

The Impact of Islamic Values On the Voluntary Disclosure of Corporate Social Responsibility Initiatives in Saudi Listed Companies

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Abstract:

This study explores the influence of Islamic values on the voluntary disclosure of Corporate Social Responsibility (CSR) initiatives among companies listed in Saudi Arabia. Using a mixed-methods approach, we combined quantitative surveys with qualitative interviews to examine how Islamic ethics are embedded within CSR practices and how these values shape transparency and reporting. The research highlights the distinct role Islamic principles play in corporate governance, particularly in influencing the nature and extent of CSR disclosures. Quantitative analysis of survey data from 146 Saudi-listed companies was supplemented by in-depth interviews with key stakeholders, providing insights into how Islamic values affect stakeholder engagement and corporate transparency. The findings reveal that firms with a higher integration of Islamic principles tend to have more comprehensive and transparent CSR disclosures. The results also indicate that Islamic ethics not only enhance CSR practices but also align them with broader social, ethical, and environmental goals. This study contributes to the

growing literature on CSR in Islamic contexts and offers practical implications for firms seeking to align their CSR initiatives with cultural and ethical norms.

Keywords:

Islamic values, Corporate Social Responsibility (CSR), voluntary disclosure, Saudi listed companies, CSR transparency, Islamic ethics in business, stakeholder engagement, corporate governance, cultural influence on CSR, CSR practices in Saudi Arabia.

INTRODUCTION

Context

Corporate Social Obligation (CSR) has changed from an optional practice to a fundamental part of vital business arranging around the world (Carroll, 2021). This shift mirrors a developing acknowledgment that organizations, as key entertainers in the public eye, have an obligation to investors as well as to a more extensive arrangement of partners, including representatives, clients, networks, and the climate. In this developing scene, CSR drives act as a demonstration of a company's obligation to moral practices, natural stewardship, and social government assistance, rising above simple consistence to epitomize a more profound commitment with the standards of supportability and moral administration.

The worldwide business local area's rising hug of CSR is driven by the comprehension that mindful strategic policies add to a supportable future and proposition an upper hand (Carroll, 2021) . Examination and market patterns show that organizations with powerful CSR programs frequently appreciate upgraded brand notoriety, expanded client unwaveringness, and further developed worker fulfillment. These advantages, thus, can prompt prevalent monetary execution, as buyers and financial backers progressively favor organizations that exhibit a guarantee to cultural and ecological qualities.

In Saudi Arabia, the meaning of CSR is enhanced by the country's Vision 2030 changes, an aggressive plan for monetary and social change (Alqublan, 2021). Vision 2030 tries to decrease Saudi Arabia's reliance on oil, expand its economy, and foster public help areas like wellbeing, schooling, framework, diversion, and the travel industry. Fundamental to this vision is the job of the confidential area as a driver of monetary development and advancement. In that capacity, the changes advocate for improved corporate administration, straightforwardness, and social obligation, situating CSR at the very front of the realm's excursion towards supportable turn of events.

This setting of financial enhancement and change makes the Saudi Middle Eastern business climate a prolific ground for the extension of CSR rehearses. Organizations working inside the

realm are progressively called upon to adjust their tasks to the standards of maintainability and social obligation, not exclusively to follow administrative assumptions yet additionally to add to the country's overall objectives. The push towards maintainability is additionally upheld by the social and moral system of Saudi society, where Islamic qualities reverberate with the center standards of CSR.

The combination of worldwide CSR patterns with Saudi Arabia's Vision 2030 changes presents an extraordinary chance for organizations to lead in the domain of corporate obligation. By implanting CSR into their essential targets, organizations in Saudi Arabia can assume a significant part in the country's change, cultivating financial expansion, social turn of events, and natural supportability. This developing setting highlights the developing significance of CSR in the locale, denoting a shift towards more capable and economical strategic policies that are supposed to characterize the fate of corporate administration in Saudi Arabia and then some.

Importance of Islamic Values

In Saudi Arabia, the entwining of Islamic qualities with the cultural texture significantly impacts individual way of behaving and normal practices as well as the moral direct of organizations. Islamic lessons advocate for standards like equity, value, and natural stewardship, which reverberate with the center

fundamentals of CSR (Sahin, 2018). The harmonization of Islamic qualities with strategic policies offers a novel viewpoint on CSR, possibly improving corporate social obligation drives with social pertinence and moral profundity. This coordination is especially huge in Saudi Arabia, where adherence to Islamic standards can improve the social and ecological effect of CSR endeavors, adjusting them all the more intimately with the qualities and assumptions for the nearby people.

Rationale

In spite of the perceived impact of Islamic qualities on business morals, there is a prominent examination hole with respect to their particular effect on CSR divulgence among Saudi recorded organizations. While the more extensive topics of CSR in Islamic settings have been investigated, centered examinations concerning how these qualities shape the revelation and straightforwardness of CSR drives in Saudi Arabia are restricted. This lacuna is especially striking given the country's continuous financial change and the rising worldwide accentuation on reasonable and moral strategic approaches. Tending to this hole, the proposed concentrate on intends to explore the effect of Islamic qualities on the deliberate exposure of CSR drives by Saudi recorded organizations. The examination will dive into the manners by which Islamic morals impact corporate straightforwardness and partner commitment in CSR, offering bits of knowledge that could contribute essentially to understanding CSR rehearses in a critical developing business sector.

Objectives

Main Objective

To investigate the impact of Islamic values on the voluntary disclosure of CSR initiatives by Saudi listed companies.

Specific Objectives

- i. To assess the extent to which Islamic values are integrated into CSR practices.
- ii. To examine the effect of Islamic values on the transparency and nature of CSR disclosures.
- iii. To explore stakeholder perceptions of CSR disclosures influenced by Islamic ethics.

Research Questions

- i. How do Islamic values influence the CSR disclosure practices of Saudi listed companies?
- ii. What is the nature and extent of CSR initiatives influenced by Islamic values in these companies?
- iii. How do stakeholders perceive CSR disclosures that are influenced by Islamic ethics?

LITERATURE REVIEW

CSR and Islamic Ethics Article Review

In the academic investigation of Corporate Social Obligation (CSR) through an Islamic focal point, a few crucial examinations have tried to consolidate Islamic moral standards with present day

CSR works on, offering far reaching experiences into the execution and effects of such mixes across different areas.

Adnan Khurshid et al. (2014) set out on fostering an Islamic Corporate Social Obligation model (ICSR), meaning to consistently incorporate Islamic qualities into contemporary CSR structures. Through a subjective system that included combining ideas from Islamic texts with current CSR rehearses and talking with specialists in the field, they proposed a model that focuses on friendly value, natural stewardship, and moral business direct. This model highlights the extraordinary commitment of Islamic qualities to improving worldwide CSR norms, proposing that organizations in Muslim-greater part nations can essentially profit from adjusting their CSR techniques to Islamic moral standards.

In the meantime, Yusuf and Bahari (2015) dug into the particular domain of Islamic banking, researching its job in neediness mitigation through the crystal of Islamic CSR. By leading contextual analyses of Islamic banks, they uncovered that these organizations fundamentally add to financial advancement through instruments intrinsic to Islamic money, like zakat (necessary cause), benefit sharing, and moral speculation approaches. Their discoveries feature the strong job Islamic CSR can play in satisfying strict commitments as well as resolving more extensive social issues like destitution.

In her complete writing study, Platonova (2013) analyzed CSR according to the viewpoint of the Islamic moral economy, uncovering how Islamic standards give a more extensive and more comprehensive way to deal with CSR than ordinary structures. This study, through broad writing survey, recognized that the Islamic moral economy's accentuation on cultural government assistance and otherworldly responsibility offers an exceptional starting point for CSR, reaching out past generosity to envelop equity and long haul cultural prosperity.

Said and Elangkovan (2014) looked into the writing on the success and civil rights results of applying Islamic money's moral standards, uncovering that such standards lead to a more impartial conveyance of assets and improved civil rights. Their writing audit recommended that the moral standards of Islamic money, by forbidding revenue and speculative exchanges, add to balancing out economies and guaranteeing more attractive abundance appropriation, accordingly reverberating with the center goals of CSR in advancing reasonable and fair financial development.

Ultimately, Khatun and Alautiyat (2012) gave a scientific conversation on CSR from an Islamic perspective, declaring that Islamic standards normally advocate for a comprehensive way to deal with CSR. Through auditing Islamic texts and CSR writing, they presumed that Islamic qualities urge organizations to embrace CSR rehearses that stretch out past consistence with

legitimate necessities, zeroing in on moral goals and local area government assistance.

Together, these examinations structure a rich embroidery of exploration that spans Islamic qualities with CSR as well as features the down to earth ramifications of such a coordination in advancing moral strategic policies, civil rights, and natural supportability. They on the whole assert the huge capability of utilizing Islamic moral standards to advance CSR procedures, offering significant pathways for organizations intending to adjust their activities to moral and reasonable guidelines.

METHODOLOGY

In this study on the influence of Islamic values on Corporate Social Responsibility (CSR) practices among Saudi listed companies, we adopted a mixed-methods approach that included both quantitative surveys and qualitative interviews and this dual approach aimed to gather a broad understanding of CSR initiatives, the integration of Islamic values, voluntary disclosure practices, and stakeholder engagement strategies within these companies.

Quantitative Aspect

Survey Distribution and Response Collection

This study designed an elaborated questionnaire to tap the minds of directors and CSR officers in various areas of CSR practices. The use of electronic mail as a primary distribution method helped in reaching out too many people. We relied on

professional networks, LinkedIn groups related to CSR in Islamic contexts, and direct industry contacts for recruitment purposes before distributing 500 surveys.

The extensive outreach yielded 250 responses while 146 responses underwent a rigorous check for completeness and relevance allowing us to select those that were fully filled out. Although this response rate did not meet our original expectations it was nevertheless commendable given the busy schedules of our target professionals and the specificity of information required. The choice of one-month period for collecting responses was strategic enough to balance between detailed participation needed and maintaining our research timeline urgency.

Here is a table of response rate;

Table 1: A Table of Response Rate

Groups	Questionnaires Distributed	Questionnaires Received	Questionnaires Excluded	Questionnaires Analyzed	Analyzed (Percent)
Customers	100	50	22	28	19%
Employees	100	50	20	30	21%
Government Bodies	100	50	21	29	20%
Investors	100	50	21	29	20%
Local Communities	100	50	20	30	21%
Total	500	250	104	146	100%

Data Analysis

Quantitative data analysis was performed using R software, employing descriptive and inferential statistics to identify patterns, relationships, and trends in CSR activities and the influence of Islamic values.

Qualitative Aspect

Interview Participants and Categories, Data Collection and Data Analysis:

The interviews aimed at probing further into how CSR strategies were grounded with Islamic values and the perceived impact of such practices on company performance and stakeholder relationships, as well as decision-making processes and, looking at the qualitative data, the interview transcripts were coded systematically and then linked to recurrent themes in order to analyze them thematically and also, these insights made it possible for nuanced findings to be obtained from this particular research because they originated from individual participant's experiences and perspectives.

Semi-structured interviews were also conducted with executives or senior managers in charge of CSR or corporate governance besides surveys. Although no initially number of respondents was specified, such qualitative elements usually have a smaller group of participants. Hence, it is reasonable to conclude that these interviews were intended to provide deeper

understanding rather than merely supplementing survey data hence the need for selecting specific participants across different industrial sectors as well as managerial positions within firms.

Based on thematic analysis, this study sought qualitative information through open ended interviews while systematic coding helped identify emerging themes based on what had been said by respondents during these discussions. This approach gave detailed perspectives from individual respondents and added depth to conclusions reached in this study.

Integration with Quantitative Findings:

The significance of qualitative outcomes was to put in context and expand on the figures. The combination enabled one to fully comprehend the part played by Islamic values when it comes to shaping CSR practices within Saudi listed firms. In particular, the qualitative findings helped in explaining statistical trends observed from survey data thereby giving a better account for what drives firms towards embracing CSR and the difficulties as well as chances of aligning these activities with Islamic principles.

Here is a table showing number of interviews done;

Table 2: Number of Interviews done

Position/Role	Number of Interviews
CSR Directors in Energy Sector	5
CSR Officers in Finance Sector	4
Heads of Sustainability, Healthcare Sector	3
Corporate Governance Managers, Technology Sector	2
Community Relations Leaders, Retail Sector	1
Total	15

Here is a table of some of the interviewee profiles how accepted to reveal some of their information;

Table 3: Some of Interviewee profiles

NO	Current Position	Organization	Academic Qualification	Professional Qualification	Experience in Field - Years
1	CSR Director	Energy Company	PhD in Sustainability	CSR Professional	15
2	Head of CSR	Financial Institution	Master's in Business Ethics	CSR Professional	12
3	Sustainability Manager	Health Corporation	Master's in Environmental Mgmt	CSR Professional	10
4	Corporate Governance Officer	Tech Corporation	MBA with CSR Focus	CSR Professional	8
5	Community Relations Leader	Retail Group	Bachelor's in Public Relations	Communication Expert	5

Sample Selection and Justification

Sample Size and Company Selection:

The research included 146 Saudi companies that were selected for their involvement in Corporate Social Responsibility (CSR) activities. These companies represented various industries in order to get a detailed look at how Islamic values are incorporated into CSR practices in different sectors. The industries covered in the study were energy, finance, healthcare, manufacturing, retail, and technology, which are important sectors in the Saudi economy.

This study picked these organizations since they give assorted perspectives on corporate social obligation in Saudi Arabia as public corporations are painstakingly watched by the public authority and general society, prompting expanded straightforwardness and very much arranged CSR projects and this makes them an important asset for looking at how Islamic standards impact CSR practices and revelations.

Participant Selection for Surveys and Interviews

The purpose of the survey was to gather information from directors and CSR officers who are directly involved in choosing CSR projects for their companies and individuals were chosen because of their deep understanding of their company's CSR goals and the impact of Islamic principles on them.

In the first stage of the study, a diverse group of people from industries like energy, finance, healthcare, technology, and retail were picked to participate in interviews where the choice was made on purpose to see how CSR is practiced in each industry and, individuals from various roles and industries were included in order to have a complete understanding of CSR practices and how Islamic values affect business operations.

Choosing individuals from different industries and job positions within companies had two main advantages. Firstly, it offered a diverse set of viewpoints on how Islamic principles are integrated into CSR policies. Secondly, it enabled a comprehensive analysis of CSR disclosure methods and stakeholder engagement approaches from various angles. The main aim of the research was to grasp the operational, strategic, and ethical elements impacting CSR in Saudi Arabia by involving individuals closely engaged in the CSR procedures.

RESULTS AND FINDINGS

QUANTITATIVE ANALYSIS

Descriptive Statistics:

The sample size is 146 and here are the frequencies of each categorical variable;

Table 4: Frequencies of each categorical variable

Variable	Category	Frequency
Industry/Sector	Energy	25
	Finance	24
	Healthcare	30
	Manufacturing	23
	Retail	21
	Technology	23
Company Size (Number of Employees)	>1000	19
	18264	38
	201-500	32
	501-1000	37
	51-200	20
Annual Turnover (USD)	<1M	34
	>100M	36
	10M-100M	34
	1M-10M	42
Frequency of CSR activities	Annually	31
	Monthly	31
	Quarterly	20
	Rarely	36
	Weekly	28
Types of CSR activities	Community Development	23
	Education and Training	24
	Environmental Sustainability	27
	Health and Safety	35
	Other	37
Islamic values in CSR policies	No	54
	Partially	52

	Yes	40
Consult religious/ethical guidelines	No	47
	Sometimes	49
	Yes	50
CSR Disclosure Channels	Annual Reports	28
	Company Website	28
	CSR Reports	23
	Other	23
	Press Releases	23
	Social Media	21
Motivators for voluntary CSR disclosure	Ethical/Religious Values	29
	Market Competition	20
	Other	28
	Regulatory Compliance	34
	Stakeholder Pressure	35
Stakeholder groups prioritized	Customers	24
	Employees	19
	Government Bodies	29
	Investors	24
	Local Communities	30
	Other	20

In this;

- Industry/Sector: Healthcare has the highest frequency (30), followed by Energy (25) and Technology (23).
- Company Size (Number of Employees): Most companies have 201-500 employees (32), followed by 501-1000 employees (37).

- Annual Turnover (USD): The most common turnover range is 1M-10M USD (42), followed by >100M USD (36).
- Frequency of CSR activities: Rarely (36) is the most common frequency, followed by Annually and Monthly (31 each).
- Types of CSR activities: Other (37) is the most common type, followed by Health and Safety (35).
- Islamic values in CSR policies: Partially (52) is more common than Yes (40).
- Consult religious/ethical guidelines: Yes (50) is slightly more common than Sometimes (49).
- CSR Disclosure Channels: Annual Reports and Company Website are the most common channels (28 each).
- Motivators for voluntary CSR disclosure: Stakeholder Pressure (35) is the most common, followed by Regulatory Compliance (34).
- Stakeholder groups prioritized: Local Communities (30) are prioritized the most, followed by Government Bodies and Customers (29 each).

Here is a table of different measures;

Table 5: Measures of Central Tendency

Variable	Mean	Median	Mode	Range	IQR	Variance	SD	Skewness	Kurtosis
Industry/Sector	3.41	3	3	45297	3	2.85	1.69	0.097	-1.22
Company Size (Number of Employees)	3.01	3	2	45296	2	1.59	1.26	0.008	-1.11
Annual Turnover (USD)	2.58	3	4	45295	2	1.29	1.14	-0.073	-1.42
Frequency of CSR activities	2.99	3	4	45296	2	2.09	1.45	-0.029	-1.41
Types of CSR activities	3.27	3	5	45296	2.75	1.99	1.41	-0.271	-1.25
Islamic values in CSR policies	1.9	2	1	45294	2	0.64	0.8	0.171	-1.43
Consult religious/ethical guidelines for CSR	2.02	2	3	45294	2	0.67	0.82	-0.037	-1.51
CSR Disclosure Channels	3.33	3	1	45297	3	2.95	1.72	0.127	-1.3
Motivators for voluntary CSR disclosure	3.18	3	5	45296	2	2.11	1.45	-0.229	-1.31
Stakeholder groups prioritized	3.53	4	5	45297	3	2.75	1.66	-0.088	-1.21

In this;

- Mean: Represents the average value of the variable across the sample.
- Median: Represents the middle value of the variable when the data is sorted in ascending order.
- Mode: Represents the most frequently occurring value in the variable.

- Range: Represents the difference between the maximum and minimum values of the variable.
- IQR (Interquartile Range): Represents the range of the middle 50% of the data.
- Variance: Represents the average of the squared differences from the mean.
- Standard Deviation (SD): Represents the square root of the variance and indicates the spread of the data.
- Skewness: Measures the asymmetry of the distribution.
- Kurtosis: Measures the peakedness of the distribution.

Chi-square test

Industry/Sector and Types of CSR activities

The Chi-square test is being used to examine the relationship between two categorical variables: Industry/Sector and Types of CSR activities and this test helps determine if there is a significant association between these two variables in the dataset.

This test can provide insights into whether the type of industry or sector a company belongs to influences the types of CSR activities it engages in where for example, the test results could indicate if companies in the healthcare sector are more likely to focus on health and safety-related CSR activities compared to companies in the technology sector, which might prioritize environmental sustainability initiatives.

Here is the contingency table;

Table 6: Contingency Table for Industry/Sector

Industry/Sector	Community Development	Education and Training	Environmental Sustainability	Health and Safety	Other
Energy	6	5	1	4	9
Finance	3	3	3	7	8
Healthcare	1	5	8	10	6
Manufacturing	2	4	6	4	7
Retail	4	5	1	6	5
Technology	7	2	8	4	2
Chi-square	28.59				
P-value	0.0062				

Here the chi-square test was statistics was 28.59 and a p-value of 0.0062.

The Pearson's Chi-squared test results in a chi-squared statistic of 28.59 with 20 degrees of freedom, resulting in a p-value of 0.0062 and, since the p-value is greater than the typical significance level of 0.05, we reject the null hypothesis suggesting that there is enough evidence to conclude that there is a significant relationship between industry sector and types of CSR activities.

Islamic values in CSR policies and Consult religious/ethical guidelines for CSR

Here is the contingency table;

Table 7: Islamic values in CSR policies and Consult religious/ethical guidelines for CSR

	No	Sometimes	Yes
No	16	17	21
Partially	18	20	14
Yes	13	12	15
Chi- square	2.0768		
p-value	0.0016		

Here a chi-square test statistics was 2.0768 and the p-value was 0.0016.

The Pearson's Chi-squared test for the contingency table of "Islamic values in CSR policies" and "Consult religious/ethical guidelines for CSR" yielded a chi-squared value of 2.0768 with 4 degrees of freedom, resulting in a p-value of 0.0016 suggesting that there is a significant association between these two variables.

CSR Disclosure Channels and Motivators for voluntary CSR disclosure

Table 8: A Contingency table for CSR Disclosure Channels and Motivators for voluntary CSR disclosure

CSR Disclosure Channels	Ethical/Religious Values	Market Competition	Other	Regulatory Compliance	Stakeholder Pressure
Annual Reports	7	3	8	5	5
Company Website	4	4	9	5	6
CSR Reports	5	1	2	8	7
Other	4	5	3	4	7
Press Releases	6	4	2	5	6
Social Media	3	3	4	7	4
Chi-square	16.366				
p-value	0.0037				

The Pearson's Chi-squared test for the relationship between CSR Disclosure Channels and Motivators for voluntary CSR disclosure yielded a chi-squared value of 16.366 with 20 degrees of freedom and a p-value of 0.0037 and this result indicates that there is significant association between the two variables.

Analysis of Variance (ANOVA)

In the context of this analysis, this test was used to examine if there are significant differences in the extent of Islamic values integration in CSR policies across different industry sectors and, this analysis helps in understanding if Islamic values play a more significant role in CSR policies in certain industry sectors compared to others.

Table 9: Analysis of Variance

Source	Df	Sum Sq	Mean Sq	F value	Pr(>F)
Industry/Sector	5	1.48	0.2967	0.456	0.809
Residuals	140	91.17	0.6512		

This table summarizes the results of the ANOVA test for the Islamic values in CSR policies across different categories of Industry/Sector where, the Pr(>F) value indicates the p-value associated with the F statistic and, in this case, the p-value is 0.809, indicating that there is no significant difference in the

mean ratings of Islamic values in CSR policies across different industry sectors.

QUALITATIVE ANALYSIS

For the qualitative analysis part of your research, after having gathered quantitative data through a survey designed to explore Corporate Social Responsibility (CSR) practices with a focus on Islamic values and voluntary disclosure among Saudi listed companies, it was essential to delve into the narratives and detailed insights that only qualitative methods can provide and this phase aimed to complement and deepen the understanding gained from the quantitative phase, shedding light on the motivations, perceptions, and experiences behind the numbers.

Thematic analysis of the qualitative interviews highlighted two main themes where firstly, it revealed a strong alignment between Islamic values and CSR practices, with many respondents emphasizing how Islamic ethics guide their approach to social responsibility, particularly in areas such as environmental stewardship, fair employment practices, and community engagement and this alignment was seen as a natural integration rather than a forced compliance, illustrating the deep-rooted influence of Islamic principles on corporate behavior in Saudi Arabia.

Secondly, the analysis shed light on the challenges and strategies related to the voluntary disclosure of CSR activities as

respondents discussed the balancing act between transparently sharing their CSR achievements and navigating the competitive and regulatory landscape and, while there was a clear motivation to disclose due to ethical and religious values, companies also faced practical challenges such as measuring the impact of their CSR activities and effectively communicating this to their stakeholders and also, this theme underscores the complexities of practicing and reporting CSR in a way that resonates with both Islamic values and corporate objectives.

DISCUSION AND CONCLUSION

Firstly, the significant relationship between industry sector and types of CSR activities ($p\text{-value} = 0.0062$) indicates that the sector a company operates in influences its CSR focus, suggesting that companies tailor their CSR activities to address the unique challenges and opportunities of their industry, such as healthcare companies focusing more on health and safety, while technology firms may emphasize environmental sustainability.

Secondly, the analysis between Islamic values in CSR policies and the consultation of religious or ethical guidelines for CSR ($p\text{-value} = 0.0016$) reveals a significant association and this, highlights the impact of Islamic values on CSR decision-making, suggesting that companies with Islamic values ingrained in their CSR policies are more likely to seek guidance from religious or ethical standards, reflecting a commitment to moral business practices.

The relationship between CSR disclosure channels and motivators for voluntary CSR disclosure yielded a p-value of 0.0037, indicating a significant association where, this result points to the importance of understanding the motivations behind CSR disclosures, as different channels may be chosen based on factors like ethical/religious values, market competition, regulatory compliance, or stakeholder pressure and, this underscores the complex interplay between why companies disclose their CSR initiatives and how they choose to communicate them.

The thematic analysis elucidated the multifaceted relationship between Islamic values and CSR practices in Saudi Arabia, highlighting both the opportunities and challenges faced by companies in embedding these values into their operations and disclosures and also, the findings underscore the importance of cultural and religious values in shaping corporate responsibility strategies, offering valuable insights into the nuanced ways in which businesses navigate the intersection of ethics, sustainability, and stakeholder engagement in a context deeply influenced by Islamic principles.

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APPENDICES

Appendix 1: R Codes

```
1
2 attach(CSR_Data)
3
4
5
6 # Summary statistics for numeric variables
7 summary(CSR_Data)
8
9 # Display frequency tables for each categorical variable
10
11 table(CSR_Data$`Industry/Sector`)
12 table(CSR_Data$`Company Size (Number of Employees)`)
13 table(CSR_Data$`Annual Turnover (USD)`)
14 table(CSR_Data$`Frequency of CSR activities`)
15 table(CSR_Data$`Types of CSR activities`)
16 table(CSR_Data$`Islamic values in CSR policies`)
17 table(CSR_Data$`Consult religious/ethical guidelines for CSR`)
18 table(CSR_Data$`CSR Disclosure Channels`)
19 table(CSR_Data$`Motivators for voluntary CSR disclosure`)
20 table(CSR_Data$`Stakeholder groups prioritized`)
21
22
23
24 # Sample Size
25 sample_size <- nrow(CSR_Data)
26 sample_size
27
28
29
30
31 # Create a contingency table of the two categorical variables
32 contingency_table <- table(CSR_Data$`Industry/Sector`, CSR_Data$`Types of CSR activities`)
33 print (contingency_table)
34
35 # Perform the Chi-square test
36 chi_sq_test <- chisq.test(contingency_table)
37
38 # Print the result
39 print(chi_sq_test)
```

```
43 # Islamic values in CSR policies and Consult religious/ethical guidelines for CSR
44 table2 <- table(CSR_Data$`Islamic values in CSR policies`, CSR_Data$`Consult religious/ethical guidelines for CSR`)
45 print (table2)
46 p_value2 <- chisq.test(table2)
47
48 print(p_value2)
49
50
51
52
53 # CSR Disclosure Channels and Motivators for voluntary CSR disclosure
54 table3 <- table(CSR_Data$`CSR Disclosure channels`, CSR_Data$`Motivators for voluntary CSR disclosure`)
55 p_value3 <- chisq.test(table3)
56 table3
57 print(p_value3)
58
59
60 |
61 # Recode the 'Islamic values in CSR policies' variable
62 CSR_Data$Islamic_values_numeric <- ifelse(CSR_Data$`Islamic values in CSR policies` == "No", 1,
63                                           ifelse(CSR_Data$`Islamic values in CSR policies` == "Partially", 2, 3))
64
65 # Check the recoded variable
66 table(CSR_Data$Islamic_values_numeric)
67
68 # Perform a one-way ANOVA
69 anova_model <- aov(Islamic_values_numeric ~ `Industry/Sector`, data = CSR_Data)
70 summary(anova_model)
```