



Midocean University

Collage of Business

Master of Business Administration

**Roots of Corporate Social Responsibility
in the Kingdom of Saudi Arabia**

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Academic Year

2025

جذور المسؤولية الاجتماعية للشركات في المملكة العربية السعودية

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Researcher

Acknowledgement

All praise and gratitude to Allah, whose mercy and guidance made this achievement possible.

With His wisdom and strength, I overcame every challenge along the way.

May He continue to bless my journey and grant me success in all I pursue.

Abstract

This research explores the dynamic evolution of Corporate Social Responsibility (CSR) in the Kingdom of Saudi Arabia.

It explains the origin influence of traditional Islamic principles, specifically the concept of Zakat, in playing a part of influencing the development of modern Corporate Social Responsibility practices up to today. The content broadly examines the shift from a primarily philanthropic approach, rooted in cultural and religious values, to a more strategic integration within business operations. This transformation, particularly accelerated since the early third millennium, is analyzed within the context of Saudi Arabia's rapid economic diversification approach and the implementation of governmental initiatives, represented Vision 2030.

Through a survey output drawn from 61 Saudi CSR professionals and private sector employees that partakes in their social responsibility projects. Due to the nature of a mixture of historical and current data in the study the research methodology utilized was descriptive in the theoretical section and analytical for the statistical sections.

The survey results illustrated how the Saudi Corporates Social Responsibility landscape has transitioned from a religious or moral imperative to a strategic business component, contributing to long-term sustainability, enhanced corporate reputation and stronger community engagement, thus reflecting the Kingdom's commitment to aligning economic progress with societal well-being.

The study recommends acknowledging private sector entities which provide initiatives that create a positive impact on the community, environment and/or economy. As well as, persuading policymakers for implementation advocacy aimed at private sector companies with high profit business especially the ones that create a negative effect like factories. Finally, increase incentives for companies to encourage competitiveness in initiatives that benefit the local communities.

Keywords: Corporates Social Responsibility in the Kingdom of Saudi Arabia, Sustainability, Socioeconomic, local community projects.

Research terminology

CSR: Corporate Social Responsibility

MHRSD: Ministry of Human Resources and Social Development

ESG: Enviromental, Social and Corporate Governance (framework used to assess an organization's business practices)

SDGs: Sustainable Development Goals (17 goals in total, adopted by all United Nation Members)

Tadawul: Saudi Exchange Stock Market

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Chapter One

Introduction

1.1 Introduction

Corporate Social Responsibility (CSR) has become a fundamental component of business strategy worldwide, and the Kingdom of Saudi Arabia is no exception.

Historically, Corporate Social Responsibility in the Kingdom was not as institutionalized or formalized as it is practiced and participated in as today, however it originates from deep roots that align with the country's cultural, social, and religious landscape.

Understanding the stages of Corporate Social Responsibility evolution in Saudi Arabia requires an exploration of both traditional/religious values and modern socioeconomic developments, which have shaped the current framework of corporate responsibility in the region we see today.

The foundation can be traced to Islamic principles that emphasize social justice, charitable giving, and ethical behavior in trade. The concept of Zakat, a form of almsgiving and one of the Five Pillars of Islam, plays a significant role in shaping the social responsibility mindset for local individuals that are stakeholders. It encourages wealth redistribution to support the less fortunate, which aligns closely with modern CSR practices that focus on sustainable development and societal welfare for the community.

However, due to the nature of private establishments preference to focus on generating maximum profits, mostly robust on delivering higher return to their investors and stakeholders. This drive for pure financial gain mostly led business to prioritize plans for influencing short-term consumer buying power, which meant incorporating social responsibility into their strategy and day to day operation typically took the backseat. That was up until the Kingdom underwent rapid economic diversification, the management concept of Corporate Social Responsibility in Saudi Arabia gained momentum in the 2000s as the government, seeking to balance economic growth with social development, began to recognize the need for businesses to contribute to the community and economy.

This realization was put into practice by the Saudi Vision 2030 reform plan under A thriving Economy pillar, where it began to clarify the fine line between the religious influence for individuals and the private sector responsibility towards the community and environment. in plan for collaborative efforts from

sectors that contribute to transforming the Kingdom's economy and diversify its dependence beyond the oil sector, which is heavily dominated by private entities. The crucial role the private sector plays and holds in achieving various income sources while also balancing a share of the community's social well-fare by creating new job markets, providing initiatives and more had to be addressed, recognized and acknowledged. Through dedicating a goal of enabling companies to perform their social responsibility under the third pillar: Ambitious Nation. (vision 2030, 2016)

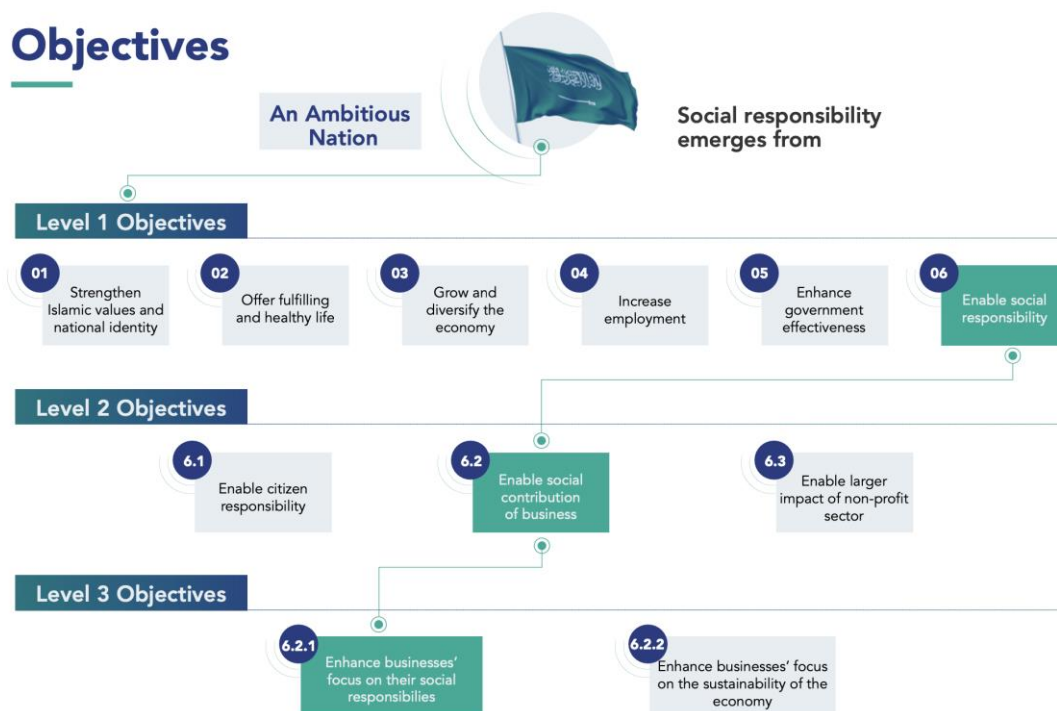


chart1

Hence today, corporate social responsibility in Saudi Arabia is not only seen as a moral obligation but also a strategic business approach that contributes to the Kingdom's vision, sustainability and creating a positive corporate image.

Yet, the level of measuring the maturity of companies social, environmental and economic outputs in reporting on a global scale such as: ESG reporting remains unclear due to multiple reasons the research explores

1.2 Problem Statement

Regardless to the national announcement goal of enabling companies to partake in social responsibility, multiple forums held in the heart of the Kingdom where the government encouraged companies to comply with global standards such as *Global Reporting Initiative* and *Sustainability Accounting Standards Board*, Ministry of Human Resources and Social Development agreement with Tadawul the *Social Responsibility Index* to evaluate enlisted stock market company's transparency, sustainable business practices and present stakeholders with their commitment to social responsibility, there are challenges in fully integrating social responsibility strategy and practice within the corporate culture of Saudi Arabia. Internal and External issues such as: absence of clear regulatory frameworks, different definitions of corporate social responsibility "Corporate social responsibility is the commitment of private sector entities to create sustainable impact in favor of the community, environment and economy, strategically integrated throughout the organization and practiced in its relationships and activities and external relationships" (MHRSD, 2023)

"a corporation's responsibility towards society. CSR takes on many forms. One example is respecting the environment and contributing to its preservation in sourcing materials and operations. Valuing human rights, whether by providing equal opportunities to different social groups or providing a fair wage and a safe working environment to all workers, is another. A third example is funding education and providing training opportunities for the next generations of the workforce" (Misk hub, 2020)

Resistance from businesses that view social responsibility projects as a voluntary or non-essential obligation that results in additional expense to the company's finance. lack of transparency in reports of companies whether in financial disclosure or other related statements related to their social responsibility initiatives or environmental, social and corporate governance data (ESG). Estimated at only 6% of companies listed on Saudi stock exchange (Birch, 2023)

Based on the information provided, it raises the main question of how we can effectively facilitate and encourage the private sector to adopt documenting and disclose reports in accordance with international standards, while guiding the

shift from religious philanthropic influence to a sustainable practice?

1.3 Study purpose

The study purpose revolves around exploring the crucial questions and supply answers of the gaps in such active and highly engaged private sector companies with local communities that gives back financially and in kind yet the accumulated number of published reports, statements and documents represents a very small percentage of when compared to the numbers of executed social, environmental projects that were large in scale, diverse in fields that it assisted in raising the Kingdom's ranking in the IMD World competitiveness Yearbook from 20th place to the 16th out of 67 countries in couple of years.

1.4 Study importance

❖ Theoretical Significance

The theoretical significance of this study relies on clarifying the orientation and direction the Kingdom of Saudi Arabia is steering the Corporate Social Responsibility scene towards.

❖ Practical Significance

The practical significance of the study examines the status of government policies, regulations and incentives presented to corporates in regards of socio-economic and Enviromental initiatives as well as barriers to comply with international standards of disclosure reporting especially ISO 26000

Asses the perception of stakeholders regarding CSR in local companies
Looking into how various stakeholders, including employees, consumers, and local communities, perceive the CSR initiatives of Saudi businesses, and how these perceptions affect corporate reputation and stakeholder engagement.

1.5 Study Questions

Main Study Question:

- Assess and evaluate the awareness of Corporate Social Responsibility concept from the perception of internal stakeholders; company executives, managers & employees

Sub-Questions:

1. Cultural and religious Dimensions:

- o Have the Islamic values and cultural traditions, influenced trajectory of current articulation of CSR practices within Saudi Arabian businesses?

2. Governmental and Regulatory Impact:

- o Has the government developed and provided social responsibility framework, regulations and incentives to encourage participation?

3. Stakeholder Perceptions Challenges:

- o How do investors and owners/shareholders view CSR participation reflect on their return?

1.6 Research Hypotheses

To achieve study purpose conclusion multiple hypothesis were examined:

- ❖ **Hypothesis 1** Cultural and religious Dimensions: Corporations with publicly stated CSR initiatives that align with Islamic values and cultural traditions will demonstrate a higher level of community engagement compared to corporations without such alignment.
- ❖ **Hypothesis 2** (Related to Governmental and Regulatory Impact):
- ❖ **H2:** Corporations operating within sectors targeted by Vision 2030's CSR-related initiatives will exhibit a greater adoption of formalized CSR reporting compared to corporations in non-targeted sectors.
- ❖ **H2a:** There is a positive correlation between the availability of government incentives for CSR and the number of corporations that adopt formal CSR programs.
- ❖ **Hypothesis 3** (Related to Stakeholder Perceptions and Implementation Challenges):
- ❖ **H3:** Corporations with high scores in stakeholder perception surveys regarding their CSR initiatives will demonstrate higher levels of customer loyalty compared to corporations with low scores.
- ❖ **H3a:** Corporations reporting internal barriers such as "lack of financial resources" and "lack of CSR training" will show lower rates of CSR implementation than corporations without those internal barriers.

1.7 Theoretical Model

This research employs a descriptive analytical approach to explore the multifaceted evolution of Corporate Social Responsibility (CSR) in Saudi Arabia a combination of theoretical frameworks will be utilized to systematically analyze the data collected. **Institutional Theory** will serve as a lens to describe and analyze how external pressures, such as governmental policies like Vision 2030, and prevailing cultural norms, particularly those rooted in Islamic values, shape the adoption and implementation of CSR practices. Aiming to identify and describe the specific mechanisms through which these institutional pressures influence corporate behavior.

Furthermore, **Stakeholder Theory** will be employed to analyze and describe how Saudi Arabian companies engage with and respond to the diverse expectations of their stakeholders. This approach will enable illustration of how stakeholder perceptions, as gleaned from surveys and interviews, impact CSR strategies and corporate reputation. Which will result in deciphering the relationships between stakeholder engagement and CSR outcomes.

To provide a culturally nuanced understanding, the principles of **Islamic Business Ethics** will be used to describe and analyze the ethical foundations of CSR in the Saudi context. This framework will allow to examine how concepts like Zakat, social justice, and ethical conduct are reflected in corporate practices, thus describing the unique character of CSR within the Kingdom.

Finally, while not central, elements of the **Resource-Based View (RBV)** will be incorporated to describe and analyze how some companies may leverage CSR initiatives to build intangible resources, such as enhanced reputation and stakeholder trust. It will describe observed instances where CSR appears to contribute to competitive advantage

Chapter two

Literature review

2.1 Introduction

This chapter offers a thorough literature review aimed at exploring the key issues surrounding the development of Corporate Social Responsibility practices, reporting and shareholders view and investors sentiment on the matter in Saudi Arabia. It discusses published papers, and other sources that trace the evolution of CSR in the country, highlighting turning points, socio-economic milestones and how these practices align with the Kingdom's larger economic and social policies.

Further, the review combines opinions that perceives different angles of the significant role of government policies and regulations that influenced CSR practices up until present day, with a strong focus on the effects of Vision 2030 and other programs that are led by the Saudi government

2.3 Dependent Variable

Corporates Social Responsibility major initiatives barriers to disclose document in international reporting standards
Government efforts in providing incentives for private entity participants

2.4 Independent Variable

Investors and shareholders view on corporate social responsibility initiatives from a financial point of view under the concerns of poor return on businesses

Chapter Three

Research Methodology

3.1 Introduction

Preamble:

This section tackles detailed analysis, shows the results throughout the statistical management that has been performed on the sample of the study, analyzing and discussing the results.

Methodology of Study:

Descriptive methodology has been utilized that considers the best-utilized methodology on researchers and it considers available to this study. This methodology describes all matters, interprets and defines the circumstances which exist on the fact, points out the common or prevailing practices or any methodology that relates to the definite phenomenon in order to describe and interpret. The tool of study has been described to find the descriptive statistics for all questions.

3.2 Research design

This study adopts a descriptive cross-sectional design to quantitatively assess the Roots of Corporate Social Responsibility in the Kingdom of Saudi Arabia.

3.3 Population of the Study

The sampling method to be used is simple random, where the sample of the study (60) Employees working or supporting corporate social responsibility departments in their companies

3.4 Sample Characteristic

In the light of questions and targets of study, the study has been reached at the followings:

Firstly: Demographic information: The followings show the general information of the study sample about the demographic data of sample individuals (60) on answering the first part from the questionnaire and the individuals have been classified into the following case:

Gender:

Gender	Frequency	Ratio
Male	28	47%
Female	32	53%
Total	60	100%

Source: Preparation by Researcher by SPSS V.26 2026

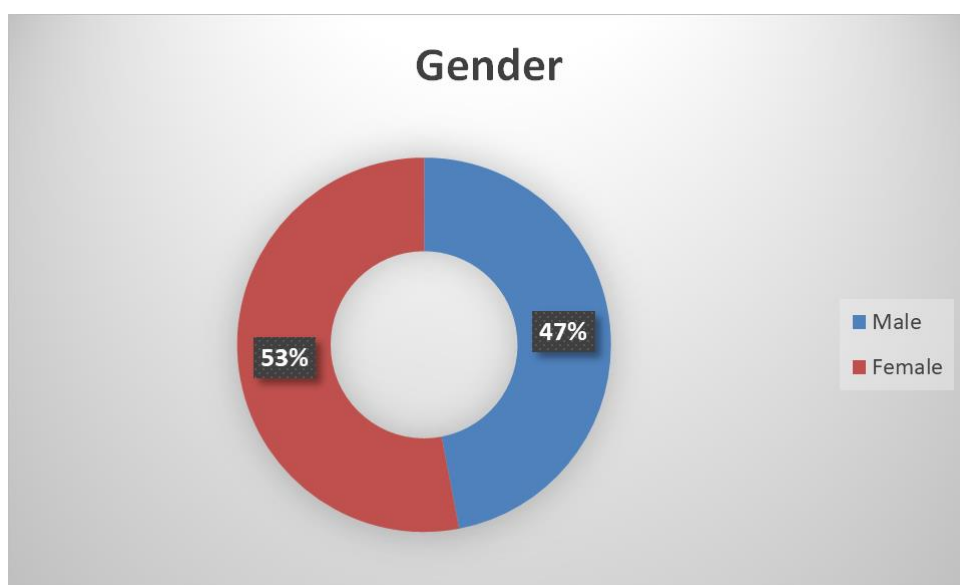


Table (1) Shows the distribution of study individuals according to their Gender

The aforementioned table & figure show that the Males respondents represent 47%, while the females represent 53%.

Age:

Age	Frequency	Ratio
24-30 yrs.	23	38%
30-40 yrs	33	55%
40-50 yrs.	3	5%
more than 50	1	2%
Total	60	100%

Source: Preparation by Researcher by SPSS V.26 2026

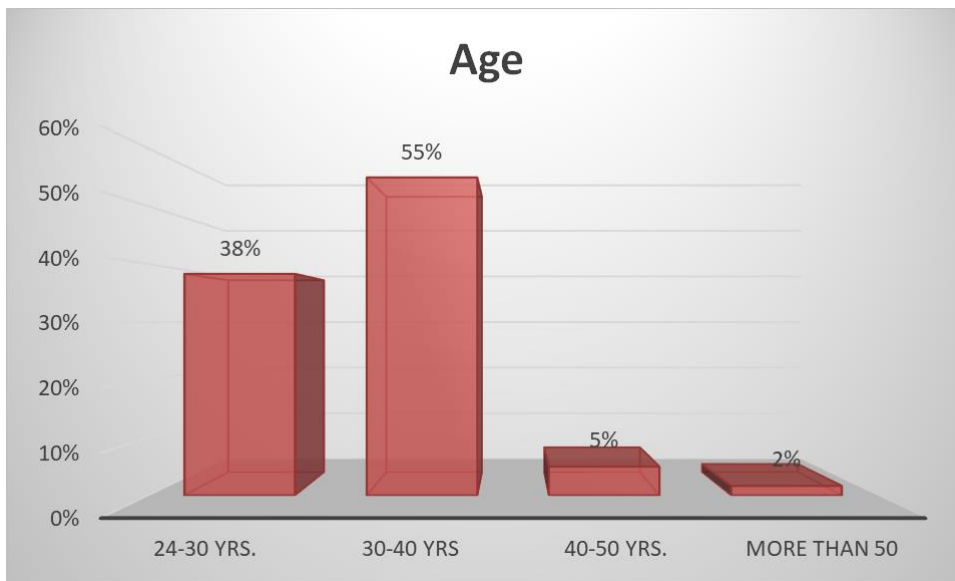


Table (2) Shows the distribution of the study sample according to their Age

The aforementioned figure & table shows that 55% their ages between 30-40 yrs., followed by 38% between 24-30 yrs. While 5% are 40-50 yrs, and lastly 2% are more than 50 years old with more experience and knowledge.

Education Level:

Education Level	Frequency	Ratio
Bachelor	33	55%
Master	26	43%
Ph.D.	1	2%
Total	60	100%

Source: Preparation by Researcher by SPSS V.26 2026

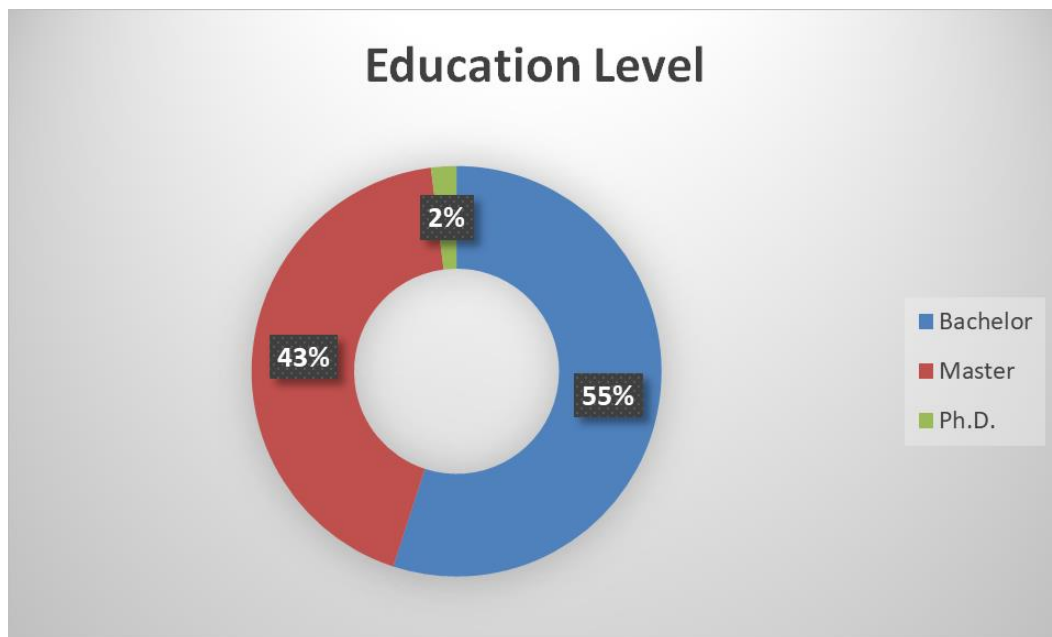


Table (3) shows the distribution of the study sample according to their education level

The aforementioned figure & table show that the distribution of study individuals according to their education level, we notice that 55% are bachelor's degree holders, followed by 43% are master's degree holder, and finally 2% Have Ph.D. degree.

Position:

Position	Frequency	Ratio
Employee	32	53%
Manager	26	43%
Executive	2	4%
Total	60	100%

Source: Preparation by Researcher by SPSS V.26 2026

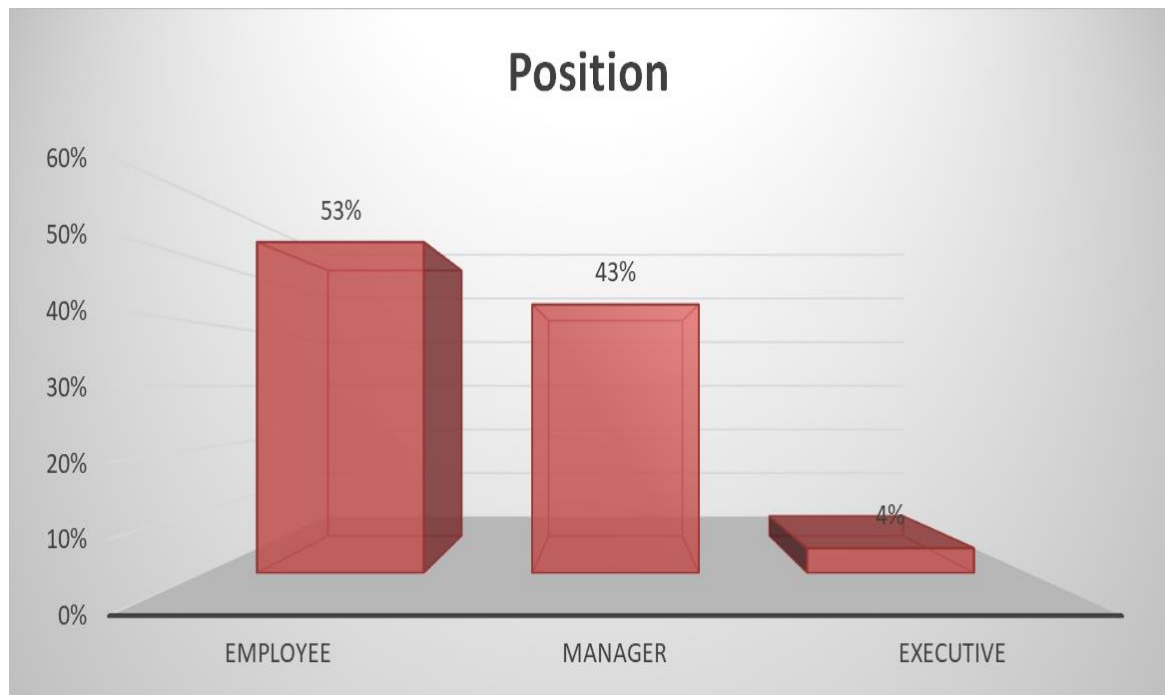


Table (4) shows the distribution of the study sample according to their Position

The above figure & table show that the distribution of study individuals according to their position in the company, we notice that 53% are employees, and 43% are managers, and finally 4% are executives.

3.5 Study determinates

Time bound was for the level of awareness of CSR initiatives until the first school term 2025

Spatial boundary within private sector companies in Riyadh city

Sample boundary employees of CSR departments in Saudi companies

3.6 Method of analysis

The study depends on a questionnaire which is considered the appropriate tool to collect data and the questionnaire is consisting of two parts:

First part includes the personal information of study individuals.

Second part includes the statements of the questionnaire and it shall be formulated according to targets and study questionnaires on the following matter:

- **Hypothesis 1:** Community engagement due to CSR initiatives
- **Hypothesis 2:** Corporations today exhibit greater CSR/ESG reporting
- **Hypothesis 3:** Effect of CSR on profit & customer loyalty
- **Hypothesis 3a:** Internal barriers for CSR implementation

Validity of tool:

It will implement to make sure of the validity of the study tool with the following methods:

- **internal consistency validity:** many methods shall be used to reach this type of validity such as calculating the degree of relationship between the items with the total degree, the degree of relations will be an indicator in order to judge the extent of each item validity on measuring the characteristics that total degree shall seek to measure it.

For more assurance about the study tool and its structure validity, the researcher has calculated the coefficient of correlation of axis items with the total degree for all items of this axis, the calculation has been implemented on all axes as described on hereunder table:

Variable1		Variable 2		Variable 3		Variable 4	
Item	Correlation	Item	Correlation	Item	Correlation	Item	Correlation
1.	0.792* *	1.	0.611* *	1.	0.804* *	1.	0.795* *
2.	0.702* *	2.	0.822* *	2.	0.789* *	2.	0.740* *
3.	0.655* *	3.	0.810* *	3.	0.668* *	3.	0.657* *

Table (5) Pearson's test Correlations

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

The table shows the correlation between various variables related to the statements of the questionnaire statements. Which represents statistical significance at the level of significance (0.01) and indicates the structural validity of tools and then assurance of results.

Reliability of tool:

to assess the extent of the study tool (questionnaire), the researcher has utilized Cronbach' Alpha to make sure of the validity of the study tool and the researcher has implemented the equation to assess the structural validity and the table (6) shows the study reliability coefficient

Items Of Questionnaire	No. of questions	Reliability of question
Community engagement due to CSR initiatives	3	0.779
Corporations today exhibit greater CSR/ESG reporting	3	0.795
Effect of CSR on profit & customer loyalty	3	0.604
Internal barriers for CSR implementation	3	0.737
Total		0.826

Table (6) Cronbach' Alpha to assess the tool of study

The table shows that that the coefficient of reliability of study questions is at high level, whereas reaching between (0.604 – 0.779) and that indicates to the items of the questionnaire are advantaged with a good degree of reliability and it can be depended on the operational implementation of the study where the general reliability for all axes is (0.826)

Used Statistical methods on analyzing data:-

For the questionnaire's axes, to achieve the targets of study and analyzing data, many appropriate statistical methods have been used by statistical package for social sciences and its abbreviation is (SPSS). After entering data to and to define the length of Pentagon standard (upper and lower limitations) that used on study items, the extent has been calculated ($5-1=4$), then dividing into many cells of the questionnaire to get the correct length of the cells for the first axe which is followed Likert's scale, that meaning ($4/5=0.8$), after that this value has been added to the least value on standard (or the beginning of standard is one) to define the upper limits of this cell.

<i>DEFINITION</i>	<i>Means Range</i>	<i>Category</i>
STRONGLY DISAGREE	1 - 1.80	First
DISAGREE	1.81 - 2.60	Second
NEUTRAL	2.61 – 3.40	Third
AGREE	3.41 – 4.20	Fourth
STRONGLY AGREE	4.21 – 5.00	Fifth

The frequencies and percentages have been calculated in order to know the personal and professional characteristics of the items of the study's sample and define the responses of its items towards the basic items that including to the tool of study, after that the following statistical standards have been calculated:

1. **Average:** In order to know the extent of increasing or decreasing responses of study individuals regarding the questions of the study (average of phase's averages), it is helpful for arranging the items according to the higher weighted mean.
2. **Standard Deviation:** This has been utilized to assess the extent of deviation or dispersion of study individuals' responses for each item of study variables. It indicates how spread out the responses are; when the standard deviation value is near zero, the responses are centralized, reflecting less dispersion between standards.
3. **Pearson Correlation:** This has been utilized to determine the degree of relationship between each question of the study, helping to identify any significant correlations among the variables.
4. **Cronbach's Alpha:** This is used to test the extent of reliability of the study tool, ensuring that the items within the questionnaire consistently measure the same underlying construct.

Chapter Four

Practical Study

4.1 Data Analysis

Analyzing and discussing the question of the study:

This section tackles the results and discusses of operational study throughout showing the responses of study individuals on questionnaire items and answering the following questions. and we used the averages, standard deviations for responses of study individuals on questionnaire, the questions have been frequented and the results shall be on hereunder tables.

Hypothesis 1: Community engagement due to CSR initiatives:

To identify the factors for the axis statements, the calculation averages, the standard deviations, and the levels of the responses of the study individuals were calculated on the factors regarding the Community engagement due to CSR initiatives.

#	Community engagement due to CSR initiatives	Avg .	S. D	%	Ran k	Respond
1.	My company's social responsibility initiatives are aligned with Islamic values and cultural traditions	3.38	0.904	68 %	3	NEUTRAL
2.	My company's commitment to Islamic & cultural values has positively influenced our relationship with the community	3.68	0.651	74 %	1	AGREE
3.	My company's culturally aligned CSR initiatives tend to receive greater media attention	3.62	1.043	72 %	2	AGREE
Average of Axis= 3.56						
Stander deviation of Axis=0.87						

Table (7) responses of the study individuals of the Community engagement due to CSR initiatives

Table (7) illustrates the responses regarding community engagement resulting from corporate social responsibility (CSR) initiatives, with an overall average score of 3.56 out of 5. The standard deviation for this axis is 0.87, indicating a moderate level of agreement among respondents.

The statement "My company's commitment to Islamic & cultural values has positively influenced our relationship with the community" ranked first,

receiving an average score of 3.68 and a standard deviation of 0.651, with a response classification of "AGREE." This indicates a strong perception of the positive impact of cultural alignment on community relations.

The statement "My company's culturally aligned CSR initiatives tend to receive greater media attention" ranked second, with an average score of 3.62 and a standard deviation of 1.043, also classified as "AGREE." This suggests that respondents believe culturally relevant initiatives attract more media coverage.

The statement "My company's social responsibility initiatives are aligned with Islamic values and cultural traditions" ranked third, averaging 3.38 with a standard deviation of 0.904, categorized as "NEUTRAL." This indicates a more mixed perception of the alignment of CSR initiatives with Islamic values.

Overall, the findings suggest that while there is a positive view of the impact of CSR initiatives on community engagement, perceptions vary, particularly regarding alignment with cultural values.

Hypothesis 2: Corporations today exhibit greater CSR/ESG reporting:

To identify the factors for the axis statements, the calculation averages, the standard deviations, and the levels of the responses of the study individuals were calculated on the factors regarding the Corporations today exhibit greater CSR/ESG reporting.

#	Corporations today exhibit greater CSR/ESG reporting	Avg .	S. D	%	Ran k	Respond
4.	My company is actively involved in fields targeted by Vision 2030's CSR related initiatives	3.73	0.841	75 %	1	AGREE
5.	My Company adopted a formal CSR reporting framework due to vision 2030 regulatory efforts	2.95	1.126	59 %	2	NEUTRAL
6.	The availability of government incentives has motivated our corporate to formalize CSR reporting	2.70	1.239	54 %	3	NEUTRAL
Average of Axis= 3.13						
Stander deviation of Axis=1.07						

Table (8) responses of the study individuals of the Corporations today exhibit greater CSR/ESG reporting

Table (8) presents the responses regarding the extent to which corporations exhibit greater CSR (Corporate Social Responsibility) and ESG (Environmental, Social, and Governance) reporting, with an overall average score of 3.13 out of 5 and a standard deviation of 1.07, indicating a moderate level of agreement among respondents.

The statement "My company is actively involved in fields targeted by Vision 2030's CSR related initiatives" ranked first, achieving an average score of 3.73 and a standard deviation of 0.841, classified as "AGREE." This suggests that respondents perceive significant involvement in CSR initiatives aligned with Vision 2030.

The statement "My company adopted a formal CSR reporting framework due to Vision 2030 regulatory efforts" ranked second, with an average score of 2.95 and a standard deviation of 1.126, categorized as "NEUTRAL." This indicates a mixed perception regarding the adoption of formal reporting frameworks in response to regulatory efforts.

The statement "The availability of government incentives has motivated our corporate to formalize CSR reporting" ranked third, averaging 2.70 with a standard deviation of 1.239, also classified as "NEUTRAL." This suggests limited agreement on the influence of government incentives in promoting formal CSR reporting.

Overall, the findings indicate that while there is a positive perception of corporate engagement with Vision 2030 initiatives, there is uncertainty regarding the impact of regulatory efforts and government incentives on formal CSR reporting.

Hypothesis 3: Effect of CSR on profit & customer loyalty:

To identify the factors for the axis statements, the calculation averages, the standard deviations, and the levels of the responses of the study individuals were calculated on the factors regarding the Effect of CSR on profit & customer loyalty.

#	Effect of CSR on profit & customer loyalty	Avg .	S. D	%	Ran k	Respond
7.	we received positive feedback from stakeholders regarding our CSR initiatives	3.35	0.917	67%	3	NEUTRAL
8.	Our social responsibility efforts have led to stronger customer loyalty	3.75	0.751	75%	1	AGREE
9.	Our customer base are more likely to recommend our corporation due to perceived effectiveness of our CSR activities	3.60	0.942	72%	2	AGREE
Average of Axis= 3.57						
Stander deviation of Axis=0.87						

Table (9) responses of the study individuals of the Effect of CSR on profit & customer loyalty

Table (9) summarizes the responses regarding the effect of CSR (Corporate Social Responsibility) on profit and customer loyalty, with an overall average score of 3.57 out of 5 and a standard deviation of 0.87, indicating a moderate level of agreement among respondents.

The statement "Our social responsibility efforts have led to stronger customer loyalty" ranked first, receiving an average score of 3.75 and a standard deviation of 0.751, classified as "AGREE." This indicates a strong perception that CSR initiatives positively influence customer loyalty.

The statement "Our customer base is more likely to recommend our corporation due to the perceived effectiveness of our CSR activities" ranked second, with an average score of 3.60 and a standard deviation of 0.942, also categorized as "AGREE." This suggests that respondents believe effective CSR activities enhance customer recommendations.

The statement "We received positive feedback from stakeholders regarding our CSR initiatives" ranked third, averaging 3.35 with a standard deviation of 0.917, classified as "NEUTRAL." This reflects a more mixed perception regarding stakeholder feedback on CSR efforts.

Overall, the findings suggest that respondents recognize a positive impact of CSR on customer loyalty and recommendations, while perceptions of stakeholder feedback are less definitive.

Hypothesis 3a: Internal barriers for CSR implementation:

To identify the factors for the axis statements, the calculation averages, the standard deviations, and the levels of the responses of the study individuals were calculated on the factors regarding the Internal barriers for CSR implementation.

#	Internal barriers for CSR implementation	Avg	S. D	%	Ran k	Respon d
10	I face challenges to find CSR training courses within my organization	3.53	0.79 1	71 %	3	AGREE
11	Shortage of financial support from top management is a main obstacle to develop CSR initiatives	3.62	0.88 5	72 %	2	AGREE
12	My company seeks to hire specialized CSR personnel to participate in social, environmental and economic initiatives.	3.67	0.95 1	73 %	1	AGREE
Average of Axis= 3.61						
Stander deviation of Axis=0.88						

Table (10) responses of the study individuals of the Internal barriers for CSR implementation

Table (10) presents the responses regarding internal barriers to CSR (Corporate Social Responsibility) implementation, with an overall average score of 3.61 out of 5 and a standard deviation of 0.88, indicating a moderate level of agreement among respondents.

The statement "My company seeks to hire specialized CSR personnel to participate in social, environmental, and economic initiatives" ranked first, achieving an average score of 3.67 and a standard deviation of 0.951, classified

as "AGREE." This suggests a recognition of the importance of specialized personnel in advancing CSR efforts.

The statement "Shortage of financial support from top management is a main obstacle to develop CSR initiatives" ranked second, with an average score of 3.62 and a standard deviation of 0.885, also categorized as "AGREE." This indicates that respondents perceive financial constraints from leadership as a significant barrier to CSR development.

The statement "I face challenges to find CSR training courses within my organization" ranked third, averaging 3.53 with a standard deviation of 0.791, classified as "AGREE." This reflects a recognition of difficulties in accessing training resources related to CSR.

Overall, the findings suggest that respondents acknowledge various internal barriers to CSR implementation, particularly the need for specialized personnel and financial support, as well as challenges in accessing relevant training opportunities.

Research Findings

This study aimed to quantitatively assess the roots of Corporate Social Responsibility (CSR) in the Kingdom of Saudi Arabia, utilizing a descriptive cross-sectional design with a sample of 60 employees. The demographic characteristics of the participants revealed a balanced gender distribution, with 53% female and 47% male respondents. The age distribution indicated that the majority (55%) were between 30-40 years old, while educational level showed that 55% held bachelor's degrees and 43% had master's degrees. The positions of the respondents were predominantly employees (53%), followed by managers (43%) and executives (4%).

The findings indicate that community engagement due to CSR initiatives is perceived positively, with an overall average score of 3.56. Notably, the highest-ranked statement was that the company's commitment to Islamic and cultural values positively influences community relations, reflecting a strong alignment with cultural norms. This suggests that CSR initiatives that resonate with local values not only enhance community engagement but may also foster a deeper connection between the corporation and its stakeholders. In terms of CSR and ESG reporting, the average score was 3.13, indicating moderate agreement with the statements. Respondents acknowledged involvement in Vision 2030 initiatives but expressed uncertainty about the effectiveness of regulatory efforts and government incentives in promoting formal CSR reporting. This highlights a gap that may need addressing to enhance CSR practices in alignment with national goals. Furthermore, the analysis of the effect of CSR on profit and customer loyalty yielded an average score of 3.57, with a strong perception that CSR initiatives lead to greater customer loyalty and recommendations. However, feedback from stakeholders was viewed more neutrally, suggesting that while internal perceptions of CSR are positive, external validation may be lacking. Finally, the Internal barriers to CSR implementation averaged 3.61, indicating a recognition of significant challenges. Respondents emphasized the need for specialized CSR personnel and highlighted financial constraints from top management as obstacles to developing effective CSR initiatives. Additionally, there were challenges in accessing CSR training, pointing to areas where organizations could improve to enhance their CSR capabilities.

Conclusion

In conclusion, this study underscores the positive perception of CSR initiatives among employees in Saudi Arabia, particularly in relation to community engagement and customer loyalty. The findings illustrate that while there is recognition of the importance of cultural alignment in CSR efforts, uncertainties remain regarding the effectiveness of formal reporting and the impact of internal barriers. Addressing these challenges may lead to more effective CSR strategies that not only align with national initiatives like Vision 2030 but also enhance corporate reputation and stakeholder engagement. By focusing on improving financial support and providing training opportunities, corporations can better implement CSR initiatives, ultimately fostering a more sustainable business environment.

Research Recommendations

Based on the findings of this study, several recommendations can be made to enhance the effectiveness of Corporate Social Responsibility (CSR) initiatives in the Kingdom of Saudi Arabia. These recommendations aim to address the identified barriers, improve community engagement, and ensure that CSR efforts align with both cultural values and organizational goals. By implementing these strategies, corporations can strengthen their CSR practices, foster better relationships with stakeholders, and contribute positively to their communities.

Corporations should invest in comprehensive CSR training programs for employees to increase awareness and understanding of CSR practices and their benefits. Through providing accessible training resources will empower employees to engage more effectively in CSR initiatives.

Top management should prioritize financial investment in CSR initiatives, recognizing the long-term benefits of such investments for both the company and the community.

Organizations should consider hiring dedicated CSR professionals who possess the expertise to design and implement effective CSR strategies.

Companies should ensure that their CSR initiatives are closely aligned with Islamic and cultural values. This alignment can enhance community engagement and foster a positive corporate image, as initiatives that resonate with local values are more likely to gain support.

Corporations should adopt transparent CSR reporting frameworks that effectively communicate their CSR efforts and outcomes to stakeholders.

Partnerships with government agencies and non-governmental organizations can enhance the effectiveness of CSR initiatives. by collaborating on projects to leverage resources and expertise, ensuring that CSR efforts are more impactful and aligned with national goals, such as Vision 2030.

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Appendixes

Questionnaire

Corporate Social Responsibility in the Kingdom of Saudi Arabia

This survey measures the level of awareness and current state of CSR operations in Saudi private sector companies

* Indicates required question

Gender *

- ☐ Female
- ☐ Male

Age *

- ☐ 24-30
- ☐ 31-40
- ☐ 41-50
- ☐ +50

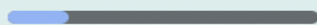
Education level *

- ☐ Bachelors
- ☐ Masters
- ☐ Phd

Position *

- ☐ Executive
- ☐ Manager
- ☐ Employee

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Clear form

Corporate Social Responsibility in the Kingdom of Saudi Arabia

* Indicates required question

Community commitment to company

This section measure community engagement with the company due to it's CSR initiatives alignment with cultural principles

My company's social responsibility initiatives are aligned with Islamic values and cultural traditions *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

My company's commitment to Islamic & cultural values has positively influenced our relationship with the community *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

My company's culturally aligned CSR initiatives tend to receive greater media attention *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

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Corporate Social Responsibility in the Kingdom of Saudi Arabia

* Indicates required question

CSR & ESG Reports

Corporate Social Responsibility, Environmental, Social and corporate Governance Reports

My company is actively involved in fields targeted by Vision 2030's CSR related initiatives *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

My Company adopted a formal CSR reporting framework due to vision 2030 regulatory efforts *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

The availability of government incentives has motivated our corporate to formalize CSR reporting *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

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Corporate Social Responsibility in the Kingdom of Saudi Arabia

* Indicates required question

Stakeholder view on CSR

Effects of CSR on investors, clients and customers

we received positive feedback from stakeholders regarding our CSR initiatives *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

Our social responsibility efforts have led to stronger customer loyalty *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

Our customer base are more likely to recommend our corporation due to perceived effectiveness of our CSR activities *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

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Corporate Social Responsibility in the Kingdom of Saudi Arabia

* Indicates required question

Challenges for CSR implementation

This final section examines the internal barriers for CSR initiatives

I face challenges to find CSR training courses within my organization *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

Shortage of financial support from top management is a main obstacle to develop CSR initiatives *

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

My company seeks to hire specialized CSR personnel to participate in social, environmental and economic initiatives. *

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

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المستخلص

يستكشف هذا البحث التطور الديناميكي للمسؤولية الاجتماعية للشركات (CSR) في المملكة العربية السعودية .

ويشرح التأثير الأصلي للمبادئ الإسلامية التقليدية، وتحديدًا مفهوم الزكاة، في لعب دور في التأثير على تطور ممارسات المسؤولية الاجتماعية للشركات الحديثة حتى اليوم. يتناول المحقوى على نطاق واسع التحول من نهج خوي في المقام الأول، متجذر في القيم الثقافية والدينية، إلى تكامل أكثر استراتيجيات داخل العمليات التجارية. ويتم تحليل هذا التحول، الذي تسارع بشكل خاص منذ أوائل الألفية الثالثة، في سياق نهج التنوع الاقتصادي السريع في المملكة العربية السعودية وتنفيذ المبادرات الحكومية، المتمثلة في رؤية 2030. من خلال استطلاع رأي شمل 61 من المتخصصين السعوديين في مجال المسؤولية الاجتماعية للشركات وموظفي القطاع الخاص المشاركين في مشروع المسؤولية الاجتماعية الخاصة بهم. ونظراً لطبيعة خليط البيانات التاريخية والحالية في الواسعة، فقد كانت منهجية البحث المستخدمة وصفية في القسم النظري وتحليلية للأقسام الإحصائية .

وأوضحت نتائج الاستطلاع كيف تحول مشهد المسؤولية الاجتماعية للشركات السعودية من ضرورة دينية أو أخلاقية إلى عنصر تجاري استراتيجي، مما ساهم في الاستدامة طويلة الأجل وتعزيز سمعة الشركات وتعزيز المشاركة المجتمعية، مما يعكس الزام المملكة بمواءمة التقدم الاقتصادي مع الوفاة المجتمعية .

وتوصي الواسعة بالاعتراف بكيانات القطاع الخاص التي تقدم مبادرات تخلق تأثيراً إيجابياً على المجتمع والبيئة وأو الاقتصاد. وكذلك إقناع صناع السياسات بالدعوة إلى التنفيذ التي تستهدف شركات القطاع الخاص ذات الأعمال ذات الأرباح المرتفعة وخاصة تلك التي تخلق تأثيراً سلبياً مثل المصانع. وأخيراً، زيادة الحوافز للشركات لتشجيع القدرة التنافسية في المبادرات التي تعود بالنفع على المجتمعات المحلية .

الكلمات المفتاحية: المسؤولية الاجتماعية للشركات في المملكة العربية السعودية، الاستدامة، الاجتماعية والاقتصادية،

مشروع المجتمع المحلي .