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<table>
<thead>
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<tr>
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</tr>
</tbody>
</table>

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CONTENTS

Saeed Badghish 5-18
The Influence of Income and Education on Saudi Dissatisfied Consumers Behaviour

Shatha M. Obeidat 19-33
Anas A. Al Bakri
Dalia A. Farrag
Bader A. Al-Esmael

Corporate Social Responsibility and Organizational Performance: A Preliminary Study in Qatari Firms

Bazeet O. Badru 34-49
Nurwati A. Ahmad-Zaluki
Wan Nordin Wan Hussin

Anticipated And Actual Use Of Capital Raised In Malaysian Ipo Market
CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL PERFORMANCE: A PRELIMINARY STUDY IN QATARI FIRMS

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Qatar University, Doha, Qatar

Abstract: This preliminary study explores the level of adoption of CSR activities in Qatari firms. Moreover, it examines the relationship between corporate social responsibility and organizational performance. The data gathered from Qatari companies. In particular, data consisted of 38 completed questionnaires gathered from managers who are in charge of CSR activities in the company. Descriptive statistics provided. In addition, PLS software used in order to test the hypothesized relationship between CSR activities and organizational performance. The main results reveal that the average spending on CSR amongst the surveyed companies is more than 1 million Qatari Riyals annually. Moreover, there are above average emphasis on all CSR activities in the Qatari companies. Finally, as a preliminary study, the results of the direct relationship analysis indicated no significant relationship for the relationship between all CSR activities and organizational performance, except for the CSR-government and organizational performance link.

Keywords: Corporate social responsibility, organizational performance, Qatar.

I. INTRODUCTION

Corporate social responsibility (CSR) is a business strategy and practice that contributes to supportable development, which involves participating in initiatives that benefit society by delivering social, economic and environmental benefits for all stakeholders. The definitions of the CSR describe a phenomenon by which companies act beyond their economic and legal attributions towards achieving social and environmental aims, associated to sustainable development (Dahlsrud, 2008). Hence, each company, either small or a large corporation, desires to adopt CSR practices. CSR can include a wide variety of tactics that businesses are practicing. A few broad categories of CSR in Qatar includes charity, education, mothers’ health, road safety, community, entrepreneurship and waste management. Although a number of studies have shown that Corporate Social Responsibility (CSR) activities often lead to greater organizational performance in western developed economies. In particular, in reviewing some of the key studies on the relationship between CSR and organizational performance, a number of studies reported, that no significant relationship found between CSR and organizational performance (Davidson and Worrell, 1990; Graves and Waddock, 1994; Preston, 1978; Wright and Ferris, 1997). However, the bulk of studies reported a positive relationship

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(Margolis and Walsh 2003, p. 277; Griffin and Mahon, 1997; McGuire et al., 1988; Rettab et al., 2009; Spencer and Taylor, 1987). Despite this extensive literature about the link between CSR and organizational performance, research examining the strategic value of CSR, in the emerging economies and specifically in the Arab region is still very limited.

In this paper, we aim to close this gap in the previous literature by focusing attention on CSR activities and its association with organizational performance in one of the fast developing GCC region, particularly the Qatari context. Qatar has proven to be one of the fastest growing economy in the region. Qatar is currently undergoing massive transformation under the rubric of the 2030 National Vision, which aims to establish an advanced, knowledge-based, and diversified economy, no longer reliant on the oil and gas sector only. Moreover, Qatar has won the right to host the 2022 FIFA World Cup. Preparations will have a lasting impact on Qatar’s real estate, construction, finance markets, and many other sectors. With respect to CSR initiatives in Qatar, there is a general awareness of CSR principles. Those firms that pursue CSR are viewed favorably. Moreover, many companies in Qatar have begun to publicize their policies regarding CSR, and are publishing sustainability reports, including their CSR initiatives, in conjunction with their annual reports. Overall, this provides the Qatari context distinguishing features that deserves more attention and investigation.

This study aims to achieve many objectives. First, it provides a first attempt to describe CSR activities in companies operating in the Qatari context. Second, it provides an initial understanding of the importance of the different CSR spending categories in Qatari firms. Third, it adds to existing literature that examines the link between CSR activities and organizational performance in a non-western context.

The remaining of the paper is structured as follows. A review of the literature on CSR as well as CSR and organizational performance link is provided. Then, we discuss the measures used in this study and the data collection used. The results are then reported. We conclude by discussing the main results and by highlighting the key limitations of the study.

II. REVIEW OF THE LITERATURE

Corporate social responsibility can be defined as “a business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s social relationships” (Wood, 1991, p. 693). In recent years, corporate Social Responsibility (CSR) is a conception that has appealed global consideration and attained a new meaning in the international economy. In line with the World Business Council for Sustainable Development (WBCSD), CSR is the dedication of businesses to add to sustainable economic development, working in tandem with personnel, their households and the local communities (Jamali and Mirshak, 2007). Therefore, the principal notion of CSR is that business firms have a duty to work towards meeting the needs of a greater range of stakeholders. What is more, in general, CSR makes certain that the company makes the most of the positive influences of its business operations on society (Jamali and Mirshak, 2007).

According to Bai and Chang (2015), CSR is in general, outlined as activities that spread out past the pure monetary interests of companies to encompass actions purposed to generate social benefits. This fundamentally lays emphasis on CSR activities toward society, which sheds light on the comprehensive and wide-ranging concept of sustainability. Nonetheless, CSR can be directed to particular business groups or individual consumers. The domains of corporate social responsibility are economic, ethical and legal. In particular, the economic domain places emphasis on all activities that
create a direct or indirect positive economic impact on the firms (Fonseca and Ferro, 2016). This encompasses the maximization of profits or share value. Secondly, the implications of the legal domain are that actions undertaken by companies have to be in agreement with the laws. Based on this domain, the society aspires to perceive firms to realize their economic endeavor under the context of legal demands. Lastly, with regard to the ethical domain, this encompasses the ethical responsibilities undertaken by firms to fulfill the society’s expectation and all associated stakeholders (Zhu and Zhang, 2012).

This research study incorporates stakeholder theory. A number of the key conceptions linked with this particular theory started out in the 1980s period. From the stakeholder perspective, organizations that been anticipated to responsibly manage an all-encompassing network of stakeholder interests through progressively penetrable organization confines and recognize a duty of care towards customary interest groups in addition to silent stakeholders like the environment and local communities (Jamali, 2008). Therefore, the stakeholder theory provides a new perspective to establish thinking regarding organizational responsibilities. In particular, the theory shifts the focus to considerations past direct profit maximization by proposing that the organization cannot meet the needs of shareholders devoid of satisfying to some extent the needs of other stakeholders. The theory delineates that even when a firm endeavors to provide service to its shareholders as a key concern, the firm’s likelihood in doing so is influenced by other stakeholders (Jamali, 2008). What is more, it can be argued that an all-encompassing and wide-ranging stakeholder approach is viably sensible as it permits the firm to maximize shareholder wealth and at the same time increase the total value added (Jamali, 2008).

Building upon the stakeholder theory, this study will initially attempt to describe CSR activities, using a multi-dimensional measure of CSR, which are oriented toward company’s different stakeholders in the GCC region, particularly in the Qatari context. Despite the fact that many CSR descriptive studies were found in the literature (e.g. Luethge and Han, 2012; Gallego, 2006; Robertson and Nicholson, 1996; Maignan and Ralston, 2002), only few studies were conducted in the GCC region, particularly in the Qatari context (e.g. Alnaimi et al., 2012). This broadens the scope for more investigation in this region.

The link between CSR and Organizational Performance
The amount of literature that discusses the existing link between CSR and organizational performance is substantial and continues to grow. One aspect has been the examination of research studies in elucidating the relationship between CSR and financial performance of a company. In general, empirical research into the CSR and performance link has produced mixed results. Some research have suggested no significant positive link (e.g. Wright and Ferris, 1997; Graves and Waddock, 1994) whereas others have argued for a significant positive relationship (e.g. Abott and Monsen, 1979; Griffin and Mahon, 1997; McGuire et al., 1988; Rettab et al., 2009). Despite the mixed findings, scholars argue that CSR initiative tend to produce organizational benefits. A comprehensive review by Pava and Krausz (1995) of the empirical studies that examined the relationship between CSR and organizational performance found that firms that conduct CSR activities outperforms those that do not. However, all studies reviewed were conducted in western context and the findings cannot be generalized to the non-western context. Another more recent review made by Rettab et al., (2009) concluded similar results.

More recent research that examined the CSR and organizational performance link are also found. For example, Bai and Chang (2015) examines the relationship between the two aspects by bringing into play institutional theory and stakeholder theory, and presenting...
marketing competence as a significant in-between and intermediary between CSR and firm performance. What is more, the authors employ a provisional standpoint to study the role of market settings in regulating the impact of CSR on marketing competence. With the study in China, the results of the study indicate that marketing competence effusively intermediates the effects of all CSR activities on firm performance. What is more, the results indicate that competitive force deteriorates the positive influence of CSR toward personnel on marketing competence, whereas it reinforces the positive influence of CSR toward society on marketing competence. What is more, turmoil within the market improves the positive correlation between CSR toward consumers and marketing competence.

Valmohammadi (2014) examined the understandings of a CSR domain and conceptions in the context of Iranian organization in conjunction with a comprehensive analysis of CSR drivers. In the research study, the author laid emphasis on a code of conduct referred to as International Organization for Standardization (ISO) 26000, narrowing the examination to seven key issues, including human rights, labor practices, organizational governance, consumer issues, fair operating practices and community involvement and development. Taking into account responses obtained from 105 Iranian organizations, the results of the study indicated that community participation and improvement plays a significant role in augmenting organizational performance of organizations.

Tang et al (2012) examines the relationship between CSR and corporate financial performance and suggest that firm profits are fashioned by how companies engage in CSR. By employing absorptive capacity, theory and correlated standpoints for instance time compression diseconomies, asset mass inefficacies, and path dependence theory, the authors make the argument that when a firm participates in CSR gradually and dependably, concentrates on associated CSR magnitudes, and begins with inner measurements of CSR, the firm’s financial performance improved. In particular, results of the research study indicate that there is increased benefit for firms when they implement a CSR engagement approach that is reliable, encompasses associated extents of CSR, and commences with features of CSR that are more core to the firm.

Luethge and Guohong Han (2012) assess corporate social and financial performance by examining corporate social responsibility disclosure in China. The authors analyze the magnitude to which the size of the firm and its financial performance has an influence on social disclosure through the scrutiny of published financial information and social disclosure information in annual reports. The results of the study showed that there exists a positive correlation between the size of the company and disclosure but no link between disclosure and the profitability of the company. Lu et al (2013) examines the relationship between CSR and the performance of semiconductor firms through the implementation of a two-stage approach. In the initial phase, the authors implemented dynamic data envelopment analysis to examine whether CSR influences the performance of the firms and the variance between the performance of CSR and non-CSR firms. In the subsequent phase, the authors implemented panel data regression to ascertain which quantitative signs of CSR considerably affects the performance of companies. Outcomes of the research study indicate that social responsibility investment by companies has positive influences on their performance. More so, recommendations are made that firms ought to pay more attention to the CSR qualitative signs, comprising human rights, employee relations, and environment issues to improve their business productivity.

With respect to previous studies conducted in the gulf region, the previous literature has
shown only few. For example, a previous research conducted by Al-Naimi et al (2012) studied the incidence of Corporate Social Responsibility Reporting (CSRR) disclosure practices of particular public listed companies in Qatar. The results of the study showed that in overall, the level of CSRR in Qatari companies was low, irrespective of whether it measured with regard to the amount of companies disclosing or with regard to CSRR page share of the annual report. In particular, the study indicated that with regard to the content of CSRR, majority of the firms disclose information linked to Human Resources, and product developments. In addition, the results of the study indicated that CSRR in Qatar is largely narrative disclosure situated in the report of the chairperson. As a result, they provide some primary indication of the prospect that CSRR disclosures in Qatar signify endeavors by firms to present their corporate appearance been perceived as accountable corporate citizens. Another study conducted by Rettab et al (2009) which examines the relationship between CSR and organizational performance by bringing into play the impact of CSR in emerging economies. The study encompasses responses from 280 companies operating in Dubai and the results of the research study indicate that there exists a positive relationship between CSR and all three measures of organizational performance, which are employee obligation, financial performance and firm reputation. More so, the results of the study underpin the amassing body of empirical support for the positive impact of CSR on performance and challenge the prevailing supposition that, taking into account the weak institutional structure in emerging economies, CSR activities waste assets and compromise the competitiveness of firms. Based on the above discussion, we argue that Qatari firms that takes serious steps towards CSR that rewarded for their CSR initiatives. In particular, we hypothesize the following:

**H1: There is a significant and positive relationship between CSR activities and organizational performance.**

### III. METHODOLOGY

#### Sample Structure

This study been conducted in companies distributed among different sectors in Qatar. An effective sample plan developed in order to ensure that appropriate respondents were included in this study. First, only Qatari companies with CSR activities considered for the purpose of this study. In particular, those companies with an overall annual spending of at least 100,000 Qatari riyals on CSR activities been identified. Then, a quota sampling technique used in order to ensure that each sector represented in the same proportion within the overall sample. A total of 62 companies were identified from different twelve sectors in Qatar. Those companies represented the sample of this study.

#### Data Collection

The data was collected via a questionnaire survey targeted at 62 Qatari companies from different sectors. This was mailed to a senior manager (mainly the HR or environmental manager) who have an intimate knowledge of the company’s CSR initiates. Before beginning the fieldwork in January 2016, the questionnaire been validated by academic professors who are expert in the CSR field. As a result, the quality of the survey was improved. Data been collected using a three-stage approach in order to ensure high response rate. In particular, respondents contacted via phone call in order to invite them to participate in the study. Then, the questionnaire link sent to them via email. In the last stage, respondents contacted again via a phone call in order to follow up with them and to make sure that they have completed the questionnaire. Since this is a preliminary study and due to time restriction, the collection of data extended for only one month. This limitation has some effect on sample size, were about 38 completed questionnaires were gathered and used for analysis. The overall response rate after the three-stage approach attained a level of over 60%.
Measures

Corporate Social Responsibility (CSR). This study adopted the same measurement of CSR employed by Turker (2009). Turker (2009) study provided a valid scale for measuring CSR in terms of the expectations of various stakeholders of the companies. In this scale, seven dimensions for CSR identified, as follows: CSR to employees, CSR to customers, SCR to government, CSR to society, CSR to the natural environment, CSR to the future generations, and CSR to Non-Governmental Organizations (NGOs). The responsibility of these stakeholders been integrated in the CSR scale.

A total of 23 items been used to measure CSR in this study. In particular, five items used to measure CSR to employees, for example, “Our Company supports employees who want to acquire additional education”. Three items been used for measuring CSR to customers, example of an item used “Our Company provides full and accurate information about its products to its customers”. Three items been used to measure CSR to government, an example of items used “Our Company complies with legal regulations completely and promptly”. In addition, three items been used to measure CSR to the society, like “Our Company contributes to campaigns and projects that promote the well-being of the society”. Moreover, three items been used to measure CSR to the natural environment, an example of items used “Our Company participates in activities which aim to protect and improve the quality of the natural environment”. Another three items been used for measuring CSR to the future generations, like “Our Company makes investment to create a better life for future generations”. Finally, three items been used to measure CSR to the NGOs, an example of items used “Our Company makes sufficient monetary contributions to charities”. In addition to the CSR scale used in this study, respondents been asked to determine the overall annual spending of the company on corporate social responsibility activities. This information provides more evidence of the level of CSR activities adopted by Qatari companies. For measuring organizational performance, this study relied on perceived measures of organizational performance. The scale for measuring organizational performance adopted from previous studies (Khandwalla, 1977; Rettab et al., 2009). In particular, respondents been asked to provide their perception regarding the extent their company were able to achieve the following performance indicators compared with others in the industry: public image and goodwill, growth rate of sales or revenues, product/service quality, employee productivity, return on investment, and return on asset.

Similar to previous research, a set of control variables were used as control variables in the analysis, as follows: company origin, company sector, company size, company ownership, and the industry within which the company operates (e.g. Delaney and Huselid, 1996; Rettab et al., 2009; Orlitzky, 2001). Control variables were included since they were highly recognized in the literature as possible variables that influence the association between the dependent variable (e.i. organizational performance) and the independent variable (e.i. CSR). In particular, previous research have found that company ownership influences measures of organizational performance (e.g. Cho, 1998). Company size can also influence its overall performance, particularly financial performance, through its influence on economies of scale and greater control over company’s resources (Orlitzky, 2001). The sector within which the company operates can affect the type of CSR activities of the company (Rettab et al., 2009). For example, in the oil and gas sector, companies concentrate more on CSR activities related to protecting the natural environment. Accordingly, companies grouped into eleven sectors, as shown in table 1. Industry type is also an important control variable when examining CSR-performance link. In specific, industries (whether service or manufacturing) differ in the type and level of CSR activities they are engaged in (Kolk, 2003). Finally, the origin of the company also
used as control variable, since some countries are placing more importance on its companies toward the adoption of CSR activities than others.

IV. ANALYSIS AND FINDINGS

*Description of the studied companies*

This descriptive preliminary study attempted to provide highlights about the major categories/domains of CSR in Qatar. Initially, the below tables outline the main sectors sampled as well as the sample structure.

The majority of the sample belonged to the Oil and Gas category as it is considered the largest business sector in the Qatari market accounting for over half of the country’s gross domestic product. Most companies surveyed were service companies, large sized and Qatari.

Furthermore, the average spending on CSR amongst the surveyed companies revealed that the majority of them spend more than 1 million Qatari Riyals annually as it’s clear from the below pie chart.

### Table I: Company Sector

<table>
<thead>
<tr>
<th>Company Sector</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Gas</td>
<td>6</td>
<td>15.8</td>
<td>15.8</td>
</tr>
<tr>
<td>Finance and Banking</td>
<td>3</td>
<td>7.9</td>
<td>23.7</td>
</tr>
<tr>
<td>Food and Retail</td>
<td>3</td>
<td>7.9</td>
<td>31.6</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>4</td>
<td>10.5</td>
<td>42.1</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>3</td>
<td>7.9</td>
<td>50.0</td>
</tr>
<tr>
<td>Transportation</td>
<td>3</td>
<td>7.9</td>
<td>57.9</td>
</tr>
<tr>
<td>Education</td>
<td>2</td>
<td>5.3</td>
<td>63.2</td>
</tr>
<tr>
<td>Sports</td>
<td>2</td>
<td>5.3</td>
<td>68.4</td>
</tr>
<tr>
<td>Utilities and Services</td>
<td>4</td>
<td>10.5</td>
<td>78.9</td>
</tr>
<tr>
<td>Health care</td>
<td>4</td>
<td>10.5</td>
<td>89.5</td>
</tr>
<tr>
<td>Hospitality and Tourism</td>
<td>4</td>
<td>10.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Table II: Sample Structure

<table>
<thead>
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<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative percent</th>
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<tr>
<td>Manufacturing</td>
<td>8</td>
<td>21.1</td>
<td>21.1</td>
</tr>
<tr>
<td>Service</td>
<td>30</td>
<td>78.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
<tr>
<td>Qatari</td>
<td>26</td>
<td>68.4</td>
<td>68.4</td>
</tr>
<tr>
<td>Multinational</td>
<td>12</td>
<td>31.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 100 employees</td>
<td>6</td>
<td>15.8</td>
<td>15.8</td>
</tr>
<tr>
<td>From 100 to less than 300 employees</td>
<td>6</td>
<td>15.8</td>
<td>31.6</td>
</tr>
<tr>
<td>From 200 to less than 500 employees</td>
<td>4</td>
<td>10.5</td>
<td>42.1</td>
</tr>
<tr>
<td>500 employees and more</td>
<td>22</td>
<td>57.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
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### Table 3: Mean, Standard Deviation, and Correlations of variables

<table>
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<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Type of ownership</td>
<td>1.71</td>
<td>.867</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Company origin</td>
<td>1.32</td>
<td>.471</td>
<td>-0.167</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Industry type</td>
<td>1.79</td>
<td>.413</td>
<td>-0.99</td>
<td>0.218</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Company size</td>
<td>3.11</td>
<td>1.18</td>
<td>-0.215</td>
<td>0.182</td>
<td>0.047</td>
<td>1</td>
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<td>5 Company sector</td>
<td>5.71</td>
<td>3.57</td>
<td>0.121</td>
<td>-0.507**</td>
<td>0.342*</td>
<td>-0.262</td>
<td>1</td>
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<tr>
<td>6 CSR Employee</td>
<td>5.77</td>
<td>1.32</td>
<td>-0.239</td>
<td>-0.222</td>
<td>0.179</td>
<td>-0.043</td>
<td>0.009</td>
<td>1</td>
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<tr>
<td>7 CSR Customers</td>
<td>6.29</td>
<td>1.24</td>
<td>-0.229</td>
<td>-0.237</td>
<td>0.192</td>
<td>-0.070</td>
<td>0.044</td>
<td>0.825**</td>
<td>1</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>8 CSR Government</td>
<td>6.11</td>
<td>1.31</td>
<td>-0.186</td>
<td>-0.289</td>
<td>0.208</td>
<td>-0.118</td>
<td>0.118</td>
<td>0.876**</td>
<td>0.864**</td>
<td>1</td>
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<td></td>
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<tr>
<td>9 CSR Society</td>
<td>5.98</td>
<td>1.35</td>
<td>-0.257</td>
<td>-0.245</td>
<td>0.074</td>
<td>0.001</td>
<td>0.044</td>
<td>0.927**</td>
<td>0.829**</td>
<td>0.902**</td>
<td>1</td>
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<tr>
<td>10 CSR Natural Environment</td>
<td>5.52</td>
<td>1.26</td>
<td>-0.320</td>
<td>-0.146</td>
<td>-0.010</td>
<td>0.041</td>
<td>-0.024</td>
<td>0.795**</td>
<td>0.723**</td>
<td>0.705**</td>
<td>0.829**</td>
<td>1</td>
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<td></td>
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<tr>
<td>11 CSR Future Generation</td>
<td>5.81</td>
<td>1.35</td>
<td>-0.219</td>
<td>-0.242</td>
<td>0.168</td>
<td>-0.038</td>
<td>-0.018</td>
<td>0.892**</td>
<td>0.808**</td>
<td>0.790**</td>
<td>0.823**</td>
<td>0.764**</td>
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<tr>
<td>12 CSR NGO</td>
<td>5.58</td>
<td>1.27</td>
<td>-0.336*</td>
<td>-0.209</td>
<td>0.084</td>
<td>0.073</td>
<td>-0.028</td>
<td>0.792**</td>
<td>0.685**</td>
<td>0.730**</td>
<td>0.810**</td>
<td>0.712**</td>
<td>0.755**</td>
<td>1</td>
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<tr>
<td>13 Organizational Performance</td>
<td>5.72</td>
<td>1.32</td>
<td>-0.176</td>
<td>-0.224</td>
<td>0.220</td>
<td>0.020</td>
<td>-0.063</td>
<td>0.852**</td>
<td>0.803**</td>
<td>0.872**</td>
<td>0.821**</td>
<td>0.719**</td>
<td>0.836**</td>
<td>0.764**</td>
<td></td>
</tr>
</tbody>
</table>

*Note: *P < 0.05, **P < 0.01, N = 38*
Analysis

Table 3 presents the mean, standard deviations, and correlations of the different sets of variables used in this study. In examining the seven different categories/domains related to CSR spending, all categories scored above 5 out of 7 in terms of importance. However, CSR related to customers followed by government were the most important as it is clear from the below table (6.3 and 6.1 out of 7 respectively). Regarding correlations among variables, the results suggests significantly positive relationships between different categories of CSR and organizational performance, as it is clear from the table. At the beginning, the measurement validation been conducted in order to determine the convergent validity of the constructs. The results of tests used (i.e. item loadings, composite reliability (CR), and average variance extracted (AVE)) demonstrates convergent validity. In particular, item loadings between the indicators and their underlying constructs are greater than the minimum acceptable level of 0.5, as shown in figure 2.

Table 4: Test of Direct Relationships

<table>
<thead>
<tr>
<th>Direct relationship</th>
<th>Beta Coefficient Value</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR Customer</td>
<td>-0.023</td>
<td>Non-significant</td>
</tr>
<tr>
<td>CSR Employees</td>
<td>0.118</td>
<td>Non-significant</td>
</tr>
<tr>
<td>CSR Future Generations</td>
<td>0.267</td>
<td>Non-significant</td>
</tr>
<tr>
<td>CSR Government</td>
<td>0.658*</td>
<td>Significant</td>
</tr>
<tr>
<td>CSR NGO</td>
<td>0.223</td>
<td>Non-significant</td>
</tr>
<tr>
<td>CSR Natural Environment</td>
<td>0.098</td>
<td>Non-significant</td>
</tr>
<tr>
<td>CSR Society</td>
<td>-0.351</td>
<td>Non-significant</td>
</tr>
</tbody>
</table>

Note: * P <0.05; N = 38.

In order to test the hypothesized relationship, PLS analysis been performed. PLS has its special abilities that make it appropriate more than other techniques, such as multiple regression analysis, when analyzing small sample sizes (Goodhue et al., 2006). The results indicate that multicollinearity between the independent variables is not critical since r values are less than 0.9. Overall, the correlations values indicate positive association between CSR and performance.

The structural model been tested, as shown in table 4. Surprisingly, CSR customer and CSR society has shown to have a negative effect on organizational performance. The results of direct relationship tests, all path coefficients are non-significant between all categories of CSR and organizational performance, except for the direct relationship between CSR Government and organizational performance. In particular, among the CSR categories, only CSR’s government has shown...
the significantly and positively influence organizational performance. Thus, hypothesis one is not completely supported. Results of item loadings values and the beta coefficient values are provided in figure 2.

V. DISCUSSION AND CONCLUSION

In this study, we describe the level of implementation of many CSR activities in the Qatari companies. Moreover, it aims to examine the associations between the different activities of CSR and organizational performance. By doing so, we sought to extend the current body of research on CSR-Performance link in the Qatari context. Overall, the results of the current study showed high level of implementation for many aspects of CSR which are: CSR-customer, CSR-employees, CSR-government, CSR-NGO, CSR-future generations, CSR-natural environment, and CSR-society. Moreover, the results provides only weak evidence of the positively significant relationship between CSR activities and organizational performance.

One of the most important finding of this study relates to the high level of CSR implementation by Qatari companies. This reflects the fact that Qatar is one of the leading countries in the region when it comes to Corporate Social Responsibility (CSR) as evident from this study. The findings of this preliminary study support the Qatar National Vision (QNV) 2030, which under the pillar of human development outlines Qatar’s plans to develop its economy and society by building on human capital and resources. The above average adoption of...
many CSR activities by Qatari companies in order satisfy different stakeholders shows the importance Qatari companies are placing for CSR initiatives. Although Qatari companies encounter huge cost from spending on different CSR activities, they do not consider it as unnecessary cost. On the contrary, they view CSR spending as a way to generate value and obtain many benefits, such as financial returns, good company reputation and high quality product/service. Therefore, companies operating in different sectors in Qatar should look for better ways to adopt a comprehensive stakeholder’s approach of CSR. In addition, the results show that CSR-customers are the most important spending category when it comes to CSR activities. This indicates that CSR is not only an important part of increasing a firm’s competitive edge; it also raises brand awareness and helps build relations between the community and employees and companies in Qatar. Secondly, findings have also revealed that companies aligned with governmental CSR needs and react positively to that. This study provides only weak evidence of the significant positive association between different CSR activities and organizational performance. In particular, it provides evidence of significant and positive association between CSR-government category and organizational performance. However, the remaining CSR categories did not show significant effect on performance. While the result is consistent with previous research (e.g. Wright and Ferris, 1997; Graves and Waddock, 1994) that found non-significant effect, it could be explained by the fact that CSR activities generally drain resources (Rettab et al., 2009) and tend to negatively influence economic performance indicators, especially in the short run. Qatari companies’ awareness of the importance of CSR initiatives is only recent and, consequently, expected to gain performance improvements through CSR in the end.

This study calls for some managerial implications. Senior managers been recommended to put CSR initiatives at the center of future development at the company level and to elevate CSR to a strategic level. They also need to adopt the stakeholder approach in CSR and to communicate CSR activities to stakeholders. Rettab et al., (2009) noted that the link between CSR and financial performance is contingent on stakeholder’s perceptions of CSR efforts of the company. The positive association between CSR activities and organizational performance reported in this study should also allay concerns held by companies about the cost associated with the demand for CSR activities (O’Donohue and Torugsa, 2016). The findings here suggest that the adoption of several CSR activities can lead to tangible long-term benefits and financial outcomes. Accordingly, senior managers should give strategic priority to the adoption of several CSR activities.

For theoretical implications, this study highlights the importance of adopting the stakeholder theory when measuring CSR. Stakeholder theory emphasizes that organizations success depends on the ability of the company to generate wealth and value for its primary stakeholders (Moan et al., 2009). This calls for a more comprehensive model for measuring CSR by utilizing the stakeholder theory. Once a comprehensive model of CSR is developed, the next essential step should be to bring reflections about CSR activities to a relevant strategic level.

As is the case with most research, this study has some limitations. Firstly, the small sample size can pose constraints on analysis tools used. For example, conducting regression analysis requires large enough sample size in order to provide accurate parameter estimates (Kelly and Maxwell, 2003). The small sample size in this study is acceptable given the fact that it targeted Qatari companies that emphasize CSR initiatives. Accordingly, the population of the study include only small number of companies. Secondly, the constraint of the current study with regard to sample size makes generalization of results difficult to do. While the results of the study may generalized within
the Qatari context among different sectors, generalizing results within the gulf contexts is constrained. More empirical research is required that include companies from different gulf countries. Finally, the study findings are limited by relying on self-report for measuring organizational performance due to the absence of reliable sources for objective data on companies’ performance measures. Future research should combine both objective and subjective measures of organizational performance for more robustness of results.

REFERENCES


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