

Chapter 5

Corporate Social Responsibility of Islamic Banks in Brunei Darussalam

Mahani Haji Hamdan

Abstract Despite the fact that Islamic banks are governed in accordance with Shariah law, many of the banks are still using the conventional frameworks of CSR, which based on western cultures, values, beliefs and perspectives. There have been various perspectives regarding Islamic CSR. The conceptual framework of Islamic CSR (i-CSR) introduced by Mohammed (*Corporate social responsibility in Islam*. (Doctoral dissertation, Auckland University of Technology). Retrieved from <http://aut.researchgateway.ac.nz/handle/10292/354>, 2007) integrates Islamic principles of al Qur'an and Hadith, and has become the basic reference to develop further Islamic CSR models. The existing literature generally dealt with the development of Islamic CSR framework and the relationships among CSR dimensions. There have also been several studies that examine the practice of CSR in Islamic banks, but none of the studies is investigated in the context of Islamic banks in Brunei. This study, at its early stage of exploratory research, aims to investigate the Islamic banks' perspectives on the concept of CSR and their practice of CSR. Data were obtained from informal interviews and secondary sources including journal articles, news and the banks' reports and official websites. Results revealed that the banks generally have positive views of CSR. It is based on Tawhidiq approach that the banks viewed CSR not merely as a business marketing strategy and charity, but as a responsibility towards God (Allah) and welfare of society. The study also found no major discrepancies in CSR practicalities between Islamic banks in Brunei and other Islamic banks in the region. Commitment to implement CSR effectively in Islamic banks while maintaining long-term sustainable economic system is crucial to the country's competitiveness.

M.H. Hamdan (✉)

Faculty of Business & Economics, Universiti Brunei Darussalam, Jalan Tungku Link,
BE 1410, Gadong, Brunei Darussalam
e-mail: mahani.hamdan@ubd.edu.bn

5.1 Introduction

The founder of the Body Shop, Anita Roddick, once said that “The business of business should not be about money, it should be about responsibility. It should be about public good, not private greed.” She reminded us of the importance of social responsibility, humanity and justice towards each other, and perhaps more importantly, businesses to do well and be good. Integrating social responsibility into a business model gives rise to a simple term yet contentious concept. The term is ‘corporate social responsibility (CSR)’. The birth of CSR concepts and practices in business organisations and financial institutions can be traced back to as early as 1920s (Hoffman 2007), and the CSR frameworks found in the existing literature are mostly developed from the West. Islamic CSR frameworks, on the other hand, are rarely discussed in the literature.

Islamic banks have witnessed the emergence of CSR for years, but many of them are still using conventional CSR frameworks that developed from the West to guide their strategies and policies (Iqbal 2012). The conventional CSR framework adopted by Islamic banks has been commonly criticized for the lack of structured Islamic inputs. Until today, there is no generally accepted CSR framework available, and the development of Islamic CSR framework just begins to take shape in late 2000s. The focus on socially responsible behaviour of Islamic banks has also been actively in the limelight from the mid-2000s onwards.

As opposed to conventional banks, Islamic banks are managed in accordance with Shariah law based on al Qur’an and Hadith. Therefore, the CSR objectives of Islamic banks must align too with the guidelines of Shariah values and principles. The commitment of Islam to justice and brotherhood demand business organisations including banks to take care of some of the needs of the community, and to see this as a benefit rather than a cost (Hassan and Abdul Latiff 2009). Published research focusing on CSR frameworks of Islamic banks has largely been done in Asia including Malaysia, Indonesia and Bangladesh (Rashid et al. 2013; Samina 2012; Shifa 2012; Yusuf and Bahari 2011), but very few (if any) detailed studies have been conducted on Brunei’s Islamic banks. There are currently two Islamic banks in Brunei: Bank Islam Brunei Darussalam (BIBD) and Tabung Amanah Islam Brunei (TAIB). Despite the increasing public awareness of CSR in the country, what type of CSR framework is used by the banks remains largely unknown to the researcher’s knowledge. Thus, there is an urgent need to do research on Islamic CSR in Brunei, and to build on current efforts to strengthen the value of social responsibility, either individually or collectively.

The purpose of this study is to study Islamic banks’ understanding of CSR concepts and practices in the context of Brunei. There are two major contributions of the study. The study gives us a better understanding of CSR from the perspectives of Islamic banks, and provides invaluable information whether there are any different between the CSR practices of Islamic banks in Brunei and other Islamic banks in the region. The study is also the first of its kind to be conducted in Brunei, an Islamic state in Southeast Asia. This chapter is structured in the

following order: a literature review on CSR, followed by research objectives, methods, results, discussions, and conclusion with some recommendations.

5.2 Literature Review

5.2.1 *An Overview of CSR*

The purpose of business or corporation has always changed even before CSR came into the spotlight in big corporations. It is often argued that the basic purpose of business is to make profits for the business and its stakeholders (Friedman 1970). However, the rise of sustainability as a fundamental business concept has encouraged many of today's corporations to achieve and maintain their business sustainability not just by making or increasing profits but also through their relationship with all stakeholders. They now have a social responsibility to contribute to the society in which it exists and towards environmental protection, factoring in negative externalities like pollution and the side-effects of their production activities (Gupta and Gupta 2008). Certainly, CSR is not a new word for corporate leaders.

CSR came into existence in the early 1950s. It was first introduced by Bowen (1953) who believed that all decisions and actions made by businesses would impact on the lives of citizens at many points including customers, employees, shareholders, communities and the environment in all aspects of its operations. Bowen referred CSR to "obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (p. 6). Bowen's prediction that CSR will guide businesses in the future has indeed come true. There has been a growing interest and demand for CSR because of multinational corporations' increasing influence on world economy and scandals revealing horrible working conditions in different industries (Classon and Dahlstrom 2006).

Following the early and seminal works of Bowen, Carroll (1979) proposed a fourfold definition of CSR: economical, legal, ethical and voluntary expectations that the society has towards enterprises or firms at any given time. Carroll (1999) further traced the evolution of CSR construct and found that the proliferation of CSR definitions has begun long since the 1970s. The definitions of CSR became more specific emphasizing several dimensions such as corporate social responsiveness, corporate citizenship and corporate social performance (CSP). In the 1980s, these dimensions continued to expand. Wartick and Cochran (1985) extended a three-dimensional integration of CSP (i.e. responsibility, responsiveness and social issues) into a framework of principles, processes and policies respectively. There were also greater attempts to measure and conduct empirical research on CSR dimensions. In the 1990s, businesses started to take an active interest in CSR implementation and strategies. There were alternative themes emerged in the

literature to operationalise the CSR concept including stakeholder theory, business ethics theory and corporate citizenship.

On the basis of stakeholder theory, CSR is seen as the obligation of an enterprise towards its stakeholders which include individuals and groups who have influence on the firm, or are directly impacted by the firms' policies and practices (Bloom and Gundach 2000). It has become an essential part of business language and practice, and also, an obligation that exceeds the legal framework requirements. In this era of new millennium and technology, the attention is currently geared towards the theoretical definitions and developments of CSR and its measurement initiatives.

Business corporations may have varied definitions of CSR across time, geographical locations and sectors but there is considerable common ground between them. The World Business Council defined CSR as the "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (Holme and Watts 2000). Whilst the European Commission's (2001) Green Paper extended the meaning of CSR to companies' voluntary contribution to "a better society and a cleaner environment, and a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." Overall, these definitions point to three fundamental elements of sustainable development: economic growth, social responsibility and environmental protection. Dealing with sustainable development issues can be challenging, and it is also becoming more complex for a business to balance these areas with the needs and demands of all stakeholders.

CSR is often a subject of debate presenting two sides of an argument. CSR advocates argue that businesses benefit in many ways by operating with a perception broader and longer than their own immediate, short-term profits, whilst the opponents' argument is that CSR diverts from the basic economic role of business and it is nothing more than superficial window dressing (Abou-El-Fotouh 2011). Having said this, corporations should see their CSR differently i.e. to see CSR as a way to benefit them through maximizing their profits while also benefiting society by improving the welfare of other stakeholders (Hedige 2010; Sandler and Lloyd 2009). Corporations must consider the importance of all key stakeholders in their corporate strategies, and this understanding comes from the broader stream of stakeholder theory (Freeman 1984).

There is a strong interdependence between CSR and stakeholder theory particularly with respect to stakeholder management (Jamali 2008). Both concepts can be applied internally (i.e. better cooperation and communication between an employer and an employee), and externally (i.e. better access of global markets), and can assist corporations to create economic, social and intangible values. However, there are common issues between them including the identification of the nature and type of relevant stakeholders (Mitchell et al. 1997), the analysis of the ways in which the relevant stakeholders are able to influence the decision-making processes (Frooman 1999), and the identification of the strategies through which the corporation

involves and engages their stakeholders into the organisation (Jawahar and McLaughlin 2001).

Corporations become involved in CSR for many different reasons. In the past, they embraced CSR to make its brand different from other generic products in the industry (Epstein-Reeves 2012). In the age of globalisation, the need for CSR is especially important for competitive reasons such as innovation, cost savings, long-term financial planning and growth, customer loyalty and employee engagement. In the present competitive environment, corporations adopted CSR as a tool to build a strong corporate image and reputation, and trust through an affective relationship with customers/consumers (Paetzold 2010). All these can contribute to the overall performance of corporations' core business, which in turn, will generate sustainable business value.

5.2.2 CSR in the Banking Sector

CSR has increasingly taken shape in financial institutions like banks partly because financial scandals involving major financial institutions still continue to rock the banking world. This gives rise to the need for corporate governance framework to address issues pertinent to banking regulation, corporate ethical management and CSR, and to protect all stakeholders particularly the shareholders against any misconduct or actions of professional managers. The role of CSR becomes significant as it has been shown to have a positive effect on banks' financial performance (Cruz 2009; Ghoula et al. 2011; Ahmed et al. 2012; Scholtens 2008). This important finding to a large extent has attracted many banks to adopt and implement CSR. In other words, CSR contribute to lowering banks' financing costs, decreasing production inefficiencies, increasing profits, sales and access to international financial market, and reducing risk and environmental impacts. The positive effect of CSR on banks' profitability may not be realised immediately, but its activities can be influential in mitigating the risk of damage to brand evaluations in the long run (Lin et al. 2009). CSR activities also enable banks to enhance their local and cross-border economic performance and promote their reputation in the community they serve. In essence, CSR is a driver in building a solid reputation (Brammer and Pavelin 2006; Schnietz and Epstein 2005).

There is a directional relationship between CSR and corporate reputation (Abdullah and Abdul Aziz 2011; de Quevedo Puente et al. 2007). Corporate reputation is "amalgamation of all expectations, perceptions and opinions of an organisation developed over time by customers, employees, suppliers, investors and the public at large in relation to the organisation's qualities, characteristics and behaviour, based on personal experience, hearsay or organisation's observes past actions" (Bennett and Kottasz 2000, p. 234). CSR has impact on the corporate reputation which in turn influences and strengthens bank's social responsibility. CSR and corporate reputation share a common stakeholder framework, and both are linked by a legitimatisation process that transforms CSR (an objective flow

variable) into corporate reputation (a perceptual stock variable) (de Quevedo Puento et al. 2007). A high level of disclosure requirement can help improve the relationship between bank's CSR and corporate reputation, and the bank's relations with stakeholders that primarily based on trust as the services they provide are largely intangible (Trotta and Cavallaro 2012).

There have been several studies in the literature that examined the effect of CSR disclosure on corporate reputation and performance of Islamic banks (Arshad et al. 2012; Ahmed et al. 2012; Samina 2012), the Islamic perspectives of CSR (Dusuki 2005), and the criteria and Islamic instrument of CSR towards the creation of a sustainable economic development (Yusuf and Bahari 2011). Although these studies are limited in scope, these studies have shown that CSR activities communicated in annual reports were significantly and positively related with corporate reputation and the Islamic banks' performance. CSR is deeply inscribed in Shariah and therefore, Islamic banking system which underpinned by the forces of Shariah injunctions intertwined in Islamic financial transactions, holds the status as a financial institution fulfilling a collective religious obligation. Finally, besides getting a positive corporate image and basing CSR on responsibility al kifaya (obligatory upon community), CSR is also a method to alleviate poverty and achieve the true economic goals of Islam.

Taken as a whole, CSR practices in the banking sector vary across countries because the existence of CSR and its development are determined by the financial condition of individual banks, the banking systems as a whole and the requirements of regulators. Countries have their own specific national history and cultures with national peculiarities. In the literature, there have been various frameworks formulated in different countries¹ (Table 5.1), but the world's most widespread CSR framework is the American or U.S. model due to the simplicity of its implementation in the short term.² The U.S. model works to their advantage because CSR was first observed in the Anglo-Saxon countries in 1950s, and the successful implementation of CSR management systems have opened up their opportunity to be competitive with national corporations and extend performance into international markets.

Charity and philanthropy are the main features of the U.S. model of CSR, which also the major instruments for CSR implementation. American banks put greater emphasis on the interests of major stakeholders' groups and are orientated on community interests. There are no penalties for the lack of CSR in business strategy in the U.S. but the high level requirements of information transparency has created a strong incentive for banks to implement the principles of socially responsible business and gain reputation through community support. CSR activities

¹ Retrieved March 24, 2013, from http://virtusinterpress.org/IMG/pdf/CORPORATE_SOCIAL_RESPONSIBILITY_IN_BANKS_AN_INTERNATIONAL_OVERVIEW.pdf

² Retrieved February 20, 2013, from ABA Presents the First Annual Community Commitment Awards, American Bankers Association, <http://www.aba.com/About/Pages/CommunityCommitmentAwards.aspx>

Table 5.1 CSR frameworks in different countries

Models	Focus	Features	Initiatives
U.S.	Community interests	Charity and philanthropy	Environment, community development, regional/corporate citizenship, philanthropy and charity
U.K.	Stakeholder interests and strong brand and reputation	CSR Pyramid includes philanthropic, ethical, legal (self-regulation in CSR sphere) and economics	Human rights, environment, employee/supplier relationships, business ethics, customer service, value of/access to products and services, advertising and pricing
Australia	Community interests and market stability	Charity and philanthropy	Employment opportunities, financial capability, sustainability, community services, environment, customer, people, supply chain, responsible investment and lending, trust and team spirit and technology excellence
Japan	Relationship between company and society. Honesty in operation and contribution to the society	Philanthropy, social welfare, environmental protection and sustainable development	Safety and customer care, human rights, environment, corporate governance, local community involvement, employee/supplier/shareholder relations and business success
Malaysia	Public relations	Charity and philanthropy	Donations, contributions, environment conservation, training of employees, corporate governance, charity, communities, marketplace, environment and social
China	Triple bottom line (economic, social and environmental)	Economic, legal, ethical, social/charitable and environmental responsibilities	Community outreach, environmental health and safety, environmental protection, education and corporate citizenship
Germany	Triple bottom line (economic, social and environmental)	Charity and philanthropy	Donations, sponsoring cultural activities, responsible investment and lending practices and education

(continued)

Table 5.1 (continued)

Models	Focus	Features	Initiatives
France	Economic efficiency, social equity and control of resources	Economic, social and environment	Employees, social relations, health and safety, education, income, communities, the conservation of energy, environment and sustainable development and planning
Italy	Business sustainability and transparency	Economic, ethics and sustainable development	Environment, stakeholder relations, profitability and sustainability

undertaken in Australia and Malaysia have been said to follow initiatives taken in the U.S (Tilt 2009). Whether Brunei also follows the same CSR initiatives, it is yet to be investigated in this study.

5.2.3 *CSR in Islam*

There has been on-going discussion about Islamic corporate social responsibility (i-CSR) among researchers, practitioners and consultants in professional bodies and business organisations. For example, researchers at the Accounting Research Institute of Universiti Teknologi Mara (UiTM), Malaysia, are in the process of developing i-CSR for Islamic institutions. They work closely with Association of Chartered Certified Accountants and other universities in Indonesia to promote the development of the framework. To date, although there is no agreement in the literature on the conceptual framework of i-CSR for the Islamic banks, there is a consensus about what dimensions or principles should we include in i-CSR.

Mohammed (2007) in his early study of CSR proposed a comprehensive conceptual framework of i-CSR. He incorporated four axioms of Islamic ethical philosophy (unity, equilibrium, free will and responsibility), which are the core values of Islamic ethical system forming the basis of the framework. Elements evolved from these values include trustee, freedom of choice, distributive justice and accountability. The framework also laid down the concept of the lawful (halal) and unlawful (haram) in every aspect of the business transactions according to fiqh (Islamic jurisprudence). Fundamentally, i-CSR itself derives from the core principles of al Qur'an and Hadith. Furthermore, under the guided principles of Shariah law, Dusuki and Irwani (2007) and Darus (as cited in Iqbal 2012) suggested that the concept of tawhid (faith in the Unity of Allah) and ibadah (worship) with the principles of Maqasid al-Shariah (the objectives of Islamic law) and Maslahah (public interest) to also be integrated in i-CSR framework, along with two other

dimensions: caliphate (jurisdiction of a caliph) and taqwa (God consciousness or piety) (Dusuki 2008).

Clearly, there are fundamental differences between the concept of CSR in Islam and the one developed in the West. The differences are rather philosophical and ideological in nature. Islamic CSR model is built on the basis of *tasawur* (world view) and epistemology of Islam, and the principles of Islamic CSR are based on Islamic values and corporate philosophy according to al Qur'an and Hadith. Based on the theory of Shariah purpose and public interest, Islamic CSR is not just looking at the economic side, but also focuses on spiritual values (morality and ethics). CSR in the West, on the other hand, is based on Western cultures, perspectives and beliefs. It takes into account both shareholder (principal-agent) and stakeholder theories. Despite their differences, they have one important thing in common. They aim at maximising the benefits to society, corporate profits and all stakeholders. Over the years, there have also been different perspectives on CSR concept and practices between Islamic and conventional banks. This study summarises them with respect to relationship responsibilities, social justice and environmental sustainability.

5.2.3.1 Relationship Responsibilities

Corporations adopt CSR mainly due to one of these reasons: the responsibility of economy, the responsibility of law fulfilment, the responsibility of ethics, and charity (Carroll 1999, p. 264). They view CSR as a collective responsibility between the corporations and the society to create harmony and alignment with stakeholders' interests. However in the world view of Islam, these relationship responsibilities are categorised into three dimensions: the responsibility to Allah, the responsibility to human beings and the responsibility towards environment. Muwazir et al. (2006) conceptualised these dimensions as *Tawhidiq* approach, and viewed CSR as a form of accountability to Allah, humans and environment (Haniffa and Cooke 2001; Yusuf and Bahari 2011), and Fard al-Kifayah (obligatory upon community). Individuals, groups and organisations ought to comply with Allah's laws as Allah has commanded humans to obey Him by ensuring the survival of human kind and the natural surroundings. As cited in al Qur'an, Allah says:

It is He who hath made you (His) agents, inheritors of the earth: He hath raised you in ranks, some above others: that He may try you in the gifts He hath given you: for thy Lord is quick in punishment: yet He is indeed Oft-forgiving, Most Merciful. (Chapter al An'am, 6: 165)

5.2.3.2 Social Justice

The responsibility dimension to human beings is underpinned by human rights and the principles of social justice. Freeman's (1994) theory of justice appears to be relatively in line with the Islamic justice system. Freeman argued that the distribution of income and wealth within a society is just or fair only when laws and

economic institutions are designed to maximally benefit the least advantaged in a society. In Islam, each individual is given his/her human rights in an organisation, and all stakeholders must be treated fairly or equitably in relation to their relative stake, rather than equally. In other words, all stakeholders get what is just for them. For instance, eligible salaries, training and education, health care and a safe working environment for employees; fair prices and quality products and services for customers/consumers; and fair sharing of profits and losses and truthful information disclosure for investors (Yusuf and Bahari 2011). These principles of justice and equilibrium in every aspect of our lives were explicitly mentioned in al Qur'an.

Be just! Justice is the nearest to piety. (Chapter al Maeda, 5: 80)

Dealt not unjustly and ye shall not be dealt with unjustly. (Chapter al Baqarah, 2:279)

We send our Messengers with clear signs and sent down with them the Book and the Balance (Right and Wrong), that men may stand forth in justice. (Chapter al Hadid, 57:25)

Social justice in the broader context of CSR, points toward corporations to provide fair and justice in society, safety and security, justice to people for their belief, life, wealth and prosperity, no discrimination and free from exploitation (Abbasi et al. 2012; Usmani 2002). Also, corporations are prohibited to exploit the right of others and have controversy with societal benefits of society. Hence, the key objective of Islamic CSR is to uphold and maintain the principles of social justice to all stakeholders of a corporation. In conventional banks, social responsibility for the welfare of society generally takes in the form of philanthropic (i.e. charitable contributions and donations), whereas in Islamic banks, social responsibility for the welfare of society works through sadaqah (charity) to those in need and welfare or benevolent loans. Both aspects are stated in al Qur'an, where Allah says:

So fear Allah as much as ye can; listen and obey and spend in charity for the benefit of your own soul and those saved from the covetousness of their own souls, - they are the ones that achieve prosperity. (Chapter al Taghabun, 64: 16)

Who is he that will loan to Allah a beautiful loan, which Allah will double into his credit and multiply many times? It is Allah that giveth (you) want or plenty, and to Him shall be your return. (Chapter al Baqarah, 2: 245)

Sadaqah and benevolent loans are social acts to seek Allah's rewards and strengthening brotherhood among human beings (Tirmidhi-al 1993, Hadith, No. 653). These concepts of Islamic charity can help to create a positive image for individuals and Islamic banks (i.e. increased corporate reputation), and also a network which may result in increasing profits (i.e. improved economic performance) (Arshad et al. 2012; Yusuf and Bahari 2011). However, this comes with a challenge for Islamic corporations to achieve a balance between the need for individual economic freedom and the need to serve the common good, and a balance in the distribution of wealth between rich and poor (Lewis 2001). Zakat (alms), as one of the proper methods to measure the economic growth, can help "to achieve sustainable development in terms of redistribution of wealth between Muslims, as well as bridging the gap between the rich and the poor in the society" (Sarea 2012, p. 242). Zakat is a determined amount of wealth given by the Muslims

to certain parties as alms or charity. The Qur'an classifies the due recipients of zakat under the following eight categories (Ghani and Said 2011).

The alms are only for the poor (Fakir) and the needy (Miskin), and those who collect them (Amil), and those whose hearts are to be reconciled (Muallaf), and to free the captives (Riqab) and the debtors (Gharmin), and for the cause of Allah (Fisabillillah), and (for) the wayfarers (Ibnus Sabil); a duty imposed by Allah. Allah is knower, Wise. (Chapter al Taubah, 9: 60)

In the Qur'an, Allah also says that only those who pay zakat are in the "brotherhood of faith". The payment of Zakat is indeed an obligatory charity act, ordained by Allah to be performed by every Muslim as it is one of the five pillars of Islam. Zakat has not only been recognised all over the world as an instrument of Islamic CSR (Ekawati 2004), but also as one notable feature of Islamic banks. Zakat fund and micro-finance loans are established in Islam banks as a means to alleviate poverty (Hassan 2010; Yusuf and Bahari 2011), and for establishing social justice that leads the Muslim society to prosperity and security (Sahih Al-Bukhari, Vol. 2, Hadith, No. 24).

5.2.3.3 Environmental Sustainability

The responsibility towards environment is an obligation of both individuals and organisations to care for the well-being of society, as well as to guarantee environmental sustainability for future generation. In Islam, the interaction between human and environment is part of evidencing the existence and greatness of Allah for making the universe a place for human beings. Islam clearly prohibits anything that does harm to individuals and the environment. As stated in al Qur'an, Allah says:

And among men is he whose speech about the life of this world causes you to wonder, and he calls on Allah to witness as to what is in his heart, yet he is the most violent of adversaries. And when he turns back, he runs along in the land that he may cause mischief in it and destroy the tilth and the stock, and Allah does not love mischief-making. And when it is said to him: guard against (the punishment of) Allah; pride carries him off to sin; therefore, hell is sufficient for him, and certainly it is an evil resting place. (Chapter al Baqarah, 2: 204–205)

CSR activities in Islam have clear demarcations between permitted and forbidden. Corporations cannot change activities that are forbidden (haram) in Islam to permitted (halal) or vice versa. With respect to environmental sustainability, CSR initiatives generally include good pollution control, waste and recycle policy, energy conservation and promotions not doing things that harm the environment. Many of these initiatives align with Islamic banks' goals for environmental sustainability, which point to four aspects: ensure that their investment activities do not harm the environment; involve and active in protecting the environment; educate employees to care for and treat the environment; and the use of recycled materials (Yusuf and Bahari 2011, p. 12). Although Islamic and conventional banks have adopted similar dimensions of CSR, and to a greater extent, implement similar practices, perhaps there may just be different in terms of focus dimensions and the

levels of activities. Some Islamic banks conduct more active series of activities, and have stronger commitment on community interests and education than other dimensions such as environment and employee relations.

As the Islamic banking sector in Brunei continues to grow, the role of CSR is also expected to increase following the increase in people's awareness, growing well-educated population and increasingly widespread branches throughout the country. This was highlighted by the Crown Prince, Senior Minister at the Prime Minister's Office, at the opening of the 7th ASEAN Ministerial Meeting on Rural Development and Poverty Eradication (7th AMRDPE) in 2011,³ where he said that:

..... We believe that a good balance must co-exist between the immediate need to alleviate poverty and our longer-term efforts to assist the poor in permanently breaking free of the debilitating cycle of poverty.....in particular, business communities must be encouraged to exercise their corporate social responsibilities. And we should do our best to obtain the support and assistance of our dialogue partners and other regional and international organisations, as I am sure that they have much to offer

Based on the researcher's observation, not only stakeholders in Brunei (particularly public at large) seem to be having little impact in driving greater emphasis on CSR, but also, there have not been many studies on CSR practices in the country. Even if there is currently no stock market in the country, Islamic banks as the main institutional factor that can lead to transparency and accountability, must place greater importance on CSR activities, feasibly through information disclosure requirement (Mohd Suria 2008). Hence, this study aims to explore the practice of CSR and the perspectives of Islamic banks on CSR framework in Brunei Darussalam.

5.3 Research Methods

This study is based on an exploratory research, given that little is known about the CSR framework of Islamic banks in Brunei. Data were collected from the secondary sources including journal articles, news, magazines and the banks' official websites, and informal conversational interviews with only very few officers (sample size of 3 from each individual bank).

TAIB and BIBD are the only two Islamic banks in the country. The establishment of TAIB in 1991 marked the emergence of Islamic finance in Brunei. This was followed by the conversion of International Bank of Brunei to the Islamic Bank of Brunei (IBB) in 1993, and then followed by the establishment of the Islamic Development Bank of Brunei (IDBB) in 2000. In view of enhancing and strengthening the prominence of Islamic financial institutions in the country and increasing cost efficiency by eliminating duplication, IBB and IDBB were later merged in 2006 and are now known as the Bank Islam Brunei Darussalam (BIBD).

³ Retrieved March 5, 2013, from http://www.sultanate.com/news_server/2011/3_nov_5.html

The merger has created the formation of a sole Islamic bank which becomes the largest bank in the country in terms of total assets and the number of account holders (Salleh 2009). BIBD, the country's leading financial institution in CSR, is committed in achieving both its corporate vision of 'Enhancing quality of life through financial solutions' and Brunei's National Vision 2035 in attaining developed and dynamic sustainable economy.⁴ TAIB has also implemented several CSR initiatives, but is not as active as BIBD. Overall, these banks are not just catering to the Brunei population with Shariah compliant financial services, but they have also paid attention to their impact on the local community.

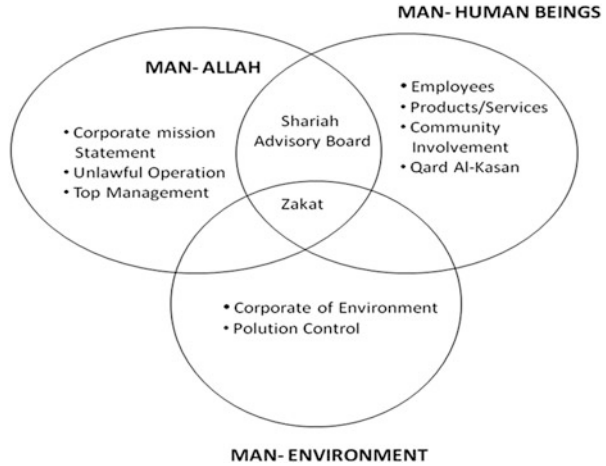
5.4 Results

Despite concerns that there was not adequate documentation on CSR in Brunei, it can be observed that the CSR concept of the Islamic banks in the country is based on tawhidiq approach (Fig. 5.1) and Brunei's cultural values and traditions (civic society culture), such as respect of the elderly, care and concern for people, honesty, accountability, trustworthiness and etc. Many of these values are embedded in Mohammed's (2007) i-CSR, reflecting the Islamic law and principles of business. This does not come as a surprise because Islam is the official religion of Brunei, and a larger percentage of the population is Muslim. The country is itself governed by a constitution and the national ideology of 'Melayu Islam Beraja' (Malay Islamic Monarchy), meaning that Brunei upholds and preserves the Malay identity and traditions, Islam guides every aspect of Muslim life, and declaring unswerving loyalty and obedience to the Monarch. With strong support from Brunei's government, political stability and a rigorous regulatory and Shariah framework, the Islamic banks have a greater ability to incorporate their relationship responsibility to society, and also treat their customers in a professional and civic manner. Although the state of CSR in Brunei is at the infancy stages, its development indicates encouraging signs.

Both BIBD and TAIB have an overall positive view on CSR. They both have similarities with respect to CSR practices, and there are no major differences. While there is significant CSR awareness, CSR practice and reporting of these banks is still low compared to Islamic banks in Malaysia and Indonesia. To increase our understanding of the role of CSR, the next section examines the perceptions of the Islamic banks on the concept and practice of CSR.

⁴ Retrieved March 25, 2013, from <http://www.bibd.com.bn/about/corporate-social-responsibility/>

Fig. 5.1 Tawhidic approach of Islamic banks in Brunei (Adapted from Muwazir et al. 2006)



5.4.1 CSR Perspectives

Firstly, the social, environmental and ethical concerns must be integrated into the business process. The banks’ CSR should go beyond charity and to act beyond its legal obligations. The banks underlined the importance of CSR not to just be examined through an economic lens to benefit the banks’ investors or shareholders, but also to increase the welfare of Brunei’s society. Although charity in the form of donations and contributions to those who need is part of their CSR, the banks’ ultimate goal is to alleviate poverty whilst attaining equitable economic development. This is in line with the nation’s goal to achieve zero poverty by 2035 (Abdullah 2010; Othman 2011). The banks also suggested that CSR is not the presumed responsibility of the Islamic banking sector alone, but it requires a wide range of social participation from all individuals and business organisations in the country. The following is an excerpt from one of the respondents:

I understand what public expects from us (the Islamic banks); our social responsibility to customers, community and society as a whole, but in exchange, the Brunei’s society must also accept the reality. Our current CSR initiatives can only offer short-term financial relief to those who in need. . . and mind you, these will not fully solve the country’s poverty issue. I urge our people (especially locals) not to be complacent, but to work hard and start improving their ways of life. They cannot always depend on the government and organisations like banks to come to help them in times of need. So we as Bruneians, got to work together and find effective ways to help and turn them into becoming independent and self-reliant

Secondly, the banks pointed ‘acts of benevolence’ are crucial within their individual employees. Benevolence is a moral principle of human nature, and this affection for humanity can be found in many manifestations such as friendships and charity. The banks identified the acts of benevolence as a way to gain their stakeholders’ trust, pave the way for beneficial interaction and business transactions, and strengthen employees’ knowledge and spiritual beliefs, and their

spirit of brotherhood. The banks also informed that they have a strong desire and will to have Allah's blessings for all their actions, both individually and collectively. More importantly, the banks strongly believed that acts of benevolence can solve fundamental social inequalities or discrimination. As one respondent has remarked,

If we go back to our Islamic values and teachings, the key to equality is benevolence. If Islamic banks, business organisations, employees and all individuals have strong sense of benevolence in daily operations and their lives, this can help erase the social and financial discrimination in any society.

Thirdly, similar to Dusuki and Irwani (2007), the banks also viewed CSR as worship (ibadah) to Allah, and thus, their social responsibility acts must be performed in accordance with Allah's Will. To worship Allah is not only through the payment of zakat and either for worldly life or heavenly purposes, but for man's mission on the earth as a servant and a vicegerent of Allah. The banks accepted their duties to fulfill their responsibility to Allah and at the same time to fulfill their responsibility to creation, which consists of other human beings, society and nature - these are the subjects of CSR. Economic responsibility which has been stipulated in the West as one of the essential CSR paradigms is seen in the context of this study, as a prerequisite for sustaining the banks' operations and the foundation on which all other responsibilities rest. One respondent stated that:

Business is business, and our bank is business. In business, we would still need to achieve and maintain financial stability to enable us to perform CSR, to offer financial assistance to those in need and to organize charity run, cycle and environmental campaigns. I just feel that economic dimension is still important, as it is the bank's key support system for implementing CSR activities.

5.4.2 *CSR Practices*

The practice of CSR of the Islamic banks in Brunei is almost similar to what had already been practiced by Islamic banks in Malaysia and Indonesia. There are largely in the form of donations, contributions, training of employees, charity events and good corporate governance practices. Table 5.2 summarises the Islamic banks' involvement in CSR. The Table shows that BIBD's CSR focused heavily on community, education and entrepreneurship, while TAIB emphasized on employee welfare and relations as well as education and community outreach.

At BIBD, there were three main CSR initiatives: ALAF (Advocating Life-Long Learning for an Aspiring Future); Ar Rahnu; and Sirah Amal programmes.⁵ ALAF was introduced in 2012, with the objective to support primary education especially for schoolchildren from underprivileged families including single mothers. The children receive BND100 for school uniforms, books, stationary sets and other

⁵ Retrieved March 25, 2013, from <http://www.bibd.com.bn/about/corporate-social-responsibility/>

Table 5.2 CSR practices of the Islamic banks in Brunei

CSR practices/activities	BIBD	TAIB
Community	√	√
Education	√	√
Entrepreneurship	√	X
Environment	X	X
Employee	X	√

study materials. Ar Rahnū is the only micro finance programme offered of its kind in Brunei. It is an Islamic pawn brokering service. It takes gold and precious stones as collaterals and offers financial independence to under-privileged members of society, regardless of their ethnicity or religion. Ar Rahnū is an interest-free loan programme for a variety of purposes including paying medical or school fees, repaying debts and starting a small business. Micro-grant and micro-credit schemes were also provided by the bank to find and develop local talent in business. Sirah Amal, the bank's annual Ramadan event, was where the bank's staff will contribute and distribute food, basic necessities and cash in different areas of the country. Apart from these programmes, the bank also has several community projects with various local institutions to improve welfare programmes and issues in the country.

TAIB, on the other hand, was not as transparent as BIBD in communicating their CSR activities to the public. The bank carried out their CSR implicitly with their businesses such as the set-up of Zakat counter and the opening of Haj pilgrimage account. TAIB offered its customers the convenience of making zakat payments through their savings account. The Haj pilgrimage account which was first introduced in 1994 and re-launched in 2011, is a unique savings account designed for Muslims who intend to perform Haj. In addition, the bank has created several financing schemes for education including financing for local or overseas education purposes, and for purchasing computers and related accessories. One significant CSR dimension of the bank was their concern for the welfare of its employees. The bank had organised several events and programmes towards a healthy lifestyle and for employee training and development. A motivational talk was also organised to educate and inspire staff on the aspect of working as 'ibadah', and to create excellent and dedicated workforce which in turn can help the bank to achieve its organisational objectives. Last year, employees had the opportunity to get their eyes checked up, attend the First Aid training and exercise together, get involved and actively engage with the community, and improve ties between the management and other staff in all districts through sharing the spirit of joys and life.

Of all the relationship responsibilities, the environmental responsibility appeared not being taken seriously by the banks. That is, the CSR activities on environmental sustainability were either slow or very little. The banks' efforts including the use of recycling papers and office supplies, improvements in energy efficiency and green project, to ensure that their impact on the environment is considered minimal. Overall, it is these little things the banks do that make a positive impact and a big difference to support the sustainable development of the society.

5.5 Discussion

In general, the society in Brunei is not very much exposed to the CSR movement that has swept the more developed parts of the world. Many businesses are still in a comfort zone, away from added responsibilities and accountability to the public (Mohd Suria 2008). Nevertheless, this is about to change as financial institutions particularly the Islamic banks in Brunei had gradually taken up several CSR initiatives. CSR practices of the Islamic banks in Brunei are no far different from CSR practices of Islamic banks in Asian region. Perhaps the difference only lies in terms of the degree of its importance to the banks. For example, Islamic banks in Brunei give greater emphasis to community, education, entrepreneurship and employee. All these have become part of the banks' core business, and therefore indicate strong presence of social responsibility. Environmental responsibility unfortunately has not received greater attention, maybe because environmental issues are less observed in the country and the Islamic banks have not directly to do with environmental issues. Moreover, the banks have little interest on environmental issues partly because to a larger extent, the concern with environmental issues has emerged out of the problems experienced by the oil and gas sector, rather than the banking sector.

Carroll (1991) who argued that economic responsibilities should not just be about maximizing the profits, had also emphasized a firm to remain competitive and be efficient to achieve sustainable development. In Brunei however, there is not much of competition going on in the Islamic banking sector as the country only has two Islamic banks: BIBD and TAIB. Both banks are strictly monitored by relevant government agencies such as the Monetary Authority of Brunei Darussalam and Shariah Financial Supervisory Board, and they are mandated to comply with all laws, rules and legislations (including Banking Order 2006, Islamic Banking Order 2008 and International Banking Order 2000). Competition in Islamic banking is not to be seen as an end in itself, but an important means whereby the country can achieve its economic efficiency. This links to the eventual outcome of CSR that is, sustaining 'economic welfare' for the benefits of the society.

The banks showed full support to the nation's goal to achieve zero poverty by 2035 (Abdullah 2010), and continued to play a significant role in alleviating poverty. Zakat counter was installed in the banks to provide convenience and value-added services for the customers. As a matter of fact, many of the Islamic banks have provided this to allow their customers to make zakat payment from the comfort of homes or anywhere in the world. The practice and management of zakat are different across countries (Hassan 2010). In Brunei, under the Islamic Religious Council Act and Kadi Courts Act Chap. 77, Sect. 114–121, the Islamic Religious Council has the authority over the management of collection and distribution of zakat. In 2011, about BND 2.5 millions of BIBD's total zakat (tithes) contribution from its customers was handed over to the Brunei Islamic Religious Council, Ministry of Religious Affairs for distribution (Thien 2012).

Philanthropic activities including donations, zakat and sadaqah or charities (voluntary alms) are currently the banks' main tool towards poverty alleviation. The recipients of sadaqah are wider than that of zakat. Recipients of zakat include the eight categories of people (see Ghani and Said 2011), while sadaqah is not only spent on zakat recipients, but also on the construction of mosques, community service complexes, and underprivileged individuals who need skills and training to increase and improve their employability. Micro-grant and micro-credit schemes also represent the banks' flagship programme of CSR to reduce poverty. This programme is introduced to identify and groom local talent, and help those stuck under the burden of heavy debt. The question now is how far the banks can go to assist the poor out of poverty. The programme may be able to help reduce the number of people in poverty, but is not simply enough to eradicate poverty. The banks through the religious council are giving money without doing regular follow up and supervision. Hence, it is suggested to the banks to start considering some long-term financial plans for eligible recipients and give them valuable advice so the money is spent well to provide the best possible aid. This indirectly can also help the banks to plan and manage their resources, funds and financial activities efficiently and effectively.

Although the banks put greater emphasis on the acts of benevolence within their individual employees which have become our duty, it is clear that they do not warrant that they will ceaselessly give contributions as they also rely on their economic performance. In addition to economic, social and environmental responsibilities, responsibility to Allah is utmost importance in Islamic CSR. This is because our lives are indebted to Allah as we are made by His grace and thus, we are subjected to his laws. A Muslim only worships and serves Allah and only seeks help from Allah. Therefore, no matter how Muslims receive help (through zakat, sadaqah and etc), they must attribute all to Allah as being in control of everything. Also at the same time, it is important to educate the Muslims that Islam not only teaches us to help the less fortunate, but also to work hard and work our way out of poverty, not relying on the kindness of others for our daily needs. What else important is *niyat* (the intention behind an action) within one's heart or mind in performing good deeds. All our actions must come with *niyat* that everything we do is performed solely for Allah's sake. If an act is corrupted by the desire to display one's self (*riya*), then that action is rejected. Allah will weigh deeds of each and every one of us according to what we intended.

Whilst the banks promote general welfare and the stability of society – the ultimate goal of Islam (Chapra 1983), TAIB demonstrates their primary concern for employee welfare. The bank guarantees rights to employees by imposing duties on the employers as well as the employees, and improve their treatment of employees and impacts of their activities in the communities in which they operate. Employees' rights cannot be disregarded, and as far as the Islamic CSR is concerned, the bank's efforts in fulfilling employees' basic and other needs are considered to be an act of worship to Allah (Rahman et al. 2006; Zahid and Hassan 2012).

CSR has been employed by many corporations as an impression management tool, to influence their stakeholders' perception (Hooghiemstra 2000) and improve corporate image or reputation (Abdullah and Abdul Aziz 2011). The Islamic banks in Brunei however are seen not to be that interested in corporate reputation, perhaps because even before CSR is implemented, the banks have already gained strong public acceptance and recognition for their Shariah-compliant products and services and earned a long-standing interest from people in the country. Part of the reason is because Islam has had a major historical presence in Brunei. A strong commitment to Islam is very obvious given that the majority of the population is Muslims. Furthermore, the country's pervasive concept of the "Malay Muslim Monarchy" which seeks to integrate Islam, Malay language and culture, and the monarchy, stresses the importance of Islam in daily life and governance. These Islamic banks are not only the choice of Muslims but also favoured by various races and religions for their financial needs.

Last but not least, there are several strengths and weaknesses in this study. The study has provided the Islamic banks' perspectives on CSR, the banks' practice of CSR, and explored the visibility of CSR in Brunei. Although the study is at an exploratory stage, it reveals some aspects or issues that perhaps are useful for investigation and future research directions in the field of CSR such as the implementation of CSR strategies on environmental sustainability, CSR management in Islamic financial institutions, performance measurements of CSR, and the relationship between leadership and CSR from the Islamic perspective particularly on how managers lead CSR (see Low and Ang 2012; Waldman et al. 2006, as examples). This study also enriches our understanding of the work as it had addressed the lack of CSR research of Islamic banks in Brunei in the literature. With respect to weaknesses of the study, the study did not take in the customers' and other stakeholders' perspectives on CSR. Informal interviews were conducted only with a small number of employees given that only very few of them were responsible to manage and administer the banks' CSR activities. Regardless of the small number of officers who in charge for the CSR activities, there had been greater participation and involvement from all employees at various levels. Using such a small sample size has limited the researcher's capacity to compare and contrast the perspectives of employees on CSR. Furthermore, with the limited amount of information the banks disclosed and published, data collection can be quite difficult at times.

5.6 Conclusion and Recommendations

This study has investigated the perspectives of CSR from two Islamic banks in Brunei. The banks viewed CSR as a means to alleviate poverty and responsibility (worship) to Allah. While community charity, donations and other acts of benevolence are widely practiced forms of CSR, entrepreneurship and employee developments were less practiced by these Islamic banks. Greater attention is

given to the welfare benefits of the community and for education. In the future, the study suggests the banks to consider environmental responsibility in their CSR as this is still lacking in Brunei. Such responsibility can be seen as one of means to respond to environmental crises, and for the banks to enhance both their socially and environmentally conscious business practices. For example, the banks prevent or limit social and environmental harms that may have been caused by activities financed by them. The study also suggests the banks to continuously raise the public awareness of CSR, increase the level and depth of disclosure requirements, be more transparent with their activities and develop long-term CSR strategies. Implementing effective CSR would require strong commitment from all stakeholders and leaders in CSR management, and adequate resources and proper system for cost-effective allocation of funds. In conclusion, Islamic banks do not exhibit the same eagerness to appear socially responsible, but they employ relatively similar means to convey their social responsibility images. Taking CSR as our duty to Allah, nature, human beings and society as a whole, both Islamic and conventional banks must collaborate and join forces to improve the nation's long-term sustainable development through these CSR activities.

References

- Abbasi, T. H., Kausar, A., Ashiq, H., Inam, H., Nasar, H., & Amjad, R. (2012). Corporate social responsibility disclosure: A comparison between Islamic and conventional financial institutions in Bahawalpur region. *Research Journal of Finance and Accounting*, 3(3), 51–62. doi:10.5296/ijfd.v2i1.1524.
- Abdullah, R. (2010, January). *Zakat management in Brunei Darussalam: A case study*. Paper presented at 7th International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bandar Baru Bangi. Retrieved from <http://www.ukm.my/hadhari/sites/default/files/prosiding/p19.pdf>
- Abdullah, Z., & Abdul Aziz, Y. (2011). Managing corporate reputation, stakeholder relations and corporate social responsibility: A Southeast Asian perspective. *International Journal of Economics and Management*, 5(1), 299–318. Retrieved from <http://econ.upm.edu.my/ijem/vol5no2/bab07.pdf>.
- Abou-El-Fotouh, H. (2011, July). Corporate Social Responsibility in Banks: What does it mean? *Go Articles*. Retrieved from <http://www.articlesbase.com/>
- Ahmed, S. U., Islam, M. Z., & Hasan, I. (2012). Corporate social responsibility and financial performance linkage: Evidence from the banking sector of Bangladesh. *Journal of Organizational Management*, 1(1), 14–21. Retrieved from <http://www.hgpub.com/jorm.html>.
- Arshad, R., Othman, S., & Othman, R. (2012). Islamic corporate social responsibility, corporate reputation and performance. *World Academy of Science, Engineering and Technology*, 64, 1070–1074. Retrieved from www.waset.org.
- Bennett, R., & Kottasz, R. (2000). Practitioner perceptions of corporate reputation: An empirical investigation. *Corporate Communications: An International Journal*, 5(4), 224–234. doi:10.1108/13563280010357349.
- Bloom, P. N., & Gundach, G. T. (2000). *Handbook of marketing and society*. Thousand Oaks: Sage.
- Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York: Harper & Brothers.

- Brammer, S., & Pavelin, S. (2006). Corporate reputation and corporate social performance: The importance of fit. *Journal of Management Studies*, 43(3), 435–455. doi:10.1111/j.1467-6486.2006.00597.x.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497–505. Retrieved from <http://www.jstor.org/>.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organisational stakeholders. *Business Horizons*, 34(4), 39–48. doi:10.1016/0007-6813(91)90005-G.
- Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business and Society*, 38(3), 268–295. doi:10.1177/000765039903800303.
- Chapra, U. (1983). Monetary policy in an Islamic economy. In Z. Ahmed et al. (Eds.), *Money and banking in Islam* (pp. 27–68). Jeddah: International Institute of Policy Studies, King Abdul Aziz University.
- Classon, J., & Dahlstrom, J. (2006). *How can CSR affect company performance? A qualitative study of CSR and its effects*. (Master 's thesis, Karlstad University). Retrieved from <http://kau.diva-portal.org/>
- Cruz, J. M. (2009). The impact of corporate social responsibility in supply chain management: Multicriteria decision-making approach. *Decision Support Systems*, 48(1), 224–236. doi:10.1016/j.dss.2009.07.013.
- de Quevedo Puente, E., de La Fuente Sabate, J. M., & Delgado-Garcia, J. B. (2007). Corporate social performance and corporate reputation: Two interwoven perspectives. *Corporate Reputation Review*, 10(1), 60–72. Retrieved from <http://www.palgrave-journals.com/>.
- Dusuki, A. W. (2005). *Corporate social responsibility of Islamic banks in Malaysia: A synthesis of Islamic and stakeholders' perspectives*. (Doctoral dissertation, Loughborough University). Retrieved from <https://dspace.lboro.ac.uk>
- Dusuki, A. W. (2008). What does Islam say about corporate social responsibility? *International Association for Islamic Economics. Review of Islamic Economics*, 12(1), 5–28. Retrieved from <http://kantakji.com/fiqh/Files/Accountancy/0308611.pdf>
- Dusuki, A. W., & Irwani, N. (2007). Maqasid As-Shari'ah, significance and corporate social responsibility. *The American Journal of Islamic Social Sciences*, 24(1), 25–45. Retrieved from <http://www.kantakji.com/fiqh/Files/Accountancy/0308914.pdf>.
- Ekawati, R. (2004). *Tanggungjawab sosial (corporate social responsibility) dalam perspektif ekonomi Islam*. Master's thesis, Universitas Islam Negri Syarif Hidayatullah, Jakarta.
- Epstein-Reeves, J. (2012, February 2). *Six reasons companies should embrace CSR* [Web log post]. Retrieved from Forbes, <http://www.forbes.com/sites/csr/2012/02/21/six-reasons-companies-should-embrace-csr/>
- European Commission. (2001). *Green paper – Promoting a European framework for corporate social responsibility*. Retrieved from Commission of the European Communities website: http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001_0366en01.pdf
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Freeman, R. E. (1994). The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*, 4(4), 409–421. Retrieved from <http://www.jstor.org/>.
- Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *The New York Times Magazine*. Retrieved from <http://www-rohan.sdsu.edu/faculty/dunnweb/rprnts.friedman.dunn.pdf>
- Frooman, J. (1999). Stakeholder influence strategies. *Academy of Management Review*, 24(2), 191–205. Retrieved from <http://www.jstor.org/>.
- Ghani, K., & Said, J. (2011). Carter instrument for Zakat organisation: An examination using Delphi technique. *Research Journal of International Studies*, 21, 138–144. doi:10.1007/s11096-011-9571-5.
- Ghoula, S. E., Guedhamib, O., Kwokb, C. C. Y., & Mishrac, D. R. (2011). Does corporate social responsibility affect the cost of capital? *Journal of Banking & Finance*, 35(9), 2388–2406.

- Retrieved from http://responsiblebusiness.haas.berkeley.edu/documents/Moskowitz_2011_CSR_Cost_of_Capital.pdf.
- Gupta, A. D., & Gupta, A. D. (2008). Corporate social responsibility in India: Towards a sane society? *Social Responsibility Journal*, 4(1/2), 209–216. doi:10.1108/17471110810856965.
- Haniffa, R. M., & Cooke, T. (2001). *Corporate social reporting in Malaysia: Impact of culture and corporate governance structure*. Discussion Paper in Accounting and Finance, University of Exeter, Exeter.
- Hassan, K. (2010, January). *An integrated poverty alleviation model combining zakat, awqaf and micro-finance*. Paper presented at 7th International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bandar Baru Bangi, Selangor, Malaysia. Retrieved from <http://www.ukm.my/hadhari/sites/default/files/prosiding/p14.pdf>
- Hassan, A., & Abdul Latiff, H. S. (2009). Corporate social responsibility of Islamic financial institutions and businesses: Optimizing charity value. *Humanomics*, 25(3), 177–188. doi:10.1108/08288660910986900.
- Hedge, W. (2010). Welfare and capital-theoretic foundations of corporate social responsibility and rate sustainability. *Journal of Socio-Economics*, 39(4), 518–526. Retrieved from <http://econpapers.repec.org/>.
- Hoffman, R. C. (2007). Corporate social responsibility in the 1920s: An institutional perspective. *Journal of Management History*, 13(1), 55–73. doi:10.1108/17511340710715179.
- Holme, R., & Watts, P. (2000). *Corporate social responsibility: Making good business sense*. Retrieved from World Business Council for Sustainable Development website: <http://www.wbcsd.org/web/publications/csr2000.pdf>
- Hooghiemstra, R. (2000). Corporate communication and impression management: New perspectives why companies engage in corporate social reporting. *Journal of Business Ethics*, 27(1), 55–68. doi:10.1023/A:1006400707757.
- Iqbal, F. (2012, November 17). *Islamic corporate social responsibility framework being developed for Islamic financial institutes*. Retrieved from Islam Online website: <http://www.islamonline.com/news/articles/80/Islamic-Corporate-Social-Responsibility-framework-.html>
- Jamali, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of Business Ethics*, 82(1), 213–231. doi:10.1007/s10551-007-9572-4.
- Jawahar, I. M., & McLaughlin, G. L. (2001). Toward a descriptive stakeholder theory: An organisational life cycle approach. *Academy of Management Review*, 26(3), 397–414. doi:10.5465/AMR.2001.4845803.
- Lewis, M. K. (2001). Islam and accounting. *Accounting Forum*, 25(2), 103–127. doi:10.1111/1467-6303.00058.
- Lin, C. H., Yang, H. L., & Liou, D. Y. (2009). The impact of corporate social responsibility on financial performance: Evidence from business in Taiwan. *Technology in Society*, 31(1), 56–63. doi:10.1016/j.techsoc.2008.10.004.
- Low, K. C. P., & Ang, S. L. (2012). Confucian leadership and corporate social responsibility, the way forward. *Journal of Business Research*, 2(1), 85–101.
- Mitchell, R. K., Wood, J. D., & Agle, B. R. (1997). Towards a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853–887. Retrieved from http://courses.washington.edu/ilis580/readings/Mitchell_et_al_1997.pdf.
- Mohammed, J. A. (2007). *Corporate social responsibility in Islam*. (Doctoral dissertation, Auckland University of Technology). Retrieved from <http://aut.researchgateway.ac.nz/handle/10292/354>
- Mohd Suria, S. F. M. (2008). *CSR in the fast moving consumer goods retail industry of Brunei Darussalam and its influence on supply chain management*. (Master's thesis, University of Nottingham). Retrieved from <http://edissertations.nottingham.ac.uk/2162/1/08MSclixsfmm.pdf>

- Muwazir, M. R., Muhamad, R., & Noordin, K. (2006). Corporate social responsibility disclosure: A tawhidic approach. *Jurnal Syariah*, 14(1), 125–142. Retrieved from http://myais.fsktm.um.edu.my/6934/1/Corporate_Social_Responsibility_Disclosure_A_Tauhidic_Approach.pdf.
- Othman, A. (2011, November 3). Zero poverty top priority. *Borneo Bulletin*. Retrieved from <http://www.brudirect.com>
- Paetzold, K. (2010). *Corporate social responsibility: An international marketing approach*. Hamburg: Diplomica Verlag GmbH.
- Rahman, N. M., Muhamad, N., & Othman, A. S. (2006). The relationship between Islamic work ethics and organisational commitment: A case analysis. *Malaysian Management Review*, 41(1), 79–89.
- Rashid, M., Abdeljawad, I., Ngalm, S. M., & Hassan, M. K. (2013). Customer-centric corporate social responsibility: A framework for Islamic banks on ethical efficiency. *Management Research Review*, 36(4), 359–378. doi:10.1108/01409171311314978.
- Salleh, N. M. (2009). *The role of emotions and emotional intelligence during merger of two banking institutions in Brunei*. (Doctoral dissertation, University of Southampton). Retrieved from <http://eprints.soton.ac.uk/id/eprint/68707>
- Samina, Q. S. (2012). Practice of corporate social responsibility in Islamic banks of Bangladesh. *World Journal of Social Sciences*, 2(6), 1–13. Retrieved from <http://wbiaus.org/>.
- Sandler, D., & Lloyd, D. (2009). Neo-liberalising corporate social responsibility: A political economy of previous corporate citizenship. *Geoforum*, 40(4), 613–622. doi:10.1016/j.geoforum.2009.03.008.
- Sarea, A. (2012). Zakat as a benchmark to evaluate economic growth: An alternative approach. *International Journal of Business and Social Science*, 3(18), 242–245. Retrieved from <http://www.ijbssnet.com/>.
- Schnietz, K. E., & Epstein, M. (2005). Exploring the financial value of a reputation for corporate social responsibility during a crisis. *Corporate Reputation Review*, 7, 327–345. doi:10.1057/palgrave.crr.1540230.
- Scholtens, B. (2008). A note on the interaction between corporate social responsibility and financial performance. *Ecological Economics*, 68(1–2), 46–55. doi:10.1016/j.ecolecon.2008.01.024.
- Shifa, M. N. (2012). *Exploring CSR and sustainable development practices of Islamic banks in Malaysia: An empirical analysis*. (Doctoral dissertation, Durham University). Retrieved from <http://etheses.dur.ac.uk/5933/>
- Thien, R. (2012, August 4). Over \$2m zakat from BIBD. *The Brunei Times*. Retrieved from <http://www.bt.com.bn>
- Tilt, C. A. (2009). Corporate responsibility, accounting and accountants. In S. O. Idowu & W. L. Filho (Eds.), *Professionals' perspectives of corporate social responsibility*. London: Springer.
- Tirmidhi-al. (1993). Sunan al-Tirmidzi. In H. M. Zohri (Ed.), *Tarjamah Sunan al-Tirmidzi*. Kuala Lumpur: Victory Agency.
- Trotta, A., & Cavallaro, G. (2012). Measuring corporate reputation: A framework for Italian Banks. *International Journal of Economics and Finance Studies*, 4(2), 21–30. Retrieved from http://www.sobiad.org/eJOURNALS/journal_IJEF/.
- Usmani, M. (2002). *An introduction to Islamic finance Arab and Islamic law series*. The Hague/Amsterdam: Kluwer Law International.
- Waldman, D. A., Siegel, D. S., & Javidan, M. (2006). Components of CEO transformational leadership and corporate social responsibility. *Journal of Management Studies*, 43(8), 1703–1725. doi:10.1111/j.1467-6486.2006.00642.x.
- Wartick, S. L., & Cochran, P. L. (1985). The evolution of the corporate social performance model. *Academy of Management Review*, 10(4), 758–769. Retrieved from <http://www.jstor.org/>.
- Yusuf, M. Y., & Bahari, Z. (2011, December). *Islamic corporate social responsibility in Islamic banking: Towards poverty alleviation*. Paper presented at 8th International Conference on Islamic Economics and Finance, Doha, Qatar. Retrieved from http://www.iefpedia.com/english/wp-content/uploads/2011/12/Muhammad.Yasir_.pdf
- Zahid, M. A., & Hassan, K. H. (2012). Corporate social responsibility to employees: Considering common law vis-à-vis Islamic law principles. *Pertanika Journal of Social Science and Humanities*, 20(S), 87–99.