities using close-ended questionnaire. Out of 250 questionnaires distributed to the respondents using convenience sampling, 196 were returned and three were not usable leaving us with 193 questionnaires.

Before developing the questionnaires, different journal articles and relevant theses in this field were reviewed and it was discovered that Islamic banks corporate social responsibility has been categorized into mandatory forms and recommended forms according to Farook (2007). On this basis, 19 questions were developed and it was analyzed using factor analysis in order to reduce these questions. After this analysis, these questions were reduced into four main factors. In accordance with the kind of the questions that fell into each category, they were named as investment development, human development, poverty alleviation and social development, and these were used to measure the Islamic banks' corporate social responsibility.

Conceptual framework

Following the relevant literatures on the Islamic banks' corporate social responsibility as discussed in the previous chapter, it is deemed appropriate to provide a diagrammatic representation that present what the researchers aim at revealing by carrying out this study. Hence, this study used investment development, human development, poverty alleviation and social development to measures the effectiveness of Islamic banks' corporate social responsibility as perceived by gender. This is presented in the below figure 1.

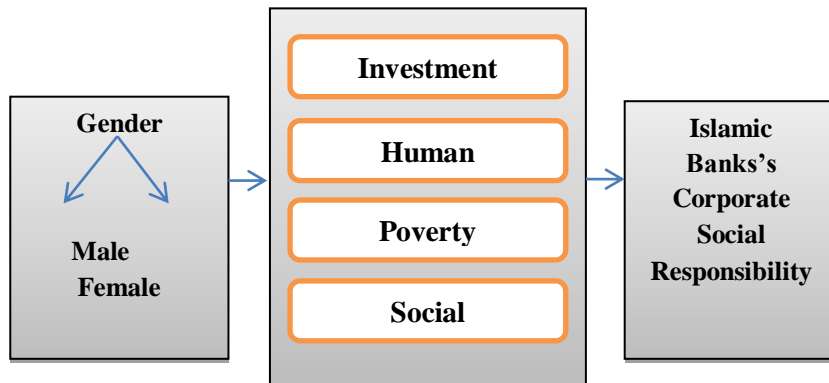


Figure1: Research Conceptual Framework

Data Analysis Techniques

The Statistical package for the Social Sciences (SPSS 21) was used for the analytical analysis performed on this Study. Exploratory Components Factor Analysis (PCA) and Cronbach's alpha was used to determine the construct validity and internal consistency of the measurement scale, descriptive statistics was employed so as to provide the discussions on the profiles of the Islamic banks' stakeholders as related to gender, age, race, religion and educational background. Finally, Mann-Whitney U test and effect size (calculated as $r = \frac{Z}{\sqrt{n}}$, where "Z" represents the Z scores and "n" represent the sample size of the categorical variable) was used to examine the effectiveness of the Islamic banks to the Malaysian

economic development as perceived by gender in Malaysia because the data was not fulfilled the normally distributed assumption.

DATA ANALYSIS

Construct Validity

Table 1 presents the construct validity test performed on this study. Questionnaire was developed in order to investigate the effectiveness of Islamic banks' corporate social responsibility as perceived by gender. Total numbers of 193 respondents were involved and it was aim at reducing the 19 questions into manageable sub-themes. Exploratory principal components analysis (PCA) with Varimax orthogonal rotation and an eigenvalue cut-off of 1.0 were employed. having satisfied the required assumptions and restrictions, researchers were able to produce four factors that explained something that is greater than 69 percent of the data: investment development (ten items, 27%), human development (three items, 15%), poverty alleviation (four items, 13%) and social development (two items, 12%).

Table 1: Construct Validity

	Factors			
Variance explained (after rotation)→	27.619	15.400	13.781	12.378
Initial eigenvalue→	9.302	1.622	1.185	1.034
Variables (factor loadings)				
Islamic banks encourage the development of religion and traditional cultures	.826			
Islamic banks assist in the development of small and medium sized entrepreneurs	.810			
Islamic banks provide assistance for heavily indebted individual or families	.807			
Islamic banks assist in financing the education of less privilege individual and families	.695			
Islamic banks have policy to develop the investments that offer growth potential	.665			
Islamic banks have policy for social developmental and environmental based investment quotas	.660			
Islamic banks have policy that encourage the environment sanitation	.652			
Islamic banks have policy to assist the orphans who require for help from the institutions	.630			
Islamic banks encourage individual and institutions to protect and preserve the natural environment	.576			
Islamic banks actively target groups and communities that require assistance	.445			
Islamic banks actively implement policies to assist micro and small businesses, and social activities		.853		
Islamic banks encourage social savings for marriages and children education		.789		

Islamic banks encourage individual and family savings for future investment	.539
Islamic banks collect and distribute zakat (alms giving) revenues on behalf of their clients	.810
Islamic banks zakat (alms giving) has helped to reduce poverty	.696
Islamic banks established fund raising charitable activities to support the needy in society	.582
Islamic banks charitable activities are channel towards hardship reduction and human development	.502
Islamic banks benevolent loans are used for human, investment and social development	.877
Islamic banks benevolent loans have positive impact on country's economy	.872

Reliability Result

Following the construct validity test as presented above, the four factors produced by the principal components analysis were further tested for reliability using Cronbach's alpha (α). The first factor (investment development), second factor (human development), third factor (poverty alleviation) and fourth factor (social development) showed very high internal consistency with α of .925, .821, .828 and .933 respectively and these are presented in table 4.2. Also, the correlation for the item-total were equally moderately explained throughout and Cronbach's alpha would not benefit from removal of any item. Therefore, there was a consistency in the responses to the group of questions or items used to measure the effectiveness of Islamic banks' corporate social responsibility as perceived by gender.

Table 2: Reliability Tests

N	Constructs	Cronbach's Alpha
10	Investment Development	.925
3	Human Development	.821
4	Poverty Alleviation	.828
2	Social Development	.933

Descriptive Statistic

The demographic statistics conducted on this study is presented in the table 4.3 below, 193 respondents were participated in this study as previously highlighted. Starting from the gender, the total number of male were 92 and total number of female were 101 with

47.7 percent and 52.3 percent respectively. The proportion of the age of the respondents that fell below 21 were seven with 3.6 percent, from 21-30 were 80 with 41.5 percent, that from 31-40 were 73 with 37.8 percent, that from 41-50 were 28 with 14.5 percent and those from 50 and above were five with 2.6 percent. Other categories such as race, religion and qualification were also presented and can be viewed in the table below with similar interpretation as those explained earlier (gender and age).

Table 3: Demographic Statistic

S/N	Items	Categories	Frequency	Percentage
1	Gender :	Male	92	47.7
		Female	101	52.3
2	Age:	20 years and below	7	3.6
		21-30	80	41.5
		31-40	73	37.8
		41-50	28	14.5
		50 years and above	5	2.6
3	Race:	Malay	178	92.2
		Chinese	6	3.1
		Indian	3	1.6
		Others	6	3.1
4	Religion:	Islam	190	98.4
		Others	3	1.6
		Primary School Cert.	19	39.8
5	Qualification:	Higher School	43	22.3
		Diploma	54	28
		Bachelor Degree	60	31.1
		Master Degree	17	8.8

Mann-Whitney U Test

As mentioned, Mann-Whitney U test was adopted due to the fact that the data was not normally distributed. Table 4.4 presents the Mann-Whitney U test results on the effectiveness of the Islamic banks' corporate social responsibilities (measured by of investment development, human development, poverty alleviation and social development) as perceived by gender in Malaysia. According to the results, male perceived the effectiveness of the Islamic banks' corporate social responsibility as related to the investment development higher than the female. It was indicated by the Mann-Whitney U test that this difference was significant with small effect size ($U = 3789.5$; $N_1 = 92$; $N_2 = 101$; $p = .046$, $r = .14$).

On the effectiveness of Islamic banks' corporate social responsibility in respect of human development, poverty alleviation and social development, the result revealed that male perceived them higher than the female, but Mann-Whitney U test showed that

these differences were not significant with small effect size. Human development ($U = 4035.0$; $N_1 = 92$; $N_2 = 101$; $p = .098$, $r = .12$), poverty alleviation ($U = 4015.5$; $N_1 = 92$; $N_2 = 101$; $p = .094$, $r = .12$), and social development ($U = 3964.5$; $N_1 = 92$; $N_2 = 101$; $p = .061$, $r = .13$).

Table 4: Effectiveness of Islamic banks corporate Social Responsibility Rating Scores by Gender

Items	Categories	Median	95% CI
Investment Development	Male (92)	40	38.96-41.15
	Female (101)	39	37.33-39.43
Human Development	Male (92)	12	11.70-12.48
	Female (101)	12	11.42-12.10
Poverty Alleviation	Male (92)	16	15.11-16.50
	Female (101)	16	15.07-15.90
Social Development	Male (92)	8	7.51-8.13
	Female (101)	8	7.20-7.75

Note: CI = Confidence Interval.

DISCUSSION

The above result revealed that Islamic banks in Malaysia are more effective in contributing to the investment development, human development, poverty alleviation and social development as perceived by gender. Although, the expectations of the above analyses was to reveal that the differences between male and female in respect of the effectiveness of the Islamic banks in Malaysia is not be significant. As presented in the above Mann-Whitney U test, there was no significant difference between male and female as perceived the effectiveness of Islamic banks corporate social responsibility except with respect of investment development, and this significant difference has very small effect size.

Interestingly, this study also confirmed the Dusuki & Dar (2007) who had previously found that stakeholders of Islamic banks in Malaysia have positive views on the Islamic corporate social responsibility. In addition, it is also not surprising that both male and female recognized the effectiveness of the Islamic banks corporate social responsibility because Islamic banks under the study (Bank Islam Malaysia Berhad, Bank Muamalat Malaysia Berhad, CIMB Islamic Bank Berhad and Maybank Islamic Berhad) have been constantly reporting their programmes in their respective annual report. Apart from the above, this study also confirm the study of Yusoff et al. (2013) that found that Malaysian Islamic banks have contributed to the country's economic development.

More so, various Islamic Banks' corporate social responsibility by Malaysian Islamic banks have been discussed by Yusoff et al. (2013).

CONCLUSION

The purpose of this study is to examine the effectiveness of Islamic banks' corporate social responsibility as perceived by gender in Malaysia. Being a first study in this area, the study will serve as a basis for other researchers that have interest in carrying out research in this field. Apart from that, it has also provided the necessary information on those things that constituted the corporate social responsibility from Islamic perspective. This discussion was aim at offering the institutions as well as individuals who wish to know various way through which Islamic banks can discharging their corporate social responsibility to the society.

Most importantly, this study has revealed that Islamic banks in Malaysia are more effectives as perceived by gender. However, they need to improve in the area of investment development such as small and medium enterprises because this was where the difference between the male and female was significant although with small effect. They also need to channel more of their CSR to those living in rural area in Malaysia in order to be more effective in poverty alleviation because Razak, Norshahidi, Yusof, & Ibrahim (2014) have revealed that poverty level of those people living in the rural area is quite higher as compare to those living in the urban area such as Kuala Lumpur. Islamic banks' corporate social responsibility programmes should be adequately channel into this area including human development and social development in order to achieve the objective of Shari'ah (*Maqasid Shari'ah*).

The implication of this study to the Malaysian economy is enormous, while increasing contributions of the Islamic banks' corporate social responsibility in the area of human development will not only increase the educational standard of the people of Malaysian, it will also reduce the country's relative poverty in the country. Justification for this is that, human development will increase the educational level of both have and have-not and this in great extent will reduce the country's poverty rate. In the same direction, their contributions to the social development, investment development and human development will also improve the standard of living in the country and thereby increase the Malaysian economic development.

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