Corporate Social Responsibility Associated With Customer Satisfaction and Financial Performance a Case Study with Housing Banks in Jordan

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Abstract

This study has three objectives. First is to investigate the set of relationships among the corporate social responsibility (CSR) services and customer satisfaction (CS); second is to find the relationships between CSR services and financial performance (FP); and third is to examine the mediating effect of customer satisfaction on CSR services and financial performance. To achieve these, the study utilises a single approach design involving the use of a quantitative instrument for customers from Jordanian Housing banks. A representative sample of banks' customers (n=203) was recruited from the selected Housing banks to participate voluntarily in the study. The questionnaire sought information on CSR commonly associated with customer satisfaction in the banking industry, and financial performance, plus demographic details. The results of this study suggested provision of CSR services is associated with CS. This is consistent with results of prior studies reporting a significant positive association between the CSR services and CS as was the positive relationship between CS and FP. Furthermore, this study found customer satisfaction mediated the relationship between the CSR services and FP. Some findings are consistent with past study results which reported FP depended on CS with CSR services. The present study also offers important implications for i) practice: utility of good CSR services in the maintenance of sustainable business practices and customer satisfaction (as an important stakeholder group) ii) government institutions: encouraging them to improve the integrate CSR services into their business and iii) society: banks being more socially responsible financial institutions.

Keywords: Corporate Social Responsibility, customer satisfaction, financial performance, Jordanian banking.

Introduction

The problem

In today's competitive environment, financial survival is challenged to achieve customer satisfaction. The usual managerial strategy of conventional banks is by using competitive interest rates and offering a diverse portfolio of varying products and services through different channels of delivery; usually making continuous use of changing rapid technology to maximize profit. Social responsibility varies with company characteristics including manager's values. Arasli, Salih and Salime, 2005a Organisations should accept a measure of accountability toward stakeholders and corporate behaviour must comply with norms in an underlying social contract usually expressed by public opinion. This is the problem explored here for Jordanian housing banks. Banking industry research is focused on factors impacting upon customer satisfaction (CS) about and/or financial performance (FP) of banks. Only limited studies have investigated these factors in developing countries, reporting inconsistent results. There may be different factors influencing CS in and/or FP of banks in developing countries.

Also, the corporate social responsibility (CSR) factors in developing countries have been neglected Dusuki and Abdullah, 2007

Initially Brown and Dacin (1997, p.80) urged research on "how societally oriented activities might bring about positive outcomes for the firm." Given the domination of CSR discussion by US and European sources with only Nigeria (2009), Formosa, Jordan, and Turkey (2010) very recently contributing from the developing world, this study adds a further perspective from the developing world, allowing a more international picture to be built up. It could broaden the CSR picture and help increase the weight of evidence on relationships between CSR and FP.

Relationships and gaps.

There are inconsistent prior results and limited research on the banking systems of developing countries about factors influencing CS or FP of banks in developing countries. Furthermore, CSR relationships have been partly neglected in many studies conducted in developing countries. These gaps or unresolved questions in the research motivated the current study. The study will examine, individually, the direct relationship between CSR services and customer satisfaction, as well as a direct relationship between CSR services and financial performance for Jordanian Housing banks. Additionally, given the mixed evidence for a direct relationship in the literature, the indirect relationship between CSR services and FP mediated by CS will be examined.

An extensive literature search showed that there are few studies examining different stakeholders' perceptions with CSR initiatives in the banking industry. Traditionally, the factors that mattered most to customers when determining an opinion of a firm were product quality, financial performance and value for money (Dawkins and Lewis, 2003). Now, across a world-wide sample of the public, the most commonly mentioned factors relate to corporate social responsibility (e.g. treatment of employees, community involvement, environmental and ethical issues) (Dawkins and Lewis, 2003).

For this study, stakeholder obligation aspect will be adopted to try to identify customer stakeholders' perceptions with selected Jordanian Housing banks as CSR institutions, and the relationship between CSR services and customer satisfaction. Stakeholder theory is paying attention to the interests, rights and needs of different stakeholders of a business as a good way of inculcating socially responsible behaviour among firms.

CSR seems the major factor emerging with service quality plus a technological factor in customer satisfaction. Brown and Dacin (1997) reported that a company's CSR record, instead of providing information about the overall quality of its products, creates a general context for customer evaluation. Twenty-first century researchers agree that social responsibility can enhance the reputation and public image of conventional banks and that banks must show a higher level of social responsibility. Additionally, banks should commit to social responsibility regardless of economic consequences because ultimately the banks are supposed to improve the quality of life in their societies, leading to support of CSR in determining customer satisfaction. It therefore seems timely to include an examination of the direct relationship between CSR bank services and customer satisfaction relationship in Jordanian Housing Banks.

In the literature, CS was related to FP by customer retention which secured future revenues, established a better comparative position in the banking industry, increased customer loyalty and its ensuing advantages for stakeholders (including shareholders); and all these were mirrored in financial performance. Finally, CSR and financial performance research results showed an uncertain relationship from 1972 to 2010.

The few studies of customer perceptions of CSR do show positive results and again CSR perceptions in the banking industry are few, leaving gaps in the body of research knowledge.

No research has been done on the relationship of CSR services and FP in conventional Jordanian banks. To provide some evidence to help contribute to the literature, this research paper will examine the hypotheses below derived from the literature to add to this body of knowledge through the discussion.

Objectives

The first objective is to investigate the set of relationships between the CSR services and CS. This is motivated for the guidance of Jordanian Housing bank managers, previously unexamined in the context of developing nations and fitting best into the performance stream.

Secondly the uncertain relationship between CSR and FP is examined. Thirdly, the mediating effect of CS is examined in the relationships between the CSR services and FP. This relationship is necessary to trace, in case the direct link between CSR and FP is impossible.

Literature Review

Corporate social responsibility

Business is run for profit (Steiner and Steiner, 2005) - the profit objective; but CSR is also a liability or ethical responsibility towards society - the socio-economic view. in his seminal work defined CSR based on the fit between business ethics and societal expectations; this began a heated debate on CSR among researchers from different schools of thought that has continued till now. Carroll (1979) integrated economic, legal, ethical and discretionary aspects of CSR. However, in 1983, Carroll explained the discretionary activities as either voluntary or philanthropic (Maignan, 2001). In 1990's the concept of CSR was examined by using stakeholder and business ethics theories.

In 1990's the concept of CSR was perceived using stakeholder and business ethics theories rather than profit alone. In the decade 2001-2010 the concept is predominantly Friedman's (1989) profit motive given the proportion of papers featuring that aspect, but more (non- American) researchers are moving towards a social justice morality as an ethical imperative, with more expectations on voluntary policies. early points out that this view is no longer appropriate as a means for global organisations to succeed in this day and age: they need to clearly and transparently demonstrate a commitment to social responsibility in order to succeed. This further develops discretionary aspects by placing increasing emphasis on voluntary aspects for ethical or social justice reasons rather than philanthropy. The paper explores the nature of CSR now.

Customer satisfaction

This is a post purchase attitude formed through mental comparison of the quality a customer expects to receive from an exchange, and the level of quality the customer perceives actually receiving (Carden and Dellifrain, 2004). Customer satisfaction results in behavioural outcomes such as customer retention, commitment, creation of a mutually rewarding bond between the user and the service provider, increased customer tolerance for services and products failures, positive word-of-mouth advertising about the organisation, increased future customer spending, and it might result in more cross-and up-selling, attracting new customers, lowering costs, and greater profitability (Arasli, Salime, and Salih et al., 2005; Rust and

Financial performance (FP)

In the conventional depositors' and borrowers' relationship where the depositors will receive interest based on the funds deposited into the bank's account and borrowers pay interest on the loan received (Dusuki and Abdullah, 2007; Bunchuan, 2006). In a totally different concept from the Islamic bank, FP is achieving social justice through successful investments where profits are shared with investors and borrowers. It is more a partnership where banks are entrusted to invest, and any profit generated will be shared (Kahn, 2000). This is the notion of profit and loss sharing (PLS).

A. Literature review on CSR

Assuming the studies on CSR of the last century have been validated, reasonable since this new millennia began by building on those seminal foundations this review will focus on selected work contributed in the first decade of this century, the 21st millennia. The researcher presaging the change from single bottom line perspective of Friedman (1989) who point out that this view is no longer appropriate as a means for global organisations to succeed in the 21st century: they need to clearly and transparently demonstrate a commitment to social responsibility in order to succeed as Jordanian housing banks do. Steiner and Steiner (2005) list the general principles of CSR beginning first with profit; second, corporations have a duty to correct their negative social effects by internalizing these effects on society; third, the primary responsibilities of managers are to three main groups: customers, shareholders, and employees, with communities and governments also recognised but given lesser emphasis. The survey will focus on the division in perspective between content-based studies, led by contributions of Bhattacharya and Sen, associated with others, largely American from 2001 to 2010, according to a three stream perspective pointed out by Basu and Palazzo (2008) who introduce a process-based model from Europe.

Practical American content-based theory

Recent content-based studies since 2001 are eminently practical, being externally focused on consumer/ employee and stockholder responses to CSR initiatives to guide management strategic choices, once the goal of profit maximization, the first principle of CSR enunciated by Steiner and Steiner (2005) is satisfied. Such studies include those by Bhattacharya and Sen (2001, 2003, 2004); the latter's work includes a key diagram is a comprehensive CSR Framework demonstrating the content elements of Input and Outcomes both Internal and External found in Bhattacharya and Sen (2004: 12) who draw attention to its multifaceted impacts as a practical guide to managers seeking profit maximization as the paramount goal.

Luo and Bhattacharya (2006) link customer satisfaction (CS) and market value which equals satisfactory FP. The focus shifts to CSR in strengthening stakeholder ties (Sen, Bhattacharya and Korschun 2006; Bhattacharya, Korschun and Sen 2009) followed closely by a study on encouraging talented employees to seek employment and remain with a positioning in the market (Du, Bhattacharya and Sen 2007) preceded the 2006 paper, picking up the basic managerial imperative of financial success, which is the theme of the papers by Bhattacharya et al. (2009) and Du, Bhattacharya and Sen (2010).

Idealistic European process-based theory

In 2008 and 2009 a broader view was introduced from England and Switzerland with a European process-based model to view the research through a new paradigm where social justice is paramount or equal to profit maximisation. Examining and recategorising American work on content-based models concerning managerial views on stakeholders and their world expanded the conceptualization in the decade of studies as follows. Basu and Palazzo (2008) divide research into 3 streams linking organizational character to the ability of a corporation's impact to guide managers. They exemplify the following, which in turn leads to a change in CSR concept more in line with global social justice.

Three streams exemplified

Their characterization of CSR is driven by three streams of enquiry:

(1) stakeholders – organization responding to demands by external stakeholders to alleviate broad and general social concerns usually tackled by governments and NGOs. (This same conceptual- viewpoint stream of CSR literature research is listed earlier by Maignan and Ferrell (2004) as number 4 in their grouping). Examples of the stakeholder stream include linking CSR with global gender equity. She found gender equality was secondary to global poverty reduction, human dignity and principled business leaders for moral capitalism, according to the international Caux Round Table in 1994. A voluntary Global Compact includes six UN agencies, (the world's forum) governments and associated stakeholders aiming to achieve a more sustainable and inclusive global economy from Italy linked CSR and consumer trust by examining global fair trade. Agreeing with Porter and Kramer (2006) they found social reputation is an inconclusive guide to consumer reputation, consistent with Bhattacharya and Sen's (2004) framework and unsatisfactory studies about a link between CSR and FP in a company (Margolis and Walsh, 2003; Orlitzky et al., 2003). This is why stakeholders are the subjects of consultation for the survey.

(2) performance - the effectiveness of a link between external expectations and an organization's actual actions producing the appropriately responsible actions expected of a good corporate citizen. (This is closest to the earlier Maignan and Ferrell's (2004) list as number 3 - CSR as Managerial Process). Examples of these are Bhattacharya and Sen (2004) "Doing Better at Doing Good: when, why, and how consumers respond to corporate social initiatives" whose diagram is mentioned above; Bhattacharya, Korschun and Sen (2009), explain how to strengthen stakeholder-company relationships through mutually beneficial CSR initiatives; and in 2010 a paper with a very useful diagram and explanation by Du, Bhattacharya and Sen was published about the maximization of business returns through CSR using communication to fill the gap and generate stakeholder awareness, a point picked up from implications in the Bhattacharya and Sen (2004) paper. Judgement of performance can be judged only by perceptions of an organisation's actions.

(3) motivation – this third inquiry stream examines the essential reasons for an organization's CSR engagement (eg. enhancing organizational reputation producing customer loyalty (Bhattacharya and Sen 2001, 2004), to fulfil obligations and responsibilities. (Maignan and Ferrell (2004) classify this conceptual viewpoint as both 1- CSR as a Social Obligation and 2- CSR as Ethics Driven).

For CSR and developing countries, Dobers, and Halme (2009) from Scandinavia make a case against exploitation in South America and Africa to demand social justice from corporations. Emphasizing the difference in cultural contexts they call for social justice through structures and institutions to be established for environmental protection and to eradicate poverty made worse by the existing systems of "legal misuse." Since CSR involves understanding and managing relationships with economic, social, environmental and cultural systems responsibly, its nature and face will change with different societal contexts and varied agendas given different world locations (Welford et al., 2007). from USA goes further - beyond voluntariness of CSR - and argues the ethical imperative for extending the CSR concept to human rights and justice; (Alafi 2010) argues basic Muslim morality to support social justice of CSR in the non-interest banking system of the Middle East.

Adding ethical values to CSR concept

If managers develop a process driven cognitive map, given the guide of these inquiry streams to make sense of their relationships with stakeholders and their world, this could allows better inferences from organizations to outcomes and a give a new perspective to their world view. from USA joins Dobers and Halme (2009) in the ethical exploration to widen the CSR concept and reaches beyond voluntarism and CSR where voluntarism signifies "voluntary business behaviour" (Commission of the European Communities 2006: 2). Arguing that CSR is a normative concept concerning how organizations ought to act – ethical behaviour is dependent on the moral community in which we are embedded whether Christian, Buddhist, Muslim etc.

CSR may be philanthropic or left to moral discretion but by adding human rights and environmentalism to the mix in this shrinking global environment, multicultural companies are encased in different value systems and contexts for business. Perhaps human rights, which surpass moral and cultural differences and promise justice, and are perceived by the European Union as a political issue, might clarify and reconceptualise the human rights obligations of business and reintegrate the concept of CSR as a global solution inviting businesses to be proactive. This is the message of the normative and idealistic European stream of thinking, in addition to Alafi (2010) It lifts CSR to a higher ethical plane while keeping its voluntary nature. Despite the continuing content-based more practical studies from USA, by looking through the prism of process-based division of studies over the past 10 years, a difference in thinking and a wider, more inclusive global interpretation of CSR may be perceived, further developed and utilised by managers.

Up to 2008, of 14 available relevant papers on CSR from the search engine and discussed and one unpublished dissertation, Alafi (2010) examined, in the decade between 2001 and 2010, 10 originated in USA, four in UK and Europe and one in Jordan; so most research applies to or concerns Christian American or European corporations, that is, business from developed nations. Lacking is original work from developing countries applying the theory developed in the Western capitalist system in a different context in the field except for Alafi (2010), and few claim to have done fieldwork, so this paper aims to help fill both gaps. It fits into the first stakeholder stream by working from the stakeholder viewpoint where CSR is more perceived as achieving social justice, however, being a business, FP is a survival element essential as developed in the performance stream (2) but the most idealistic third stream of motivation is visualized by European researchers and usually seen in Muslim countries as part of religious obligations to society and appropriately rewarded with customer loyalty (Alafi, 2010). Here it may be a determining factor in customer perceptions.

CSR means better CS

Luo and Bhattacharya (2006) explain three reasons why a firm's CSR initiatives lead to better CS: first, actions appeal to multidimensionality of the economic and family member elements; second, strong CSR record improves customer evaluation of and attitude to the firm, assisting consumer identification with the company; third, antecedents eg. perceived value was empirically shown to increase CS. All other things being equal, with better perceived value, customers derive higher satisfaction from a product or service from a socially responsible company.

B) Customer Satisfaction (CS) and Financial Performance (FP) research

(i) Influencing factors guiding management decisions

CS positively affects customer retention which leads indirectly, together with customer loyalty, to greater profitability (Carden and Dellifrain, 2004; Mququ, 2005; Hansemark and Albinsson, 2004) because they secure future revenues lower costs and attract new customers, who as valuable assets increase profitability Reduced customer turnover is advantageous; in particular, have shown that a 5 % increase in customer retention could increase banks profitability by an average of 50 %. Customer satisfaction leads to faster market penetration and in turn, to accelerated cash flows and likely acts as underlying mechanism by which customers' satisfaction affects shareholder value in any industry (Eugene et al., 2003).

As one of the most important competitive factors for the future, customer satisfaction is considered to be the best indicator of a company's profitability Customer satisfaction as a performance judgment standard is central to optimal financial returns and performance. Globally, business organisations have been elevating customers to a key stakeholder group through the inclusion of customer satisfaction goal into organisations' strategic planning efforts Knowledge of current satisfaction levels allows further focus and building on key areas as well as charting future policies by comparison with that of competitors (Alhemoud, 2008) the best indicator of a company's profitability Consequently, managers in financial services companies are placing increased emphasis on customer satisfaction to improve loyalty for long-term profitability and success. So the literature provides general support for a relationship between customer satisfaction and the essential FP. In 2007, Sen et al. claim that building CS is a significant intermediate step operating to convert CSR into positive FP. They see CS as playing a mediating role in the CSR and FP relationship in developed countries, like the hypothesis offered here.

(ii) Relationships: CSR and FP

In the new millennium another evident trend was the shift of focus towards developing nations, as CSR researchers have been heavily focused on Western countries. Nowadays, companies try to align social needs to their core product thereby using CSR as a strategic choice and part of managerial motivation. A major problem lies in an accepted definition of CSR, concepts are still developing as illustrated by Sen and Bhattacharya (2001, 2004) above and in the post-2008 papers exemplified. A better understanding of the complex relationship between corporate social performance and FP would be invaluable directly or indirectly to shareholders, managers, and all of the stakeholders Several authors, such as Kotler and Lee (2005), state that CSR leads to profitability in the long run resulting in stakeholder satisfaction. According to stakeholder theory, the satisfaction of different stakeholder groups is instrumental for organisational FP (Orlitzky et al., 2003).

There is a dearth of literature on customers' attitude towards conventional financial institutions, especially regarding selection criteria, service quality and CS (Gait and Worthington, 2007). included the social responsibility dimension in their studies of customers' perception of total quality management because they considered CSR as a key element of total quality management.

(iii) CSR relationship with FP: empirical studies

Because a specific concept of CSR has not been adopted with a unified meaning of standards and norms constituting the concept, past empirical studies have indicated an uncertain relationship between CSR and FP. During the 21st century, as well as maximizing profits and creating shareholder value, enterprises try to instil CSR related activities into corporate culture to add higher social value.

Aras, et al (2005) in Turkey, a developing country, point out a key problem:

> …it is often perceived that there is a dichotomy between CSR activity and FP with one being deleterious to the other and corporations having an imperative to pursue shareholder value (Aras et al., 2010 :230).

Empirical examinations of the relationship published between CSR and FP between 1972 and 2002 number 127 (Margolis and Walsh, 2003). They use different measures and are inconclusive. Aras et al. (2010 7 more international studies since Orlitsky et al. (2003) which, including their study, makes 8. The result is 3 "no significant" and one "conditional" relationship and 4 "positive" relationships; in other words, divided opinions in this decade. It seems therefore appropriate to test this "uncertain" relationship in Jordan.

(iv) Stakeholders' perception of (21st Century) CSR.   The organisation's relations with all of its stakeholders should be the first concern of management. It is necessary for the firm primarily to identify the needs, social problems, demands and interests that it needs to address for the continued goodwill and support of its stakeholders

Second, stakeholder analysis can aid with ongoing evaluations of the CSR program's effectiveness. Firms can achieve long-term benefits of brand enhancement, goodwill, differentiation, increased employer's motivation, higher profitability and quality workforce retention by committing themselves to CSR activities (Maignan and Ferrell, 2004).

Third, managers must consider the necessity of integrating CSR into their ethical sense of social justice, customer satisfaction as well as FP with their company goals and resulting decision-making to satisfy a majority of 21st century stakeholders.

(v) In summary. CSR is a concept still developing a clear and accepted definition. CSR initiatives are related to CS and FP; CSR means better CS (Luo et al., 2006). Corporate behaviour must comply with norms in an underlying developing social contract. To understand this contract and how it changes; managers review the directions of national policies and global norms as evidenced in legislation, regulations, treaties, trade agreements, declarations and public opinion to determine strategies. Stakeholder theory is one of the most important theories in the constructing of CSR. Generally the scholars of this view stated that paying attention to the interests, rights and needs of different stakeholders of a business is a better way of inculcating socially responsible behaviour among firms (Dawkins and Lewis, 2003; Maignan and Ferrell, 2004). Like shareholders, the stakeholders may put demands on the firms and bestow societal legitimacy. The stakeholder approaches to CSR take a wider perspective of a firm's responsibility, expanding the scope of classical theory as illustrated by in return for giving firms their legal status as separate entities, society is expecting from the firms a significant net positive contribution for the general good (Greenwood, 2001). Managers in return can consider one of the three research enquiry streams conceptualized by Basu and Palazzo (2008) and exemplified in the CSR section above in making strategic decisions.

Hypotheses

Based on the gaps and uncertainties revealed in the literature review, to achieve the three introductory objectives, the following four hypotheses were proposed for testing in Jordanian Housing Banks to guide management.

- H_1. *There is a positive relationship between the provision of a high level of socially responsible services by Jordanian Housing banks and customer satisfaction*
- H_2. A positive relationship exists between Jordanian Housing Banks providing a high level of CSR and FP *by Jordanian Housing banks and financial performance.*
- H_3. CS and FP show a positive relationship in Jordanian Housing banks *with Jordanian Housing Banks and financial performance.*
- H_4. High positive CSR levels and FP in Jordanian Housing banks are mediated by CSR *by Jordanian Housing banks and financial performance mediated by customer's satisfaction.*
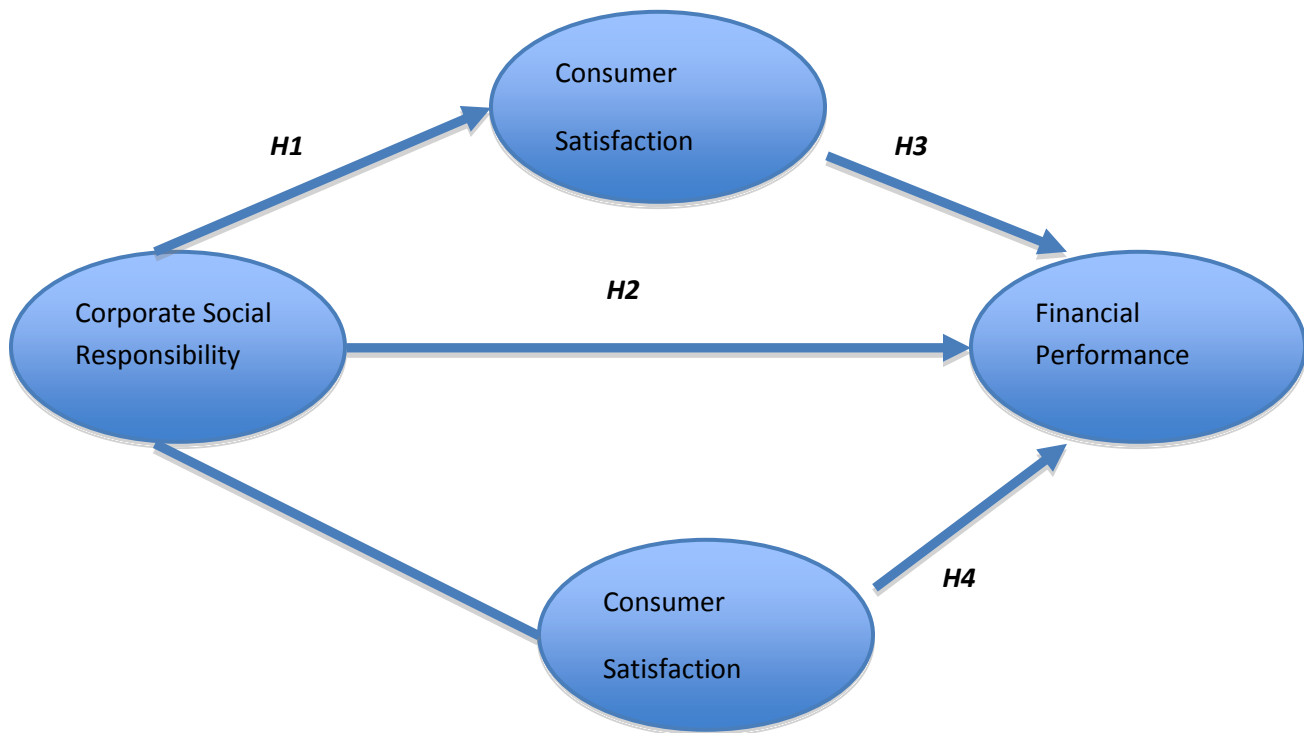
Figure 1: Model of Socially Responsible Relationships

Methodology

Procedure and Measures

The study was conducted in September 2010. Pleasant time of year following summer heat; after Ramadan; good season to engage people in conversation when you want a favour.

A convenient sample of customers who entered the selected Jordanian Housing banks in Irbid in north Jordan and the capital Amman were invited to participate in the study using a form of random sampling known as cluster sampling. Verbal and written information about the nature of the study were provided and written consent obtained. Customers completed the questionnaire at the branch itself within a reasonable period of time. Data included contact and demographic details, measures of social responsibility services, measure of customers' satisfaction, and measure of financial performance A total population was divided into clusters (groups at each bank) so required data was collected from every element. Given most variation is within banking groups at several banks, rather than between sample groups chosen, the accuracy of results is increased.

The current study used a subset of positively worded items (18 items to measure social responsibility services) from the Consumer Discontentment Scale (CDS) which was developed by Lundstrom and Lamonth (1976) modifying item wordings to reflect the objectives of the current study. CDS was the main instrument used to survey customers for their perceptions about social responsibility services. This CDS scale was previously observed to be a reliable and valid measurement instrument with a reliability coefficient of 0.79 (Lundstrom and Lamonth, 1976; Rugimbana and Quazi, 2005).

An eight-point Likert-type scale (0 = not applicable, 1–3 = very low performance, 4–6 = around industry average, and 7 = very high performance) was used, because it is the most widely used survey research instrument. It allows capture of the level of agree-disagree with a statement on a symmetric scale. Customers were asked to indicate the level of emphasis placed on each of the 18 items when determining their banks' social responsibility services.

The measurement questions selected for customer satisfaction have been developed and used in customers' satisfaction literature (Lundstrom and Lamont, 1976; Rugimbana and Quazi, 2005).

The main instrument used to measure customers satisfaction comprised the Customer Discontentment Scale (CDS) developed by Lundstrom and Lamonth (1976) and refined by Lundstorm and White (2006). The present study used a subset of items (seven items to measure customer satisfaction) from the original pool of 82 items and modified item wordings reflected the objectives of the current study.

Financial performance is a latent variable. In statistics, latent variables (as opposed to observable variables), are variables not directly observed but are rather inferred (through a mathematical model) from other variables that are observed and directly measured.

For the present study, five measurement questions from established measurement instruments were selected for financial performance which have been developed and used in prior literature (e.g. Govindarajan and Fisher (1990), Hoque and James (2000), Iselin, Mia and Sands (2008), Alafi (2010) These five items with modified item wordings were used, reflecting the objectives of the current study to measure financial performance, using the same scale points as customer satisfaction.

Statistical analysis

Data were analysed using the Statistical Package for the Social Sciences (SPSS) version 12.5 (2000), personal computer version. Frequencies, means and standard deviations were calculated as appropriate on the demographic variables. The properties of the measures used were assessed using Cronbach's alpha for reliability (internal consistency).

To determine the relationship between the CSR services, and CS a series of stepwise multiple regression analyses were undertaken. This approach also determined relationships between the corporate social responsibility services, and financial performance. An alpha level of 0.05 was used for all statistical tests.

Results

Figure 1.2 Pat Analysis Model Between (A) Social Responsibility services, (B) Customer Satisfaction & Financial Performance for Housing bank.
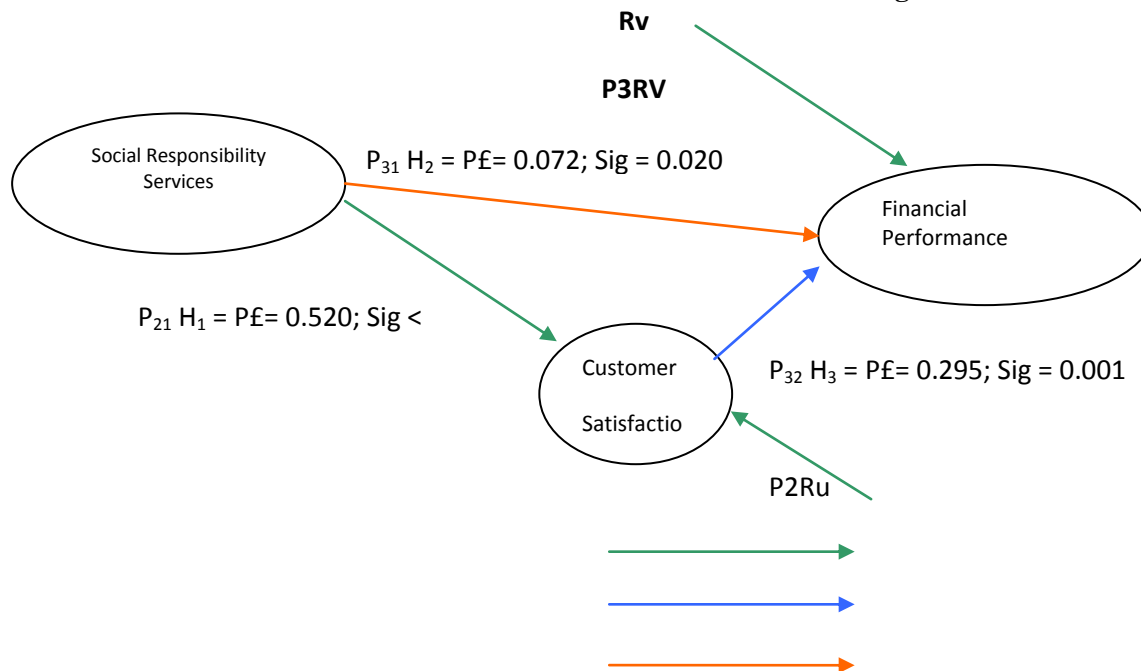
The Relationship between Corporate social responsibility services and Customers tisfaction: Testing Hypothesis

There are positive relationships between social responsibility services, and customer satisfaction (H_1).

Figure 1 illustrates the directional relationships of this set of hypotheses as well as the direct effect for each independent variable (IV) (corporate social responsibility services (X_1), which were derived as the direct effect component for IV from the decomposition of the computation of path coefficients.

The result in Table 1 shows the regression has an adjusted $R^2 = 0.681$ and the alternate hypothesizes H_1 being partially supported with the statistics suggesting the null hypothesis not be accepted only at (F = 136.321, α = 0.001).

Table1: A to B Regression analysis hypothesis H_1 independent variables (social responsibility) and dependent variables (customer satisfaction)

	Hypothesis	Path Coefficient	Standardized Coefficients β(Beta)	T	Sig. 1-tailed	Collinearity Statistics Tolerance	VIF
(Constant) Social Responsibility	H_1	P_{21}	0.520	6.517 11.726	0.000 0.000	0.787	1.271
Adjusted R Square F (3,187) Sig.	681 136.321 0.001						

Dependent variable: customer satisfaction

However, there were significant results for the hypothesis (H_1). The results provided a positive and significant relationship ($\beta = 0.520$, $\alpha < 0.001$) between the Social Responsibility services and CS (H_1).

(ii) The Relationship between (, social responsibility and Financial Performance: Testing Hypothesis H_2

Hypothesise H_2 Predicted a positive relationships between (social responsibility services) and financial performance.

The results in Table 2 showed the regression for the IV (social responsibility services) on the DV (financial performance). The adjusted $R^2 = 0.452$ indicated that this model explained 42.5% of the variance in financial performance. The statistics suggested that there was support for the alternate hypotheses tested by this equation because the null hypothesis could not be accepted at < 0.001 (F = 40.188, $\alpha < 0.001$).

There were significant results for hypotheses (H_2 and H_3). Firstly, the results provided a positive and significant relationship ($\beta = 0.072$, $\alpha = 0.023$) between the Social Responsibility services and financial performance (H_2)

Table 2: A to B to C regression analysis hypothesis H_2 and H_3 consisting of two IVs (social responsibility, and customers' satisfaction) on dependent variable: financial performance

	Hypothesis	Path Coefficient	Standardized Coefficients B(Beta)	T	Sig. 1-tailed	Collinearity Statistics Tolerance	VIF
(Constant) Sub-section Social Responsibility	H_2	$P_{3.1}$	0.072	5.965 3.034	0.000 0.023	0.454	2.205
Sub-section							
Customer's Satisfaction	H_3	$P_{3.2}$	0.295	3.235	0.001	0.314	3.187
Adjusted R Square F (4,370) Sig.	0.425 40.188 < 0.001						

Dependent variable: financial performance

(iii) The relationship between customer satisfaction and financial performance
There was a positive and significant relationship (β = 0.295, α = 0.001) found between customer satisfaction and financial performance (H_3).

(iv) Calculations and Discussions on the Direct, Indirect and Total Effects of the (social responsibility services) on Financial Performance

Calculations and discussions of the direct, indirect, and total effects of the (social responsibility) on Financial Performance are contained in this section. The purpose of the computations in this section was to provide a basis for meaningful discussion about the mediating effects of customer satisfaction (x_2), which was postulated in hypotheses H_2, H_3

Table 3 contained a summary of the statistics for each path coefficient together with the relevant hypothesis. Significant path coefficients provided a significant IE. However, Bartol (1983) indicates that non-significant path coefficients pass the test of being meaningful when they were greater than or equal to 0.065.

Table 3: Statistics summary of Path coefficients for Housing banks

Explanatory variable	Hypothesis	Path Coefficient	β(Beta)	Sig.
Social Responsibility- Customer's Satisfaction	H_1	$P_{.21}$	0.520	****
Sub-section Table (DE) Social Responsibility- Financial performance	H_2	P_{31}	0.072	****
Customer's Satisfaction- Financial performance	H_3	P_{32}	0.295	***

*** = < 0.01; **** = < 0.001= level significant and meaningful path coefficient
DE =   direct effect path coefficient; (IE = Path coefficient that are components of the varies IEs

path coefficients, labelled *IE* in Table 3, were used to calculate the *IE* shown in Table 4. The path coefficients, labelled *DE* in Table 3, were used to calculate the total effect (TE) calculated in Table 4.

The results summaries in Table 3 showed that *IE* path coefficients were significant, at less than 0.001. the *DE* path coefficients were significant at less than 0.001.

The DE was depicted by the specific path coefficient (i.e., P_{31}) that was relevant to the specific hypothesis), while the IE involved the multiplication of the path coefficient (P_{32}, P_{31}) by one of the path coefficients (P_{21}) which was relevant to the specific hypothesis.

Table 4: Calculations of IE, DE, and TE for Hypothesis H_1 H_2 and H_3 for Housing banks			
H_2(Social Responsibility - Customer's Satisfaction- Financial performance)			
IE	$= P_{32} \times P_{21}$	$= 0.310 \times 0.541$	$= 0.168$
DE	$= P_{31}$	$= 0.072$	$= 0.083$
TE	$= P_{31} + (P_{32} \times P_{21})$	$= 0.072 + (0.310 \times 0.541)$	$= 0.251$

Using the relevant statistics and path coefficients from Table 4, DEs were identified and IEs calculated to enable TEs to be computed. Calculations relevant to the hypothesis H_1 showed the positive significant path coefficients that form the IE (0.168) in Table 4 supported the intervening effect of customer satisfaction hypothesised in hypothesis H_4, The result indicates customer satisfaction had a positive mediating effect on the relationship.

Discussion

Hypothesis H_1 proposed that there were positive and significant relationships between the provision of the (corporate social responsibility services,) by Housing banks and customers' satisfaction. The results supported hypothesis H_1 These findings were consistent with the results of the past studies (Hamid and Norden, 2001;

Hypothesis H_2 proposed that there were positive relationships between the provision of the (corporate social responsibility services,) by Housing banks and financial performance. The results supported hypothesis H_2. This evidence supported the findings predicted by the prior studies (Dusuki and Dar, 2005).

Results in Table 2 showed a significant and positive-path coefficient P_{32} which supported hypothesis H_3. The findings were consistent with results of prior studies (Dusuki and Dar, 2005).

Results in Table 4 showed a positive IE for the mediating effect of customers' satisfaction on the relationships between the provision of the (corporate social responsibility services,) by Housing banks and financial performance, the positive paths coefficient P_{21} significant and therefore the IE did support hypothesis H_4, the IE provided a meaningful indication of the intervening effect of customers' satisfaction as hypothesised in hypothesis H_4 because paths coefficient P_{31}, less than 0.001. Therefore, it could be argued that the positive IE result for CS suggested CS has a positive mediating effect on the relationships between the provisions of the (CSR services) by Housing banks and FP.

Conclusions

The hypothesized relationships between CSR services and CS were found to be positively significant; as was that between CSR services and FP. All the hypothesized relationships between CSR services and FP mediated by CS were found to be positively significant and a positive relationship was found between CS and FP consistent with results of past studies (Carden and Dellifrain, 2004; Eugene et al., 2004;. The finding about CSR services adds to the body of extant knowledge because no previous study has investigated the mediating effect of CS on the relationship between CSR services and FP in the Jordanian banking industry.

However, limitations include that data from one type of bank in an undeveloped country may not generalize to the developed world; that the precarious world background with its cultural polarization may not be ready to add CSR service; and that given the present world financial context the present findings may not be stable over time.

Contributions of outcomes to research theory: Further evidence was found to help overcome the paucity or inconsistency of results for the relationships between CSR bank services and satisfaction of Jordanian bank customers. Provision of this evidence adds to the limited investigation, inconsistency of results, or absence of examination of the relationships between CSR services and the FP of Jordanian banks. Calculation of the indirect effects (IE) of CSR services and FP of Jordanian banks was via CS. This was unexamined within management accounting literature or in CS literature, so computation of results for these relationships will provide new evidence about its mediating effect.

Implications for service theory and practice: There are exciting implications for practice: for the banking market in an uncertain financial environment, using CSR services as an alternative addition to their products can maintain sustainable business practices and CS (as an important stakeholder group). The conventional banks' shareholders where the infrastructure already exists must retain existing and potential customers in a world increasingly sensitive to and demanding of social justice. The significant findings of the current study about customer satisfaction and financial performance have implications for banking management policies to broaden their product offerings in a competitive world interested largely in profits. For the benefit of society, banks should be more socially responsible financial institutions.

Future research: Knowledge about these relationships should help future research explore important emergent areas of Internet banking in the Jordanian banking industry. This study can be replicated in other developed and developing countries to test for consistency in other markets, cultures, and populations. It lends support to the proposition that CSR principles are financially practical as well as beneficial to society, which may be strengthened by results of future studies in other countries.

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