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Impact of Corporate Social Responsibility on Financial Performance Applied Research in Iraqi Commercial Banks

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The study aims to examine the impact of social responsibility practices on financial performance and to demonstrate the interaction between social performance through the costs of social activities practiced by banks in three areas of classification (the field of employees, community, customer) and financial performance through return on investment (ROI), and return on assets based on a sample of 10 commercial banks listed on the Iraq Stock Exchange. A linear regression analysis was used to determine the relationships between social responsibility and financial performance. Results show that social responsibility with total costs negatively affects ROI, while individual responsibility areas (employees, community, customer) have a positive relationship with ROI. ROA is negatively affected by total social responsibility costs as well as their respective areas. The relationship between performance can be rationalized through the adoption of other financial indicators to illustrate the impact on different stakeholders.

Key words: *Social responsibility, financial performance.*

Introduction

In the contemporary market economy, the banking industry is one of the crucial elements of the financial market and is described as the engine of growth in the economy of any country. Thus, it is vital that banks operate in an efficient manner. This industry is largely influenced by external conditions that are beyond its control. The speed of change around the world, whether it is political, social, economic or technological, did not escape the banking sector, and the various forces came together to create a more competitive environment for banks. This has made the banking sector very dynamic and interactive. By identifying the variables that affect the bank's profit, the bank's management can concentrate its efforts to improve performance. Therefore, this study aimed to identify the impact of social responsibility on the financial performance of banks as one of the variables in the business environment. The first section dealt with the methods and dimensions of social responsibility. The third section dealt with the methods for evaluating performance. The fourth section examined the role played by social responsibility in improving the performance of commercial banks. The study group led to conclusions and recommendations in light of those conclusions.

The methodology of the Study and Previous Studies

Study Problem

The assessment of institutions no longer depends on their profitability only, and these institutions no longer rely on building their reputation on financial centres only. Modern concepts have emerged to help create a work environment capable of rapid development, perhaps the most prominent being social responsibility. However, the Iraqi business environment suffers from a lack of knowledge in this regard, and lack, in terms of organizational and institutional form, a clear and specific plan, as well as objectives for social responsibility in the private sector. Thus, the problem of the study can be identified by asking the following question: What is the impact of social responsibility in the financial performance of Iraqi banks?

Importance of the Study

The study hopes to add to the knowledge of the concepts of social responsibility accounting by showing the dimensions of social responsibility and its impact on the rise of commercial banks and in improving their performance. It will also improve of the awareness of policymakers in commercial banks of the main challenges in the external environment and enable them to come up with strategies that can ensure superior performance and competitive advantage. The study may also be useful for academics who use this study as a reference source. The results of this study can be compared with social responsibility accounting in other sectors to draw conclusions about the different ways a company can respond to competitive forces in the environment and achieve superior performance (Adriana and Cadezb, 2017).

The objective of the study

1 - Grounding the basic concepts of social responsibility, and identify the areas of social responsibility in Iraqi commercial banks.

2. Determine the impact of social responsibility activities on the financial performance of Iraqi commercial banks.

Study Hypothesis

The study is based on two basic assumptions:

The first hypothesis: There is no impact of social responsibility on the financial performance of banks through ROI. Emerging from this hypothesis are the following sub-hypotheses:

- There is no impact on social responsibility activities in the field of workers on the financial performance of banks through ROI.
- There is no impact on social responsibility activities in the field of society on the financial performance of banks through ROI.
- There is no impact of CSR activities in the customer's field on the financial performance of banks through ROI.

The second hypothesis: There is no impact of social responsibility on the financial performance of banks through ROA and emerges from this hypothesis the following sub-hypotheses:

- There is no impact on social responsibility activities in the field of workers on the financial performance of banks through ROA.
- There is no impact on social responsibility activities in the field of society on the financial performance of banks through ROA.
- There is no impact of CSR activities in the customer's field on the financial performance of banks through ROA.

Study Methodology

In order to achieve its objectives, this study relied on the descriptive approach, which is based on the collection of information and data from various sources, the analysis of the results and tests regarding the validity of hypotheses. To identify the impact of social responsibility in improving the performance of commercial banks, this study draws on financial reports issued by a sample of Iraqi commercial banks. Its scope is 10 banks for the years 2012 – 2017.

1. Social responsibility - its concept and dimensions: Theoretical Background

The objective of economic unity under traditional economic thought was to maximize profit. The economist Friedman considered profit maximization to be the sole social goal of economic unity and that the social responsibility of the unit is to exploit the resources available to maximize the amount of profit possible. However, with the constant criticism of the concept of maximization, Profit has generated real signs that business organizations should adopt a greater role in the environment in which the organization operates (Hamad, 2011: 3). This has led to the emergence of accountability, in addition to the evolution in the nature of accountability to economic units and social responsibility. The World Bank has defined social responsibility as “the commitment of business owners to contribute to sustainable development by working with the community to improve living standards, in a way that serves the economy and development” (Mohammed Salem, 2009: 2). CSR. as “Corporate Social Responsibility,” is the commitment by a 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 (Karagiorgos). On the other hand, social responsibility is seen as the commitment of the institution towards the society in which it operates and this commitment is widening. Stakeholders in this society have different roles (Alaa, 2007). Social responsibility can involve forcing organizations to work in a way that serves internal, external, and organizational stakeholders (Al-Sayrafi, 2007). The researchers believe that the dimensions of social responsibility are towards the local community, by reducing the problem of unemployment and the establishment of projects of a developmental nature, as well as the direction of workers so that it focuses on the intellectual capabilities of workers and the level of skills, as well as the direction of customers and their needs for the purpose of satisfying them and the development of market requirements to suit the morals and customs of society.

2 - What are the performance and its elements and its relationship to social responsibility What is performance?

Performance is the accomplishment of a task that is measured according to the criteria of accuracy, completeness, cost and speed. Miller & Bromiley explained that performance is the result of the organization's ability to exploit its resources and direct it towards the desired goals, a reflection of how the organization uses its material and human resources and exploits them to achieve its goals (Sobhi, 2009) The strengths and weaknesses of management functions in their various fields and in the revision of their programs (Karra, 2010). Performance in an organization is influenced by the strategy within that organization and its survival (Cooper and Schinda, 2003). Qualitative data can be generated and add value to performance measurement. By providing more information that is not only available in quantitative data, traditional performance indicators rely solely on financial indicators, which serve as a financial translation of the results of operational activity at a greater aggregate level to assess the extent to which the objectives of the economic unit has been achieved (Hussain, 2000: 271). Measuring financial performance may involve capital cost, accounting-based and market-based metrics, or a combination of these metrics (Khudhair, et al, 2019). Despite the importance of the traditional method of evaluating performance, its popularity and its uniqueness as a management method in evaluating the performance of economic units, this method is no longer sufficient to evaluate the performance of economic units in the contemporary business environment. This is because financial standards ignore the field of view of the customer and the competitor. Financial stakeholders have neglected other aspects such as the environment and individuals. (Wheelen and Hungger, 2008). Since accepting deficiencies in financial performance procedures alone, to manage the performance of modern economic units, there has been a lot of research and development in measuring performance by academic researchers, industrialists, and consultants. During the 1990s, this intensive effort led to the development of a variety of performance measurement frameworks, models, methodologies, and processes that address the entire lifecycle of a performance measurement system, from design, implementation, and operation to review and redesign. The common view arising from the work of different researchers is that performance should be less focused on economic performance and more focused on the value creation processes that create a competitive advantage, including the social performance of economic units (McCallum Bititci et al., 2002).

- Key elements of performance evaluation

There are three aspects of performance appraisal. A system consists of several elements that are expressed and interpreted, and a performance appraisal system has many elements (Maher, 2014):

Efficiency: Reflects the relationship between the inputs and outputs of an economic unit in order to determine the adequacy of resource management and whether it is obtained in the right quality and quantity at the lowest cost and the least time (Hillel, 2004)

Effectiveness: means the degree of achievement of the goal, that is, it focuses on the outputs in terms of achieving the quantity and quality required in a timely fashion (Hazal, 2016).

Economic: means the verification of all financial and human resources that have been used without wastefulness in order to achieve a balance between successful costs and benefits that takes into account the required quality and quality (Kazem, 2012).

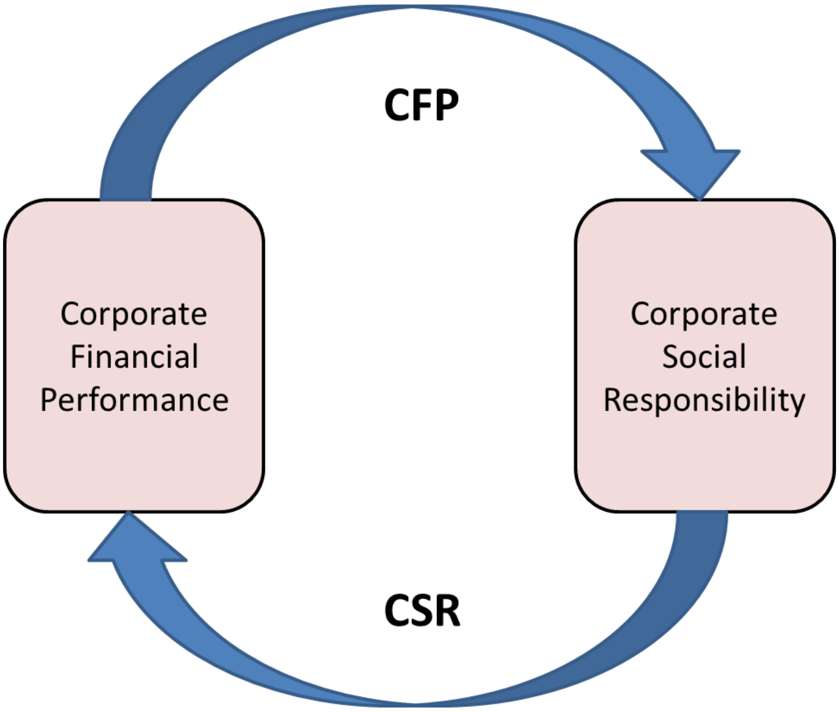
The elements of economics, effectiveness, and efficiency are central to the definition of performance appraisal and the relationship is explained in the form below (INTOSAI, 2015). Inputs in this figure refer to the financial, human and material resources used in the operation. Outputs refer to products of goods and services, and the results indicate the potential effects of the outputs.

Previous studies concerning company performance evaluation mostly focus just on operational effectiveness and operational efficiency which might directly influence the existence of a company. The empirical result of Chien Ho's and Song Zhu's study (2004) is that a company with better efficiency does not always mean that it has better effectiveness.

The relationship of social responsibility to corporate performance

CSR is regarded as a firm's strategic approach to ensure financial success and yet at the same time, ensures that it brings positive impact on the environment, communities and related stakeholders (Pop and Martin, 2011). CSR is now acknowledged as an important element in a firm's portfolio as it builds rapport with the stakeholders which leads to greater financial performance, The findings of Kagendo (2013) established that CSR increased customer awareness of the core function and products offered, improved the corporate's product marketability, improved the level of customer loyalty, increased diversification, reduced the marketing costs and operational cost, as well as promoted the image of corporate. Furthermore, the study determined that CSR increased the interaction of corporate with its stakeholders and promoted the relationship between the corporation and the society (Dian et al., 2014). Jitaree (2015), posited that CSR results in enhanced financial performance, and with the availability of financial resources, it ensures that there are improved future CSR practices. In other words, this implies that CSR positively affects financial performance and in return, improved financial performance. This could encourage more CSR practices, thus making this process cyclical (Fauzi and Idris, 2010). The cyclical process leads to a notion that there is a two-way relationship or a virtuous loop of CSR practices and corporate financial performance, which could then be a motivation for companies to implement CSR (Dian et al., 2014) (Surroca, Tribo and Waddock, 2010)

Figure 1: Cycle of CSR and CFP



CSR and CFP are interrelated and form a virtuous cycle or loop (Orlitzky et al., 2003). The looping concept identifies the linkage between practice outcomes and practice in corporate strategy (Yang and Crowther, 2012). Theoretically, it shows that the stakeholder theory is able to explain the positive influence of CSR disclosure on financial performance while slack resources theory explains the positive impact of financial performance on CSR future performance. However, Hirigoyen and Poulain-Rehm (2015) stated that there are some theories that can be considered to explain the virtuous loop. Four theories explain the forward loop from CSR to CFP whereby two theories are paired to show the possibility of a positive and negative relationship. Stakeholder theory can be paired with Trade-off theory to explain the positive and negative relationship of CSR with CFP respectively. Another pair comprises the positive synergy and negative synergy to explain CSR and CFP respectively. Another pair of theories used to relate CFP to CSR consists of the Slack Resources Theory and the Managerial Opportunism Hypothesis. Slack Resources theory explains the positive relationship between financial performance and CSR, while Managerial Opportunism Hypothesis describes the negative relationship between CFP and CSR.

Based on the literature review, the relationship between CSP and CFP could be positive, negative, or neutral. Griffin and Mahon (1997) reviewed studies discussing the relationship between CSP and CFP for the 1970s, 1980s, and 1990s. There were 16 studies reviewed in the 1970s. In the 12 results that showed positive relationships for the 1980s and 1990s, the results of the positive trend represented 14 out of 27 studies and 7 out of 8 studies respectively. Adverse outcomes were supported by one study in the 1970s, 17 in the 1980s, 3 in the 1970s, and 4 in the 1980s. Inconclusive, and no results were found in the 1990s. It should be noted that problems, which become the sources of the conflicting result of CSP-CFP link, include mismatching measurement, sampling errors and measurement errors. One or more studies could also have one or more findings. This is because one study may use one approach to measure CSP and one or more approach to measure CFP. There may be mixed results within a study (Fauzi and Idris,2009). Hirigoyen, and Poulain-Rehm (2015) adds that another problem is the direction of causality between corporate social responsibility and financial performance: Does better social performance lead to better financial performance or, on the contrary, is good financial performance a prerequisite for good corporate social responsibility?

According to Galant and Cadez (2017), no CSR measurement approach is without drawbacks. In addition to approaching specific drawbacks, two problems inherent in most approaches are researcher subjectivity and selection bias, which may influence the nature of CSR–CFP relationship detected in the empirical literature. Ngoc (2018) examines the relationship between corporate social responsibility (CSR) disclosure and financial performance of banks in Vietnam over the period 2011 – 2016. By using content analysis to approach CSR related data as well as ordinary least square (OLS) estimator to analyse data, the finding of this study indicates that there is a significant negative relationship between CSR disclosure and financial performance of commercial banks in Vietnam. Hirigoyen, and Poulain-Rehm (2015) examines the causal relationships between the various dimensions of corporate social responsibility (human resources, human rights in the workplace, societal commitment, respect for the environment, market behaviour and governance) and financial performance (return on equity, return on assets, market to book ratio). It is based on a sample of 329 listed companies in three geographical areas (the United States, Europe and the Asia-Pacific region) for the years 2009 and 2010. The results show not only that greater social responsibility does not result in better financial performance, but also that financial performance negatively impacts corporate social responsibility.

Brammer,et al, (2006) examines the relationship between corporate social performance and stock returns in the UK. Using a set of disaggregated social performance indicators for environment employment and community activities, we are able to more closely evaluate the interactions between social and financial performance than would be the case for an aggregate measure. While scores on a composite social performance indicator are significantly negatively related to stock returns, we find that the poor financial reward offered by such firms is attributable to their good social performance on the employment and, to a lesser extent, the environmental aspects. Interestingly, we find that considerable abnormal returns are available from holding a portfolio of the socially least desirable stocks. In the same vein, Jensen (2002) argues that spending to improve social performance should increase the market value of the firm over the long term. The nexus between Corporate Social Responsibility Disclosure (CSRD) and financial performance is an ongoing debate and a puzzle encountered by business organizations. Niresh and Silva (2018) attempt to address the question of whether CSRD is linked to the financial performance of companies quoted on the Banks, Finance and Insurance a sector in Sri Lanka. Corporate Financial Performance (CFP) is measured through the use of Return on Assets (ROA) and Return on Equity (ROE) controlled for size and leverage. Content analysis was utilized to develop the Corporate Social Responsibility Disclosure Index (CSRDI). Findings of the study revealed that there is a significant association between Corporate Social Responsibility Disclosure and future financial performance. According to Njeri (2013), Corporate social responsibility is an activity conducted by a company as a solution for improvising their reputation investment of the shareholder, who will be rewarded due to good financial performance (Fauzi,2009). El-Hassan (2014) try to observe whether there are any positive relationships between CFP and CSR under the slack resource theory and under good management theory by integrating the concept of strategic management into the definition of CSR as sustainable corporate performance in terms of economic, social, and environmental factors. He shows that there is a positive relationship between CFP and CSP under both theories in Malaysian state-owned and privately-owned companies.

Feliana (2014) investigates the association between CSR and Corporate Financial Performance (CFP). This study investigates 800 firms listed on the Indonesian Stock Exchange in 2010, Financial performance is measured by accounting-based approach and stock-market-based approach. While CSR practices is measured by Corporate Social Disclosure Index (CSRDI), he finds that CSR provides a positive impact on the financial performance until one next period. It was also found that financial ROA, as a performance measured, influence positively CSR over two years. A positive relationship between CSR and financial performance also was witnessed in a study conducted by Adeneye and Ahmed (2015). Hattal (2016) used bivariate and multivariate analysis to analyse the data of 500 firms in the United Kingdom. Bird, Hall, and Momente (2007), Saleh, Zulkifli, and Muhamad (2011), Khaveh, Nikhasemi and Yousefi (2012), Brine, Brown, and Hacket (2007), as well as Kadhim (2012), examined the relationship between the adoption of corporate social responsibility and the financial performance of companies within Australia. The results revealed no statistically significant relationship between corporate social responsibility and financial performance. Khudhair, Norwani, and Khalid (2019), Hussein (2003), Swaidan and Haddad (2006), and Wael and Al-Ghalbi (2009), show that out of 20 studies, 11 exhibits a positive relationship, three show a short-term negative relationship, four show no significant relationship, and two studies provide mixed results. They show that various indicators of sustainability (environment, economic, and social) have varying impacts on different measures of financial performance. Thus, a majority of studies suggest that CSR reporting enhance corporate reputation and financial performance as it results in various benefits for the reporting firm.

To test the hypotheses and analyse the results of the relationship between CSR and performance, it was first necessary to select the community and sample of the study The private study community consists of all Iraqi commercial banks listed in the Iraqi market for securities at the end of the year 2012. The commercial banks represent the medium from which the sample was selected, due to the different nature of the activities practiced by Islamic banks, which are governed according to Shariah rules. Banks as well as modernity in the Iraqi market have been selected as part of a random sample of 10 banks (Al-Maher, 2014). Lutfi (2007) constituted Mansabh (45%) of the Iraqi commercial banks listed in the Iraqi market for securities, after the exclusion of banks suspended from work because of violating the instructions of disclosure, and restricting access to data (Ben Messaoud and Kanouche, 2012) (Wheelmen and Hunger, 2008).

Study variables and Statistical data processing

Dependent Variable: Performance

The most commonly used performance measures in studies of the relationship between corporate social responsibility and financial performance are the rate of return on equity (ROI) and the rate of return on assets (ROA) where:

ROI is the ratio of net income after tax to total investment. It represents the gain of investment in business during an accounting period. Bankers refer to this ratio often as return on investment (Karra Eleni and Denetrio, 2010). The ratio reflects the efficiency of the company in using and managing all the funds available to it from shareholders and borrowed funds to achieve a return.

ROA is the ratio of net income after tax to total assets. It is basically a measure of how much a company uses its assets to generate more income (Hilton and Selto, 2006).

2 independent variables (variables of social responsibility), namely:
Variable activities in the field of workers
B - variable activities in the field of society
V - variable activities in the field of the customer

Table 1: Classification of Costs by Field of Social Activities

Expenses	**items**	s
Incentive bonuses, professional and technical allowances, compensatory allowances, accrued leave allowance, other allowances, unit share in security, insurance of employees, transportation maintenance, travel and dispatch for training and study purposes, training and study fees, subsidies for associates, staff equipment.	Employees field	1
Research and consulting services, exhibition expenses, celebrations, conferences and seminars, subscriptions and affiliations, rewards for non-employees, audit fees, donations to others, compensation and fines, write-off debts, extinguish the ancestors of deceased associates, write-offs, fees and stamps, taxes and miscellaneous taxes, subsidies for others.	Community area	2
Advertising, publishing and printing, hospitality, public communication	Customer field	3

Third: Study Procedures

The relevant statistical treatments were used to test the hypotheses of the study through the use of SPSS program for social studies (Ditlev-Simonsen and Midttun, 2011).

The study relied on the annual statements of expenditures prepared by banks. The study sample for the period 2012-2017 includes the total expenses during the whole year. Many studies have measured social responsibility through the costs incurred by companies in the areas of social responsibility (Badawi and Othman, 2002), (Hall, 2002), (Tanggamani et al., 2018) and then categorize these expenses according to the standard issued by the American Accounting Association (AAA), which has excluded the activity of social responsibility in the field of the environment, as this type of activities is far from the nature of banking. Its impact on the environment is weak as well. The expense statements did not contain detailed information about them. Banks bear some cleaning expenses but they fall under other expenses because they are small in size and thus difficult to separate from other economic costs. The percentage change in social costs for the years 2013-2017 was calculated by adopting 2012 as the base year. Shown in Table (2)

Table 2: Table of Percentage Change in Social Costs by Fields for the Years 2013-2017

s	Bank	field	2013	2014	2015	2016	2017
1	BIME	Workers	0.042532	0.212776	0.112232	0.405525	0.301901
		Society	-0.65518	-0.34414	-0.25258	0.428128	8.323423
		Customer	-0.92906	-0.89961	-0.87655	-0.75634	-0.76518
		Total SRC	-0.51433	-0.37938	-0.38968	-0.09954	1.339841
2	BBOB	workers	0.117456	0.294854	1.042196	0.880803	-0.17368
		society	1.164404	0.208445	0.910567	1.708473	1.731351
		customer	-0.4948	-0.48107	-0.50653	-0.60078	-0.65454
		Total SRC	0.323314	0.255064	0.971466	1.016025	0.218364
3	BBAY	workers	0.191303	0.519375	0.443385	0.795127	1.24882
		society	1.443397	0.809262	0.874169	5.178884	8.24636
		customer	0.51371	2.449528	3.078557	4.225762	4.965265
		Total SRC	0.523767	0.628851	0.601988	1.999454	3.140392
4	BSUC	workers	-0.79858	-0.79819	-0.89187	-0.81445	-0.80019
		society	0.156798	1.10833	5.374275	6.6865	16.24708
		customer	0.2606	1.308464	2.682087	4.942448	2.012035
		Total SRC	-0.70179	-0.60522	-0.34813	-0.12361	0.492436
5	BCOI	workers	0.20433	0.237854	0.240372	0.171284	-0.13225
		society	0.949345	0.458471	4.672313	2.435524	1.325667
		customer	0.130544	0.253206	0.950615	2.786469	2.379608
		Total Cost	0.32078	0.277771	1.100936	0.939865	0.483544
6	BMFI	workers	0.236291	-0.37072	-0.35682	-0.4556	-0.41173
		society	-0.32074	-0.66369	-0.47857	-0.18735	0.156449
		customer	0.147947	-0.66669	-0.0689	-0.5765	-0.24702
		Total SRC	-0.00299	-0.51721	-0.38371	-0.35389	-0.16149
7	BMNS	workers	0.213571	-0.4758	-0.4381	1.025174	1.081648
		society	-0.54159	0.284046	0.203732	-0.15074	-0.27255
		customer	-0.01852	-0.06724	-0.3066	-0.29573	0.052963
		Total SRC	-0.13522	-0.10676	-0.14845	0.382887	0.392878
8	BUND	workers	0.186552	1.276633	0.326148	2.594684	0.316709
		society	-0.25364	-0.75931	-0.16303	0.247545	0.043056
		customer	0.352561	-0.81104	-0.37709	-0.40644	-0.55614
		Total SRC	-0.06456	-0.15474	-0.03683	0.888346	0.068333
9	BNOI	workers	0.255985	0.326805	0.606473	1.060155	0.650192
		society	0.441479	3.003543	5.395299	0.165392	0.571214
		customer	2.861291	5.840232	6.182058	4.588718	5.08393
		Total SRC	0.486905	1.917539	3.219601	0.82	0.852766

10	BIBI	workers	0.069208	-0.0732	0.016818	-0.2127	-0.16106
		society	-0.91773	-0.85066	-0.86235	-0.89125	-0.90332
		customer	-0.10407	-0.0308	2.886629	2.909805	2.625351
		Total SR C	-0.78948	-0.74786	-0.71815	-0.77097	-0.77798

Based on the financial statements of the study sample, the value of the dependent variables are represented by the appropriate financial performance indicators for the relationship of social responsibility to the financial performance, which were calculated as (ROI (ROA), as shown in tables (3) and (4) respectively.

Table 3: Return on Investment for the years 2013-2017

	Bank	**2013**	**2014**	**2015**	**2016**	**2017**
1	BIME	0.139	0.014	0.022	0.047	0.025
2	BBOB	0.130	0.111	0.023	0.081	0.024
3	BBAY	0.024	0.027	0.015	0.029	0.013
4	BSUC	0.007	0.008	0.014	0.150	0.002
5	BCOI	0.190	0.120	0.033	0.020	0.019
6	BMFI	0.192	0.009	-	0.016	0.014
7	BMNS	0.100	0.068	0.079	0.058	0.059
8	BUND	0.090	0.030	0.010	0.094	0.012
9	BNOI	0.100	0.072	0.006	0.004	-
10	BIBI	0.173	0.116	0.070	0.041	0.016

Table 4: Return on assets for the years 2013-2017

	Bank	**2013**	**2014**	**2015**	**2016**	**2017**
1	BIME	0.027	0.005	0. 008	0.019	0. 008
2	BBOB	0.018	0.015	0.004	0.002	0.007
3	BBAY	0.011	0.016	0.061	0.021	0.010
4	BSUC	0.006	0.008	0.012	0.011	0.001
5	BCOI	0.771	0.052	0.017	0.073	0.007
6	BMFI	0.069	0.005	0.001	0.009	0.011
7	BMNS	0.032	0.019	0.109	0.130	0.051
8	BUND	0.026	0.011	0.004	0.040	0.005
9	BNOI	0.040	0.036	0.034	0.001	-
10	BIBI	0.051	0.051	0.032	0.018	0.007

Fourth: Test Results of Hypotheses

For the purpose of covering the inferential aspect of the study, a sample of 50 views was obtained from 10 Iraqi banks for 5 years to determine the impact of the performance of the companies (the dependent variable) on the costs of social responsibility (the independent variable) represented by the field of workers, community, and Customer's domain.

The study hypotheses were tested as follows

The first main hypothesis: measuring the impact of social responsibility on performance through return on investment

H01 null hypothesis: there is no significant effect of social responsibility (employees, community, customer) on return on investment

Sub-hypotheses

H011 Null hypothesis: There is no significant effect of the dimension of workers on the return on investment
H012 Null hypothesis: There is no significant effect of the society dimension on the return on investment

Null hypothesis H013: There is no significant effect of customer dimension on ROI

Note from Table 5 the value of Siq. It was greater than 0.05 for the first hypothesis and therefore we infer the acceptance of the null hypothesis and reject the alternative hypothesis, i.e. there is no significant effect of the independent variable (total social responsibility costs) on the return on investment.

As for the rest of the hypotheses, we note that the value of Sig. was less than 0.05, which indicates the significance of the variables, i.e. rejecting the null hypothesis and accepting the alternative hypothesis.

Regression equations were as follows

$Y = \alpha + \beta X$
Model 1 : $y_1 = 0.065 - 0.020 X$
Model 2 : $y_1 = 0.028 + 0.046 x_1$
Model 3 : $y_1 = 0.039 + 0.007 x_2$
Model 4 : $y_1 = 0.068 - 0.011 x_3$

X1 is after serving
X2 is after the community
X3 is after customer

The second main hypothesis: measure the impact of variable social responsibility costs on the return on assets

H02 Null hypothesis: No significant effect of social responsibility costs (employees, community, customer) on return on assets

Sub-Hypotheses

H021 Null hypothesis: No significant effect of two factors on return on assets
H022 Null hypothesis: There is no significant effect of society on the return on assets
Null hypothesis H023: There is no significant effect of the customer on the return on assets

Note from Table (6) the value of Siq. It was greater than 0.05 and therefore we infer the acceptance of the null hypothesis and the rejection of alternative hypotheses, i.e. there is no significant effect of the independent variable (total social responsibility costs) and their individual dimensions, on the return on assets index (Kawther).

Regression equations are as follows

$Y = \alpha + \beta X$
Model 1: $y1 = 0.099 - 0.47 X$
Model 2: $y1 = 0.085 - 0.033 x1$
Model 3: $y1 = 0.082 - 0.007 x2$
Model 4: $y1 = 0.102 - 0.022 x3$

The results show that the total cost of social responsibility negatively affects ROI, while the areas of responsibility individually (employees, community, customer) have a positive relationship with ROI. ROA is negatively affected by the total cost of social responsibility as well as being negatively affected by their dimensions. The relationship between social and financial performance can be rationalized through the adoption of other financial indicators to illustrate the impact on different stakeholders.

Conclusion

The perception of the performance of the economic unit has changed. Companies have become more responsible towards the environment and society, regardless of the focus on increasing profits. Thus, there is a need to promote the concept of social responsibility. This concept helps to guide the exploitation of available resources to serve the economic and social requirements of both organizations. CSR serves as a strategic approach for the company to ensure financial success and thus ensures that it brings a positive impact on the environment, communities and stakeholders, as well as in terms of the sustainability of its activities. There are many theories that can explain the different aspects of corporate social responsibility and its relations with the financial performance of the company.

As a place where money supply and demand meet, the commercial banks have identified the importance of evaluating the performance of banks through the data and information provided by liability accounting in their responsibility towards the owners, employees and the customer. This study recommends the need to adopt corporate social responsibility in order to increase the Bank's interaction with stakeholders, strengthen the relationship between the bank and the community, and enhance the level of competitiveness in banks, as well as the need for the organization to establish a team to evaluate performance, identify the efficiency in the use of its resources, and the extent of its application to mandated objectives. The systems for evaluating banks' performance under strategic multilateralism should be inclusive of all quantitative and qualitative performance measures.

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