

THE IMPACT OF ISLAMIC CORPORATE SOCIAL RESPONSIBILITY (ICSR) DIMENSIONS ON ISLAMIC BRAND EQUITY OF ISLAMIC BANKS OF PAKISTAN)

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Abstract

The Purpose of this study is to analyze the influence of Islamic brand equity of case of Islamic banks of Pakistan on Islamic corporate social responsibility and its components which are economic, legal, ethical and philanthropic and how Islamic banks of Pakistan contributed towards society specially during Covid-19 years etc. Therefore this study uses reliability analysis, ANOVA and regression technique to measure the extent of relationship between variables. The study shows there is positive relationship between dependent and independent variable. Therefore for analysis questionnaire technique is used from 305 respondents which are Islamic bank account holders and professionals. SPSS used to statistically analyze data. Overall results shows there is a significant relationship between variables and this research is helped to explore this relationship between these variables which is useful for industry as well as country, apart this is the first research which based on these Islamic principles on specific variable. Previous studies were limited to general terms like CSR etc. whereas this study clears the vision of Islam on these variables. Through this research role of Islamic banks of Pakistan towards contribution of ICSR activities specially in Covid-19 years also discussed slightly which make a difference in the development of Pakistan and its economy.

Keywords: Islamic Brand Equity, Islamic Banking, ICSR (Islamic Corporate Social Responsibility), Economic, Legal, Ethical and Philanthropic.

1. INTRODUCTION

Islamic Corporate social responsibility (ICSR) has turn into a general concept in the international marketplace (Carroll, Shabana, 2010). ICSR mention that the association among organizations and society is not similar in predictions. At present, businesses are concerned in including multiple methods of ICSR such as programs of environmental protection; programs of arts, cultural programs, protection of workforce rights programs, etc. (Barone et al., 2000). According to Carroll (1991) "Islamic Corporate social responsibility encompasses the economical, legal, ethical, and philanthropic expectations placed on firms by society at a given point in time". Islamic Corporate social responsibility is not different from corporate social responsibility, basically CSR is part of Islamic corporate social responsibility and the major difference is that ICSR is based on Islamic principles which are described by the holy book Quran and last prophet Muhammad (P.B.U.H) where as corporate social responsibility generally talks about general ethics in society (Bukhari et al, 2020)¹. So far it is observed that in non-Muslim countries declare

as corporate social responsibility whereas Muslim Countries like Iran and Pakistan declare it as Islamic corporate social responsibility.

As compare to CSR, The ICSR is completely based on the Islamic principles i.e. Islam. The source of ICSR basically based on the Holy Quran (Holy book Muslim) and the Sunnah which are words and actions the last prophet Hazrat Muhammad (P.B.U.H). These two are the main basics of ICSR (Yusof and Bahari, 2011)². ICSR derives from Islam and the holy Quran which includes saying of last prophet Muhammad. Islam is one of the main pillar which teaches ICSR concept in this world. It also tells about Islamic business ethics and Islamic economic concept which actually teaches to do good deeds in any situation (Bukhari et al., 2019). As per Islam and Islamic principles, an organization should operate according to Islamic economic principles and impact of its business operation on the basis of Islamic concept as per Islamic shariah (wellbeing of society) (Issahlih et al., 2015)³ which is also stated in the holy Quran:

إِنْ تُبْدُوا الصَّدَقَاتِ فَنِعِمَّا هِيَ وَإِنْ تُخْفُوهَا وَتُؤْتُوهَا الْفَقْرَاءَ فَهِيَ خَيْرٌ لَكُمْ وَيُكَفِّرُ عَنْكُمْ مِنْ سَيِّئَاتِكُمْ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ

On the off chance that you unveil the foundations, great it (is). Be that as it may, assuming you stay discreet and offer it (to) poor people, it (is) better for you. Also, He will eliminate from you [of] your insidious deeds. Furthermore, Allah with what you do (is) All-Aware. (Quran 2:271).

حَدْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلَّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

Allah says "Take zakat from a portion of their property, by good cause you purge and cleanse them and petition God for them. Verily, your supplication is a tranquility for them. What's more, Allâh is All-Knowing All-Knowing". (Quran 9:103)

So it is concluded that there are so many verses of Quran which actually explains about ICSR.

Additionally, Archie Carroll presented different accountabilities in the form of four layers within a pyramid. The pyramid of corporate social responsibility signifies the four layers of CSR, which are philanthropic responsibilities, Ethical Responsibilities, Legal Responsibilities, and economical responsibilities. At the same moment, businesses are emphasize to follow the regulations because the regulation is societal classification of unacceptable and acceptable behavior. Next businesses must ensure their accountability in all four layers of pyramid and follow each layer rule. So finally, in conclusion businesses are assumed to be a good corporate citizen which is represented in the responsibility of philanthropic layer of pyramid, in which businesses are expected to come up with financial and human resources for the society and to improve their quality of life (Hafez, 2018)⁴.

Globally it has been observed that CSR practice helps the firm to build a positive and strong association with the community which eventually increases image of corporate and satisfaction of customer (Aaker, 1991). Businesses that have a strong and vivid standing in performing ICSR activities can strengthen their place in the market. Moreover, worker force' efficiency progresses when they perceive their business is dedicated to social responsibility (Ismail, 2009). In addition to this study; (Schinietz and Epstein, 2005)

studied that customers are more dependent to evaluate firm's image of corporate when they are lacking in the information related to the quality of a product or a firm. Furthermore, Fombrun (2005) identified that growing the image of corporate is a motivation of extrinsic for businesses to engage in more ICSR activities. Fatma et al. (2015) researched construction of reputation of firm through ICSR and presented that ICSR enterprises positively established a fine tune image of corporate in the mind of the target customers. Also, Lai et al. (2010) delivered facts and confirmed that customer perceived ICSR positively impacts firm's image. Even though satisfaction of customer was detected as an important factor of a customer's loyalty to a bank, it was found to be powerfully connected to the stages of services offering and customer's perceived image of the banks (Mumin et al., 2012).

Furthermore; another perception that performs as a driver of the profitable value of a services and product is known as equity of brand. Equity of brand refers to the incredible value inbuilt in a famous brand name. It appears when customers pay more willingly for standard created for the product due to its quality or appealing names attached to the product (Bello and Holbrook, 1995). Previously several kinds of research have been conducted to study the end impact of equity of brand through satisfaction of customer. A research was conducted related to hospital marketing, Kim and Kang (2008) finds a positive indirect impact of satisfaction of customer on equity of brand, through brand awareness, which is an element of equity of brand. A brand is said to have equity if it can impact the behavior of those who behold the brand, reutilizing their preference, behavior of purchase and attitude (Aaker, 1996).

1.1 Problem Statement:

So Far there is no research has been done on the Islamic corporate social responsibility dimensions with respect to brand equity of Islamic banks of Pakistan. Previous studies were generally on CSR dimensions with respect to brand image and customer satisfaction, or ICSR practices on industry of Pakistan but this study covers impact of ICSR dimensions on brand equity of Islamic banks of Pakistan and few of banks discussed in details.

ICSR has gained very important consideration of researchers in western world (Carol A. Tilt, 2016). The image of corporate is supported, when banks execute ICSR campaigns, hence positive associations were found when data was analyzed statistically among ICSR activities and image of corporate. (Mubarak, 2018). Previously many studies have been conducted in developed countries and it was observed that CSR helps them to maintain strong and positive association with customers, stakeholders, investors, etc. But it was observed that the concept of CSR has been slightly focused in developing countries (Mubarak, Hamed, Mubarak, 2018). However CSR been adequately considered in the perspective of the Pakistan. Consequently, companies are compelling CSR as an obligation instead of a source for benefit of long period for the general public and firms. Pakistan is far behind the developed world in terms of CSR awareness among the public and capitalists, Awan, Kamal, and Rafique (2012). Secondly, Pakistan is facing a crisis in multiple domains like poverty, inflation, violence, natural disasters, lack of health and

educational infrastructure, political and economic instability also hit banking domain at big level. Therefore, there is strong need to investigate and study this important problem and understand the socially responsible behavior of firms in case of developing countries like Pakistan (Ehsan, Kaleem, 2012). Because these all issues ICSR is playing a vital role for country and specially ICSR activities are increasing day by day in Pakistan and if properly researched in details Pakistan can add value in ICSR study and its positive impact for Country.

Moreover, there are few multinational and national banks in Pakistan like Standard chartered, Habib bank limited, and National Bank of Pakistan, Meezan Bank and Faysal Bank which contribute a portion of their profit into ICSR (Ehsan, Kaleem, 2012). In 2017 National Bank of Pakistan has spent around Rs53 million on ICSR activities by contributing to the society. They pay special considerations to Special person and distributed more than 600 Wheel Chairs, White Canes, and organize sporting activities at National Level. NBP started the scheme "Empowered Women and Empowered Pakistan" professional training was given to help women who are poor and needy especially women of rural back grounds. On the other hand, Faysal Bank incorporated ICSR activities by helping Institute of Business Administration build an academic block in their City Campus, Karachi by offering a generous donation of PKR 75 million. Considering the need in education sector Faysal bank has taken steps to fill the gap across the board and to improve enrollments of students in schools and, in special education institutes and by sponsoring deserving students. Furthermore, Meezan bank in 2017 partnered with different firms to work for the wellbeing of the society by improving education and health care issues prevailing in our country.

Hence, this study is focusing ICSR Activities of Banking sector of Pakistan so this sum up results that there is still a need to create an awareness of ICSR in the sector of bank. Numbers of issues were highlighted in last 50-60 years such as pollution, resource depletion, worker's rights safety and corporate scandals which recommended the need for ICSR (Carroll, Shabana, 2010). The banking area however is considered to be one of the most vital sectors in Pakistan. Other sectors may include insurance, investment, and the industry. As the ICSR notion is comparatively new, not several researches have been found covering this topic in this part of the world. Furthermore, various studies in Pakistani context have been conducted studying the impact of CSR on image of corporate, impact of CSR on satisfaction of customer or equity of brand (Hafez, 2018). None of the studies have researched these variables together.

1.2 Research Objective:

The objective of the existing research is to investigate impact of ICSR activities; (ethical, legal, economical, philanthropic) on Islamic brand equity.

1.3 Research Questions:

What is the impact of ICSR activities; legal economical, ethical, philanthropic, on Islamic brand equity.

1.4 Scope of Study:

The significance of study gives banks stake holder governs in any bank in holistic view. It always supports in the best interest of bank and stakeholders in terms of cost, profit, image of corporate, bank culture and high innovation. It is directly related to the performance of operations, performance of financials, legal and societal implications and barriers. Our study will deliver strategies to banks to emphasis on the utmost essential actions of ICSR that convey a good prestige. The research aims to encourage more researches in this area as inadequate researches have been lead in the section. Furthermore, this research can suggest a fresh research trend that aims at boosting banks to undertake ICSR and shape an efficient ICSR operation. Moreover, this study can be used as a tool for comparison against other industries in the Pakistani corporate world.

1.5 Limitations:

The study has some limitations such as it is only limited to Karachi; all other cities of Pakistan are ignored. Additionally, the research is conducted on limited variables such as ICSR activities; legal economical, ethical, philanthropic, image of corporate, satisfaction of customer on equity of brand other important variables are not considered hence the results of the study cannot be generalized. The study is limited to only a sample size of 305 respondents.

1.6 Organization of Study:

The layout of the study is: Section II will consist of the theoretical background based on the theory found out in previous study. Then comes the empirical researches related to this topic. Lastly, conceptual model and its related hypothesis are developed. Section III includes the methodology used to conduct this study on Sector of bank of Karachi. This is backed by questionnaire-based results from the respondents. Section IV explains the result of the study conducted in section III and discusses it in detail with all facts and figures. Lastly, the section V of this study will result the research by offering policy implications and the directions for future research.

2. LITERATURE REVIEW

ICSR defined as religious initiative based on belief that an organization should do best, regardless of its financial position, either it's positive or negative (Nor et al., 2016). This ICSR concept most of the time followed by businesses which are offering Islamic brands or focusing on Muslims markets. This concept not only limited to maximization of profit but its sustainability and competitive advantage which also covers of doing good deeds here in this world and afterword's. This basically incorporates the spiritual goodness of Islam in many businesses and its operations for the sake of development of a better social system. (Amran et al., 2017). Examination shows that the teaching of Islamic standards in business tasks emphatically impacts the demeanor and social aims of Muslim customers. It too expands the client's trust and steadfastness towards the association (Suhartanto, 2019). ICSR has been proposed as a customization of ICSR standards as

per Islamic laws and standards. This idea has for the most part been contemplated as per monetary organizations, for example, Islamic banks, as it offers more prominent congruity with the essential philosophy of Islamic monetary organizations. Muslim purchasers manage Islamic banks since they see the basic philosophy of the Islamic monetary establishments to be in consistence with Islamic laws and its feeling of social obligation. This impacts client fulfillment and bank's exhibition (Anouze et al., 2018). Muslims are needed to hold fast to Islamic standards in dynamic whether they are settling on choices as a buyer or in some other job of their lives ensuring that their moral and moral set of accepted rules doesn't separate in their public and private lives (Khurshid et al., 2014).

For Islamic associations, yields amplification can't and is definitely not an adequate objective, except if upheld by endeavors that upgrade the otherworldly wellbeing at the internal center of human cognizance, and equity and reasonable play at all degrees of human association (Dusuki & Dar, 2005). ICSR Islamic perspective basically depends on four principles which is unity of Allah, complete justice, free will and responsibility (Mohammed, 2007). Association's obligation to social orders is the appearance of the taqwa-worldview or God-awareness, which moreover mirrors their appreciation of the Islamic standards, for example, bad habit regency or trusteeship and equity. This is the most elevated request moral position addressing the Islamic perspective on ICSR" (Dusuki, 2008). "Companies collectively of people do expect the jobs also, obligations as workers and vicegerents on the whole circumstances. In this way, a relationship with God ought to move the upsides of honesty, reasonableness, benevolence, uprightness rather than envy, slandering, and segregation in the corporate setting, where such a relationship ought to be held in business exercises and in with all partners (Siwar and Hussain, 2009). Islamic CSR requires a taqwa-based worldview, where enterprises are not just determined by benefit augmentation; though being one of its fundamental main thrusts yet additionally determined by Islam's bearings to seek after extreme felicity in this life and in the Hereafter (Al-Falah). Enterprises need to recognize their social and moral responsibilities regarding the prosperity of others including customers, representatives, and investors and nearby networks (Darrag and E-Bassiouny, 2013). ICSR consist of Islamic economic responsibility, Islamic legal responsibility and ethical responsibility (Khurshid et al., 20014). ICSR intends to "exhibit liability to Allah, human creatures and the climate" (Muwazir et al., 2006).

2.1 Theoretical Background

2.1.1 Stakeholder Theory

In the light of stake holder theory all variable have different explanation, stake holder govern in any organization in holistic view. It always supports in the best interest of organization and stakeholders in terms of cost, profit, Islamic Brand Equity, organization culture and high innovation. It is directly related to the Islamic operational performance, Islamic financial performance, Islamic legal and Islamic societal implications and barriers.

Windsor (2001) argues that if Islamic responsibility of economic level is ignored, miscellaneous responsibilities cannot be accomplished (Mubarak, Hamed, Mubarak, 2018). To Islamic responsibility of economic level reading society, organizations should deliver services and goods at justified rates, remuneration their workforces; nurture worth for their financiers and take care for the overall interest of stakeholders' (Carroll's, 1979). Organizations run through Islamic responsibilities of economic level, when their foremost point is to execute in a way that increase their market share and earning per share, pursue to retain a in height level of Islamic operational and strategic efficiency and effectiveness (Muhaamd, Rashid, 2018). Therefore, consider to preserving heavy-duty position of competitiveness (Carroll's, 1991), organizations always emphasis seriously on profitability and earnings to shareholders. Whereas, those in organization incline to label this support more extensively then economy is influenced by how the organization relates to its stakeholders (Crane and Matten, 2004)

Freeman (1984) had contended, in light of stakeholder theory, that activities of ICSR could increase image of brand for workforces, for customers and for other pertinent stakeholders. It viewpoints to motivation that such activities can eventually increase the satisfaction of customers.

Martínez et al. (2014) debated, further researches to investigate the association among activities of ICSR, image of brand, and satisfaction of customer , as slight is recognized regarding the association of these constructs in the framework of the commercial and corporate industry. As a result, the leading purpose of this research was to deliver a theoretical model that can support to elucidate the association among dimensions of ICSR and Islamic brand equity of customer in the Islamic sector of banks (Hafiz, 2017).

2.2 Hypothesis Development

2.2.1 Economic Dimension of ICSR and Islamic Brand Equity:

Economic dimension of ICSR suggest the business practices performed in a way that is consistent with maximizing earnings per share. A firm has to meet its economic responsibilities in terms of logical return to investors and fair compensation to employees' etc. It is important for the firms to be committed to being as profitable as possible and maintain a strong competitive position by offering high level of operating efficiency. Thus, meeting economic responsibility is the first-layer of responsibility and also the basis for the consequent responsibilities. The fact however remains the same that meeting economic responsibility is essential for all corporations to survive in the time.

Hsu (2019), conducted a research to study The Effects of Corporate Social Responsibility on Islamic Brand Equity, Customer Satisfaction and Customer Loyalty the results indicate that economic and legal responsibility has a significant influence on Islamic Brand Equity, but ethical and philanthropic responsibility has no significant influence. This means that consumers pay more attention to economic and legal responsibilities, and are less concerned with ethical and philanthropic responsibility.

Furthermore, Valino et al. (2018) investigated the impact of corporate social responsibility on customer loyalty in hypermarkets. The results shows us that ICSR is positively

influencing customer loyalty, and customer satisfaction, image, and quality as economic, ethical–legal, and discretionary aspects of ICSR for hypermarkets has a direct and significant influence on brand image and perceived quality. Correspondingly Mubarak (2018) concluded that customers expect their banks to be profitable that maintains a strong competitive position and keep up a high level of operating efficiency with ICSR economic activity.

H1: There is a significant impact of economic component of ICSR on Islamic Brand Equity

2.2.2 Legal Dimension of ICSR and Islamic Brand Equity:

Mohammed et al. (2018) defined legal aspect of ICSR as the obligations which are put on companies or organizations to abide by the laws and regulations set by the management. Carroll et al. (2010) states that the legal aspect of ICSR deals with the corporations' responsibility to make sure the authenticity of their dealing practices and that their performance is paralleled with the rules and regulations founded by the management and with entities for community profit. The legal element requires organizations to abide by the law that is set by the government. Laws are set for the society which ensures that everyone is treated equally. Various studies have been conducted to investigate the relation/impact of legal dimension of ICSR on business practices.

Mubarak et al. (2018) conducted a study on banks Islamic Brand Equity and ICSR dimensions. It shows strong positive strength of relationship between ICSR components and banks Islamic Brand Equity, customers suppose their banks to be a law-abiding corporate citizen, that meets legal requirements and act in accordance with the laws.

Kim et al. (2016) investigated the impact of four ICSR dimensions (i.e. legal, ethical, philanthropic and economical) on a gaming company's image and customers' revisit intentions. The results revealed that there is neither positive nor negative impact of legal factor on customer.

H2: There is a significant impact of legal component of ICSR on Islamic Brand Equity

2.2.3 Ethical Dimension of ICSR and Islamic Brand Equity:

Ethics is one of the major components of ICSR based on raising the wellbeing of humanity through different business practices. It is defined as a set of rules prescribing what is good or evil or what is right or wrong for people. Carroll (1991) defined ethical responsibilities as to reflect a concern for what consumers, shareholders, employees and the population regard as reasonable, fair or just in keeping with the respect or protection of stakeholders' moral rights.

Furthermore Almubarak (2018) studied the impact of corporate social responsibility on banks Islamic Brand Equity. The results of ethical component indicate that customers prefer the bank that respects ethical norms, protects employees' moral right and work in an ethical manner.

H3: There is a significant impact of ethical component of ICSR on Islamic Brand Equity.

2.2.4 Philanthropic Dimension of ICSR and Islamic Brand Equity:

Philanthropy dimension of ICSR incorporates the activities that are conducted in a way to improve the life of employees, local community and society at a large. As it is evident from the word philanthropy i.e. “Love for fellow human” in business context it relates to the welfare of society by practicing business actions that is expected by society indicating good corporate citizens. Financing the charitable organizations or institutions through donations, creating facilities for the families of employees and support educational institutions are few examples of philanthropic activities carried by the organizations. Almubarak (2018) a study conducted on the impact of corporate social responsibility on banks Islamic Brand Equity. The results on philanthropic component show that customers pay special attention to the engagement of their banks in charity, donations and community improvements.

Furthermore, Ahmad et al. (2018) proposed the leading factors towards philanthropic dimension of corporate social responsibility in the Nigerian financial sector. The study examined the relationships between philanthropic dimension of ICSR, Islamic Brand Equity, stakeholder pressure and cultural influence. The results indicate that Islamic Brand Equity and stakeholder pressure are influencing factors towards prioritization of the philanthropic dimension of ICSR.

In addition Williams (2000) conducted a research to examine the link between Corporate Philanthropy, Criminal Activity, and Firm Reputation. The results revealed that the firm which participates in charitable causes enhances their firms reputations however the firm's reputation can be weakened through its violation of different government regulations, the scope of the decline in reputation may significantly reduce through philanthropic activities.

H4: There is a significant impact of philanthropic component of ICSR on Islamic Brand Equity.

2.3 Empirical Reviews:

There are very few research papers which are published according to Islamic principles of Islamic corporate social responsibility among all one of them is published by Bukhari, hashim and amran (2020), in this research SMART PLS technique is used and among 400 responses of questionnaire only 293 responses were used to analyze data, this research shows there is significant relationship between upper management pressure, competitor pressure and Islamic corporate social responsibility principles adoption pressure created among Islamic banks of Pakistan. Whereas there is moderate relationship found between top management ICSR adoptions. Whereas results reveal that customer pressure and community pressure have an insignificant influence on ICSR adoption.

Martinez and Bosque (2013) explore the CSR (economical, legal, ethical and philanthropic) and customer equity relationship with the direct and indirect impacts of trust, customer identification and customer satisfaction. SEM technique was adopted to analyze 382 useable responses. Results explain the indirect relationship of CSR

(economical, legal, ethical and philanthropic) with equity through trust, satisfaction and identification. Research findings have several managerial implications to build long term as well as strong relationships with the customers for hospitality industry.

Choi and La (2013) explore the corporate social responsibility and customer trust impact on equity after recovery and service failure. For 371 responses structural equation modelling technique was used for the purpose of analyze. CSR (economical, legal, ethical and philanthropic) was found significant variable for the trust and equity where trust had a mediating role in service recovery. Finding provides that CSR (economical, legal, ethical and philanthropic) has influenced equity directly as well as indirectly through customer trust.

Castaldo, Perrini, Misani and Tencati (2009) investigated the missing link between consumer trust and corporate social responsibility from the evidence of fair trade products. They conducted their study by conducting interview with retail chain customers in two cities in Italy. The results reveal that social oriented firms are able to leverage their reputation successfully in marketing their products with great symbolic values.

He and Lai (2014) investigated how different CSR dimensions impact brand equity in a real business context. They selected four shopping areas for the purpose of data collection and used 280 respondents, their research variables include brand equity, CSR (legal and ethical) and symbolic and functional images. SEM technique was used to test the research hypotheses. They find that brand equity may increase with increasing positive symbolic and functional of ethical and legal of brand that is perceived by customers. Moreover, there are other traditional marketing strategies in the form of public relations, price and advertising but CSR is another effective way of increasing brand equity among consumers of present days.

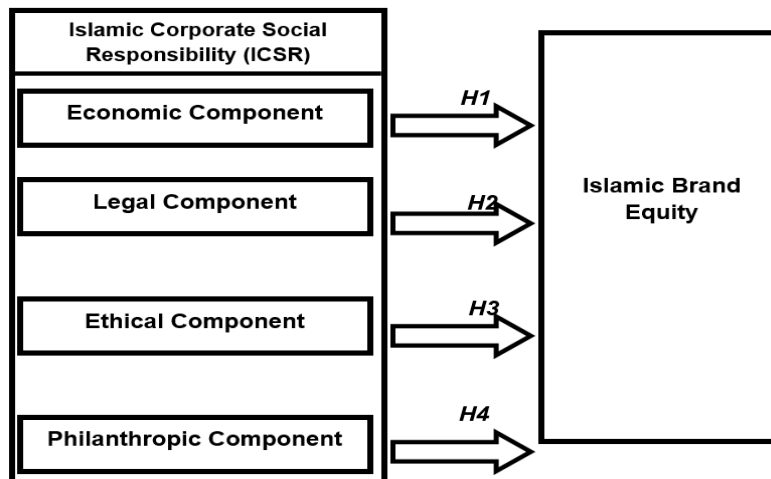
Chomvilailuk and Butcher (2014) explore the corporate social responsibility's (economical, legal, ethical and philanthropic) impact on different aspects of equity include positive word of mouth, purchase intention and affective commitment for the bank's new service that is Travel card. In this research 204 consumers of bank data collected and used regression equations. The finding shows that socially responsible perceptions positively effected on purchase intentions and positive word of mouth while the new socially responsible is more powerful predictor than service quality in this case.

Xu (2014) investigated the perceptions and expectations of CSR (economical, legal, ethical and philanthropic) strategies among Chinese fast-food dinners. He also explore the relationship among consumer satisfaction, CSR (economical, legal, ethical and philanthropic) strategies and customer equity behaviors and 320 sample size was used in the research. The results explore that equity behaviors of customers are dominantly predicted by CSR (economical, legal, ethical and philanthropic) performance as opposed to customer satisfaction. Chinese fast food dinners need to pay more attention nutrition and to be good in social responsibility of the firms.

Raman, Lim and Nair (2012) explore the link between CSR (economical, legal, ethical and philanthropic) initiatives and consumer equity with in a company. They considered

100 electronics manufacturer as participants to collect data. Pearson's Correlation coefficient was adopted to test the hypotheses of the study. In this research it is found CSR (economical, legal, ethical and philanthropic) practices have a strong direct relationship with the consumer equity and increases with the higher practices of CSR (economical, legal, ethical and philanthropic). Businesses can accomplish their objectives by investing more in corporate social responsibility as well as they can bring increase in their financial performances.

2.4. Conceptual Model



H1: There is significant impact of economic component of ICSR on Islamic Brand Equity

H2: There is significant impact of Legal component of ICSR on Islamic Brand Equity

H3: There is significant impact of Ethical component of ICSR on Islamic Brand Equity

H4: There is significant impact of Philanthropic component of ICSR on Islamic Brand Equity

2.5 Banks of Pakistan and its contribution for ICSR.

In Pakistan almost all banks contribute towards society and for country but mostly Infact all banks called CSR only whereas CSR derived from ICSR. In the book of yawar hanif mian (2009) CSR Pakistan, This thing also concluded that CSR basically comes from Islam so it should be called ICSR but unfortunately most of the time it is generally called as CSR. In this book decade ago it is written that Bank Al-Habib Limited contribute approximately 14.9 million rupees in a year for CSR and United Bank Limited contribute approximately 13.8 million rupees in year for CSR. In 2017 National Bank of Pakistan has spent around Rs53 million on ICSR activities by contributing to the society.

Few of Pakistani Banks and its CSR activities mentioned below in the table,

Name of Banks	ICSR Activities
National Bank of Pakistan	Contributed in medical facilities, auto finance, and education. 2018
United Bank Limited	School Education, and Health Care. 2019
Habib Bank Limited	HBL foundation in 2009 (Pakistan center for philanthropy) https://pcp.org.pk/pagestyle.php?catd=210
Meezan Bank	Contribute in Education, Islamic finance and in social Welfare.
Faysal Bank	75 million rupees contribution in education with collaboration of Institute of business administration.
Standard Chartered Bank	Standard Chartered Pakistan received its first National CSR Award for "Child Centric CSR" in the country. The Awards were organised by the Pakistan National CSR organisation in Karachi. In 2011 11.3 million children's screened for treatment.
Askari Bank	Contribute in Health, Education and welfares.
Habib Metropolitan Bank	In 2020 CSR award and Contributed in Cancer hospital, Beach cleaning activities, 100 sewing machines distributed through APWA, 20 million rupees Donation To PM covid 19, Ration distribution during Covid, Gifts distribution in orphanage houses, one free unit in Indus hospital, donations at old age home, 100 laptops distribution.

3. METHODOLOGY

In all Islamic brand equity of Islamic banks of Pakistan covered which are in Karachi, Dubai Islamic bank, standard chartered bank and national bank of Pakistan etc., whereas Islamic corporate social responsibility in Pakistan is considered with its dimensions.

In this segment of study on Islamic brand equity, quantitative approach is used for analysis. Purpose of this is to explore quantitative analysis for development of mathematic approach in other words hypothesis of certain factors because it provides a connection between observations and mathematical expression of quantitative relationship. This research is limited to Islamic banks of Pakistan and its Islamic corporate social responsibility.

3.1 Research Philosophy

Malhotra and Birks (2003), quantitative study is best suited where numeric data is used to create models and statistical analysis. This study uses quantitative study because it consists of variables that need to be measured for their impact using a numeric value. Ormord and Leedy (2010), stated that cause and effect research design is concerned with creating relationship between either to different variables of the same sample or between two same variables of different sample. Thus, to measure the relationship between variables this study used cause and effect research design.

3.2 Variables and Measurements

This study intends to determine the end impact of ICSR on equity of brand.

For this purpose, the study has adopted a survey-based questionnaire from past empirical studies. The questionnaire items were gathered from Almubarak et al. (2018), Hafez (2018), Omoregie et al. (2019), Iqbal et al. (2018) and Yasin et al (2007). These items were carefully designed in the context of Islamic Corporate social responsibility (ICSR) in the sector of bank of Pakistan. A five-point Likert scale ranging from 1 as "strongly disagree" and 5 as "strongly agree" was used to analyze the responses. The items were divided into five variables which include one dependent and four independent variables. Among these five variables, four variables are components of ICSR namely, legal, ethical, economical and philanthropic. Other variable include Islamic brand equity (IBE).

3.3 Reliability and Validity Analysis of Measures

	Variable	Cronbach's Alpha	No. of items
ED	Economic Dimension	0.708	04
LD	Legal Dimension	0.781	04
ED_A	Ethical Dimension	0.775	04
PD	Philanthropic Dimension	0.710	04
BE	Brand Equity	0.759	04
	Over all	0.900	20

The reliability test is a way for checking a scale's internal consistency. Researcher used Cronbach's alpha coefficient as the indicator to test the diploma of consistency. The fee of Cronbach's alpha for all constructs/variables need to be above 0.5. Ideally the Cronbach's alpha must be above 0.7, however as this study become comparing college performance, in keeping with nominally (1967), the Cronbach's alpha coefficient of a scale may be common if above 0.5, therefore, the Cronbach's alpha on this study is ready at 0.5. Overall, all of the variables have a Cronbach's alpha coefficient of more than 0.6. However, for the variable the Cronbach's alpha can simplest acquire more than 0.5 if gadgets are deleted. We can conclude that each one the

3.4 Sampling technique and Design

Convenience sampling is also known as non-random or non-probability sampling where respondents are easily accessible in a geographic region at a given time (Musa, Etikan, & Alkassiam, 2016). Data is collected from easily available audience. This study is conducted through convenience sampling technique. In this study the Islamic professionals related to banking customer from Karachi are targeted. As this study is related to banking sector of Karachi-Pakistan unit of analysis is Islamic banking professional who are at the strategy and policy implementation level of ICSR banking at Karachi-Pakistan. This study is related to Islamic banking of Pakistan, in this study Islamic banks of Karachi are included as location who involve themselves in ICSR activities at prominent level. Sample size of this research is 305 respondents.

3.5 Data Collection and Plan for Data Analysis

3.5.1 Pilot Study

	Variable	Cronbach's Alpha	No. of items
ED	Economic Dimension	0.708	04
LD	Legal Dimension	0.781	04
ED_A	Ethical Dimension	0.775	04
PD	Philanthropic Dimension	0.710	04
BE	Brand Equity	0.759	04
	Over all	0.900	20

The reliability test is a way for checking a scale's internal consistency. Researcher used Cronbach's alpha coefficient as the indicator to test the diploma of consistency. The fee of Cronbach's alpha for all constructs/variables need to be above 0.5. Ideally the Cronbach's alpha must be above 0.7, however as this study become comparing college performance, in keeping with nominally (1967), the Cronbach's alpha coefficient of a scale may be common if above 0.5, therefore, the Cronbach's alpha on this study is ready at 0.5. Overall, all of the variables have a Cronbach's alpha coefficient of more than 0.6. However, for the variable the Cronbach's alpha can simplest acquire more than 0.5 if gadgets are deleted. We can conclude that each one the

3.5.2 Data Collection Tool

As data collection tool is questionnaire and in this research data collected through questionnaire from target population, it is answered by using Likert scale that provides the range of answers 1) Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree (Kothari et al.,2017).

3.5.3 Statistical Data Analysis

In this analysis, two types of variables are used endogenous variables and exogenous variables. Endogenous variables are equivalent to dependent variables and are equal to the independent variable. This method is preferred by the researcher because it estimates the multiple and interrelated dependence in a single analysis. This technique is the combination of correlation analysis, ANOVA and multiple regression analysis, and it is used to analyze the structural association between measured variables and latent constructs. These hypotheses testing result can obtain from software i.e. Statistical Package for the Social Sciences (SPSS) (Saunders et al., 2009).

3.5.4 Ethical consideration:

The data collected from respondents was done voluntarily and was done according to their will not forcefully. No physical or emotional harm was given to the respondents. Data is collected in a neutral or unbiased manner and the perceptions of the respondents were not altered. This information is only used for the purpose of this study and will never be used to harm their dignity. Respondent's personal information will be kept confidential and the findings will be anonymous.

4. RESULTS AND FINDINGS

In this chapter methodology has been explained briefly, further the results and findings of the analysis are discussed thoroughly, The Chapter entails Descriptive analysis of the respondents, the analysis of the total reliability of the entire data, Reliability & Regression Analysis. Before analysis, the outliers were eliminated and abducted from the data to obtain fine and precise results and hence the sample size is 305 with 305 responses. After data collection the main step is to test the data and draw findings from the empirical data. The results of the study in terms of online factors, demographics and time on internet are discussed in this chapter. The result of demographics data are further divided in to age, gender, qualification for which tables will be used to present the findings. The second step of the result is the responses we got from questionnaire by conducting survey to know the impact on brand equity of the respondents. Questionnaire is attached in Appendix 1.

4.1 Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ED	305	1.50	5.00	3.7254	.71103
LD	305	1.25	5.00	3.7639	.74891
ED_A	305	1.25	5.00	3.6820	.75851
PD	305	1.75	5.00	3.5311	.67699
BE	305	1.75	5.00	3.5820	.69497
Valid N (list wise)	305				

4.2 Demographics

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	131	43.0	43.0	43.0
	Female	174	57.0	57.0	100.0
	Total	305	100.0	100.0	

It is to be observed through the data among 305 participants in which male are 131 participants extracted the 43% of the data and there were 174 female participants which extracted the 57% of the data collected.

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25 yrs	80	26.2	26.2	26.2
	26-30 yrs	118	38.7	38.7	64.9
	31-35 yrs	49	16.1	16.1	81.0
	36-40 yrs	33	10.8	10.8	91.8
	Above 40	25	8.2	8.2	100.0
	Total	305	100.0	100.0	

Among 305 participants 80 number of participants which extracts 26.2% are belong to the age group of 18-25 years, 118 number of participants which extracts 38.7% are belong to the age group of 26-30 years, 49 number of participants which extracts 16.1% are belong to the age group of 31-35 years, 33 number of participants which extracts 10.8% are belong to the age group of 36-40 years, 25 number of participants which extracts 8.2% are belong to the age group of Above 40 years.

Qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under Graduate	34	11.1	11.1	11.1
	Graduate	160	52.5	52.5	63.6
	Post Graduate	81	26.6	26.6	90.2
	Others	30	9.8	9.8	100.0
	Total	305	100.0	100.0	

Out of 305 participants 34 (11.1%) of the participants are undergraduate, 160 (52.5%) of the participants are Graduate, 81 (26.6%) of the participants are postgraduate, 30 (9.8%) of the participants are others. Gadgets in this take a look at are steady and reliable. Table 4.1 indicates the summary of the reliability test.

4.3 Regression Analysis

4.3.1 Measurement Model Summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.568 ^a	.323	.314	.57563	.323	35.779	4	300	.000
a. Predictors: (Constant), PD, ED, LD, ED_A									
b. Dependent Variable: IBE									

Our first table shows the result of model summary in which we see the adjusted R square value which is 0.314 and it is describes the variance in the dependent variable explained by the collection on independent variable is 31.4%.and there is a sensible correlation between Independent & Dependent variable.

4.3.2 Anova

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.422	4	11.855	35.779	.000 ^b
	Residual	99.404	300	.331		
	Total	146.826	304			
a. Dependent Variable: IBE						
b. Predictors: (Constant), PD, ED, LD, ED_A						

The ANOVA table describes regression gives the variability in the model due to known reasons which is 47.422. The second row Residual gives the variability in the model due

to unknown reasons which is 99.404. The F-value of the model is 35.779 and is significant. The P-value is 0.000 which is not as much of (0.05) which means the model is best fitted to the data.

4.3.3 Hypothesis Testing:

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.113	.213		5.217	.000
	ED	.133	.061	.136	2.179	.030
	LD	.140	.064	.151	2.186	.030
	ED_A	.018	.067	.019	.268	.789
	PD	.391	.061	.381	6.407	.000

a. Dependent Variable: BE

The table shows that all the predictors are significantly correlated with dependent variable according to each hypothesis mentioned in above coefficient table

Hypothesis 1

H1: There is significant impact of economic component of ICSR on Islamic Brand Equity is accepted i.e. economic dimension 0.030 that shows significantly positive impact as (sig <0.05) on Islamic brand equity.

Hypothesis 2

H2: There is significant impact of legal component of ICSR on Islamic brand equity is accepted i.e. secondly, legal dimension 0.030 that shows significantly positive impact as (sig <0.05) on Islamic brand equity.

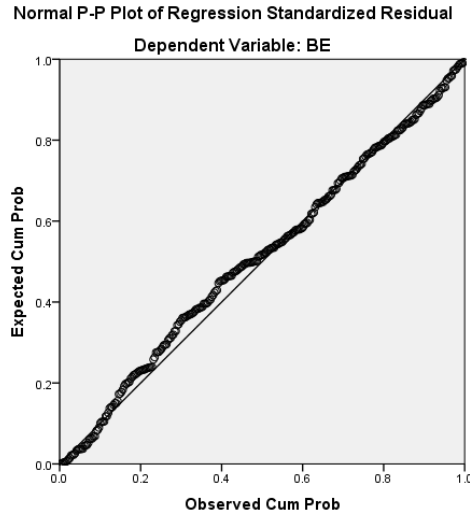
Hypothesis 3

H3: There is significant impact of ethical component of ICSR on Islamic brand equity Thirdly, ethical dimension 0.788 that shows insignificantly positive impact as (sig >0.05) on Islamic brand equity.

Hypothesis 4

H4: There is significant impact of Philanthropic component of ICSR on Islamic Brand Equity Lastly, philanthropic dimension 0.000 that shows significantly positive impact as (sig <0.05) on Islamic brand equity.

4.3.4 Normality:



The above normal probability plot for regression standardized residual shows, the regression line which touches maximum number of points present in the model and it also show the accuracy of the above model

4.4 Hypothesis Assessment Summary:

Hypotheses	Accepted Or Rejected
H1: There is significant impact of economic dimension on Islamic brand equity	Accepted
H2: There is significant impact of legal dimension on Islamic brand equity	Accepted
H3: There is significant impact of ethical dimension on Islamic brand equity	Rejected
H4: There is significant impact of philanthropic dimension on Islamic brand equity	Accepted

5. CONCLUSION AND DISCUSSION

Conclusively, the impact of CSR on corporate image, impact of ICSR on brand equity is highly positive. This existing research is to investigate impact of ICSR activities; legal economic, ethical, philanthropic on brand equity. This gave us important results regarding banking industry ICSR policy. Evidently, the banking industry is often eliminated from ICSR debates and research studies, due to the opinion that the banking industry has a limited effect on ICSR matters. As far as ICSR in Pakistani culture is concerned, the problem lies at both ends i.e. companies and the general public both are less aware of their rights and responsibilities. Pakistan is far behind the developed world in terms of ICSR awareness among the public and capitalists. Secondly, this country is facing a crisis like continuous poverty, inflation, violence, natural disasters, lack of health and educational infrastructure, political and economic instability.

Accordingly, banking perception that acts as a driver of the commercial value of banking services is known as bank equity. Banking-brand equity refers to the incredible value inbuilt in a well-known banking-brand name. It appears when consumers willingly pay more for the same level of quality due to the attractiveness of the name attached to the

bank. It have been conducted that the impact of banking-brand equity. Lastly, in this study on banks marketing, find a positive indirect effect of customer satisfaction on banking-brand equity, through banking-brand satisfaction, with all dimensions of ICSR i.e. economical, ethical, legal and philanthropic. A bank is said to have equity if it can influence the behavior of those who behold the bank, reutilizing their preference, attitude and purchase behavior.

Islamic Corporate Social Responsibility in Pakistan is basically common in other industries and other companies but when it comes to Banking industry very few research work done and also there is no book on banking industry with respect to Corporate Social Responsibility or Islamic Corporate Social Responsibility but there few books which is generally talk about other companies and industries about Corporate Social Responsibility which is also very old books. So this research explore the ICSR activities in detail with respect to banking industry of Pakistan.

There are only few research done on this topic so through this research this topic is covered in detail and concluded the Islamic Corporate Social Responsibility activities of Banks of Pakistan. This type of study is not available on any research journal this is the first study which is done so far. Apart there is also possibility of qualitative research on this topic which is Islamic Corporate Social Responsibility and in this research few of Pakistani banks contribution towards Islamic Corporate Social Responsibility activities concluded qualitatively in this research apart from quantitative. Future research can be done on impact of innovativeness on sales accuracy to avoid service malfunctioning with the moderating effect of customer demand situation in sales fluctuation in Islamic banking industry.

5.1 Managerial implication

This study implicates firstly, to the private Islamic banking industry, relationship between predictors of Islamic corporate social responsibility (economical, ethical, legal, philanthropic) and brand equity potential in the Islamic banking industry of Pakistan. Secondly, supplements to the marketing strategic level decision making in the Islamic banking industry of Pakistan. Thirdly, marketing of any bank easily focuses on the aligning Islamic corporate social responsibility (economical, ethical, legal, philanthropic) for fine tune Islamic brand equity. Lastly, endeavor to provide business students best Islamic banking and marketing knowledge by providing the Islamic corporate social responsibility (economical, ethical, legal, philanthropic) significant marketing tactics.

5.2 Future Recommendation:

- Firstly, future research can be done on technological advantage in integrating customer relationship and ICSR managerial control in corporate banking sector with moderating effect of risk management culture.
- Secondly, future research can be done on sequential relationship between ICSR flexibility, ICSR visibility and ICSR vulnerability with the moderating effect of cultural uncertainty in banks.

- Thirdly, future research can be done on impact of innovativeness on sales accuracy to avoid service malfunctioning with the moderating effect of customer demand situation in sales fluctuation in Islamic banking industry.
- Fourthly, Future Research can be done based on qualitative principles of Islamic banks of Pakistan, in terms of Islamic corporate social responsibility.
- Fifthly, there is no book available on this topic specifically as Islamic Corporate social responsibility, there are only two books which are generally on corporate social responsibility which is limited to few companies' activities and now becomes old as decade old book.

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