

Corporate Social Responsibility of Islamic Banks in Bahrain: Depositors' Awareness

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Abstract : The purpose of this study is to examine depositors' awareness on the pursuit of corporate social responsibilities (CSR) conducted by Islamic retail banks in the Kingdom of Bahrain according to the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards. The outcome of the paper is the extent to which the depositors knew about the banks' CSR activities in promoting the welfare of the society beyond their business objectives. The study covered all Islamic retail banks in the Kingdom of Bahrain where a survey questionnaire was distributed to a total of 200 Islamic banks' depositors. The results of the survey show that the level of depositors' awareness is limited on the pursuit of corporate social responsibilities by the banks as indicated by the small number of statements in the survey questionnaire which the respondents agreed to or of which they had satisfactory knowledge. The significant statistical difference in the respondents' answers to the survey questionnaire when they are grouped according to their respective banks prove that the level of depositors' awareness on the pursuit of corporate social responsibilities varies considerably among the six Islamic retail banks in the kingdom. The findings of the study might be used to assist the policy makers in the field of CSR of Islamic financial institutions in formulation of better CSR activities and in delivering better services for the public welfare. The study also might help Islamic banks in the kingdom to set up strategy in order to increase the level of depositors' awareness on their CSR activities.

Keywords : corporate social responsibilities, awareness, Islamic banks, Bahrain

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