

## **The Role of the Board of Directors and Chief Executive Officers in Leading and Embedding Corporate Social Responsibility within Corporate Governance Regulations**

**Authors :** Khalid Alshaikh

**Abstract :** In recent years, leadership, Corporate Governance (CG) and Corporate Social Responsibility (CSR) have been under scrutiny in the Libyan society. Scholars and institutions have commenced investigating the possible resolutions they can arrange to alleviate the economic, social and environmental problems the war has produced. Thus far, these constructs requisite an in-depth reinvestigation, reconceptualization, and analysis to clearly reconstruct their rules and regulations. With the demise of Qaddafi's regime, levels, degrees, and efforts to apply CG regulations have varied in public and private commercial banks. CSR is a new organizational culture that still designs its route within these financial institutions. Detaching itself from any notion of dictatorship and autocratic traits, leadership counts on transformational and transactional styles. Therefore, this paper investigates the extent to which the Board of Directors and Chief Executive Officers (CEOs) redefine these concepts and how they entrench CSR within the framework of CG. The research methodology used both public and private banks as a case study and qualitative research to interview ten Board of Directors (BoDs) and eleven Chief executive managers to explore how leadership, CG, and CSR are defined and how leadership integrates CSR into CG structures. The findings suggest that the CG framework in Libya still requires great efforts to be developed. Full CG code implementation appears daunting. Also, the CSR is still influenced by the power of religion. Nevertheless, the Islamic perspective is more consistent with the social contract concept of the CSR. The Libyan commercial banks do not solely focus on the economic side of maximizing profits, but also concentrate on its morality. The issue is that CSR activities are not enough to achieve good charity publicly and needs strategies to address major social issues. Moreover, leadership is more transformational and transactional and endeavors to make economic, social and environmental changes, but these changes are curtailed by tradition and traditional values dominating the Libyan social life where religious and tribal practices establish the relationship between leaders and their subordinates. Finally, the findings reveal that transformational and transactional leadership styles encourage the incorporation of CSR into the CG regulations. The boardroom and executive management have such a particular role in flagging up how embedded corporate Social responsibility is in organizational culture across the commercial banks, yet it is still important that the BoDs and CEOs need to do much more to embed corporate social responsibility through their core functions. They need to boost their standing to be more influential and make sure that the right discussions about CSR happen with the right stakeholders involved.

**Keywords :** board of directors, chief executive officers, corporate governance, corporate social responsibility

**Conference Title :** ICCSREG 2018 : International Conference on Corporate Social Responsibility and Economic Growth

**Conference Location :** Tokyo, Japan

**Conference Dates :** October 08-09, 2018