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**Assessing the Extent of Awareness and Practice of
Corporate Social Responsibility (CSR) In Achieving
Competitive Advantage**

In Commercial Banks Working In Palestine

تقييم مدى وعي و ممارسة المسؤولية الاجتماعية للشركات في تحقيق الميزة
التنافسية في البنوك التجارية العاملة في فلسطين

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إقرار

أنا الموقعة أدناه مقدم الرسالة التي تحمل العنوان:

تقييم مدى وعي و ممارسة المسؤولية الاجتماعية للشركات في تحقيق الميزة التنافسية في البنوك التجارية العاملة في فلسطين

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أقر بأن ما اشتملت عليه هذه الرسالة إنما هو نتاج جهدي الخاص، باستثناء ما تمت الإشارة إليه حيثما ورد، وأن هذه الرسالة ككل أو أي جزء منها لم يقدم من قبل الآخرين لنيل درجة أو لقب علمي أو بحثي لدى أي مؤسسة تعليمية أو بحثية أخرى.

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The work provided in this thesis, unless otherwise referenced, is the researcher's own work, and has not been submitted by others elsewhere for any other degree or qualification.

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Abstract

This research aims to study the extent awareness of the commercial banks working in Palestine to corporate social responsibility's practices, and how it can achieve the competitive advantage between rivals. It also gives the insight on the mainstream methodology of the most commercial banks' managements in adapting CSR practices. Moreover, it defines the contributions of social responsibilities provided by these banks. The problem of the research can be addressed in the following main question "To what extent the awareness and practice of corporate social responsibility (CSR) can achieve competitive advantage in commercial banks working in Palestine?"

Analytical descriptive approach was used. A questionnaire, in addition to unstructured interviews, was design to collect data from the staff working on the middle and senior management of all the commercial banks working in Palestine, both in Gaza Strip and West Bank, which are: Bank of Palestine, The Quds Bank, The National Bank, The Palestine Investment Bank and the Palestine Commercial Bank, as they have a wide awareness to CSR activities implemented in the banks. The study population was (463) employees, the research sample were randomly selected of (202) employees, (137) questionnaires have been received with (67.82%) response rate, and being analyzed using SPSS program.

The main finding of the research showed that the Palestinian commercial banks have high perception level on the CSR and these initiatives have positive impact on achieving the competitive advantage, This proves that CSR initiatives become an increasable priority for every bank, and dealing with the social responsibility in different way (Taking Care of Employees Taking care of clients, Helping community and solving societal problems, Fair Competition, Concern for Environment, and Contribution to Governmental Development Plans) and perceiving it as opportunity more than cost or constrain can lead to achieve business goals and sustainable competitive advantage.

The most important recommendations of the research are: more attention should be paid to the recruitment strategies to involve the special need individuals, increase the donation to charity and to needy families, develop the cooperation with the government and with the competitors as well to fulfill the public objectives, and more attention should be paid to protect the environment and reduce pollution, in addition to enhance and improve the pension and insurance systems.

ملخص الدراسة بالعربية

يهدف هذا البحث إلى دراسة مقدار الوعي عند البنوك التجارية العاملة في فلسطين نحو ممارسة المسؤولية الاجتماعية للشركات، وكيف يمكن لهذه الممارسة أن تكون ميزة تنافسية بين البنوك المتنافسة. كما انه يعطي فكرة عن المنهجية السائدة بين إدارات معظم البنوك التجارية في تبني و ممارسة المسؤولية الاجتماعية للشركات. وعلاوة على ذلك، فإنه يحدد طبيعة المساهمة في المسؤوليات الاجتماعية التي تقدمها هذه البنوك. يمكن تلخيص مشكلة البحث في الجملة الرئيسية التالية "إلى أي مدى يمكن لوعي وممارسة المسؤولية الاجتماعية للشركات يساهم في تحقيق الميزة التنافسية بين البنوك التجارية العاملة في فلسطين".

استخدم الباحث المنهج الوصفي التحليلي لإنجاز هذا البحث و تم تصميم استبانة و القيام بمقابلات غير موجهة كأداتين لجمع البيانات من الموظفين العاملين في الإدارة الوسطى والعليا في جميع البنوك التجارية العاملة في فلسطين، سواء في قطاع غزة والضفة الغربية، أ و هي: بنك فلسطين و بنك القدس و البنك الوطني و بنك الاستثمار الفلسطيني و بنك فلسطين التجاري حيث ان لها وعيا كبيرا بالمسؤولية الاجتماعية للشركات و ممارسة للعديد من فعاليتها. تكون مجتمع الدراسة (463) موظفا، وتم اختيار عينة الدراسة عشوائيا و تكونت من (202) موظفا تم توزيع الاستبيان عليهم، وقد استعاد الباحث (137) استبانة فقط بمعدل استجابة مقداره (67.82%)، وقد تم تحليل البيانات باستخدام برنامج الإحصائي SPSS.

وقد أظهر البحث عدد من النتائج كان أهمها أن البنوك التجارية الفلسطينية لديها مستوى عالي من الوعي و الإدراك بالمسؤولية الاجتماعية للشركات و الذي سيكون له تأثير إيجابي في تحقيق الميزة التنافسية و يثبت هذا أن مبادرات المسؤولية الاجتماعية للشركات أصبحت أولوية متزايدة لكل بنك. و تتعامل البنوك المختلفة مع المسؤولية الاجتماعية بطرق مختلفة مثل (العناية بالموظفين و رعاية العملاء، ومساعدة المجتمع وحل المشاكل الاجتماعية، والمنافسة العادلة، المحافظة على البيئة، والمساهمة في الخطط الحكومية للتطوير). و تتعامل البنوك مع هذه المبادرات على أنها فرصة أكثر منها تكلفة أو قيد، و تؤدي هذه الفرصة إلى تحقيق الأهداف التجارية و تحقيق ميزة تنافسية مستدامة.

و قد توصل البحث الى عدد من التوصيات كان أهمها: ينبغي إيلاء المزيد من الاهتمام لاستراتيجيات التوظيف لإشراك الأفراد ذوي الاحتياجات الخاصة. و لا بد من زيادة التبرع للجمعيات الخيرية والأسر المحتاجة، وتطوير التعاون مع الحكومة ومع المنافسين من أجل تحقيق الأهداف العامة. و يوصي البحث كذلك ببذل مزيد من الاهتمام لحماية البيئة والحد من التلوث، بالإضافة إلى تعزيز وتحسين أنظمة التقاعد والتأمين.

(وَقُلِ اعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ
وَالْمُؤْمِنُونَ)

[التوبة: 105]

Dedication

To the soul of my father.

To my beloved mother who always be next to me.

To my lovely husband who always give me the support.

To my brothers and sisters.

To my husband's family.

To my friends and colleagues who stood beside me.

To all Palestinian martyrs, detainees, and wounded.

Hoping that I made all of you proud

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Chapter One:

Research Framework

1.1 Introduction

Back in the old days, banks sought achieving the competitive advantage through providing unique service and building good relationship with their clients. The banks' aim behind this is to survive in the market and to achieve good profit. However, at the present time banks intend to contribute more in social behaviors which concern about social welfare and serve the community and citizens. Such banks believe that mixing between economic goals and social requirements leads to achieving a competitive advantage; banks, in this case, are seeking sustainable growth. Therefore, banks are supposed to consider social responsibility as well as provide high quality services to get the public trust and to build good relationships with clients. This is called Corporate Social Responsibility (CSR).

CSR, as a new trend in the market, has become a very widely used concept. It is represented in achieving managerial goals and gaining competitive advantage through economic and social advancement in the market. Subsequently, achieving CSR through a company in the community is a desire to reach equilibrium between acquiring profit and reinvesting them in the social welfare services (Kotler and Lee, 2005).

Through CSR initiatives, banks can achieve both: its own competitive interest and the public society interest. While some managers consider donating for charity can be a part of banks' CSR strategies, others believe that CSR goes much further. It is about contributing to social and economic development and making a positive impact on community and environment.

Shawa (2013), has clearly stated that "CSR is not charity, it is investment in society, responding to human and living needs led to create new employment opportunity or charitable project able to take advantage of many people". (Abu Kamish, 2013, p.2)

Whilst on the one hand CSR can be seen as being a cost, a constraint or a charitable deed, on the other hand it can be viewed as a source of opportunity, innovation and competitive advantage. CSR can become an instrument of change in an organization's values, behaviors, and performance (Holme, 2010).

The private sector, including banking sector, should exert more effort to practice

CSR appropriately in the society. In this study, the researcher tackles the shortening and failure made by the Palestinian banks – which suffer many problems and crises. Banking sector plays a key role in developing and sustaining the Palestinian community through practicing CSR; it can ease the suffering of the people and contribute to the welfare of society.

1.2 Statement of Problem

For many companies, it's not enough to make money and satisfy the customers, some big companies go far beyond, to give something back to their community. Google, Microsoft, BMW, and others have the best reputation regarding to CSR in the worlds and also achieve growing every year. (Adam, 2015)

It is noted that, within the context of CSR, donating activities support society, follow the ethics values, and contribute to solve social problems the banks can achieve the competitive advantage. So, “By providing jobs, investing capital, purchasing goods, and doing business every day, corporations have a profound and positive influence on society. The most important thing the corporations can do for society and for any community is to contribute in prosperous economy” (Porter and Kramer, 2006, p. 13)

In this case, Palestine has been facing several crises and constraints that the public and private sectors cannot afford. Such conditions made the banking sector unable to cope with the modern business strategies and concepts. One of these concepts is CSR, which has become an important competitive advantage. Accordingly, this study sheds the light on this concept and the study problem can be summarized in the following main question:

To what extent the corporate social responsibility strategies are used in achieving competitive advantage in the commercial banks working in Palestine?

Based on the main question, the current study attempts to answer the following questions:

1. To what extent do the commercial banks in Palestine adopt the social responsibility concept and strategies?
2. What is the level of competitive advantage for the commercial banks in Palestine?

3. Is there any effect for adopting social responsibility strategies on achieving competitive advantage?
4. Do corporate social responsibilities add values that create competitive advantage or it just add burden to banks' duties?
5. What is the expected revenue banks can make when adopting social activities?
6. What are the benefits banks generally gain from CSR practices? Are banks' managers aware of these benefits?

1.3 Research Hypotheses

Following are the research hypotheses:

1. There is a statistically significant effect at level 0.05 of employees' focus on achieving competitive advantage.
2. There is a statistically significant effect at level 0.05 of clients' focus on achieving competitive advantage.
3. There is a statistically significant effect at level 0.05 of solving social problem on achieving competitive advantage.
4. There is a statistically significant effect at level 0.05 of interest in environment on achieving competitive advantage.
5. There is a statistically significant effect at level 0.05 of fair competition on achieving competitive advantage.
6. There is a statistically significant effect at level 0.05 of participation on governmental development plans on achieving competitive advantage.

1.4 Research Variables

The competitive advantage (dependent variable) is affected by more than one (independent variable) which are:

1. Employees' focus.
2. Focus on client.
3. Solving social problems.
4. Fair competition.
5. Interest in environment.
6. Participation on governmental development plans.



Figure (1.1): The research Variables. (Conceptualized by the researcher)

1.5 Research Objectives

The main goal of this research is to explore to what extent the commercial banks in Palestine apply CSR strategies, and measure the influence of these strategies on achieving competitive advantage. The current study has the following objectives:

1. Investigating if the commercial bank in Palestine adopting clear CSR concepts and strategies and showing its influence on achieving competitive advantage.
2. Studying CSR concepts and its applications from banks management's point of view.
3. Highlighting the importance of applying CSR in achieving competitive advantage.
4. Increasing the awareness of banks' leaders of the necessity for CSR and its effect on banks and community.

5. Putting recommendations and suggestions to be a guide to encourage the profitable institutions, in general, and the commercial banks, in particular, to increase the businesses that contribute in development of society and solving problems.

1.6 Research Importance

The current study is important for the following:

1. It focuses on an ethical and moral value, which has a significant impact not only on the bank and its reputation but also on the society.
2. The research focuses on the notion that money and profits are not the only target.
3. The research motivates the banks to allocate part of their profits and investments to serve their community.
4. Corporate Social Responsibility adds value to the banks and gives them a competitive advantage.
5. Attracting potential researchers to continue conducting studies and to tackle other effects related to corporate social responsibility.
6. This research gains its importance from the globally increasingly strategic business weight and attention paid to Corporate Social Responsibility, which allows business to be more sustainable, and enables it to give something back to societies they are placed in.
7. This research develops the researcher's writing and researching skills. It also provides him with chance to increase his knowledge and experience in business fields especially how corporate social responsibility can achieve the competitive advantage.
8. The research deal with one from the most important sector in society, namely the Banking sector, the performance of the banks has a great effect on the community. The research will also help in providing better understanding for the banks initiative in CSR.

Chapter Two:
The Research Theoretical
Framework

Section (1): Corporate Social Responsibility (CSR)

2.1 Introduction

In this section, the researcher aims to review the literature related to CSR and its component, highlight the importance of adapting social responsibility initiatives in the corporate strategies, and display opinions that support/reject adapting CSR activities with business performance. In addition, it explains the dimensions of CSR and illustrates how the company considers corporate citizenship, and finally clarify the similarity between the CSR and ethics.

It's no longer accepted for corporations to implement their strategies and achieve their goals in isolation from clients impacted by their actions, so the firms should exert more effort to both increasing their business profits, from one side, and being a good corporate citizen from the other one. Likewise, in order to stay ahead of rapidly changing environment and to keep the quality of relationship between the corporations and stakeholders, they have to revise short – and long – term strategies to meet those objectives.(D'Amatoe et al., 2009)

Increasingly demanding public expectation may be forcing fundamental changes in administration in order to respond to these demands (Werther and Chandler, 2011). Moreover, It is becoming very clear that the crises faced Palestine including Israeli violations, wars against Palestinian people and economical and political crises are imposing bad impacts and risks that affect the work of government and its ability to serve the community. Therefore, it's very important for privet sector to find sustainable solutions for communities' problems, this means that government and privet sector should work together in order to make better life and development.

2.2 Corporate Social Responsibility (CSR) Definition:

CSR is a management concept whereby corporations consider social and environmental consequences in their business strategies.

Forming a specific definition for CSR is, to some extent, complex as there is no appropriate definition for it so far. It has a comprehensive meaning, but also at the same time its least meaningful concept. Kienert (2008) described it as the relationship between the business and society surrounded where it defines the role

and obligations of private business within the society. So the definition of CSR is mostly vague, it means something, but not the same thing for everybody.

CSR consists of three words, corporate, social, and responsibility, it describes the relationship between the corporation or any organization and the society that interacts with the corporation on one side, and, it includes the responsibility toward both sides of these relations - society and corporation - from the other side. So "CSR is a view of the corporation and its society that assumes a responsibility among firms to pursue goals in addition to profit maximization and a responsibility among a firm's stakeholders to hold the firm accountable for its actions." (Werther and Chandler, 2011, p.5)

Being good is not just for people, corporations need to be good as well. Managing a business ethically has several advantages; it ensures maintaining a good reputation, keeping existing customers and attracting new ones. Moreover, it entails avoiding lawsuits, reducing employee turnover, and simply doing the right things. CSR is business's concern for the welfare of society; not limited to their owners, but it also goes beyond ethics, it is based on commitment to integrity, fairness, and respect to all community. (Nickels et al., 2012)

CSR could be defined as "a commitment to improve community well-being through discretionary business practices and contribution of corporate resources". This definition clearly shows that every company does CSR initiatives voluntarily, according to its beliefs or vision and it is not by law or by ethics or moral value, the companies always form the CSR initiatives with its own stakeholders. CSR initiatives refer to the activities done by the company to fulfill the commitment to corporate social responsibility (Kotler and Lee, 2008). CSR is an obligation from the management to improve both, welfare of society from one side and achieve the business goals from the other side. (Certo, 2012)

CSR is referred to the chosen integration of social and environmental matters into businesses, with a long term vision, with doing the right things, and with the consideration of people as the most valuable asset of the business. To conclude, the current definition of CSR includes developing strategic decisions to meet stakeholder's expectations economically,

ethically, legally and socially to provide sustainability.

2.3 Why CSR is important?

If someone is engaged in a healthy diet and regular physical activities, he will look better, feel better, do better, and live longer. The similar potential benefits appear when the company participates in corporate social initiatives which have a big influence on shareholders, stakeholders, annual reports, and strong reputation.

For example, customers want to buy products from companies they trust, suppliers want to contract with the supported company, employees want to work with good reputation company, large investment funds want to support social responsible company, and NGOs and government want to work with the companies which have common solutions for social problems.(Werther and Chandler,2001)

Being committed to corporate social initiatives can achieve a range of bottom-line benefits such as: (Kotler and Lee, 2008), (Kienert, 2008)

- **The achievement of competitive advantage:** adherence to ethical principle in business and good CSR strategy can enhance the market position, have positive impact on sales and costs through the positive publicity and good reputation, and yielding superior profits through early and well accepted respond to social demand.
- **Increased sales, market share, and enhanced financial performance:** the surveys confirms that the corporations can significantly benefit from connecting or engaging in corporate social initiatives.
- **Strengthened brand positioning:** through linking company or the brand name with charity or cause.
- **Enhanced corporate image:** a strong reputation in the community can be a real asset in times of crisis.
- **Increased ability to attract, motivate, and retain employees:** companies, which participate social initiatives, can attract loyal employees who will be proud of being working in such company, and help to recruit high qualified ones, which achieve the organizational commitment.
- **Decreased operating costs:** for example, advertising expenses for companies engaged in social activities shall be reduced, also companies who adapt

environmental initiatives to reduce waste, reuse material, recycle, and conserve water and power, can reduce the costs as well.

- **Increased appeal to investors and financial analysts:** involvement in social initiatives can increase the stock value. This in turn leads to attract investors and reduced exposure to risk in case of crisis.
- **Value-added to product and services:** consumers prefer to buy products and services and investors prefer to share in socially responsible firms.
- **Preventions of the organizational crisis:** the corporate strategies regarding social responsibility can have their effective prevention strategy against any unexpected, no routine events that threaten organization's high priority goals (organizational crisis).
- **Opportunities for partnership and alliance:** CSR builds confidence in the company; therefore, corporations engaged in social activities are likely to be more trustworthy partner for strategic alliance than corporations that are not engaged.

2.4 Varying perspectives on Corporate Social Responsibility

Adapting CSR activities in the business operations has different views for economists. Some support the idea and consider it as an added value to the company, others consider it as a burden, because of lacking resources of the corporation. In addition, the society welfare is not the responsibility of the private sector only; it is the responsibility of the government. The following points display the supporters and opponents for CSR:

2.4.1 Opinions support adapting Business performing CSR activities

The supporters for CSR consider the business as a part and an influential factor of society and has a significant impact on the way the society exists, thus, it has a big responsibility to improve and maintain community. In addition, some economists believe that when the business performs social responsibility activities, it guarantees earning and maximizes the organization's profits. (Certo and Certo, 2012)

The CSR defenders believe that the business owe their existence to society they serve and they achieve the success in the society and every member in the society have a stake and the corporations have obligations toward the society. And more, CSR have

deep impact on the profits and the loyalty of employees, CSR make more money on the long term, and when the company gain reputation, it attracts and retain the best employees, and attract more customers. (Nickels et al., 2012)

2.4.2 Opinions against Business performing CSR activities

Not everyone think that CSR is a good thing; some believe that the only role for the managers is to expand the market share and meet the expectations of the investors. (Nickels et al., 2012)

Melton Fridman – a famous American economist – argues that achieving simultaneously – both objectives, reaching the profits target and society welfare, leads to a conflict of interest which could cause business destruction, this could happen if the business is forced to perform social activities run against the organization's objectives. Furthermore, Fridman sees that engaging in social activities be unethical, because managers or executives are employees in the company and the only objectives is to be responsible for the owners, and maximizing the profits. They spend the owners' money, when they reduce profits. And they spend the customer money, when they raise the price. (Certo and Certo, 2012). Fridman (1962) stated "there is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits as long as it stays within the rules of the game, which is to stay, engaged in open and free competition without deception or fraud" (Rothaermel 2013, p. 341; Fridman 1962)

2.4.3 CSR dimension

- Corporate philanthropy: it includes charitable donation for nonprofit organization.
- Corporate social initiatives: it differs from philanthropy in its activities related to company's field, like when the logistic company helps countries suffering from crises like tsunamis or earthquakes.
- Corporate responsibility: ensures a safe work environment like minimizing pollution or using safe equipment and producing safe products.
- Corporate policy: refers to the corporate prospective from social and political issues, i.e. some companies allow their employees to volunteer to serve social issues with full salary and benefits. (Nickel et al., 2012)

CSR goes much beyond encouraging business to "just be good", the company owes something to society. Furthermore, CSR is considered a guide for the managers to understand the society's expectations from the businesses and to make an effective strategic design. CSR has four components: economic, legal, ethical, and philanthropic responsibilities that are summarized in figure (1.2). (Rothearmel, 2013). Archi Carroll, university of Georgia called it "pyramid of CSR" (Werther and Chandler, 2011)

- **Economic responsibility:** It is the fundamental responsibility for the business to produce goods and services and gain acceptable profits for the owners (Werther and Chandler, 2011)
- **Legal responsibility:** The managers must ensure that the firm obeys all the laws and regulation. To achieve that, some companies appoint legal advisors to guarantee that the company achieves the business goals within legal framework base. (Rothearmel, 2013)
- **Ethical responsibility:** ethical norms represent the minimum acceptable standard of the firm behaviors, the society expectations go beyond what is required by the law, because law cannot cover the entire situation, it called the soul of law, the management must do what society considered just and fair. (Rothearmel, 2013)
- **Philanthropic responsibility:** some call it voluntary, additional behaviors and activities needed by society and add value to the business support to the community and promote human welfare and goodwill, like offering donations to support education, health, children with low income families, environmental protections,.....,etc. (Bateman and Snell, 2007)

It is noted that society and the shareholders require the economic and legal responsibilities, while the legal and philanthropic responsibilities represent the society's expectations from the company.



Figure (1.2): The pyramid of CSR

Source: A. B. Carroll,1991; Rothaermel, 2013, "Strategic Management" p. 340

Corporate citizenship is the extent to which business meet the legal, ethical, economic and voluntary responsibilities placed on them by their stakeholders. It is about embracing the business's activities and process with the social responsibility initiatives that expected by their stakeholders. (Ferrell, et al., 2011)

2.5 CSR and ethics

The purpose of ethics is to identify the rules that govern the people's behavior, which is guided by the individual values, values are "principle of conduct such as caring, honesty, keeping of promises, pursuit for excellence, loyalty, fairness, integrity, respect for others, and responsible citizenship" (Bateman and Snell, 2007, p.151)

Business ethics and morals are not detached from person ethics in the real life, because business is a part of society and have to be judged according to society standards for right or wrong. If it was dishonest behavior, it would be considered unethical or immoral; dishonest behaviors in business are judged in equal standards. Therefore, business ethics involve the application of general ethical principle to the actions and decisions of business and the conduct of their personnel (Gamble et al.,2013)

Business ethics lay the foundation and provide training for behavior that is consistent with the principles, norms, and standards of business practice that have been agreed upon by society (Rothermel, 2013)

What is considered ethics for some people could be unethical for other people, ethical standards can change over generations, every generation considers their ethical standards are better than the previous and have different degrees in different cultures around the world. Thus, ethics can be defined as the code of morals that standards as to what is good or bad, right or wrong, in the decisions made by individuals and groups or organizations (Smith, 2007)

Laws and ethics are not synonymous, actions sometimes considered legal while it is unethical; vice versa is true. Staying within the law is a minimum acceptable standard and there are many more beyond legal standards, so some organizations have codes of conduct (or code of ethics), which inform the employees about what the company expects them to do and to represent in the business dealings. The code of conduct leads to society's trust with the company, and imposes consequences for misconduct. (Rothermel, 2013)

Code of ethics should provide the guidelines and principles that govern the employee's activities and help them to achieve the objectives of the organization in an ethical way. Codes of ethics are formalized rules and standards that describe what a company expects from its employees (Ferrell, et al., 2011). Nevertheless, a code of ethics is often set just for show, but once the companies implement them, they change the ethical climate for better and encourage the ethical behaviors. (Bateman and Snell, 2007)

As a result, ethics in business is the most important aspect of long-term success, positive public image and employee loyalty.

Section (2): CSR and Competitive Advantage

2.6 Introduction

The core of any strategy is the actions and moves in the market place or the industry that the managers are taking to gain competitive advantage. (Gamble et al., 2013). The best known method to achieve strategy to yield competitive advantage is SWAT analysis that covers four main feature: strengths and weaknesses which form internal environment, opportunities and threats which form the external environment. (Smith, 2007). Through this analysis, the company can concentrate on the strength and opportunities and avoid weakness and threats, then identify the appropriate strategies to gain competitive advantage.

To gain advantage over the company rivals. There are four ways according to (Thompson , 2001):

- Identify the successful factors of the industry.
- Exploit any area of the industry where I can achieve superiority.
- Try to change the industry's success factors and spot the light on your advantage.
- Open the new market or develop the old one.

Competitive advantage includes long or medium factors that work for the company interests. Sometime scholars called it "core-competences" or "critical success factor" that give the company an edge over competitors. The competitive advantage can be cost leadership, brand recognition, technological superiority, or uniqueness. (Smith, 2007)

In this section, the light will be shed on competitive advantage concept and sustainable competitive advantage, display the strategies undertake to achieve competitive advantage, and how to make prevention action by conduct the notion The best way to defend is to attack.

2.7 What is Competitive Advantage?

Strategic management is all about gaining and sustaining competitive advantage, which can be defined as "anything that a firm does especially well compared to rival

firms." (David, 2011, p.9). Thompson (2001) defines it as the ability of an organization to add more value for its customers than its rivals, and thus attain a position for relative advantage. The challenge is to sustain any advantage once achieved.

When the company set the strategic plan, the ultimate objective of this plan is to gain the competitive advantage. Therefore, competitive advantage is to gain Economic Value than competitors. Economic value is the difference between the perceived benefits from purchasing the company's products or services and the fully economic cost of developing and selling this product or services, so the company can achieve this through two ways: first, by increasing the perceived benefits from purchasing the products or services or, second by decreasing the costs. So the size of corporation's competitive advantage refers to the difference between economic values the company able to create and the Economic Value of the competitors. (Barney and Histerly, 2010). In other words, to measure the competitive advantage it is needed compare the difference between the customer's willingness to pay the product or services (v), and the firm's cost to this product or service (c). A firm, then, has a competitive advantage when it has economic value higher than competitors do. To measure the competitive advantage for the firm, the economic value for all products and services offered by the company should be evaluated. (Rothaermel, 2013)

Economic value added (EVA) is defined as net operating profit minus the opportunity cost of capital. It measures how much better or worse a company's earnings are than the amount investors could obtain by putting their money in alternative investment of comparable risk. (Marcus, 2005)

In the business world, the company is considered successful when it figures out its competitive advantage. In this respect, a question arises, what makes the company superior to other ones in the same industry? If the answer is no then why the business exists?

2.7.1 Sustainable competitive advantage

The competitive advantage can be temporarily or sustained. Temporarily competitive advantage, as many companies can be achieved by short period of time (Barney and Histerly, 2010). A firm desire to achieve competitive advantage for certain period of

time due to imitate and undermine their competitors. (David, 2011).

However that is not adequate, a few companies struggled to achieve sustainable competitive advantage which last for long time (Barney and Histerly, 2010) by formulating and implementing superior value for customers and other companies cannot able to imitate them or find it costly.

Sustainable competitive advantage allows companies to attract high numbers of loyal customers who prefer products and services offered by the company to those offered by the rivals. Setting successful strategy to earn above-average profits requires attracting customers in different ways from the rivals – mimic strategies do not work as a first step. Then entering markets does not crowded with strong competitors. (Gamble et al., 2013). Sustainable competitive advantage is "A sustained edge over competitors in an industry, usually achieved by first creating a valuable difference and then sustained it with improvement and change." (Thompson, 2001, p.1128).

Moreover, the management should not limit their efforts to having competitive advantage, but how sustainable and renewable that advantage is, so good managers must win and survive competitive advantage by being better than the rivals and offer valuable production or services to the customers. The fundamental success drivers to achieve that are:

- **Innovation:** introduces new products or services.
- **Quality:** offers excellent products or services.
- **Speed:** introduces new products and responds quickly to the customer's requests.
- **Cost competitiveness:** keeps the cost low to achieve the target profits and to attract customers. (Bateman and Snell, 2007)

2.8 Different strategies to achieve competitive advantage:

2.8.1 Five generic competitive advantages

Michel porter's competitive advantage strategy allows the company to achieve sustainable competitive advantage through three bases, which are cost leadership, differentiation, and focus. He called these bases the generic strategies. (David, 2011)

The Porter's theory which aims to achieve competitive advantage based on offering a

similar at low cost, it is called cost leadership strategy, or offering a unique product or services at premium cost, it is called differentiation strategy. This theory shown at (figure 1.2) (Marcus, 2005).

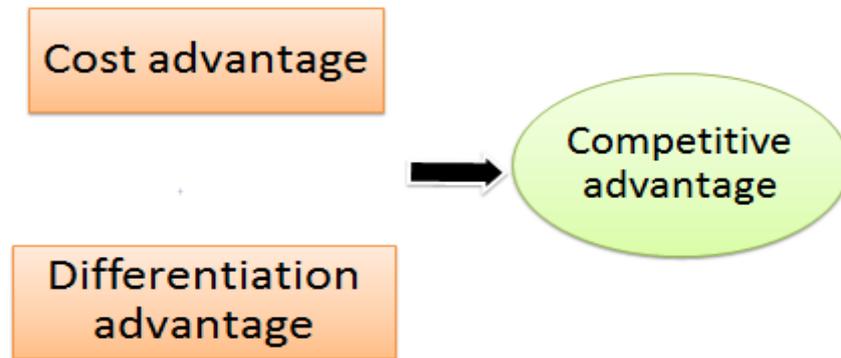


Figure (2.2): Porter's sources of competitive advantage

Source: Marcus (Management Strategy, Achieving Sustained Competitive Advantage), 2005, p.78

To gain competitive advantage and gain above-average profits, there must be unique ways to deliver superiority to the customers, so the management needs to choose between (1) broad or narrow markets, and (2) low costs or differentiation competitive advantage. These two factors lead to the five competitive advantage's generic strategies. Figure (2.2) (Gamble et al., 2013).

- **Low-cost provider strategy:** this strategy based on high-volume sales with acceptable quality, which satisfies the customers' needs. It's achieved when the company creates a low-cost product relative to rivals in broad market. (Marcus, 2005)
- **Broad differentiation strategy:** this strategy includes producing unique products or services compared to rivals in wide rang markets. The power of differentiation strategy comes from innovative products and the rival's attempts to imitate them. (Gamble et al., 2013)

- **Focused low-cost strategy:** in this strategy, the products or services are offered in small size markets. It serves small group of customers at low price.(David, 2011)
- **Focused differentiation strategy:** this strategy is represented in paying premium price in order to have unique products or services. It is focused on limit segments or markets where the customers receive different, ideal, unique products, and value that makes customers paying premium price to obtain it. (Thompson, 2001)
- **Best cost provider strategy:** this strategy mixes between offering different unique products and low price. It gives the customers more value for the money by satisfying their expectation while beating their price expectation to having distinctive product or service with low price. (Gamble et al., 2013)

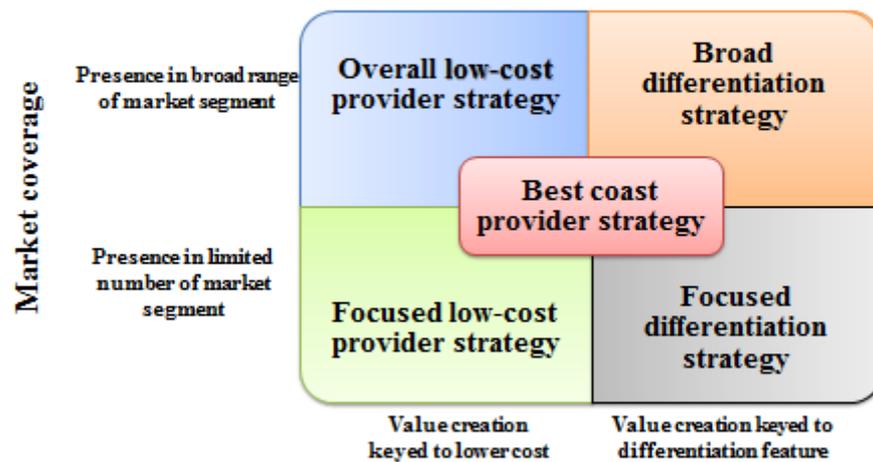


Figure (3.2): the five strategic competitive strategies

Source: Gamble et al., (Essential of Strategic Management. The Quest for Competitive Advantage) 2013,p. 95

2.8.2 The offensive strategies to secure competitive advantage

Sometimes, the company should take the initiatives to attack the competitors' advantages and to go to an offensive strategy to gain leading market share, excellent profits, and rapid growth. The principal of offensive strategy is to exploit competitors' weaknesses, and instead of beating the existing rivals, create or improve new industry or new market. Followings are some of the principal offensive strategy:

- Attacking the rivals' weaknesses.
- Offering better, lower cost products or services.
- Following sustained innovative products.
- Pioneering through offering new generation of the products.
- Improving the ideas developed by competitors.
- Attaching the markets segment where the competitors make good profits.
- Covering the unoccupied markets territories.

Blue ocean strategy: aims to achieve strong and permanent competitive advantage by diving up the efforts of beating the existing competitors and inventing new industry or distinctive market segment, and allowing the company to create and capture new demand. (Gramble et al., 2013).

2.9 CSR as competitive advantage

In the past, when somebody talk about CSR and competitive advantage that was believed to be irrelevant, CSR is making something good for your society and achieving competitive advantage is to find something that distinctive to the rivals. However, in the recent decades these two expressions has become more connected and received large amount of attention; just like this research, which assumes that achieving sustainable success and social welfare are not even connected, but also work in the same way.

Furthermore, some compete CSR against business and gaining competitive advantage, or at least to think about CSR in general way and not integrated it in the company's strategies, and being engaged in such activities can hinder the company from achieving its goals.

Conversely, CSR engagement is a major source of competitive advantage for many reasons: First, and the most important, social responsibility and adherence to ethical values create intangible assets that happen when the corporations enhance their image and reputation with stakeholders and public. In addition, it lowers the operational costs through saving disposal cost of IT or other equipment when donating it and enhance the marketing position by the effect of the reputation and publicity on the sales volume or build good relationship with the customers; all of these can add value to the company and then gain the competitive advantage. Otherwise, government incentive that can decrease taxes for corporation engaging in CSR activities and well accepted respond to emerging social demand, can help the management in achieving competitive advantage. (Keiner, 2008)

(Porter and Kramer, 2006) said in their famous article, which was the winner of the McKinsey Award for the Best Harvard Business Review Article in 2006, strategy and society are the link between competitive advantage and corporate social responsibility. This proposes new perspective for the relationship between business and society that deny the prevailing approach of CSR that treat no connection between both of them. Instead, they propose that if corporations analyze their prospects for social responsibility using the same framework that guide their core business choices, they would discover that CSR much more than constraint, or charitable deed it can be source of opportunity, innovation, and competitive advantage (Porter and Kramer, 2006).

Furthermore, companies should consider social responsibility in their business strategy in order to increase profits and contribute in achieving a prosperous community. However, the developing countries, which constrain the success business by its rules, suffer from poverty, low wages and bad economy. On the other hand, corporation cannot solve all the social problems as they have not enough recourses to do so, but each company can identify a particular one, according to its domain, and resolve it to gain competitive benefits.

Section (3): Commercial banks in Palestine

2.10 Introduction

Banks occupy one of the most important positions in the world of economy. They are indispensable for trade and industry, also it provide the payment system that most of individuals use every day. They play the intermediate role between all sectors of economy. Hence, banks are the most significant institutions in commerce. (Faure, 2013)

Nowadays, the need for banks is increasing rapidly; they provide hundreds of services to millions of people around the world and these services became vital to people everyday life and to the community as well. Banks are source of credit for every one ranging from individuals and families to the government passed to businesses; small or large ones. They use banks when they make payments for goods purchasing, and when they need financial information or advice. Recently, banks became the most important source for short-term and long-term working capital for most businesses. (Rose and Hudgins, 2010)

In most countries, Central Banks regulate and supervise banking sector Even more, banks are obligated to have large departments and skilled persons to carry out these functions. In Palestine, there is an emerging central bank that is the Palestine Monetary Authority (PMA). It is an independent institution responsible for the formulation and implementation of monetary and banking policies to safeguard the banking sector and ensure the growth of the national economy.

Palestinian monetary Authority (PMA) was established in 1997 as a result of Paris agreement submitted between Palestinian Authority and Israeli side in 1994. It regulates, implements, and supervises the monetary policies in banks working in Palestine. Furthermore, the board of PMA is authorized to license banks operating in Palestine, revoking their licenses, imposing penalties on them, and approving their mergers and opening new branches. (Law No. 2 of 1997 article 18 on PMA)

In this section, the light is shed on many of Palestinian banks who budgeted part of its profits to support Palestinian community and to achieve the development in many sectors such as health, economy, sports, environment, etc.

2.11 Definition of bank

Bank can be defined in terms of its functions, services it offers to customers, or the legal basis of its existence.

By the function they perform, banks represented as financial intermediaries to transfer funds from savers to borrowers. The financial services of the banks ranging from checking debit accounts, credit cards, loans for businesses and individuals and governments. Banks' services are expanding rapidly to investment, insurance protection, financial planning, and advice for merging companies. Banks are no longer limited to traditional services; they moved to general financial services provider. (Rose and Hudgins, 2010)

Rose and Hugins (2010) defined bank as the financial intermediary that offers the widest range of financial services – specially credit, saving, and payment services- and perform the widest range of financial function of any business firm in the economy.

PMA defined banks as "Any institution licensed to carry out banking transactions in Palestine according to the provisions of the Banking Law." (Law No. 2 of 1997, p. 1)

The commercial banks working in Palestine, which are licensed by PMA, consist of 5 banks that offer their services in various areas in West Bank and Gaza Strip.

Table (1.2): The Commercial Banks Working in Palestine

Year Of Est.	The Commercial Bank	No. Branches
1960	Bank of Palestine	54
1994	Palestine Commercial Bank	7
1995	Palestine Investment Bank	14
1995	Al Quds Bank	17
2005	The National Bank	9

Source: PMA annual report 2014

2.12 CSR initiatives by banking sector in Palestine

Unfortunately, not all banks working in Palestine have a policy to engage CSR activities in their strategies; only few banks concern about CSR and produce reports annually detailing their activities.

Through the observing the annual reports and websites of the banks, there are consistent and similar messages from the CEOs and Boards of Directors of the most commercial banks working in Palestine, assuring that commitment to CSR have become the mainstream of the bank's strategies as a must-do strategy, as indicated in the following examples:

- **Bank of Palestine (BOP)**

The bank has budgeted 5% of its annual net profits- and planned to raise it up to 6.4% to support Palestinian society through initiatives including different sectors such as:

Bank of Palestine has devoted efforts to the economic and social growth and development of the Palestinian people and community. It has carried out several infrastructure development projects and sponsored activities, drawing up meticulous plans in all areas and attracting Palestinian investors from outside Palestine. The Bank's efforts are geared toward bringing about a qualitative development leap in all areas.

Health and environment The Bank has sponsored sustainable programs and projects with the aim of supporting and improving the health sector in Palestine. Such as "Gaza is in our Hearts" Campaign The Bank has earmarked USD 500,000 to this Campaign which will be dedicated to the purchase of dialysis equipment, which is an urgent need in Gaza hospitals, Mustaqbali (My Future) Project which targets orphan children in the Gaza Strip seeking to improve their lives in terms of education, health, and career developments up till 22 years of age. Moreover, the bank gave donations for Jerusalem hospitals, children cancer unit in Beit Jala hospital.

Bank of Palestine has allocated large space for education and youth, consistently supporting young people to engage in creative works and encouraging them to innovate, think critically and work on their personal

development. Bank of Palestine opened stimulating educational horizons before Palestinian youth so that they can keep abreast of the latest developments and changes in all walks of life, and push forward the wheel of development through new creations and tools.

Bank of Palestine has always been keen to advocate the role of Palestinian women in the economic and social life, and to empower them in the professional and business life. The bank always sponsors activities concern to women for example and the most important the awareness campaign for early diagnosis of breast cancer, this significant complain come to save the women lives in West Bank and Gaza Strip which can raise the recovery rate to %98.

Bank of Palestine has contributed to the containment of humanitarian crises inside and outside Palestine, and has adopted programs and projects to support orphaned children and charitable societies. The bank has also provided aid and care for the homeless affected by natural disasters. For example, Relief campaign to help families affected by the snowstorm and flooding in Gaza, Summer Camp for Diabetic Children and other other donations and sponsorships.

Sport is a common language shared by everyone. The sports sector has a very positive impact on the image of modern Palestine. It is a self-confidence boosting activity. Believing in the significance of sport, BOP contributed support and sponsorship to sport clubs, competitions and tournaments including women's sport, equestrian sport, and international matches of Palestinian national teams, and others.

BOP encourages its employees to do voluntary works concerning humanitarian causes, and to be engaged in projects initiated by partner organizations. BOP is committed to develop the society across economic and social sectors and making a positive impact on the Palestinian community. (The annual report, 2014)

- **The Quds Bank**

Despite the bad situation and unkind circumstances the Palestinian people pass, Quds Bank aims to contribute in social responsibility activities towards the different segments of the Palestinian community. Thus, beside the

economic and financial contributions, the Quds Bank proudly aims to take part in a number of humanitarian activities.

The donations provided by the bank for the social responsibility activities are considered investment in the community to ensure development of society and enhance the life circumstances through creating job opportunities and charitable projects.

The sectors targeted by the bank include health care, which consider the most essential segment, the bank provide the support and financial aid to local hospitals and health care centers, in addition to health awareness complain.

The bank interest in developing and supporting the education process education, such as, financing and sponsoring activities and ceremonies care about education.

From the important of development to the Quds Bank, the bank contributed a total of around 12000 \$ to sponsor and financing charitable society and institutions

And for initiatives taking care of childhood, and those with special needs, the bank contribute 12043 \$ for this target. (The annual report, 2014)

- **Palestine Investment Bank**

The bank has specific policies in adapting social responsible activities that aim to achieve the development of the community. So, the Board of Director has agreed to allocate (76747 \$) which equivalent 2.7% from the annual profit in 2014 to support social, charitable, cultural, and sports activities, in addition to providing the financial support to students, volunteers , charitable associations and to support the national programs which benefits the society.(the annual report 2014)

- **The National Bank (TNB)**

Citizenship is the main CSR principle of TNB that mean the bank is an integral part of the society. Therefore, TNB is committed to be integrated in sustainable activities adapting CSR principle for all the Palestinian areas.

As well as the financial support, TNB seeks to integrate more employees in voluntary activities.

The volume of social responsible activities in 2014 reached 150,000 \$, which ranked fifth among all banks working in Palestine, dedicated to support environmental, national economic and society support, like being the sponsor of economic conferences, donate medicine , encourage working women, volunteering to clean the area around their branches and other activities .(the annual report 2014).

Chapter Three:

Previous Studies

3.1 Introduction

Many research study and papers discussed concepts related to the current research's main subject, which is corporate social responsibility and how it developed. Through reviewing previous studies, it was clear that CSR developed from being a limited concept – that was considered an obstacle and waste of time and recourses – to be a strategic tool. In addition, the previous studies show how CSR help to achieve the objectives of the corporation and enhance the quality of life of the society and stakeholders.

This research has reviewed twenty-two studies; two local studies, eight Arabic studies, and twelve foreign studies. These studies covered the issue of CSR from different perspectives and approaches especially how it can achieve the competitive advantage and other development objectives. Fourteen studies were conducted in the period from 2012 to 2015; eight studies were conducted between 2006 and 2011. Twenty-two Arabic and foreign studies have direct relation to this research, and they are reviewed and ordered chronologically from the newest to the oldest

3.2 Local studies

Eid and Sabella, (2014): “A fresh approach to corporate social responsibility (CSR): partnerships between businesses and non-profit sectors”

The aim of this paper is to offer new conceptualization for business-NGOs partnership from CSR perspective and the social, political and ethical dimensions of the partnership, the study examine how privet sector can aid NGOs in meeting their promises toward society. In addition, it sheds the light on some practical consideration, which have not been given enough accordance in the CSR partnership management.

A case study approach is used to achieve the study approach, the researchers conduct eight in-depth semi structure interviews with the managers from The Palestinian Cellular Corporation and an NGO specialized in offering training and capacity development for the Palestinian youth. The collected data were analyzed using NVivo, software that supports qualitative and mixed methods research, to come up with the common theme, and the finding was compared with previous studies.

The finding of this study show that business – NGOs partnership is an emergence process which tend to give the impression that they are formed to serve and satisfy the community. In addition this study offers insights for the partners to manage and sustain their partnership in order to serve the social goals, specially, in this case, the NGOs which the true and ultimate goals are social welfare. This is not to say that business have less role in the community development, on the contrary, business and NGOs should engage and work to reduce the social, political and ethical obstacles to address and mitigate social and community issues.

Hemaid, (2009): “Evaluation of Corporate Social Responsibility Perception at Palestinian Information and Communication Technology Sector”

This research aimed to study and evaluate the extend of CSR perception at the Palestinian Information and communication technology ICT sector, these perception encompass the concern toward the employees, customers, economic development, legal regulations, ethical dimensions, and investors, owners and community.

This study followed the analytical descriptive methodology which the primary data are collected through the questionnaire. The sample was comprehensive and covers all the Gaza and West Bank ICT companies.

The conclusion of this study showed that ICT managers in Palestine have high perception level toward their economical, social, ethical, and legal responsibilities, and also they recognize their role in develop the Palestinian society by practicing social programs toward employees, customers, investors, owners and community. But in the other hands, CSR is not seriously consider as a strategic solution for sustainability, and most managers practice this kind of programs as a solution or aid to the problems after it occur.

The recommendation of this study comes into two directions. The first one to the ministry of telecommunication and information technology MTIT and ICT sector companies. The main recommendation to ICT sector is to give more attention to CSR programs and get engaged more in such activities to support the development in the society. And MTIT was recommended to update the law and regulations that support ICT sector to foster the partnership between the privet and public and to implement the environmental standards.

3.3 Arabic Studies

Arshad, et al., (2015): “Empirical Study on Corporate Social Responsibility in United Arab Emirates”

The purpose of this study is to provide empirical evidence on the influence of 2008 financial crisis on the disclosure about CSR among local banks in UAE and investigate the extend of CSR disclosure on these banks. Some organizations increase this activities to show their customer that they were not affected by the crisis, and others decreased these activities because they were really affected. So this study investigates the extent of CSR disclosure on these banks.

The study examines the annual reports of the local bank working in AUE in three different years 2007, 2009 and 2011. In addition the study examine four hypotheses which showed the relationship between CSR disclosure and four variables which are the number of the board of directors, the size of the bank, leverage ratio and profit of the bank (profitability ratio)

The result showed that there is no significant relationship between disclosures about CSR and the size of organization, the number of the board of director and leverage ratio, while the researchers found significant relationship with the profit of the organization. And about the effect of 2008 financial crisis, in 2007, one year before the crisis, the disclosure of CSR on scale 0-1 is 0.67, but in 2009, one year after, the disclosure was decrease and become 0.54, however in 2011 the disclosure increase to be 0.60.

Anadol et al., (2015) “Consumer Reaction toward Corporate Social Responsibility in United Arab Emirates”

This research examines CSR awareness and CSR-related activities of the UAE consumers in terms of consumers’ gender, age and location.

The main purpose of this study is to evaluate the consumer reaction including consumers' complaining, boycotting behavior, work preference toward social responsible companies, consumer donation behavior and CSR awareness in the UAE.

The data of this research collected from 555 AUE individuals aged 18 years and older during 2009, the responses are set in the tables according to age which

classified as male and female, age group which classified as 18-24, 25-34, 35-44, 45-above, and location which classified as the seven emirates in UAE. These data were reported in frequency tables which indicating percentage for each group of consumer segment responses for each variable.

The conclusion of the research shows that the gender result indicate that there is a significant differences between male and female, male are more active to express their concern toward CSR-related issues than female who are voicing behavior is limited as compare to male.

The age result indicates that the young consumers are less concern about work in social responsible companies than the older consumers. However the consumers between 24-34 years are donating more than the consumers between 35-44.

The location result indicates that there are significant differences between the seven emirates. While Dubai and Abu-Dhabi, the biggest emirates, are more concern to CSR-related activities, Sharjah and northern emirates are less concern and engage in CSR, and Dubai and Abu-Dhabi consumers raise their voices to companies than Sharjah and northern emirates.

El-Garaihy et al., (2014): “Measuring the Impact of Corporate Social Responsibility Practices on Competitive Advantage: A Mediation Role of Reputation and Customer Satisfaction”

The purpose of this study is to examine the application of (CSR) contribute to the level of customer satisfaction and corporate reputation and if customer satisfaction and corporate reputation play the mediating role between the practices of social responsibility on one hand and the achievement of competitive advantage for Saudi corporates under study on the other hand.

The study based on a survey of industrial corporates in Saudi Arabia (e-mail survey). The sample included 300 corporates from a wide range of industries, including petroleum, chemical, machinery and equipment, automotive, electronics, computer, steel and metals, food, agriculture. The number of retrieved questionnaires was 280, including 205 useable questionnaires the effective response rate is almost 68.3%.

The questionnaire measure and get the perceptions about four main aspects which are the initiatives of CSR, satisfaction, corporate reputation, and competitive advantage.

Result revealed that the CSR initiatives are affected by the economical, legal, ethical and discretionary activities, and there is a strong positive direct relationship between CSR and competitive advantage, and the study confirm the direct mediating role of customer satisfaction and the indirect impact of the corporate reputation(through the customer satisfaction) on achieving the competitive advantage. So the study indicates that CSR consider as a strategic objective to achieve the competitive advantage.

The study recommended that the Saudi corporates should exert all of their effort to engage in CSR activities and to construct intangible assets such as customer satisfactions and corporate reputation which will be as a powerful strategy for their corporates.

Qaryouti et al., (2013): “The Role of Social Responsibility in Achieving Competitive Advantage. Case Study: Zain Telecommunication Firm”

This study aimed at identifying the effect of social responsibility in its different dimensions (employee focus, focus on clients, solving social problems, interest in environment, fair competition, and participation in governmental development plans), in achieving competitive advantage at Zain telecommunication firm (Jordan).

The researchers used descriptive analytical methodology, they applied 175 questionnaires – 151 were valid and analyzed - which distributes in tow respondents (managers and employees).

The result of this research showed that CSR has positive effects on achieving competitive advantage in Zain Company, that’s positive effect due to implement social, environmental, and economical issues which improve the life circumstances of individual and society as a whole. In addition, there are significant effects on all variables (employee focus, focus on clients, solving social problems, and interest in environment, fair competition, and participation in governmental development plans) on competitive advantage.

The research recommended to improve training programs for Zain employees to identify the importance of social responsibility strategies and its effect on achieving competitive advantage, increase the company awareness of serving the community

and environment, and support low-income and special need sectors and collaborate between the telecommunication sector firms in Jordan to implement clear national strategy to enforce its responsibilities toward the environment, and the society.

El Bedawy and Shawky, (2013): “Upholding competitive advantage through endorsing corporate social responsibility: case study Pepsico Egypt”

The purpose of this study is to spot the light on CSR practices and applications as a new strategy to achieve development and maintain competitive advantage for the Egyptian organizations, the important of this study comes from the fact that there is few studies of public administration reflecting of CSR concept’s applications, this study gives the opportunities to create balance between maintaining competitive advantage and achieving both profits and social welfare as applied in case study in PEPCICO Egypt.

After the literature frame work the researchers discovered the relationship between CSR and realization of competitive advantage out comes in any organization through highlighting the different strategies used in such process. Second the researchers showed how multinational corporation as PEPSECO Egypt can enhance its competitive advantage through CSR activities.

The outcomes of the research showed that CSR create value for society, this value come to support the company's competitive advantage, enhance its reputation, gain the trust of the stakeholder and has positive reflection on environment and community. As long as the company succeeds to maintain the sustainability of competitive advantage, the company still relating with CSR projects and raise the business ethics and values. In addition the leaders of company must work closely with the stakeholders to achieve positive results, profitability and commitment to society and finally the relationship between social media communication and CSR goals will be mutual benefits to both society and the company.

The research recommends regulating low to organize CSR activities as a long term strategies to insure its sustainability and strategic intentions. Moreover to avoid over expectation regarding the return of CSR, as it's not a magic wand that solve all the community problems.

Aribi and Gao (2011): “Narrative Disclosure of Corporate social responsibility in Islamic Financial Institutions IFIs”

The main objective of this paper is to examine the influence of Islam on corporate social responsibility, CSR and corporate social responsibility disclosure CSRD in the Islamic financial institutions IFIs. The study based on analyzing the narrative disclosure –which is a tool the company can demonstrate the social responsible activities- for the annual reports published by 21 fully Shari'a approved IFIs in the Gulf region. These reports were obtained from the institution's webpage or by contacting the company directly, the study used the main principle of Islam e.g. Zakah, Al-qard al-hassan, Ihsan and Brotherhood as the basis of the disclosure themes

The content analysis of the annual reports show that CSR and Islamic values and ethics are really in the same line, and CSRD of IFIs was mainly based on Shari'a. In addition, the IFIs disclose other Islamic information e.g. Zakah and charity donation, and free interest loan and report on their compliance with Islam along with information of philanthropy, employees and community. This is considered an evidence of the influences of Islam on CSR and CSRD.

Al-Bdour et al., (2010): “The Relationship between Internal Corporate Social Responsibility and Organizational Commitment with the Banking Sector in Jordan”

This study aimed to investigate the relationship between the internal CSR and organizational commitment based on social exchange theory through examine the impact of five dimensions of the internal CSR practices which are: health and safety, training and education, human right, work life balance and workplace diversity, with the three dimension of organizational commitment which are: affective, continuance and normative. Social exchange theory assumes that when individuals receive economic and socio-emotional resources from their organization, they likely to replay with positive attitude and behavior.

To assess and describe the potential correlation between variables the researchers used a quantitative approach by designing a survey questionnaires which distributed at 336 frontline employees from the banking sector in Jordan, 300 return the surveys

and 294 are completed it, the researchers used a proportional stratified technique so the sample consider heterogeneous because there are three different type of banks, Islamic, conventional, and foreign banks and each type treat and select employees in different policies.

The conclusion of this study indicates that internal CSR practices with all of its dimensions have significant positive impact of effective and normative commitment toward employees, in addition all the internal CSR dimensions did not have significant relation with the continuance commitment. And that's in turn may lead to employees' commitment. In the other world, when the banks performing in the ethical manner and the employees receive all of their rights, economical and emotional right, the employees in turn will obligated to repay the bank with the level of commitment.

Al-Nsour, (2010): “The Impact of adopting Social Responsibility Modes on Achieving Competitive Advantage”

The purpose of this research is to reveal the impact of adopting social responsibility modes (Economic modes, Social modes, Environmental modes) on achieving complete advantage (Flexibility, Innovation, Reputation) in Jordanian commercial banks.

To collect and analyze the information, the research based on a questioner consist of 30 paragraphs, the sample consist of (193) employees from the top management.

The research results that there is significant impact adopting social responsibility on achieving competitive advantage in commercial banks working in Jordan Kingdom was very high. and The orders of the three types of social responsibility in the commercial banks are as follows: Social, economic mode and finally, environment mode .As a result, expansion the social initiatives lead to positive impacts on the community life, arias the numbers of the clients and expands the market share.

The researcher recommend several recommendations the most important are: Improve the social services activities in order to achieve the social and financial targets, enhancing the banks services to reflect the long-term reputation, emphasis on the principle of flexibility in dealing with the changes to satisfy the long-term clients' needs and adopt the social responsibility toward the employees.

3.4 Foreign studies

Popa, (2015): “The Corporate Social Responsibility in the Context of Sustainable Development – the Case of Romania”

This paper aims to analyze the role of CSR initiatives in achieving the sustainable development and the mean of integrated it in the corporate long-term strategies in the Romanian business environment.

After the literature review that demonstrate the tight relationship between the CSR and sustainable development, the researcher displays the challenges and benefits of CSR practices by giving information in numbers and percentages based on surveys and data conducted by trusted institutions and by analyze the strengths, weaknesses, opportunities and threats of CSR development in Romania and how they reflect in sustainable development

This study found that there is a growing concern about CSR in the recent years and this development come from the change of the business's point of view from the limited purpose of maximization profits to an open one, large concern with the quality of life, preservation of resources, and meeting the interest of society. So, the companies which involve in such activities can gain benefits to both society and business, and in terms in sales and customer recommendation, because the customer orientation in choosing the products or services go toward topic related to health, environment, and social issues.

Stuebs, M. and Sun, L. (2015) “Corporate Governance and Social Responsibility”

This paper examines the association between corporate governance and CSR according to the stakeholder theory which focuses on the importance of the company's relationship which various stakeholders. The study hypothesized that corporate governance positively associated to social responsibility, in addition the good corporate governance lead to good social responsibility in the following years.

The study shows a positive association between corporate governance and CSR and strong corporate governance mechanism has good social responsible performance.

The study recommends continuing additional work to study another dimension of

CSR to understand more the relationship between corporate governance and CSR

Battaglia, et al., (2014): “Corporate Social Responsibility and Competitiveness within SMEs of the Fashion Industry: Evidence from Italy and France”

This paper analyzes the link between the CSR adaptation and the competitiveness performance in small and medium enterprises (SMEs) in fashion industry in two EU countries, Italy and France, which consider a good field for this study due to more than 1/3 of total fashion firms, and about 25% of total workers are located in Italy and France. The aim was to explore to what extent such a firms have improved their competitive advantage through adapting CSR-oriented strategies.

The level of adaptation of CSR initiatives was measured by setting a survey for 213 SMEs in Italy and France within the EU co-financial research project.

The researchers examine from the methodology point of view, if there is a proven connection between the possibly for the corporations to act responsible toward society and environment and gaining competitive advantage

To assess the link between CSR initiatives and competitiveness performance the researchers used the data collected from the interview carried out within the EU co-financed project for SMEs fashion firms located in Italy and France.

This study found that there is strong positive relationship between several CSR-related variables and competitiveness which are innovation and intangible performance. Although there is weak or vague correlation in term of workplace- CSR variable, there is lake or negative correlation in motivation and productivity in human resource and reputation.

There is some limitation need to be mention in this study. First, the survey was limited to just two EU countries which mean that the result not generalized to all EU countries. Second, the measures of variables are not qualitative it often used the self-reported data. Finally, the research did not cover all the variables and all the natural of relationships, so this study can be as explorative study and further research with new hypothesis and surveys must be done.

(Adegbola, 2014): “Corporate Social Responsibility as a Marketing Strategy for Enhancing Performance in the Nigerian Banking Industry. A Granger Causality Approach”

The purpose of this study is to examine the impact of CSR on the marketing strategy in order to achieve strong product, happy and loyal customer, and maximize the profits. The paper revolve around explain the requirement and the limitation of CSR in marketing to achieve, not only maximizing the profits, but also reinforce social and ethical values for the benefit of citizens.

The study use both the primary and secondary data, and use a granger causality approach as an estimation techniques, to know whether CSR is the one that cause marketing strategy or marketing strategy is the one that cause CSR. The primary data make use of questionnaire that was distributed to 120 staff of Zenith bank of Nigeria plc and the raw data from the questionnaire were coded to become a grouped data. With the secondary data the study makes use of a simple regression model formulated to take care of the topic of the research study and granger causality test was used to analyze the issue and the result revealed that there is causality that run from corporate social responsibility and marketing strategy.

The study find that CSR reinforce the organization performance in in Zenith bank plc successfully, the organizational performance include employee's turnover, net profits, success in expanding the market, moral and job satisfaction, etc. however it must be noted that mostly the large organization that are effectively respond more to the social cause and eliminate the social cost because they have sufficient recourses to meet these challenges. In the other side some organization has the view that social responsibility is just wasting of time and resources and the profit maximization of the company can fulfill all other responsibility

So the firms should exert mort efforts to engage the CSR in the marketing activities to protect the interest of the customer and society, and should respond more to the outside environment and not ignore calls for greater social responsibilities.

Linka and Jiri, (2014): “Corporate Social Responsibility in Commercial Banking – A Case Study from Czech Republic”

This research aimed to present a theoretical aspect of CSR concepts and measure the

level of CSR in selected banks in Czech Republic which are: Czech Sporitelna (CS), Czechoslovak Commercial Bank (ČSOB), Komerční bank (KB) and GE Money Bank (GE).

The researchers display some studies related, and most of them infer that the customer satisfaction does not related to CSR initiatives and there is no significant correlation between social and financial performance, and bank's investment in CSR does not lead to economic profits.

The KOPR methodology was conducted in this study it depend on divided social responsibility to eight areas include 26 criteria which are scoring in scale from 0-100. The eight main areas (two groups) are: The first group includes the area of CSR Management, Consumer protection and Employment. The second group consists of the area of direct economic impacts, Human rights, Environmental policy, Indirect economic impacts and Social policy.

The result of research confirmed that CSR index of selected banks is ranged at an average level (from 59 to 29). So there is significant lack of transparent information in the context of CSR areas and the moral principle not integrated into management decision who (the management) cannot expected that CSR activities are effected, and they are just a marketing tool for communication to the general public.

Singh et al., (2013): “CSR Practices and CSR Reporting in India Banking Sector”

The purpose of this paper is to evaluate the CSR initiatives taken by the banking sector, study non-financing reporting practicing in Indian banks and spot the light on the present status of CSR in banking. The research conducted by using the descriptive design, the sample selected randomly for 4 banks, 2 for the privet sector and 2 from the public sector (SBI, PNB, HDFC and ICICI) Data is collected from secondary sources particularly from concerned Banks Annual Report, Web sites, newsletters and data from various journals.

This study concluded that bank _ even in public or privet sectors_ are involved in CSR initiatives, but most of the banks do not reporting these initiatives, most of these banks are still do not disclose the amount of such initiatives in their annual reports , RBI should make some criteria to distinguish between the bank conducting CSR

activities and who is not, and some percentage of the bank profits must set for spending to CSR, that's percentage is an obligation from the bank toward society, because, CSR is just not charity but a practical implementation of ethical ideas towards the society.

Tafti et al., (2012): “Assessment the Corporate Social Responsibility According to Islamic Value – Case study: Sarmayeh Bank”

The purpose of this study is to measure CSR activities according to criteria based on Islamic values and to ask the question which is “what are the standards and elements to measure CSR with emphasize on society's Islamic values?”

To answer this question, a descriptive and surveying methodology followed based on information gathering from field and library studies in addition to questionnaires distributed to all the staff and managers of nongovernmental Sarmayeh Bank in Iran (30 individuals), and also this research has used FUZY AHP, which mean more accurate result comparing with the traditional AHP. The elements of this study based on Carroll model and Islamic values are: Company Values, Workplace Policies, Environmental Policies, Community Policies and Market Policies.

According to FUZY AHP methodology The analytic hierarchy process is a structured technique for organizing and analyzing complex decisions, used in this research, the final score of CSR of the Sarmaya Bank was 3.77 of 5 which mean that bank in accepted condition. In addition, the five element of the study are arranged based of priority are: company values, workplace policy, environment policy, community policy and finally market policy.

Saeed and Arshad, (2012): “Corporate Social Responsibility as a Source of Competitive Advantage: the Mediating Role of Social Capital and Reputation Capital”

This research spot the light on CSR initiatives that can undertake in Pakistan business to strengthen the organization's performance through better image in stakeholder's minds, also through the Companies are exploring new areas where they can develop infrastructure and better institutional climate for their employees to sustain their profits in strong competition. Corporate social responsibility (CSR) has been touted as an effective management tool to strengthen the organizations'

performance through a better image in stakeholder's mind and also because of their responsible behavior toward society and environment responsibility toward society and environment. So this study focus on the relationship between business and society from CSR perspective and tried to link CSR with competitive advantage from strategic management perspective through established mechanism that define how CSR can bring strategic outcomes for the organization and how the companies can yield benefits from engaging in social responsible activities.

The study develops propositions for strategic use of CSR activities by introducing the intangible variable, that is, social capital and reputation capital, which can impact the organization's performance and profitability, and encourage it to engage in CSR initiatives.

The results of these propositions find that CSR initiatives play strategic role in yielding better performance and profitability for the company through developing the intangible organizational resources, social capital and reputational capital, which are very important in achieving competitive advantage.

Quairel-Lanoizelée, (2011): “Are Competition and Corporate Social Responsibility Compatible? The Myth of Sustainable Competitive Advantage”

The purpose of this study is to explore the connection between the corporate social responsibility and the competition in order to contribute to the CSR concept through analysis of the conditions for its implementation. The author shows that the mainstream CSR authors pay little attention to the notion of competition and they just highlight the competitive advantage a CRS strategy represented to companies.

The paper sheds the light at the limit of the CSR concept within the liberal paradigm, arguing that the mainstream theoretical CSR framework based on the hypothesis of the convergence between firms' objectives and the common interest is not relevant. This study was conducted using the academic literature in economic and strategic management, on mainstream CSR papers and on the official disclosure and communication from companies listed on the “CAC 40” –the French stock market index for the most 40 significant French company-. The paper uses the definition of corporate responsibility which integrates companies' environmental and social concerns into all their activities.

First, The researchers found that A large gap is noticed in how the economic view and CSR view, market and society are work separately and the theories of CSR do not mention the contradiction between the objective and actors, also CSR behavior cannot exist for lack of sufficient demand, i.e. if there is an emerging demand for products or processes within the green strategies, the added value of a socially perceived by the customer is low. Second, the competitive advantage obtained by CSR strategy is weak even if the stakeholders' "expectations" for responsible practices are strong. And The CSR competitive advantage gained only if the companies prevent the mimetic practices which could spread best practices for sustainable development.

Smith, (2007): "Making the case for the competitive advantage of corporate social responsibility"

This paper aimed to show the impact of CSR activities on achieving the long term objectives and sustainable competitive advantage. It focused at the obligations to any company are not only to maximize profits or provide employee satisfaction but also improve the quality of life and get more awareness to the environment. The paper ensured that a good name can enhance business in good times and protect it during a crisis. This article argued that the prolonged advantage of CSR ensures sustainable economic advantage and should be a long-term objective of any organization.

the researcher based on a review of applied literature on practices and based on actual example to prove his point of view which shown that innovate responsible strategy, exceeding government requirement and considering multiple stakeholders, is a long term objective.

The outcomes of this study found that the Firms are becoming more concern about the effect of their socially responsibility behaviors. and to obtain a long-term objective the management must set innovative responsible strategies exceeding government requirements and considering multiple stakeholders, In spite of financial burdens of CSR activities, investing resources in charity, environmental protection and education, consider dividend to corporate reputation. Finally, the Investors seek social responsible corporations not only because the financial revenue but also because the sustainable competitive advantage.

Porter and Kramer, (2006): “Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility”

This article is an important reference for many researchers considers CSR as a strategic tool to achieve the business success and achieve the competitive advantage.

In this article Porter and Kramer propose a new perspective to the relationship between business and society that does not treat corporate success and social welfare as disconnected. Though, if the corporation deal with the social issues using the same framework that use when dealing with their core business, they would discover that CSR activities are not cost, constrain, or charitable deed, it can be benefit to corporation and consider as a source of innovation and competitive advantage.

CSR initiatives became an increasable priority for every manager, this awareness increased since the corporations discover that the stakeholders are respond to issues concern about society.

The authors explained the prevailing approach of CSR which is disconnecting CSR from strategy, and that can disorganize the opportunity for the company to benefit society. Therefore, from their point or view, CSR efforts can be counterproductive for two reasons. First, they believe that business activities come against society and the fact that both of them are interdependence. Second, they think of CSR in generic way and not the way that they can use it as a strategic tool to achieve business goals.

In this article the authors introduce a framework about the procedure the company can undertake to discover the social consequences of their actions, and to take the opportunities that are benefit for both society and the company. the authors notify that dealing with the social responsibility in different thinking and perceiving it as opportunity more than cost or constrain can lead to achieve the business goals and sustainable competitive advantage.

Militaru and Ionescu, (2006): “The competitive advantage of corporate social responsibility”

This research examines the relationship between the CSR and competitive advantage, to fine evidence of a significant positive relation between the competitive advantage,

which obtained by the company, and the CSR initiatives. So the aim is to identify the items which can be used to enhance competitive advantage.

The researchers assume the following two hypotheses: first, the level of CSR's expenditure doesn't depend on the type of corporation; second, the level of CSR is positively associated with corporate credibility.

To examine these hypotheses, data were collected from Polytechnic University Management Department, in Bucharest, Romania Based on questionnaire covering the challenge associated with competitive advantage, organization citizenship behavior, corporate visibility, and corporate credibility within a sample of 24 organizations.

The result of this research found strong positive relationship between competitive advantage and organizational citizenship behavior, and it provides powerful evidence that organizational citizenship behavior play an important role in shaping firm behavior. In addition the study found that more than 70% of respondents believed firms should engage in social initiatives, and 55% felt that these initiatives would benefit the firm, 14% would boycott firms who act irresponsible if they find alternatives, the study suggest that consumers expect firms to be involved in social initiatives and may reward them for their efforts through purchase behavior.

Commentary on Previous Studies

In the recent decades, especially after the economic crises in 2008, CSR concepts and methodologies have been studied by many researchers. CSR has become more than a marketing tool or even charity; it became a strategy by which the corporation can achieve development and competitive advantage.

The past studies covered the topic theoretically and practically into Europe, UAE, Saudi Arabia, Gulf area, Jordan, Egypt, Palestine, Romania, Italy, France, Nigeria, Czech, India, Iran, and Pakistan. Not all of the studies were conducted on large-scale companies, but also medium and small business are covered. Differences could be noticed according to the different culture or background of notions or the sector being studied.

The majority of the studies used the descriptive analysis approach, and most of them

used questionnaire, interviews like studies of Eid and Sabella (2014), Battaglia et al., (2014). Many studies used annual reports like Arshad et al. (2015), sight et al. (2013), Aribi and Gao (2011). Most of the previous studies targeted managers

Number of papers have discussed CSR related to competitive advantage, many agreed with the direct positive relationship between CSR and competitive advantage and sustainable development. Some research studies recommended exerting more effort to be engaged to CSR activities, but one study found that the only purpose of the business is to maximize the profits and the competitive advantage obtained by CSR is weal like stuy of Quairel-Lanoizelée, (2011).

Some studies display the Islamic influence on CSR and how the Islamic Financial Institution can utilize the Islamic values to evaluate CSR; studies of Tafti et al. (2012) and Aribi and Gao (2011).

A wide range of studies targeted the banking sector as it has an important role in the economic development. This study is targeted commercial banks in Palestine to encourage them to contribute and interact more with the society and the economic dilemmas plaguing the Palestinian arena especially after the wars and abuses against Palestinian people.

The previous studies helped the researcher in building the framework and literature review, designing the questionnaire and analyzing the result of the research.

In the conclusion, large amounts of previous literature indicate an increasing important of CSR in banks, telecommunication corporations, NGOs and others. However, there are no studies covering CSR initiatives and its effects on competitive advantage in the banking sector in Palestine.

This research is the first study which tries to fill the gap in Palestinian CSR literature and examine the extent of CSR applications at the commercial banks and how it benefits the banks and achieve competitive advantage. Moreover, the research tries to cove the Palestinian territories in a comprehensive study of all the five commercial banks working in West Bank and Gaza Strip after a period of geographic, economical and almost complete separation, according to the political division since July 2007.

In addition this study consider tool to encourage the banks, and the privet sector as a whole, to increase CSR activities due its importance in the development of society.

Chapter Four:

Research Methodology

4.1 Introduction

The current chapter presents information about the methods used to apply this research. It describes the design of the selected approach, the population, the data collection and data analysis methods. In addition, information about the research instrument and its reliability and validity are illustrated at the end of the chapter.

4.2 Research Design

In this research, the analytical descriptive approach was used to explore to what extent the commercial banks in Palestine apply CSR strategies, and measure the influence of these strategies on achieving competitive advantage. This approach contributes to the improvement of banking sector strategies concerning CSR strategies where the result of research will be reflected and generalized.

The descriptive analysis approach describes the basic features of the data in the research, it presents quantitative descriptions of large amount of data in a manageable form that helps to simplify it in a sensible way; it compares, explains, and evaluates data in order to generalize meaningful results to enrich knowledge in the field of the research. (Trochim and Donnelly 2006)

This methodology reviews past studies to summarize the current knowledge in the area under investigation and to identify strengths and weaknesses in order to eliminate the potential threats, whilst bringing to the fore the potential opportunities. In addition, to predict the outcomes of the research in the coming stage.

4.3 Research Population and Sample

The population of the current research consist of staff working in the middle and senior management levels as they have comprehensive awareness and understanding of the CSR activities implemented by the bank. The research covers the mentioned staffs in five banks distributed in the territory of the Palestinian National Authority (The West Bank and The Gaza Strip); Bank of Palestine, Al Quds Bank, the National Bank, Palestine Investment Bank and the Palestinian Commercial Bank. The positions of the target staff vary between Director General, Director, Deputy Director and Head of department. Table (1.4) shows the numbers of these positions in the banks under research. The numbers of employees were retrieved by the researcher

from HR departments at the five banks during January 2016.

Table (1.4): Population of Research

#	Bank	Population No.
1	Bank of Palestine	180
2	Al Quds Bank	113
3	The National Bank	83
4	Palestine Investment Bank	30
5	The Palestinian Commercial Bank	20
Total		426

The research sample was randomly selected and composed of 202 employees from the middle and senior management levels in the five banks. The sample was calculated according to the following equation:

$$n^{\circ} = \frac{X^2 \times N^2 \times P \times (1 - P)}{(ME^2 \times (N - 1)) + (X^2 \times P \times (1 - P))}$$

Where:

$$n^{\circ} = \text{Sample size} = 202$$

$$X^2 = \text{The inverse Chi-squared distribution for the specified confidence level at 1 degree of freedom (Confidence=95\%)} = 3.842$$

$$N = \text{Population size} = 426$$

$$P = \text{Probability of success} = 0.5$$

$$ME = \text{Degree of accuracy/Margin of Error} = 0.05$$

After that, questionnaires were distributed to target banks employees with

a descriptive cover letter and were asked to fill out questionnaire. The distributed questionnaires equal 202, and 137 questionnaires fit for research were obtained. Therefore, the response rate of questionnaires is equal to 67.82 %. The remained questionnaires were eliminated because of incomplete information and invalidity.

4.4 Data collection sources

4.4.1 Secondary Data

A range of secondary data were reviewed, including banks' reports, manuals and booklets. In addition, the researcher reviews some of the banks' strategic plans and practices.

Furthermore, many textbooks, journals, academic theses, internet websites and other literature in the field of CSR practices were reviewed and used in this research.

Additional information about each bank were retrieved from the banks' websites and manuals.

4.4.2 Primary Data

- **Qualitative part:** two unstructured were conducted to obtain precise details to form the problem statement.
- **Quantitative part:** a questionnaire including 60 questions was used to get the quantitative data.

4.5 Questionnaire Design and Content

A survey questionnaire was designed to collect the research's primary data. The questionnaire included close- ended questions to facilitate the data collection process. The questionnaire was designed based on the research questions, objectives, hypotheses, variables, and the literature framework with coordinating with the experts.

a questionnaire was designed in the English language (Appendix A), with Arabic version attached in (Appendix B).

The questionnaire was provided with a covering letter which explained the purpose of the study, the way of responding, the aim of the research and the security of the information in order to encourage high response.

The questionnaire composed of two main parts to accomplish the aim of the research, as follows:

1. The first part: contained Personal Information about the population in the targeted banks and contain (9) questions.
2. The second part: consist from seven main fields about awareness and practice of corporate social responsibility (CSR) in achieving competitive advantage where it includes seven parts that are:
 - a. The first section is about management concern towards employees, it includes (7) questions.
 - b. The second section is about management concern towards their clients, it includes (7) questions.
 - c. The third section is about Helping community and solving societal problems, it includes (6) questions.
 - d. The forth section is about management concern dealing with Fair Competition, it includes (8) questions.
 - e. The fifth section is about management Concern for Environment, it includes (7) questions.
 - f. The sixth section is about Contribution to Governmental Development Plans, it includes (6) questions.
 - g. The seventh is section is about achieving the competitive advantage between rivals by contributing in CSR activities, and it include (10) questions.

4.6 Data Measurement Scale

Measurement scales refer to ways in which data are defined and categorized. Each scale of measurement has certain properties that in turn determines the appropriateness for use of certain statistical analysis methods (Kieiss and Green 2009). The four scales of measurement are nominal, ordinal, interval, and ratio. In this research, ordinal scale is used.

Likert-type scale used in this research is 1 to 10 scale; with one being no extent of CSR awareness and practice and ten being high extent of awareness and practice of CSR in achieving competitive advantage. Fundamentally, these scales do not represent a measurable quantity nor do they indicate that the intervals between scales are equal.

4.7 Statistical analysis Tools

The researcher used quantitative data analysis method utilizing “SPSSutilized the following statistical tools:

- 1) Kolmogorov-Smirnov test of Normality.
- 2) Pearson Correlation Coefficient for Validity.
- 3) Cronbach's Alpha for Reliability Statistics.
- 4) Frequency and Descriptive analysis.
- 5) Parametric Tests (One-sample T test, Independent Samples Variance).

4.7.1 One-sample

T test is used to determine if the mean of a paragraph is significantly different from a hypothesized value 6. If the P-value (Sig.) is smaller than or equal to the level of significance, then the mean of a paragraph is significantly different from a hypothesized value 6. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 6. On the other hand, if the P-value (Sig.) is greater than the level of significance, then the mean of the paragraph is insignificantly different from a hypothesized value 6.

4.7.2 Independent Samples

T-test is used to examine if there is a statistical significant difference between two means among the respondents toward the extent of awareness and practice of CSR in achieving competitive advantage.

4.7.3 The One-Way Analysis of Variance (ANOVA)

ANOVA is used to examine if there is a statistical significant difference between several means among the respondents toward the extent of awareness and practice of CSR in achieving competitive advantage due to (Workplace, Gender, Age, Academic level, Years of Experience in the Current Position, Years of Experience in Banking Sector, Current Position, The Bank Follow a Code of Conduct, The Bank Discloses his Corporate Social Responsibility (CSR).

4.8 Test of Normality

The One-Sample Kolmogorov-Smirnov test procedure compares the observed

cumulative distribution function for a variable with a specified theoretical distribution, which may be normal, uniform, Poisson, or exponential. The Kolmogorov-Smirnov is computed from the largest difference (in absolute value) between the observed and theoretical cumulative distribution functions. This goodness-of-fit test tests whether the observations could reasonably have come from the specified distribution. Many parametric tests require normally distributed variables. The one-sample Kolmogorov-Smirnov test can be used to test that a variable of interest is normally distributed (Henry and Thode 2002).

Table (2.4) shows the results for Kolmogorov-Smirnov test of normality. From this table, the p-value for each variable is greater than 0.05 level of significance, which means that the distributions for these variables are normally distributed. Consequently, parametric tests should be used to perform the statistical data analysis.

Table (2.4): Results for Kolmogorov-Smirnov Test of Normality

Section		Kolmogorov-Smirnov	
		Statistic	P-value
1	Taking Care of Employees.	0.513	0.832
2	Taking care of clients.	0.542	0.982
3	Helping community and solving societal problems.	0.635	0.963
4	Fair Competition.	0.631	0.964
5	Concern for Environment.	0.625	0.975
6	Contribution to Governmental Development Plans.	0.536	0.841
7	Competitive advantage	0.642	0.628
All Sections		0.589	0.883

4.9 Validity of the Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. (Pilot et al., 2002). Validity has a number of different aspects and

assessment approaches. Statistical validity is used to evaluate instrument validity, which include internal validity and structure validity.

To ensure validity of the questionnaire, expert validity and to two statistical tests were applied. First test is *Criterion-related validity test (Pearson test)* which measures the correlation coefficient between each paragraph in one field and the whole field. Second test is *Structure validity test (Pearson test)* that tests the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of similar scale.

4.9.1 Expert Validity

In order to ensure high level of reliability for the developed tool, it is important to review this tool to ensure its relevance to the main aim of the research and to identify any the potential problems with the questions.

The first draft of questionnaire was reviewed by a number of referees (**Check Appendix C**) on both academic and professional levels from people who have had long-time experience in the field of the research. The feedback was received and taken into consideration when finalizing the final draft of the questionnaire.

4.9.2 Internal Validity

Internal validity is the first statistical test that used to test the validity of the questionnaire. It is measured the correlation coefficients between each paragraph in one field and the whole field. Table (3.4) shows the correlation coefficient for each paragraph of the first section “**Taking Care of Employees**” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (3.4): The Correlation Coefficient for “Taking Care of Employees”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank organizes training courses to improve employees' capacity and efficiency.	0.624	0.001*
2.	The bank ensures safe and healthy working conditions for all employees.	0.821	0.000*
3.	The bank has a fair and just pay system.	0.588	0.001*
4.	The bank has a satisfactory pension scheme.	0.801	0.000*
5.	The bank has a satisfactory health insurance.	0.854	0.000*
6.	The bank applies a fair promotion and incentive system and policy.	0.9	0.000*
7.	The bank staff participate in external volunteer activities concerning corporate social responsibility.	0.83	0.000*

*** Correlation is significant at the 0.05 level**

Table (4.4) shows the correlation coefficient for each paragraph of the second section “Taking care of clients” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (4.4): The Correlation Coefficient for “Taking care of clients”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank branches are around the country so that clients can access bank services easily and conveniently.	0.734	0.005*
2.	The bank considers clients’ suggestions and complaints.	0.502	0.000*
3.	The bank ensures providing its services with high quality.	0.701	0.000*
4.	The bank ensures creating place to receive clients comfortably and appropriately in terms of heating, air conditioning, lighting etc.	0.81	0.001*
5.	The bank provides the necessary information to its clients and deal with them transparently.	0.744	0.000*
6.	The bank take into account providing services for all segments and strata of community, especially for low-income people.	0.712	0.000*
7.	Employees interact with clients gently during working hours.	0.569	0.000*

*** Correlation is significant at the 0.05 level**

Table (5.4) shows the correlation coefficient for each paragraph of the third section “**Helping community and solving societal problems**” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (5.4): the correlation coefficient for “Helping community and solving societal problems”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank regularly donates and provides services for the community.	0.684	0.008*
2.	The bank provides scholarships for needy students.	0.654	0.000*
3.	The bank sponsors the institutions that provide free health services for the community.	0.596	0.001*
4.	The bank employs people with special needs.	0.836	0.000*
5.	The bank donates for charities.	0.71	0.000*
6.	The bank supports and stimulates the national economy through supporting small and medium enterprises.	0.711	0.000*

*** Correlation is significant at the 0.05 level**

Table (6.4) shows the correlation coefficient for each paragraph of the fourth section “**Fair Competition**” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (6.4): The Correlation Coefficient for “Fair Competition”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank investigate competitors.	0.56	0.000*
2.	The bank takes the principle of fair competition into account.	0.652	0.002*
3.	The bank gives importance to the cost of services provided by competitive commercial banks.	0.664	0.007*
4.	The bank attracts clients form other banks in a fair manner.	0.734	0.001*
5.	The bank discloses its information to the others in a safe and credible manner.	0.519	0.003*
6.	Then bank corporates with other banks to achieve public objectives.	0.534	0.000*
7.	The bank contributes in developing other banks.	0.558	0.000*
8.	The bank considers developing the services provided to clients in proportion to what competitors offer.	0.523	0.000*

*** Correlation is significant at the 0.05 level**

Table (7.4) shows the correlation coefficient for each paragraph of the fifth section “Concern for Environment” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (7.4): The Correlation Coefficient for “Concern for Environment”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank considers environmental sides when providing services and carry out its activities.	0.478	0.002*
2.	The bank conduct activities and provide services that encourage concern for environment.	0.597	0.000*
3.	The bank give importance to increasing green space, beautifying and reforesting the country.	0.677	0.000*
4.	The bank implements and participate in environmental protection and pollution reduction programs.	0.743	0.003*
5.	The bank helps and supports institutions that deal with environment.	0.529	0.000*
6.	The bank invests in projects that produce eco-friendly products.	0.557	0.000*
7.	The bank funds eco-friendly projects.	0.567	0.007*

*** Correlation is significant at the 0.05 level**

Table (8.4) shows the correlation coefficient for each paragraph of the sixth section “**Contribution to Governmental Development Plans**” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (8.4): The Correlation Coefficient for “Contribution to Governmental Development Plans”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank cooperate with the public sector to handle the community challenges such as poverty, employment etc.	0.598	0.000*
2.	The bank is committed to the legislations and rules issued by government.	0.616	0.007*
3.	The bank pays the financial benefits, taxes and other fees in a timely manner.	0.577	0.001*
4.	The bank contributes in supporting public sector intuitions that care for children, youth and sport.	0.716	0.003*
5.	The bank, in conjunction with governmental institutions like Ministry of Social Affairs, provide financial aids for poor families.	0.543	0.001*
6.	The bank provides financial support for the health sector.	0.577	0.000*

*** Correlation is significant at the 0.05 level**

Table (9.4) shows the correlation coefficient for each paragraph of the seventh section “**Competitive advantage**” and the total of the corresponding section. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at $\alpha = 0.05$, so it can be said that all paragraphs of this field are consistent and valid to be measure what they were set for.

Table (9.4): The Correlation Coefficient for “Competitive advantage”

#	Statement	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank applies a strategic plan.	0.587	0.001*
2.	The bank provides services at high quality.	0.486	0.008*
3.	The bank provides low-cost services with high quality specifications.	0.718	0.001*
4.	The bank is working on building a distinctive brand.	0.446	0.008*
5.	Bank reputation is distinctive if compared to other commercial banks.	0.527	0.001*
6.	The bank adoption of CSR is a competitive advantage that distinguish it from other banks.	0.732	0.000*
7.	The bank achieves profit consistently and continuously (year after year).	0.688	0.007*
8.	The bank achieves increasing market share (year after year).	0.643	0.001*
9.	The bank dedicates a special unit to contact with clients and to get their opinions about the quality of services provided.	0.773	0.000*
10.	The bank works regularly to utilize modern techniques that boost the work progress.	0.456	0.001*

* Correlation is significant at the 0.05 level

4.9.3 Structure Validity of the Questionnaire

Structure validity is the second statistical test used to test the validity of the questionnaire structure by testing the validity of each section and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of Likert scale.

Table (10.4) clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to measure what they were set for to achieve the main aim of the research.

Table (10.4): The Correlation Coefficient for Each Field and the whole Questionnaire.

Section		Pearson Correlation Coefficient	P-Value(Sig.)
1	Taking Care of Employees.	0.713	0.000*
2	Taking care of clients.	0.787	0.000*
3	Helping community and solving societal problems.	0.854	0.000*
4	Fair Competition.	0.967	0.000*
5	Concern for Environment.	0.992	0.000*
6	Contribution to Governmental Development Plans.	0.791	0.000*
7	Competitive advantage	0.834	0.000*

*** Correlation is significant at the 0.05 level**

4.9.4 Cronbach's Coefficient Alpha

Cronbach's coefficient alpha is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire and whether all items within the instrument measure the same thing. The normal range of Cronbach's coefficient alpha value between 0.0 and +1.0, and the higher values reflects a higher degree of internal consistency.

The Cronbach's coefficient alpha was calculated for each section of the questionnaire.

Table (11.4) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the seven sections, values of Cronbach's Alpha varied in the range from 0.893 and 0.949. This range is considered high; therefore, the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.946 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table (11.4): The Values of Cronbach's Alpha for Each Field of the questionnaire and the Entire Questionnaire

Section		Cronbach's Alpha
1	Taking Care of Employees.	0.893
2	Taking care of clients.	0.854
3	Helping community and solving societal problems.	0.889
4	Fair Competition.	0.987
5	Concern for Environment.	0.849
6	Contribution to Governmental Development Plans.	0.878
7	Competitive advantage	0.949
All Sectors		0.899

Thereby, it could be said that the researcher proved that the questionnaire was valid, reliable and ready for distribution among the population of the study.

Chapter Five:
Data Analysis, Interpretation
and Hypotheses Testing

5.1 Introduction

In this chapter, results of the study have been analyzed, explained, discussed and compared to the results of previous studies in order to assessing the extent of awareness and practice of corporate social responsibility (CSR) in achieving competitive advantage in commercial banks working in Palestine. The analytical descriptive method has been used to analyze and describe the findings of the study. The main questions and the hypotheses of the study have been tested as well.

5.2 Personal Traits

5.2.1 Workplace

Table (1.5) shows the distribution of respondents in the Gaza Strip and West bank. The percentage of respondents in the Gaza Strip is 47.4%, while the remaining 52.6% are from the West Bank.

Table (1.5): Distribution of the Respondents' Workplace

Workplace	Frequency	Percentage %
Gaza Strip	65	47.4
West Bank	72	52.6
Total	137	100.0

The researcher managed to target a bigger number of banks' employees from the West Bank, that's justified because the numbers of employees in the west bank bigger compared with in the Gaza Strip. According to the annual reports of the BOP the nearly 60% of the employees were in the West Bank at the end of 2015. Also, at the Quds Bank there were 22 branches in the West Bank in return 5 in Gaza Strip by the end of 2013. PCB and the investment bank only have one branch in Gaza Strip, and there are No branches for TNB in Gaza Strip.

5.2.2 Gender

Table (2.5): Distribution of Respondents' Gender

Gender	Frequency	Percentage %
Male	95	69.3
Female	42	30.7
Total	137	100.0

Table (2.5) shows that the majority of respondents are males and represents 69.3% of the study population. This percentage is attributed to the bank's work nature which require long and pressured work hours which suitable more for male. In addition the numbers of male employees are way more than female, for example, according to the annual report of BOP the percentage of female employees reach to 26% by the end of 2014.

5.2.3 Age

Table (3.5): Distribution of Respondents' Age

Age	Frequency	Percentage %
Less than 30	41	29.9
30 to less than 40	63	46.0
40 to less than 50	28	20.4
More than 50	5	3.6
Total	137	100.0

Table (3.5) shows that 76% are less than 40 years old, which represent the youth category, and 24% are more than 40 years. This indicates to how much these banks are interested in employing the young age because the banking sector growing continuously and need employees who are active and have energy to improve

themselves and the to be active in enroll in social work which care about environment and youth. While the old employees been in the top level to give their experience to the younger employees and to enhance their skills. Also younger employees usually nominated to engage in social work especially which care about environment, youth and which care in special needs persons.

5.2.4 Education level

Table (4.5) shows the educational level of respondents.

Table (4.5): Distribution of Educational Level.

Academic level	Frequency	Percentage %
Diploma or Below	3	2.2
Bachelor	110	80.3
Master	23	16.8
PhD	1	.7
Total	137	100.0

Through the results, it is clear that the great majority of banks' employees are bachelor holders and above. This result is attributed to the bank's work nature where qualified personnel are needed to fulfill the bank operations, and to be able to perform their work effectively. It also noted that 0.7% of the respondent holds a PhD degree, this little percentage show that working in banks not require PhDs degree. While 16.8% of the respondents hold a master degree; this reflects the extent of managers' interest in developing their knowledge and performance. Simultaneously. Many respondents seek to have high level of education but they haven't time because their work pressure and long hours spending at work.

5.2.5 Years of Experience in the Current Position

Table (5.5): Years of Experience.

Years	Frequency	Percentage %
Less than 5	33	24.1
5 to less than 10	47	34.3
10 to less than 15	36	26.3
More than 15	21	15.3
Total	137	100.0

Table (5.5) shows that 58.4% of the respondents have less than 10 year experience in this position, and 41.6% of the respondents have 10 years of experience and more in the current position. 24.1% of the respondents are less than 5-year experience and that match with the BOP policies which interested on new graduated employees. Also the variety of the percentage refer to the year of establish the banks, as BOP was establish from 1960 while TNB established in 2005, in addition to the employees' turnover which lead to not to stay in the same position for long time .

5.2.6 Years of Experience in Banking Sector

Table (6.5): Years of Experience in Banking Sector.

Years	Frequency	Percentage %
Less than 5	29	21.2
5 to less than 10	40	29.2
10 to less than 15	40	29.2
More than 15	28	20.4
Total	137	100.0

Table (6.5) shows that the majority of bank employees are with experience higher

than 5 years since banks' work require experienced staff to accomplish their multipart tasks flawlessly. And that result is close to the last result (years of experience in the current position) and for the same result.

5.2.7 Position

Table (7.5) shows the current position of respondents.

Table (7.5): Current Position of Respondents.

Years	Frequency	Percentage %
Head of Department	92	67.2
Deputy Director	20	14.6
Director	24	17.5
Director-General	1	.7
Total	137	100.0

The study population includes employees from middle and senior managerial levels only. 76.2% of the respondents are head of department, while 22.8% of the respondents are employed at the high management levels. Top management usually has more experience and knowledge about CSR activities and how it effect on the bank performance. The small percentage of Director–General which is 0.7% refers to the busy business schedule of them and the researchers cannot reach the questionnaire to them.

5.3 Code of Conduct.

Table (8.5): The Bank Follow a Code of Conduct

Answer	Frequency	Percentage %
Yes	107	78.1
No	30	21.9
Total	137	100.0

Table (8.5) shows that most of the respondent, which are 78.1%, said that their bank follow the code of conduct, and according to the conducted interviews all the Palestinian commercial banks have code of conduct but not all the employees know about it, that's why 21.9% said No.

5.4 Bank Disclosure of CSR

Table (9.5): Bank Disclosures of its CSR

Answer	Frequency	Percentage %
Yes	123	89.8
No	14	10.2
Total	137	100.0

Table (9.5) shows that the great majority of banks disclose information on CSR activities, and that's match with the literature framework which has a brief summary of the CSR activities for each bank except the Palestine Commercial Bank PCB that had a very business and financial problems led their management to integrate with the BOP.

5.5 Questions of Study

The main question of the study is: **To what extent the corporate social responsibility strategies are used in achieving competitive advantage in the commercial banks working in Palestine.**

To answer this main question, p-value was measured the opinion of the respondent in the content of the sentences are neutral (p- value is greater than 0.05) or the opinion of the respondent in the content of the sentences are negative (weight mean less than "60%" and the p-value less than 0.05)

5.5.1 Taking care of employees

Table No. (10.5) show the following results:

- The mean of paragraph #1 "The bank organizes training courses to improve employees' capacity and efficiency" equals 8.18 (81.8%) and the P-Value =

0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.

- The mean of paragraph #4 “The bank has a satisfactory pension scheme.” equals 6.52 (65.2%) and the P-Value 0.00 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of all field “**Taking Care of Employees**” equals 72.7 (72.7%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this field is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field “**Taking Care of Employees**”.

Table (10.5): Means and P-Values for “Taking care of employees”

#	Taking Care of Employees	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank organizes training courses to improve employees’ capacity and efficiency.	8.18	1.86	81.8	0.000*	1
2	The bank ensures safe and healthy working conditions for all employees.	7.99	1.99	79.9	0.000*	2
3	The bank has a fair and just pay system.	6.88	2.23	68.8	0.000*	5
4	The bank has a satisfactory pension scheme.	6.52	2.74	65.2	0.000*	7
5	The bank has a satisfactory health insurance.	7.81	2.06	78.1	0.000*	3

#	Taking Care of Employees	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
6	The bank applies a fair promotion and incentive system and policy.	6.63	2.35	66.3	0.000*	6
7	The bank staff participates in external volunteer activities concerning corporate social responsibility.	6.90	2.14	69.0	0.000*	4
All Paragraphs of the Field		7.27	1.63	72.7	0.000	

***The mean is significantly different from 6**

- Always the banks planed constantly working on developing the skills and capabilities of the bank's staff, this come through attending seminars, training courses inside and outside Palestine, and keeping them to up to date with the legal regulation that control the banking operations.
- In addition, banks guarantee good insurance system for their employees, by contract with insurance companies to receive the best health services for them and for their families. While, the pension scheme result does not match the governmental plan for social security system, because each bank has its own pension plan – annual additional month salary; however, if the government provides clear system for private sector, all banks will follow as the managers stated during interviews.
- Through the interviews, it can be stated that the banks encourage their employees to contribute in social activities, specially which concern about environment, children and youth, and helping needy people (especially in Gaza after the wars), to keep the bank in touch with the people
- The results are similar to the results of evaluating CSR in the ICT sector (Hemaid, 2009), which revealed that the ICT sector has a big role in developing the Palestinian society by practicing the social programs toward the employees. In addition, this is agree with the study (Qaryouty et al.)Of Zain firm in Jordan,

which prove that, there is a significant effect on the employees’ focus of achieving the competitive advantage.

5.5.2 Focus on client.

Table No. (11.5) show the following results:

- The mean of paragraph #2 “The bank considers clients’ suggestions and complaints” equals 8.30 (83%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of paragraph #6 “The bank take into account providing services for all segments and strata of community, especially for low-income people.” equals 8.05 (80.5%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.

Table (11.5): Means and P-Values for “Focus on client”.

#	Taking care of clients	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank branches are around the country so that clients can access bank services easily and conveniently.	8.23	1.99	82.3	0.000*	3
2	The bank considers clients’ suggestions and complaints.	8.30	1.90	83.0	0.000*	1
3	The bank ensures providing its services with high quality.	8.23	1.86	82.3	0.000*	4

#	Taking care of clients	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
4	The bank ensures creating place to receive clients comfortably and appropriately in terms of heating, air conditioning, lighting etc.	8.12	1.72	81.2	0.000*	5
5	The bank provides the necessary information to its clients and deal with them transparently.	8.24	1.76	82.4	0.000*	2
6	The bank take into account providing services for all segments and strata of community, especially for low-income people.	8.05	1.93	80.5	0.000*	7
7	Employees interact with clients gently during working hours.	8.09	1.90	80.9	0.000*	6
All Paragraphs of the Field		8.18	1.56	81.8	0.000	

***The mean is significantly different from 6**

- The mean of the field “**focus on clients**” equals 8.18 (81.8%), and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field “**focus on clients**”.
- Based on the answer of the participants, it can be stated that a convenient places and qualified staff are always available to the client services, and the services are available on everywhere, through branches and any time through SMS, applications on the smart phone. In addition, management of the banks has high responsibility to the services offered and care about the client point of view toward these services.
- This proves that the banks separate their branches all around the countries so the client can access easily and get the services, and offer their services to all community segments. Moreover, the Palestinian commercial banks create new

services to meet the need of the clients and to keep up with the technology, such as offering the internet banking to enable the clients to pay their different bills and university fees, and make transaction for their accounts.

- The banks' employees trained and qualified to treat with the client from the different social segments.
- These results are in line with (El-Garaihy et al., 2014) that showed there is direct relation between the customer satisfaction and achieve the competitive advantage. The result also agree with results of (Adegbola, 2014) which concluded that CSR in the marketing plan can achieve a happy and loyal customers in some organization. And disagree with (Bettaglia et al., 2014) and (Linka and Jiri 2014).

5.5.3 Solving social problems.

Table No. (12.5) show the following results:

- The mean of paragraph #1 "The bank regularly donates and provides services for the community." equals 8.06 (80.6%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- While the mean of paragraph #4 "The bank employs people with special needs." equals 6.82 (68.2%) and the P-Value 0.00 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, this shows that the respondents have agreed to this paragraph.
- The mean of the field "**Solving social problems**" equals 7.39 (73.9%), and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field "**Solving social problems**".

Table (12.5): Means and P-Values for “Solving social problems.”

#	Helping community and solving societal problems	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank regularly donates and provides services for the community.	8.06	1.95	80.6	0.000*	1
2	The bank provides scholarships for needy students.	7.02	2.23	70.2	0.000*	5
3	The bank sponsors the institutions that provide free health services for the community.	7.31	2.08	73.1	0.000*	3
4	The bank employs people with special needs.	6.82	2.58	68.2	0.000*	6
5	The bank donates for charities.	7.16	2.31	71.6	0.000*	4
6	The bank supports and stimulates the national economy through supporting small and medium enterprises.	7.99	1.92	79.9	0.000*	2
All Paragraphs of the Field		7.39	1.73	73.9	0.000	

***The mean is significantly different from 6**

- Based on the answer of the respondents, it can be stated that the commercial banks make donation to support a various activities in the field of health and education, helping needy persons, and charities.
- Moreover, banks developed their sustainable strategies to meet the challenge and need for the society and community, and that come from their believe that “doing good” banks can be influential contributors to economic and social progress.
- In addition, the commercial banks in Palestine focus on financing and supporting the small and medium enterprises (SMEs), considering they are the energy of growth in Palestine, helping the society to reduce the unemployment percentage and to increase the labor force.
- This result agrees with (Eid and Sabella, 2014) study, which shows that the NGOs-business partnership could be formed to serve and satisfy the community,

and (El Bedawy and Shawky, 2013) study which concluded that CSR create value for society and this value come to support the competitive advantage.

5.5.4 Fair competition.

Table No. (13.5) show the following results:

- The mean of paragraph #5 “The bank discloses its information to the others in a safe and credible manner.” equals 8.35 (83.5%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of paragraph #7 “The bank contributes in developing other banks” equals 6.88 (68.8%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.000$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of the field “**Fair Competition**” equals 7.97 (79.7%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.000$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field “**Fair Competition**”.

Table (13.5): Means and P-Values for “Fair competition”

#	Fair Competition	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank investigate competitors.	8.35	1.67	83.5	0.000*	2
2	The bank takes the principle of fair competition into account.	8.19	1.84	81.9	0.000*	4

#	Fair Competition	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
3	The bank gives importance to the cost of services provided by competitive commercial banks.	8.07	1.84	80.7	0.000*	6
4	The bank attracts clients form other banks in a fair manner.	8.11	1.97	81.1	0.000*	5
5	The bank discloses its information to the others in a safe and credible manner.	8.35	1.71	83.5	0.000*	1
6	The bank cooperates with other banks to achieve public objectives.	7.55	1.97	75.5	0.000*	7
7	The bank contributes in developing other banks.	6.88	2.25	68.8	0.000*	8
8	The bank considers developing the services provided to clients in proportion to what competitors offer.	8.27	1.78	82.7	0.000*	3
All Paragraphs of the Field		7.97	1.48	79.7	0.000	

***The mean is significantly different from 6**

- This illustrate that the banks disclose their activities, budget, net profits, growth rate, and other information in the annual reports.
- It was clear through the interviews that the relationship between banks competitive rather than cooperative relationship.
- This result are similar to (Qaryouty et al., 2013) which showed that fair completion have positive effect on achieving the competitive advantage

5.5.5 Concern for environment.

Table No. (14.5) show the following results:

- The mean of paragraph #5 “The bank considers environmental sides when providing services and carry out its activities.” equals 7.78 (77.8%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of paragraph #6 “The bank invests in projects that produce eco-friendly products.” equals 7.11 (71.1%) and the P-Value = 0.000 which is greater than the level of significance $\alpha = 0.05$. The mean of this paragraph is not significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.

Table (14.5): Means and P-Values for “Concern for Environment”

#	Concern for Environment	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank considers environmental sides when providing services and carry out its activities.	7.78	2.01	77.8	0.000*	1
2	The bank conducts activities and provides services that encourage concern for environment.	7.35	2.32	73.5	0.000*	2
3	The bank gives importance to increasing green space, beautifying and reforesting the country.	7.31	2.16	73.1	0.000*	3

#	Concern for Environment	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
4	The bank implements and participate in environmental protection and pollution reduction programs.	7.12	2.20	71.2	0.000*	6
5	The bank helps and supports institutions that deal with environment.	7.26	2.09	72.6	0.000*	4
6	The bank invests in projects that produce eco-friendly products.	7.11	2.23	71.1	0.000*	7
7	The bank funds eco-friendly projects.	7.20	2.27	72.0	0.000*	5
All Paragraphs of the Field		7.30	1.89	73.0	0.000	

***The mean is significantly different from 6**

- The mean of the field “**Concern for Environment.**” equals 7.30 (73%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field “**Concern for Environment**”.
- The respondent also show a fine agree with environmental issues, by supporting activities and provide services that raising the concern of environment and give a big concern to raising the green space and make the area more beautiful and health. The bank activate the tools and mechanisms, and making decisions
- This means that businesses must activate and incorporate their mechanisms and tools for the social, economic and environmental development in their institutional culture and decision-making mechanism and within the framework of transparency and accountability.

- This proves that banks supported and donated for programs care about environment.
- This result agreed with (El Bedawy and Shawky, 2013) which spot the light CSR as a new strategy to achieve the competitive advantage, the study revealed that CSR create value for society and this value has positive reflection on environment and community, in addition to (Al Nsour, 2010) which showed that the CSR types have significant impact on competitive advantage, although the environmental type ranks as final type from three types (social, economic and environmental) affected on achieving the competitive advantage, and environmental priority which rank as a third priority in (Tafti et al., 2012) that assess the CSR according to the Islamic value.

5.5.6 Participation in governmental development plans.

Table No. (15.5) show the following results:

- The mean of paragraph #6 “The bank provides financial support for the health sector.” equals 7.15(71.5%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of the field “The bank provides financial support for the health sector.” equals 7.15(71.5%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph.
- The mean of paragraph #3 “**Participation in governmental development plans.**” equals 7.67 (76.7%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to the field “**Participation in governmental development plans**”.

Table (15.5): Means and P-Values for “Participation in governmental development plans”

#	Participation in Governmental Development Plans	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank cooperate with the public sector to handle the community challenges such as poverty, employment etc.	7.23	2.23	72.3	0.000*	4
2	The bank is committed to the legislations and rules issued by government.	8.31	1.93	83.1	0.000*	2
3	The bank pays the financial benefits, taxes and other fees in a timely manner.	8.39	2.01	83.9	0.000*	1
4	The bank contributes in supporting public sector intuitions that care for children, youth and sport.	7.72	2.05	77.2	0.000*	3
5	The bank, in conjunction with governmental institutions like Ministry of Social Affairs, provide financial aids for poor families.	7.20	2.21	72.0	0.000*	5
6	The bank provides financial support for the health sector.	7.15	2.26	71.5	0.000*	6
All Paragraphs of the Field		7.67	1.70	76.7	0.000	

***The mean is significantly different from 6**

- This proves that the bank committed to pay taxes and other fesses to the government and all in time

- The banks donate portion of their CSR budget to support the health sector, and sponsored sustainable programs and projects with the aim of supporting and improving the health sector in Palestine.
- That's agree with the (Popa, 2015) research which analyze the role of CSR initiatives in achieve the sustainable development, this study assure that when the company involve in the development plan, it can gain both benefits, social and business.

5.5.7 Competitive advantage

Table (16.5): Means and P-Values for “Competitive advantage”

#	Competitive advantage	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
1	The bank applies a strategic plan.	8.63	1.64	86.3	0.000*	1
2	The bank provides services at high quality.	8.38	1.71	83.8	0.000*	3
3	The bank provides low-cost services with high quality specifications.	7.99	1.65	79.9	0.000*	10
4	The bank is working on building a distinctive brand.	8.35	1.59	83.5	0.000*	5
5	Bank reputation is distinctive if compared to other commercial banks.	8.22	1.88	82.2	0.000*	7
6	The bank adoption of CSR is a competitive advantage that distinguish it from other banks.	8.16	1.74	81.6	0.000*	8
7	The bank achieves profit consistently and continuously (year after year).	8.42	1.64	84.2	0.000*	2

#	Competitive advantage	Mean	S.D	Proportional Mean %	P-Value (Sig.)	Rank
8	The bank achieves increasing market share (year after year).	8.35	1.85	83.5	0.000*	4
9	The bank dedicates a special unit to contact with clients and to get their opinions about the quality of services provided.	8.06	1.83	80.6	0.000*	9
10	The bank works regularly to utilize modern techniques that boost the work progress.	8.26	1.77	82.6	0.000*	6
All Paragraphs of the Field		8.28	1.39	82.8	0.000	

***The mean is significantly different from 6**

- The mean of paragraph #1 “The bank applies a strategic plan..” equals 8.63 (86.3%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph. This prove that the banks follow strategic plan ensure the achievement of the competitive advantage between rivals.
- The mean of paragraph #10 “The bank provides low-cost services with high quality specifications...” equals 7.99 (79.9%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized value 6, which means that the respondents have agreed to this paragraph. This proves that the cost is convenient of the quality of the services offered by the banks.
- The mean of all field “the competitive advantage.” equals 8.28 (82.8%) and the P-Value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The mean of this paragraph is significantly greater than the hypothesized

value 6, which means that the respondents have agreed to this paragraph. This proves that the banks achieve competitive advantage.

- Moreover, the respondents show a great agreement with the matters concerning growth and reputation, which ensure that the banks achieve growth year after year. In addition, this is clear through the annual financial reports issued by the banks. Many banks, like Bank of Palestine and the National Bank publish their growth rates and earnings through public ads and stickers.
- The results agree with study results of (El-Garaihy et al. 2014) which tackles the impact of CSR practices on competitive advantage, which found that there is positive strong direct relationship between CSR and competitive advantage with the direct mediating role of customer satisfaction and indirect role of corporate reputation. Similarly, the results are similar to the (Qaryouty et al., 2013) study in Zain telecommunication firm in Jordan; there is a positive effect of social activities on achieving the competitive advantage. (El Bedawy and Shawky, 2013) showed that CSR create value for society, and this value come to support the company's competitive advantage. In addition to (Al Nsour, 2010), (Saeed and Arshad, 2012) and (Militaru and Ionescu, 2006) found that there is significant impact and positive relationship of CSR on achieving the competitive advantage.
- While (Quairel-Lanoizelee, 2011) found a large gap in economic view and CSR view, because CSR cannot exist for the lack of sufficient demand. Also the competitive advantage obtained by CSR strategy is weak even if the stakeholders' expectation for social responsible practices is strong. In addition to (Adegbola, 2014) found in some organization has the view that social responsibility is just wasting of time and resources, and the profit maximization of the company can fulfill all other responsibility.

5.6 Summary of Study Questions

Table (17.5) shows the Means and Standard Deviation for the seven fields of the study:

Table (17.5): Means and Standard Deviation for the seven fields of the study

#	Competitive advantage	Mean	Std. Deviation	Percent %
1	Taking Care of Employees	7.27	1.63	72.7
2	Taking care of clients	8.18	1.56	81.8
3	Helping community and solving societal problems	7.39	1.73	73.9
4	Fair Competition	7.97	1.48	79.7
5	Concern for Environment	7.30	1.89	73.0
6	Contribution to Governmental Development Plans	7.67	1.70	76.7
7	Competitive advantage	8.28	1.39	82.8
All Fields		7.72	1.62	77.22

Table No. (29) shows that the proportion mean for all fields equal (77.22%) which is greater than 60%, *Which mean that there pretty high perceptions of awareness and practice of corporate social responsibility (CSR) in achieving competitive advantage in commercial banks working in Palestine*

This table gives a focus view on the components of CSR in Palestinian commercial banks and the proportional ratios for each section of the questionnaire; it reveals that the respondents show concern toward taking care of employees 72.7%, this show how management concerns about the employees satisfaction, and concerns about taking care of client 81.8% , this show how they focus on the customer loyalty, which is consider high, and toward helping community and solving societal problems 73.9%, toward Fair Competition with 79.7%, where toward Concern for Environment73.0%, and the final section Contribution to Governmental Development Plans 76.7%.

This proves that CSR initiatives become an increasable priority for every bank, and dealing with the social responsibility in different way (Taking Care of Employees Taking care of clients, Helping community and solving societal problems, Fair Competition, Concern for Environment, and Contribution to Governmental Development Plans) and perceiving it as opportunity more than cost or constrain can lead to achieve business goals and sustainable competitive advantage.

5.7 Hypotheses Testing

To test the hypothesis Pearson test was used to measure the correlation coefficient between the corporate social responsibility perception and the competitive advantage in the commercial bank working in Palestine. Following is the result:

H₁: There is a statistical effect significant at level 0.05 of employee focus on achieving competitive advantage.

According to Correlations test, results showed in the table No. (18.5), the researcher find that the sig value is less than 0.05, that means “**There is a statistical significant effect at level 0.05 of employees’ focus on achieving competitive advantage**”.

These results verify the positive relationship between tow variable, which mean increasing care of employees on achieving competitive advantage by 68%.

Table (18.5): Correlation between Taking Care of Employees and Competitive Advantage.

Correlations		Competitive advantage
Taking Care of Employees	Pearson Correlation	.680**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed).**

According to the interviews, it can be stated that the Palestinian commercial banks are aware of the fact that its sustainable growth depends on developing and training

its employees; it does not spare any efforts in investments directed at building, developing and enhancing the capacities of its employees, every year they launch a numerous training courses in order to enable the employees' capacities. In addition, banks have special and honest policy in recruitment, intensives and promotions lack of bias or discrimination according to PMA instructions and regulation.

The Banks also works on encouraging its employees to do voluntary work within the developmental projects and humanitarian initiatives.

On the other hand, the employees of private sector generally, the banking sector included, are not agree with the social security system)

The result agreed with the Palestinian study (Hemaid, 2009) which study the CSR perception at the ICT sector revealed that the managers have high perception level toward CSR and they have significant role in develop the Palestinian society by practicing social program toward employees. In addition to (Al-Bdour et al., 2010) that conducted in the banking sector in Jordan that says the internal CSR practices have significant positive impact of effective and normative commitment toward employees, and when the bank performing in ethical manner and the employees receive all of their right, economical and emotional rights, the employees in turn will obligate to repay the bank with the level of commitment.

H₂: There is a statistical significant effect at level 0.05 of clients' focus on achieving competitive advantage.

According to Correlations test, results showed in the table No. (19.5), the researcher finds that the sig value is less than 0.05, that means "**There is a statistical effect significant at level 0.05 of focus on client on achieving competitive advantage**"

These results verify the positive relationship between two variable, which mean increasing care of clients on achieving competitive advantage by 82.1%.

Table (19.5): Correlation between Taking Care of Clients and Competitive Advantage.

Correlations		Competitive advantage
Taking Care of clients	Pearson Correlation	.821**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed).**

The result agree with (Hemaid, 2009) that the practicing social programs toward employees have big role to achieve the Palestinian society development, also agree with the (El- Garaihy et al., 2014) reveled that there is positive direct relationship between the customer satisfaction, and indirect relationship of corporate reputation (through customer satisfaction) on achieving the competitive advantage. However, (Linka and Jiri, 2014) study measure the CSR in commercial banks in Czech Republic which find that customer satisfaction does not related to CSR initiatives, and the bank want to present themselves in the best way, so they do not publish any negative information about the customer satisfaction, and CSR activities are just a marketing tool for communication to the general public.

H₃: There is a statistical effect significant at level 0.05 of solving social problem on achieving competitive advantage.

According to Correlations test, results showed in the table No. (20.5), the researcher find that the sig value is less than 0.05, that means “**There is a statistical effect significant at level 0.05 of solving social problem on achieving competitive advantage.**”

These results verify the positive relationship between tow variable, which mean increasing care of clients on achieving competitive advantage by 65.2%.

Table (20.5): Correlation between Solving Social Problems and Competitive Advantage

Correlations		Competitive advantage
Solving social problems	Pearson Correlation	.652**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed).**

In 2014, Palestine witnessed difficult conditions, particularly in Gaza Strip due to the war that took the lives of 2,200 people, destroyed entire neighborhoods and damaged various enterprises, projects and other establishments, which pushed the Banks to take its national, social and economic responsibility and took the decision to increase its contributions to social responsibility in Gaza Strip, and Alleviation of the burden of the people

The result agreed with (Eid and Sabela, 2014) which show that privet sector can aid NGOs to meet promises toward society, and the business-NGOs partnership formed to serve and satisfy the community. In addition, (Qaryouti et al., 2013) which revealed that there is significant effect on solving social problems on competitive advantage. And (El Badawy and Shawky, 2013) which showed that CSR create value, and this value come up to support competitive advantage and serve the community.

H4: There is a statistical effect significant at level 0.05 of fair competition on achieving competitive advantage.

According to Correlations test, results showed in the table No. (21.5), the researcher find that the sig value is less than 0.05, that means **“There is a statistical effect significant at level 0.05 of fair competition on achieving competitive Advantage.”**

These results verify the positive relationship between tow variable, which mean increasing care of clients on achieving competitive advantage by 82%.

Table (21.5): Correlations between Fair Competition and Competitive Advantage

Correlations		Competitive advantage
fair competition	Pearson Correlation	.820**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed)**

This result verify the positive relation between tow variables, in the other side the relationship between each other in the banking sector in Palestine is competitive not cooperative relationship and this refer to each bank try to take most advantage from others.

This result are similar to (Qaryouty et al., 2013) which studied the role of CSR in achieving the competitive advantage in Zain telecommunication firm, showed that fair completion have positive effect on achieving the competitive advantage, and this refer because this the telecommunication sector and the banking sector have similar circumstances in achieving growing profits and widespread.

H5: There is a statistical effect significant at level 0.05 of interest in environment on achieving competitive advantage.

According to Correlations test, results showed in the table No. (22.5), the researcher find that the sig value is less than 0.05, that means **“There is a statistical effect significant at level 0.05 of interest in environment on achieving competitive advantage.**

These results verify the positive relationship between tow variable, which mean increasing participation on governmental development plans on achieving competitive advantage by 71.4%.

Table (22.5): Correlations between Interest in Environment and Competitive Advantage

Correlations		Competitive advantage
of interest in environment	Pearson Correlation	.714**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed).**

Items of this section reflect high level of concerns from the banks toward environment, most of times banks give big concerns to activities by sponsored activities car about planting and cleaning the cities, implementing project association with the municipalities to keep the cities clean.

This result agreed with (El Bedawy and Shawky, 2013) and (Al Nsour, 2010) which showed that CSR and interested in environmental issues can create value to the society and achieve the competitive advantage. And that's agreement comes because Egypt, Jordan and Palestine are, to some extent, have some social environment.

H₆: There is a statistical effect significant at level 0.05 of participation on governmental development plans on achieving competitive advantage.

According to Correlations test, results showed in the table No. (23.5), the researcher fined that the sig value is less than 0.05 that means **“There is a statistical effect significant at level 0.05 of participation on governmental development plans on achieving competitive advantage.”**

These results verify the positive relationship between tow variable, which mean increasing participation on governmental development plans on achieving competitive advantage by 76.6%

Table (23.5): Correlation between Participation in Governmental Development Plans and Competitive Advantage.

Correlations		Competitive advantage
participation on governmental development plans	Pearson Correlation	.766**
	Sig. (2-tailed)	.000
	N	137

**** Correlation is significant at the 0.01 level (2-tailed).**

In Palestine, because of unstable political and security situation, the government faces the unstable economic situation, the Palestinian banks work hard to create sustainable economy and society. So, in collaboration with the Palestinian ministries, the banks provide services and financial assistance, to handle the community challenges

Banks dedicate part of their annual profit to support development projects and social responsible activities of various sector including; education, youth and innovation, sports, humanitarian efforts and women empowerment.

This result agreed with the (Popa, 2015) when the company involve in development plan, it can gain benefits to both social and business.

Chapter Six:

Conclusion and

Recommendations

6.1 Introduction

The effectiveness and productivity of banks had always been of great concern to all managers and clients as well. Accordingly, many variables in organizational structure and system had been identified to evaluate the efficiency and effectiveness of management systems in organizations. These variables encompass a wider aspect of organizational life, such as tangible infrastructure, budgets and investments, and employee work attitudes (Moon, 2007). Banks are exploring new areas where they can develop infrastructure and better institutional climate for their employees and clients to sustain their profits in strong competition such as corporate social responsibility (CSR).

CSR has been touted as an effective management tool to strengthen the organizations' performance through a better image in stakeholder's mind and also because of their responsible behavior toward society and environment (Barnet and Salomon, 2006). Although CSR has been more prevalent in those organizations that are more exposed to environment and are more prone toward creating contamination, the interest in using CSR as a strategy is increasing in every type of business. Since the 1980s, there has been a series of reforms taking shape in the business, resulting from the increased awareness on the importance of quality management and business role toward society (Saeed and Arshad, 2012).

Through the collection of primary data from commercial banks in Palestine; this chapter summarizes the extent of awareness and practice of CSR in achieving competitive advantage.

6.2 Banks' Adoption of Social Responsibility Concept and Strategies

The current study showed that the main commercial banks working in Palestine adopt the CSR and are positively aware of its concept and strategies.

CSR helps the banks in achieving a competitive advantage where all target banks are working to practice CSR as much as they can through developing their internal strategies.

6.3 Banks' Benefits from CSR

During the interviews, the researcher asked the banks' employees – from middle and top management levels – about the benefits of the CSR, the answers whereas follow:

- It enables them to have positive impact in the community where it helps them to increase their share in the society and attract more clients.
- It supports public value outcomes where the bank's services enable others to contribute to the community, or directly through the organization's own activities, such as volunteerism and philanthropy.
- Banks' employees have the chance to contribute to work and causes that they might feel passionate about, or learn something entirely new, which can help enrich their own perspectives.
- It sustains the relationships with customers where a strong CSR framework is essential for building and maintaining trust between the company and clients. It can strengthen ties, build alliances and foster strong working relationships with both existing and new clients.

6.4 Research Hypotheses

Taking Care of Employees

- Through the results of study, it was clear that banks pay big attention to the employees' skills and capacity building through providing them with suitable training and helping them to attend seminars and conferences inside and outside Palestine.
- The bank provides a good health insurance scheme and pension plans for its employees to provide more comfortable working environment.
- The banks' management encourages and pushes their employees to participate in social activities and contribute to charity works. Moreover, the banks urge its employees to keep good relationships with community members.

Focus on client

The results of study have shown the following:

- The banks' management consider the clients complaints and suggestions and consider them a part of their CSR.
- The banks try their best to be transparent and to disclose their information to clients and community.
- The banks provide clear ads and booklets about their work and activities.
- The banks ensure high quality provided for its customers.
- The banks' branches are distributed in all regions of the country to make it easier for clients to access the banks' services easily.
- The Palestinian commercial banks create new services to meet the need of the clients and to keep up with the technology.
- The banks' employees trained and qualified to treat with the client from the different social segments.

Solving social problems

The results of study have shown the following:

- The banks make donation to support a various activities in the field of health and education, helping needy persons, and charities.
- The banks spare no effort to support the local economy.
- The banks try to sponsor the institutions that provide free health services for the community.
- Banks developed their sustainable strategies to meet the challenge and need for the society and community, and that come from their believe that "doing good" banks can be influential contributors to economic and social progress.

Fair competition

The results of study have shown the following:

- This shows that the banks disclose their activities, budget, net profits, growth rate, and other information in the annual reports.

- It was clear through the interviews that the relationship between banks competitive rather than cooperative relationship.

Concern for environment

The results of study have shown the following:

- The banks, to big extents, have concern about the environment issues when providing services.
- The banks contribute to the national projects that keep on environment.
- Participation in governmental development plans.

Contribution to Governmental Development Plans

The results of study have shown the following:

- The banks are highly committed to paying financial benefits, taxes and other fees.
- The banks follow regulation and governmental roles.
- The banks, to big extents, have concerns about supporting public sector institutions that care of health, children, youth and sport.

Competitive advantage

The results of study have shown the following:

The banks work so hard to maintain their competitive advantages through CSR by applying the following:

- Developing strategic plans that highly consider the competitive advantage requirements.
- Providing services with high quality.
- Raising employees' awareness of competitive advantages.
- Studying the competitors in Palestine.
- Providing unique services.
- Researching and studying the market and local economy.
- Issuing annual and semi-annual reports showing full details on bank financial data.

6.5 Study recommendations

Based on the findings and results of the research, the researcher recommends the following:

6.5.1 Recommendation concerns about employees:

- Banks are supposed to develop and improve employees' pension plans.
- Banks are supposed to reconsider and develop their promotion and incentive policies.
- Banks should encourage the employees to increase the volunteer actions concerning CSR.

6.5.2 Recommendations concerns about clients:

- Banks should reconsider the cost of services provided for their customers.
- Banks should improve their connections with clients, give, and heed their suggestions and complaints.

6.5.3 Recommendations concern about helping community and solving the social problems:

- Banks need to rethink their strategies regarding the services provided for people with low-income people.
- Banks should recruit and employees from people with special needs.
- Banks should increase the share allocated for supporting students from needy families.
- Banks should donate more for charities and to declare such donations for community.
- Banks are supposed to contribute to the health sector and nation-wide projects.

6.5.4 Recommendations about dealing with competitors:

- Banks should cooperate and coordinate with other banks to strengthen the connections between their employees.
- Banks should cooperate and work together to fulfill the public objectives.

6.5.5 Recommendations concern about environment:

- Banks should increase the share allocated for eco-friendly products and projects.
- Banks should put more effort to raise the public awareness of the importance of keeping environment clean and reduce pollution.

6.5.6 Recommendations concern about participation to the governmental development plans:

- Banks should network with governmental organizations to provide aids for poor families.
- Banks should increase their donation to support the health sector.

6.5.7 Recommendations concerns about achieving the competitive advantage:

- Banks should provide further training and instructions for their employees about competitive advantage and how to sustain it within the work environment.

6.6 Suggested Topics for Future Studies

The followings are suggested related topics that other researchers can be benefited from it:

- Studying the effect of the corporate social responsibility on the competitive advantage in other sectors i.e. insurance companies or other privet sectors.
- Studying the target from corporate social responsibility, even if it consider as a marketing tool or as a tool to achieve the sustainable development.

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(اعداد المقابلة : ريما الأشقر)

Appendix

Appendix (A): Questionnaire – English Version

Islamic University- Gaza
Dean of Postgraduates Studies
Faculty of Commerce
Business Administration Department



Questionnaire About

Assessing the Extent of Awareness and Practice of Corporate Social Responsibility (CSR) In Achieving Competitive Advantage

Case Study: Commercial Banks Working In Palestine

Dear Reader,

Greetings,

This questionnaire is a tool of collecting data in order to investigate the corporate social responsibility strategies role in achieving competitive advantage in the commercial banks working in Palestine, to be submitted in a partial fulfillment of the requirement for MBA degree. The Results of this questionnaire will be used for academic purposes only. The questionnaire is anonymous and does not require any personal details to be submitted.

Your participation in answering the questionnaire is highly appreciated to achieve the objectives of this research.

Thank You for Your Cooperation

Researcher:

Reema Mohamad El Ashqar

Part One: Personal Information

Please indicate your answer by putting the sign × in the appropriate place

1.	Workplace	<input type="checkbox"/> Westbank	<input type="checkbox"/> Gaza Strip
2.	Gender	<input type="checkbox"/> Female	<input type="checkbox"/> Male
3.	Age (Years)	<input type="checkbox"/> 40 to less than 50	<input type="checkbox"/> 30 to less than 40 <input type="checkbox"/> Less than 30
4.	Academic level	<input type="checkbox"/> PhD <input type="checkbox"/> Master <input type="checkbox"/> Bacheloar	<input type="checkbox"/> Diploma or Below
5.	Years of Experience in the Current Position	<input type="checkbox"/> More than 15 <input type="checkbox"/> 10 to less than 15 <input type="checkbox"/> 5 to less than 10 <input type="checkbox"/> Less than 5	
6.	Years of Experience in Banking Sector	<input type="checkbox"/> More than 15 <input type="checkbox"/> 10 to less than 15 <input type="checkbox"/> 5 to less than 10 <input type="checkbox"/> Less than 5	
7.	Curent Position	<input type="checkbox"/> Director-General <input type="checkbox"/> Director <input type="checkbox"/> Deputy Director <input type="checkbox"/> Head of Department	
8.	The Bank Follow a Code of Conduct	<input type="checkbox"/> No	<input type="checkbox"/> Yes
9.	The Bank Discloses his Corporate Social Responsibility (CSR)	<input type="checkbox"/> No	<input type="checkbox"/> Yes

Part Two: Questionnaire Paragraphs

Choose the number that reflects your answer (1= Strongly Disagree, 10= Strongly Agree)

First: Taking Care of Employees		
#	Statement	Response (1-10)
1.	The bank organizes training courses to improve employees' capacity and efficiency.	
2.	The bank ensures safe and healthy working conditions for all employees.	
3.	The bank has a fair and just pay system.	
4.	The bank has a satisfactory pension scheme.	
5.	The bank has a satisfactory health insurance.	
6.	The bank applies a fair promotion and incentive system and policy.	
7.	The bank staff participate in external volunteer activities concerning corporate social responsibility.	

Second: Taking care of clients		
#	Statement	Response (1-10)
1.	The bank branches are around the country so that clients can access bank services easily and conveniently.	
2.	The bank considers clients' suggestions and complaints.	

3.	The bank ensures providing its services with high quality.	
4.	The bank ensures creating place to receive clients comfortably and appropriately in terms of heating, air conditioning, lighting etc.	
5.	The bank provides the necessary information to its clients and deal with them transparently.	
6.	The bank take into account providing services for all segments and strata of community, especially for low-income people.	
7.	Employees interact with clients gently during working hours.	
Third: Helping community and solving societal problems.		
#	Statement	Response (1-10)
1.	The bank regularly donates and provides services for the community.	
2.	The bank provides scholarships for needy students.	
3.	The bank sponsors the institutions that provide free health services for the community.	
4.	The bank employs people with special needs.	
5.	The bank donates for charities.	
6.	The bank supports and stimulates the national economy through supporting small and medium enterprises.	

Fourth: Fair Competition		
#	Statement	Response (1-10)
1.	The bank investigate competitors.	
2.	The bank takes the principle of fair competition into account.	
3.	The bank gives importance to the cost of services provided by competitive commercial banks.	
4.	The bank attracts clients form other banks in a fair manner.	
5.	The bank discloses its information to the others in a safe and credible manner.	
6.	Then bank corporates with other banks to achieve public objectives.	
7.	The bank contributes in developing other banks.	
8.	The bank considers developing the services provided to clients in proportion to what competitors offer.	
Fifth: Concern for Environment		
#	Statement	Response (1-10)
1.	The bank considers environmental sides when providing services and carry out its activities.	
2.	The bank conduct activities and provide services that encourage concern for environment.	
3.	The bank give importance to increasing green space, beautifying and reforesting the country.	

4.	The bank implements and participate in environmental protection and pollution reduction programs.	
5.	The bank helps and supports institutions that deal with environment.	
6.	The bank invests in projects that produce eco-friendly products.	
7.	The bank funds eco-friendly projects.	
Sixth: Contribution to Governmental Development Plans		
#	Statement	Response (1-10)
1.	The bank cooperate with the public sector to handle the community challenges such as poverty, employment etc.	
2.	The bank is committed to the legislations and rules issued by government.	
3.	The bank pays the financial benefits, taxes and other fees in a timely manner.	
4.	The bank contributes in supporting public sector intuitions that care for children, youth and sport.	
5.	The bank, in conjunction with governmental institutions like Ministry of Social Affairs, provide financial aids for poor families.	
6.	The bank provides financial support for the health sector.	
Seventh: Competitive advantage		
Definition of competitive advantage: an action, condition or circumstance that puts a company in a favorable or superior business position.		
#	Statement	Response (1-10)
1.	The bank applies a strategic plan.	

2.	The bank provides services at high quality.	
3.	The bank provides low-cost services with high quality specifications.	
4.	The bank is working on building a distinctive brand.	
5.	Bank reputation is distinctive if compared to other commercial banks.	
6.	The bank adoption of CSR is a competitive advantage that distinguish it from other banks.	
7.	The bank achieves profit consistently and continuously (year after year).	
8.	The bank achieves increasing market share (year after year).	
9.	The bank dedicates a special unit to contact with clients and to get their opinions about the quality of services provided.	
10	The bank works regularly to utilize modern techniques that boost the work progress.	

Thank you for your cooperation

Appendix (B): Questionnaire – Arabic Version



الجامعة الإسلامية - غزة

عمادة الدراسات العليا

كلية التجارة - قسم إدارة أعمال

أخي الكريم ،،، أختي الكريمة ،،،

تحية طيبة و بعد ،

الإستبانة التي بين أيديكم هي أداة الدراسة لاستكمال متطلبات درجة الماجستير في إدارة الأعمال وعنوانها "تقييم مدى الوعي والممارسة لمفهوم المسؤولية الاجتماعية في تحقيق الميزة التنافسية للبنوك التجارية العاملة في فلسطين" والتي تهدف الى دراسة و تقييم مدى وعي و ممارسة الإدارة العاملة في البنوك التجارية العاملة في فلسطين لمفهوم المسؤولية الاجتماعية وكيفية استخدامه لتحقيق الميزة التنافسية.

لذا أرجو من سيادتكم التكرم بالمساعدة في انجاز هذا البحث بالإجابة على أسئلة الإستبانة المرفقة وتزويدنا بالمعلومات والبيانات المطلوبة بكل دقة و مصداقية وذلك بوضع رقما من 1-10 في المربع المقابل للعبارة بحيث يعبر رقم (10) إلى اعلي درجة و رقم (1) إلى اقل درجة . مع العلم بان كافة المعلومات التي سيتم الحصول عليها لن تستخدم الا لأغراض البحث العلمي فقط.

شاكرين لكم حسن تعاونكم

الباحثة

ريما محمد الأشقر

الجزء الأول: البيانات الشخصية

ضع (√) أمام الاختيار الذي تراه مناسباً

1. مكان العمل قطاع غزة الضفة الغربية
2. الجنس ذكر انثى
3. العمر أقل من 30 30- أقل من 40 40- أقل من 50 50 سنة فأكثر
4. المستوى التعليمي دبلوم فأقل بكالوريوس ماجستير دكتوراه
5. عدد سنوات الخدمة في الوظيفة الحالية أقل من 5 سنوات 5- أقل من 10 10- أقل من 15 15 فأكثر
6. عدد سنوات الخدمة في قطاع المصارف أقل من 5 سنوات 5- أقل من 10 10- أقل من 15 15 فأكثر
7. الموقع الوظيفي الحالي رئيس قسم نائب مدير مدير دائرة مدير عام
8. يوجد لدى المصرف مدونة سلوك نعم لا
- (Code of Conduct)
9. يقوم المصرف بالإفصاح عن مسؤوليته الاجتماعية نعم لا

الجزء الثاني: فقرات الاستبانة

الرجاء تحديد مدى موافكك من العبارات التالية:

أولاً: الاهتمام بالعاملين		
#	العبارة	التقييم (من 1-10)
1-	يقوم المصرف بتنظيم دورات تدريبية لتحسين قدرات الموظفين والارتقاء بكفاءتهم.	
2-	يقدم المصرف ظروف عمل آمنة و صحية للموظفين العاملين لديه.	
3-	يوفر المصرف رواتب عادلة للموظفين العاملين لديه.	
3-	يقدم المصرف نظام تامين ومعاشات يرضى عنه الموظفين.	
4-	يقدم المصرف نظام تامين صحي يرضى عنه الموظفين.	
5-	يتبع المصرف سياسة عادلة في نظام الترقيات والحوافز.	
6-	يقوم موظفو المصرف بالتطوع و المشاركة بفعاليات خارجية تهتم بالمسئولية الاجتماعية .	
ثانياً: الاهتمام بالعملاء		
#	العبارة	التقييم (من 1-10)
8.	أفرع المصرف منتشرة بحيث يتمكن العميل من الحصول على الخدمات بكل سهولة و يسر.	
9.	يهتم المصرف بشكاوي و اقتراحات العملاء.	

		10. يهتم المصرف بتقديم خدماته بجودة عالية.
		11. يهتم المصرف بتهيئة المكان لاستقبال العملاء بشكل مريح و مناسب من حيث التدفئة والتبريد والإضاءة...الخ
		12. يقدم المصرف المعلومات اللازمة للعملاء و يتعامل بشفافية.
		13. يراعي المصرف عند تقديم خدماته جميع شرائح وطبقات المجتمع خصوصا ذوي الدخل المحدود.
		14. يتفاعل الموظفون ايجابيا مع العملاء أثناء أوقات الدوام
ثالثا: خدمة المجتمع و حل مشكلاته		
التقييم (من 1-10)	العبارة	#
		7. يقدم المصرف خدمات وتبرعات للمجتمع بشكل دائم.
		8. يقدم المصرف المنح التعليمية للطلاب المحتاجين.
		9. يراعى المصرف المؤسسات التي تقدم خدمات صحية مجانية للمجتمع.
		10. يقوم المصرف بتوظيف افراد من ذوي الاحتياجات الخاصة.
		11. يقوم المصرف بالتبرع للجمعيات الخيرية .
		12. يقوم المصرف بدعم وتنشيط الاقتصاد الوطني من خلال دعم المشاريع المتوسطة والصغيرة.

رابعاً: المنافسة الشريفة		
التقييم (من 1-10)	العبارة	#
	يقوم المصرف بدراسة المنافسين	9.
	يأخذ المصرف بمبادئ المنافسة الشريفة بعين الاعتبار.	10.
	يهتم المصرف بأسعار الخدمات المقدمة من قبل المصارف التجارية المنافسة.	11.
	يقوم المصرف باجتذاب العملاء من المصارف الأخرى بطريقة نزيهة.	12.
	يقوم المصرف بعرض معلوماته للآخرين بطريقة آمنة و صادقة.	13.
	يقوم المصرف بالتعاون مع المصارف الأخرى من أجل تحقيق أهداف تهم الجميع.	14.
	يساهم المصرف في تطوير المصارف الأخرى	15.
	يهتم المصرف بتطوير خدماته المقدمة للعملاء بما يتناسب و ما يقدمه المنافسون.	16.

خامسا: الاهتمام بالبيئة		
#	العبارة	التقييم (من 1-10)
8.	يأخذ المصرف الموضوع البيئي بعين الاعتبار عند تقديم خدماته والقيام بأنشطته.	
9.	يقدم المصرف أنشطة و خدمات تشجع على الاهتمام بالبيئة.	
10.	يهتم المصرف بزيادة المساحة الخضراء والعمل على تجميل و تشجير البلاد.	
11.	يقوم المصرف بإقامة و المشاركة في برامج حماية البيئة والحد من التلوث.	
12.	يقدم المصرف المساعدات و الدعم للمؤسسات التي تعنى بالبيئة.	
13.	يستثمر المصرف في مشاريع تنتج منتجات صديقة للبيئة.	
14.	يمول المصرف مشاريع صديقة للبيئة.	
سادسا: المساهمة بالخطط التنموية الحكومية		
#	العبارة	التقييم (من 1-10)
7.	يتعاون المصرف مع القطاع العام بتقديم حلول للمشكلات التي تواجه المجتمع مثل: الفقر، البطالة،.....، الخ.	
8.	يلتزم المصرف باللوائح والتشريعات والخطط الصادرة من الحكومة.	

	يسدد المصرف الاستحقاقات المالية والضرائب والرسوم الأخرى في الوقت المناسب.	9.
	يسهم المصرف بدعم و رعاية مؤسسات القطاع العام التي تهتم بالأطفال والشباب و الرياضة.	10
	يسهم المصرف في تقديم معونات مادية للأسر الفقيرة بالاشتراك مع جهات حكومية مثل وزارة الشؤون الاجتماعية.	11
	يقوم المصرف بتقديم الدعم المادي للقطاع الصحي .	12
سابعاً: الميزة التنافسية		
تعريف الميزة التنافسية: هي أي شيء تقوم به المؤسسة لكسب قيمة اقتصادية تميزها عن غيرها من المنافسين.		
التقييم (من 1-10)	العبارة	#
	يمتلك المصرف خطة استراتيجية و يطبقها.	11.
	يتميز المصرف بتقديم خدمات تمتاز بمواصفات ذات جودة عالية .	12.
	يعمل المصرف على تقديم خدمات منخفضة التكاليف و بمواصفات ذات جودة عالية.	13.
	يعمل المصرف على بناء علامة تجارية مميزة.	14.
	سمعة المصرف مميزة مقارنة بالمصارف التجارية الأخرى.	15.
	تبنى المصرف للمسئولية الاجتماعية يعتبر ميزة تنافسية تميزه عن غيره من المصارف.	16.
	يحقق المصرف ارباح بشكل متسق و متواصل (سنة بعد سنة)	17.

	يحقق المصرف زيادة متصاعدة (سنة بعد سنة) في الحصة السوقية	.18
	يخصص المصرف وحدة خاصة للتواصل مع العملاء والتعرف على آرائهم حول جودة الخدمات المقدمة.	.19
	يسعى المصرف بشكل دائم لتطبيق التقنيات الحديثة مما يساعد في سرعة انجاز العمل.	.20

شاكرين لكم حسن تعاونكم

Appendix (C): List of referees names and place of work

No.	Name	Work
1.	Dr. Yousuf Bahar	Islamic University of Gaza
2.	Dr. Samir Safi	Islamic University of Gaza
3.	Dr. Samy Abo El-Rous	Islamic University of Gaza
4.	Dr. Yaser El-Shorafa	Islamic University of Gaza
5.	Dr. Wael El Daya	Islamic University of Gaza
6.	Dr. Faris Abu Mouamer	Islamic University of Gaza
7.	Dr. Nojoud Subhi Habash	Birzait University.
8.	Dr. Abdallah Hassouna	El Najah Univirsity.
9.	Mr. Sami Saidi	The Arab Islamic Bank.
10.	Mr. Tamer El Madani	The Bank Of Palestine.