



The Extent of Application of Social Responsibility Accounting in Islamic Banks (Case Study)

مدى تطبيق محاسبة المسؤولية الاجتماعية في المصارف الإسلامية
(دراسة حالة)

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Abstract:

The study aims to determine the extent of application of social responsibility accounting in Islamic banks in Libya through the following: Measuring the awareness of Libyan Islamic banks' managements of the concept of social responsibility. Clarifying the reality of social responsibility accounting applications in Libyan Islamic banks. Identifying the areas of social responsibility accounting that attract the attention of Libyan Islamic banks in terms of the degree of application. To achieve the objectives of the study, a questionnaire was designed and distributed to managers, their assistants, and department heads in Libyan Islamic banks (Sahara Bank), where (50) questionnaires were distributed, of which (48) questionnaires were adopted for analysis and study purposes. The results of the study showed that there is a statistically significant effect in containing the awareness of Libyan Islamic banks' managements of the concept of social responsibility. There is a statistically significant effect in containing the reality of social responsibility accounting applications in Libyan Islamic banks. There is a statistically significant effect in the areas of social responsibility accounting that are given priority by Libyan Islamic banks. The researchers also presented a set of recommendations, including: Conducting more research on ways to enhance the concept of social responsibility and accounting for it as an effective means to help organizations survive and achieve a competitive advantage in light of increasing competition and the challenges of globalization. And the need to find legislation that obliges or at least encourages organizations whose work or production does not cause pollution and environmental damage - such as banks - to contribute to protecting and preserving the environment.

Keywords: social responsibility accounting, Libyan Islamic banks.

المخلص

تهدف الدراسة إلى تحديد مدى تطبيق محاسبة المسؤولية الاجتماعية في المصارف الإسلامية في ليبيا و ذلك من خلال الأتي: قياس ادراك ادارات المصارف الإسلامية الليبية لمفهوم المسؤولية الاجتماعية، بيان واقع تطبيقات محاسبة المسؤولية الاجتماعية في المصارف الإسلامية الليبية، التعرف على مجالات محاسبة المسؤولية الاجتماعية التي تستأثر باهتمام المصارف الإسلامية الليبي من حيث درجة التطبيق، ولتحقيق أهداف الدراسة تم تصميم استبانة وزعت على المدراء و مساعديهم ورؤساء الاقسام في المصارف الإسلامية الليبية (مصرف الصحاري)، حيث تم توزيع (50) استبانة اعتمد منها لغايات التحليل و الدراسة (48) استبانة. وبينت نتائج الدراسة بأنه، يوجد أثر ذو دلالة إحصائية باحتواء إدراك إدارات المصارف الإسلامية الليبية لمفهوم المسؤولية الاجتماعية. ويوجد أثر ذو دلالة إحصائية باحتواء واقع تطبيقات محاسبة المسؤولية الاجتماعية في المصارف الإسلامية الليبية. ويوجد أثر ذو دلالة إحصائية بمجالات محاسبة المسؤولية الاجتماعية التي تحظى بالأولوية من قبل المصارف الإسلامية الليبية. كما تقدم الباحثان بمجموعة من التوصيات منها، إجراء المزيد من البحوث حول سبل تعزيز مفهوم المسؤولية الاجتماعية والمحاسبة عنها باعتبارها وسيلة فعالة في مساعدة المنظمات على البقاء وتحقيق ميزة تنافسية في ظل المنافسة المتزايدة وتحديات العولمة، وضرورة إيجاد تشريعات تلزم او تشجع على الاقل المنظمات التي لا يسبب عملها او انتاجها حدوث تلوث و اضرار بيئية - كالمصارف على المساهمة في حماية البيئة و المحافظة عليها.

الكلمات المفتاحية : محاسبة المسؤولية الاجتماعية، المصارف الإسلامية الليبية.



1.Introduction

Today, economic organizations face a major challenge as they operate in a complex and rapidly changing environment economically, politically, socially and technically. With the increase in awareness in society, it has become unacceptable to stop at the economic goals of the organization without achieving social goals, as accomplishing work using the economic resources of society necessitates the organization's contribution to bearing its social responsibilities and evaluating its social performance independently of its social performance. Maximizing profits is no longer the only goal of economic organizations, but rather it has gone beyond that to committing to implementing their social responsibilities towards the society in which they operate, which has led to the emergence of what is called social responsibility accounting, which is used as a tool to evaluate the social performance of these organizations.

The Islamic concept of development and the function of money in Islam emphasizes the necessity of social responsibility in Islamic banks and the necessity for these banks to play a social role and major responsibility in achieving social development. In order for these banks to be able to grow, continue and survive, they must take into account the responsibilities placed on them towards many parties such as shareholders, society, customers and employees.

Hence, identifying the extent to which Islamic banks are aware of the concept of social responsibility and accountability for it requires more attention to help them grow and achieve their goals in accordance with their systems and work methodology introduction

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Hence, identifying the extent to which Islamic banks are aware of the concept of social responsibility and accountability for it requires more attention to help them grow and achieve their goals in accordance with their systems and work methodology.

2.Previous studies

2.1. Study (Abu Khattala, 2024 AD) The study aimed to identify the impact of social responsibility in Libyan Islamic banks on the quality of banking services. The study followed the descriptive analytical approach. The study community represents Libyan banks. (154) questionnaires were



distributed, (148) questionnaires were received and analyzed using the statistical program (SPSS). The most important results were that there is a statistically significant effect between the application of social responsibility in Libyan Islamic banks (society orientation - employee orientation - customer orientation) and the quality of banking services (reliability - response - compliance - confirmation - sympathy - tangibility). The study recommends that the administrations of Libyan Islamic banks pay more attention to the application of social responsibility in its various fields. Employee orientation. Customer orientation. Community orientation. Considering that it affects the quality of banking services.

2.2. Study (Al-Qamoudi, 2024 AD) The study aimed to identify the concept of social responsibility accounting, and to show the availability of the components for its application in Libyan Islamic banks (Al-Yaqeen Bank), and to achieve the objectives of the study, it relied on the descriptive analytical approach using the statistical analysis program (SPSS), to describe the phenomenon and analyze its data. The study concluded that there is an awareness of the concept of social responsibility accounting by workers in the Libyan Islamic banks under study, as well as a good accounting cadre to apply social responsibility accounting, while the accounting system applied in these banks is unable to measure social performance in them, in addition to the weakness of the incentive system for workers in these banks. Finally, the study recommended developing laws, regulations and systems that oblige Libyan Islamic banks to apply social responsibility accounting, and the need to motivate the staff to attend conferences, seminars and workshops, and work to hold specialized training courses in the field of social responsibility accounting.



2.3. Study (Al-Sadiq, 2024 AD) The study aimed to identify the reality of accounting disclosure of social responsibility and its role in achieving competitive advantage in the Sudanese banking sector. The problem of the study was represented in the lack of disclosure of the practices and procedures of accountants using their intelligence, knowledge and experience with accounting standards to manipulate numbers in order to provide misleading data as a result of social practices. The study aimed to shed light on social disclosure to achieve competitive advantage in Sudanese banks. The study concluded that disclosure of social responsibility helps in providing the necessary assurances about the reality of the financial position of Sudanese banks. This study recommends the necessity of integrating social responsibility into the strategy of Sudanese banks to achieve competitive advantage.

2.4. Study (Sheikh, 2021 AD) The study aims to know the extent to which social responsibility accounting contributes to improving the quality of financial statements in the economic institution, as it was confirmed through a theoretical study that included social responsibility and accounting for it in addition to the financial statements and their quality, and a field study in the Saidal complex in the capital, Algiers, where we studied the reality of social costs in the complex and then tried to study them according to a set of proposed models, which are financial statements modified with a social impact (comparative study), and we also conducted a survey study on the accountants and executives of the complex to ensure their awareness of what is known as social responsibility accounting and the extent of its application within the complex, and the study reached a number of results, the most important of which is that the institution is sufficiently aware of social



responsibility accounting, but there are many obstacles that limit its application and disclosure as it should be.

2.5. Study (Dukhan Ikram, 2022 AD) This study aimed to identify the possibility of applying the social responsibility accounting system, and the adequacy of the legislation and laws that require its application, in addition to identifying the availability of qualified accounting cadres and a good accounting system capable of applying social accounting, as well as identifying the existence of an effective incentive system for applying the social responsibility accounting system. The researcher distributed 100 questionnaires to the study community, 25 questionnaires in each university under study, and the descriptive and analytical statistical method was used to analyze the data and test the hypotheses. The study reached several results, including that officials in the administrations of Libyan public universities are aware of the importance of applying the social responsibility accounting system, and there are no components to apply it, and there are no qualified accounting cadres to apply it, in addition to the fact that there is no good accounting system capable of applying the social responsibility accounting system in Libyan universities. The study concluded with a set of recommendations, the most important of which are: the necessity of raising awareness in the administrations of Libyan public universities about the concept of social responsibility accounting and its importance and working on preparing accounting models that help Libyan public universities apply the social accounting system, and also the components of applying the social accounting system must be provided in the administrations of Libyan public universities.

3- Study Problem

Organizations have become required to provide information about their contribution and role in serving the community, so the social performance of the organization is no less important than its economic performance, as it accomplishes its work using the economic resources of the community, so it must compensate for these resources by providing comprehensive social services as part of its interaction with the social environment, and the organization's failure to assume its social responsibilities has negative repercussions on the community and the organization alike because the organization's economic success without achieving social success will be expensive in the long run and will affect its image in the minds.

Based on the above, the study problem can be summarized in asking the following main question:

To what extent is social responsibility accounting applied in Libyan Islamic banks?

The following sub-questions branch out from the main question:

- To what extent are the administrations of Libyan Islamic banks aware of the concept of social responsibility?
- What is the reality of social responsibility accounting applications in Libyan Islamic banks?
- What are the areas of social responsibility accounting that are given priority by Libyan Islamic banks?

4- Study objectives

The study aims to determine the extent of application of social responsibility accounting in Islamic banks in Libya through **the following**:

- 1- Measuring the awareness of the management of Libyan Islamic banks of the concept of social responsibility.

- 2- Stating the reality of social responsibility accounting applications in Libyan Islamic banks.
- 3- Identifying the areas of social responsibility accounting that attract the attention of Libyan Islamic banks in terms of the degree of application.

5-Importance of the study

The importance of the study stems from the importance of the issue of social responsibility, which is one of the important challenges for the management of organizations, as it is linked to multiple relationships and variables, whether inside or outside the organization. Social responsibility accounting is a focus of interest in advanced societies, especially in light of the intensification of competition in the contemporary environment, as organizations' awareness of the importance of achieving a balance between their economic and social goals represents a fundamental factor in their growth and survival in the long term.

The importance of this study comes from the fact that it is one of the first studies that shed light on the reality of applying social responsibility accounting in Islamic banks operating in Libya, and the extent to which these banks are aware of the concept of social responsibility in an attempt to enhance this concept and its applications, which is reflected in a more effective contribution to the development and welfare of society and the survival and continuity of organizations.

6-Study hypotheses

Based on the study problem, the main and sub-hypotheses of the research can be formulated as follows:

The first main hypothesis:

Is there no application of social responsibility accounting in Libyan Islamic banks?

The following sub-questions branch out from the main question:

The first sub-hypothesis - Is there no awareness of the managements of Libyan Islamic banks of the concept of social responsibility?

The second sub-hypothesis - Is there no reality of social responsibility accounting applications in Libyan Islamic banks?

The third sub-hypothesis - Are there no areas for social responsibility accounting that are a priority for Libyan Islamic banks?

7. Theoretical Framework

1- The concept of social responsibility and accountability for it

The idea of social responsibility in organizations stems from their responsibility towards the external environment, and social responsibility in its broad and comprehensive concept includes the commitment to achieving a balance between multiple but interconnected parties represented by the interests and needs of each of the productive organizations and their employees and the external environment and society. (Jarar Amal, 2021 AD) Researchers have provided many definitions of social responsibility. Drucker has shown that social responsibility is the organization's commitment towards the society in which it operates) and from Holmos' point of view) it represents a commitment on the business establishment towards the society in which it operates by contributing to a large group of social activities such as fighting poverty, improving health services, combating pollution, creating job opportunities, solving the housing and transportation problem, and others ((Sheikh, 2021 AD). The World Business Council for Sustainable Development also defined social responsibility as the ongoing commitment by business companies to act ethically and contribute to achieving economic development and working to improve



the quality of living conditions for the workforce and their families, the local community and society as a whole. Social responsibility is also defined as the moral responsibility of the organization towards the group of stakeholders that are directly or indirectly affected by the organization's work (Dukhan Ikram, 2022 AD) and this definition shows that ethics play a major role in social responsibility. As for Pride, social responsibility is defined as the recognition that business activities have an impact on society and considering that impact in making business decisions. Williams indicated that it is the commitment of the business sector to follow policies and actions that benefit society.

2- Objectives of social responsibility accounting.

It can be said in general that the objectives of social responsibility accounting are represented by the following:

First: Identifying and measuring the net social contribution of the organization, which includes not only the elements of private and internal costs and benefits of the organization, but also includes elements of external social costs and benefits that have an impact on segments of society (Nawal, 2024 AD) and this role stems from the shortcomings of traditional accounting in the field of measuring the social performance of business organizations, and this goal is related to the function of accounting measurement.

Second: Evaluating the social performance of the organization by determining whether the organization's strategy and objectives are in line with social priorities on the one hand, and with the organization's ambition for individuals to achieve a reasonable percentage of profits on the other hand. The relationship between the performance of economic business organizations and social welfare represents the essential

element of this objective of social accounting objectives. This objective is also related to the accounting measurement function ((Abu Khattala, 2024 AD)

Third: Disclosure of the activities carried out by the organization that have social impacts such as the impact of the organization's decisions on the education and health of workers, on environmental pollution, and on the consumption of resources. This objective shows the necessity of providing appropriate data on the organization's social performance and the extent of its contribution to achieving social goals, and also communicating this data to internal and external beneficiaries alike, in order to rationalize private and public decisions related to directing social activities and determining their optimal scope, whether from the user's point of view or from the point of view of society. This objective is related to the accounting communication function (Al-Balaw, 2021 AD)

3- Factors contributing to the increasing importance of social responsibility accounting

The importance of social accounting has increased as a result of several factors, the most important of which are:

The increasing recognition of the social responsibility of economic establishments, as the responsibility of economic organizations was represented in maximizing profit, which was considered the basic justification for their existence, but the surrounding social and environmental conditions, such as the emergence of great income disparity and environmental pollution as a result of the activities practiced by these organizations, changed the basic justification for their existence, "maximizing profit", which is no longer considered the only

factor in evaluating performance (Al-Qamoudi, 2024 AD). Accordingly, the accountant became concerned with determining the extent of the organization's commitment to its social responsibilities, in addition to providing appropriate information about the social costs and benefits incurred or provided by the organization, and thus determining its net social contribution. Which was reflected in the management's responsibilities in the form of bearing two types of responsibility, the first is to achieve the economic welfare of the project owners, while the second is to achieve social welfare (Khamisi, 2020 AD)

The increasing demand by countries, bodies and accounting associations for economic projects to disclose data that has social content, and this trend is highlighted by reviewing the following points:

- 1- The American Accountants Association (AAA) clarifies the reasons for the need for accountants to be interested in disclosing social responsibility data.
- 2- Forming a number of committees affiliated with the American Institute of Certified Public Accountants (AICPA) to study and develop measurement systems in social accounting, to assist economic projects in this field. (Al-Amri, 2018 AD)
- 3- The US Securities and Exchange Commission demands that companies disclose their policies in the field of combating environmental pollution and what has been implemented from them.
- 4- Requesting the Institute of Chartered Accountants in England to reconsider the scope and objectives of the published financial statements in light of the new requirements of their users. The Institute has made it clear that society is among the users of the



published financial statements data and therefore the appropriate data must be disclosed to meet the objectives of society (Al-Ayesh, 2018 AD)

- 5- Ignoring the inclusion of social costs for activities that have social content when determining their true cost, as the outputs of any accounting system are a set of information appropriate for making decisions that will in turn be transformed into a set of economic and social activities. Focusing on limiting the organization's costs and considering them the real cost of the activity regardless of whether this activity has an impact on the environment or society, for example, there are many industries that lead to environmental pollution, whether in the form of air or water pollution or noise generation, and this harmful impact on the environment is nothing but a social cost that is not taken into account when determining the real cost of the specific activity (Masoudi Ahlam Menad Nasira, 2017 AD)
- 6- Focusing on the cost aspect without the benefits in the field of measuring the social performance of organizations, as the result of this was an increase in the total costs of organizations that bear their social responsibilities and a decrease in their profits, which led to showing them in an inappropriate manner when compared to other organizations that do not bear their social responsibilities. Therefore, when studying social performance, it is necessary to take into account the social benefits caused by the organization's activities on the one hand and the social costs of those activities on the other hand.

4- Scope of Social Responsibility Accounting

In light of the considerations that obliged contemporary economic organizations to accept carrying out some activities with social content (Al-Futtais, 2019 AD), several attempts have emerged aimed at identifying the activities related to the social responsibility of economic organizations that should fall within the scope of accounting interest. There have been different trends in identifying these activities and classifying them into homogeneous groups. The prevailing trend in identifying the areas of social responsibility of economic organizations is to divide them into four areas: interaction with society, contributing to the development of human resources, contributing to the development of natural resources and the environment, and improving the quality of the product or service ((Al-Suwaih, 2017 AD).

The groups of activities with social content that the organization is currently carrying out can be identified as follows:

- 1- Activities related to society:** These are activities that lead to achieving benefits for all members of society for the purpose of contributing to the development and well-being of society, such as activities related to caring for the disabled, training university students, and supporting programs that reduce epidemics and diseases.
- 2- Activities related to employees:** These include activities that aim to meet the requirements of the organization's employees and improve their conditions in general, so this field represents an internal field. Examples of these activities include providing health care for employees and creating safe and secure working conditions.



3- Activities related to the environment: These include activities that lead to mitigating or preventing environmental degradation and aim to protect and preserve natural resources and the surrounding environment. Attention to this field is considered vital not only for its impact on the quality of life, but also for its impact on the expenses borne by countries to preserve the natural environment. (Musa, 2024 AD)

4- Activities related to consumer protection: These include activities related to customer relations in terms of achieving their satisfaction with the product or service and preserving their interests, including, for example, informing consumers of the characteristics of the product, methods and areas of its use, and placing data on the product packaging to identify the limits and risks of use and the expiration date.

8-Sahara Bank

Establishment and development:

Sahara Bank is a Libyan commercial bank established in the year (1964 AD). On December 22, 1970, a law was issued by the Revolutionary Command Council "on nationalization", which required the nationalization of the shares of all banks operating in the country to become fully owned by Libya. On July 25, 2007, a strategic partnership agreement was signed between Sahara Bank and the French BNP Paribas Banking Group, whereby the French group acquired (19%) of the bank's capital shares. It is considered among the largest banks in Libya, with a branch network exceeding fifty branches covering a large geographical area including most Libyan cities and a human force exceeding (1700) employees who undergo

periodic continuous training to reach the required service. Sahara Bank relies on **three main business lines**:

- 1- Banking institutions that provide a close relationship with state entities, development funds, banks and insurance companies.
 - 2- Corporate banking services through specialized organizations and dedicated services
 - 3- Individual banking services with new product offers and more sales
- Directed

On Monday 01/08/2024 AD, Sahara Bank announced its final and complete transformation from a conventional bank to an Islamic bank in accordance with the Central Bank of Libya's circular No. 1055/11 regarding the transformation of Sahara Bank into an Islamic bank and the final approval of the transformation.

* (Sahara Bank Annual Report , 2010 AD)

The scientific framework of the study

1-Study methodology

1-1-Study community and sample:

Based on the concept of Islamic banks and their objectives and the consequent necessity of their performing their social role in various fields, the Islamic banking sector was chosen as the community for this study. The study community is represented by Sahara Islamic Bank and its branches. 50 questionnaires were distributed to managers in general departments and branches, assistant managers and department heads. The number of questionnaires returned and approved for research and analysis purposes was 48 questionnaires, i.e. a recovery rate of approximately 96%.



1-2-Data collection methods

1-2-1-Secondary sources: The researchers turned to secondary data sources in dealing with the theoretical framework of the research, which are represented by Arabic and foreign books and references related to it, periodicals, articles, reports, research and previous studies that dealt with the subject of the study.

1-2-2- Primary sources: To address the analytical aspects of the study topic, the researchers resorted to collecting primary data through a questionnaire as a main research tool designed specifically for this purpose and distributed to the study sample represented by managers, employees and department heads.

1-2-3- Study tool.

The researchers relied on the questionnaire as a main tool in collecting the necessary information about the study topic, as the questionnaire consisted of two parts distributed **as follows:**

Part One: The aim of the first part was to collect demographic data about the people who responded to the questionnaire questions (academic qualification, scientific specialization, job title, practical experience) in order to ensure the extent of the respondents' familiarity and awareness of the contents of the questionnaire and their ability to answer its questions.

Part Two: Collecting data on the subject of the extent of application of social responsibility accounting in Libyan Islamic banks. It includes (3) axes: The first axis contains questions related to the extent of awareness of the Libyan Islamic banks' administrations of the concept of social responsibility, and the number of its paragraphs is from (1-10). The second axis contains questions related to explaining the reality of social responsibility accounting applications in Libyan Islamic banks, and the

number of its paragraphs is from (11-20). The third axis contains questions related to what are the areas of social responsibility accounting that are given priority by Libyan Islamic banks, and the number of its paragraphs is from (21-30). The five-point Likert scale was used, as shown in Table No. (1), to measure the answers to the questionnaire paragraphs and determine the opinions of the sample members on the questionnaire topics related to the.

second part of the questionnaire.

Table :1					
Answer	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Coding	1	2	3	4	5
Mean values	1.00-1.80	1.81-2.60	2.61-3.40	3.41-4.20	4.21-5.00
Grade	Very poor	Poor	Average	Acceptable	Very acceptable

Source/Prepared by the researcher

$$\text{Category length} = (\text{upper limit} - \text{lower limit})/5 = (5-1)/5 = 0.8$$

The category length was calculated according to the score on the five-point Likert scale **as follows:**

1-2-4-Statistical methods used: To show the extent of the study sample's response to the questions of the measurement tool, the descriptive statistical method was used to analyze the data and test the hypotheses using the Statistical Package for the Social Sciences (SPSS) program. **The following statistical methods were used:**

1- Measures of central tendency:

* **Arithmetic mean:** The aim is to identify the study sample's evaluations for each paragraph.



* **Standard deviation:** To measure the degree of dispersion of the study community's answers from the arithmetic mean for each paragraph.

2- Descriptive statistics:

* Frequency distribution tables and percentages: To represent the personal and functional characteristics of the study sample members.

3- Cronbach's Alpha correlation coefficient:

To determine the stability of the questionnaire statements.

4- Validity coefficient:

To measure the validity of the tool.

5- T-test (own samples T Test):

To test the hypotheses.

6- Hypothetical arithmetic mean:

Since the arithmetic mean is of a five-point scale, the value of the hypothetical arithmetic mean for the proposed answer is $(1+2+3+4+5)/5=3$, thus the hypothetical mean takes the value (3).

1-2-5- Validity and reliability of performance:

A- Apparent validity:

The questionnaire was presented to a group of arbitrators consisting of (3) professors from the faculty members specializing in accounting and statistics, and the necessary deletions and modifications were made in light of the submitted proposals, and thus the questionnaire came out in its current final form according to their comments to achieve apparent validity.

B- Validity and reliability of the study:

* Stability of the study tool:

The Cronbach Alpha equation was applied to ensure the stability of the questionnaire questions and their homogeneity and consistency with the study problem for the purpose of answering its questions. The stability



coefficient reached (77), while the general validity coefficient reached (0.88). This scale is considered valid for what it was designed to measure, and has a high degree of stability compared to the level (0.60). Therefore, the results of the questionnaire can be adopted and reassured of its credibility in achieving the desired objectives of the study.

2- Study data analysis:

The Statistical Package for Social Sciences (SPSS) was used according to the five-point Likert coefficient and a significance level of 0.05 was used.

2-1- The results of the statistical analysis were as follows:

*** Analysis of the first part of the questionnaire: demographic information.**

By examining Table No. (2) regarding the characteristics of the study sample for the demographic data of the respondents to the questionnaire questions, it is clear that the educational level of the study sample is very good, as we find that the percentage of master's and bachelor's degrees is 77.1%, which means that most of those included in the study are academically qualified, indicating the availability of knowledge and awareness by the respondents of the questionnaire questions and their purpose, and 18.8% represents a higher diploma, and 4.2% represents other specializations. It is noted that the distribution of the scientific specialization of the respondents between accounting, finance and banking, business administration and economics reached 95.8% of the study sample, which is high in itself, as the most important focus was in accounting at 45.8%. By extrapolating the job title, we find that (16.7%) of the study sample have a department manager, (20.8%) of the study sample have an assistant department manager, (31.3%) of the study sample have a department head, and (37.5%) have the rank of employee, which means that the sample



includes more than one party and the multiplicity of viewpoints on the subject of the study, and not being satisfied with one point of view, and thus positively reflects on the validity of the data obtained from the questionnaire. By reviewing the statistics included in the table below regarding years of experience in banking work, it becomes clear that 52.1% represents years of experience ranging from 5-15 years, followed by one year - five years at a rate of 31.3%, followed by 20 years or more at a rate of 16.6%, which in turn means that more than half of the study sample have appropriate experience in the field of modern management accounting methods, and therefore their answers to the questionnaire stem from this experience, which had a positive impact on this study.

Table No. (2) Characteristics of the study sample Demographic data of respondents to the questionnaire questions:				
Question number	Question	Answer Alternatives	Number	Percentage
1	Academic qualification	Master's	7	%14.6
		Bachelor's	30	%62.5
		Higher Diploma	9	%18.8
		Other Specializations	2	%4.2
		Total	48	%100
2	Scientific specialization	Accounting	22	%45.8
		Finance and Banking	11	%22.9
		Business Administration	10	%20.8
		Economics	3	%6.3
		Other	2	%4.2
		Total	3	%100
3	Job title	Department Manager	8	%16.7
		Department Manager Assistant	10	%20.8
		Head of Department	12	%31.3
		Employee	18	%37.5%
		Total	48	%100
4	Work experience	From 1 year to less than 5 years	15	31.3 %
		From 5 year to less than 10 years	11	22.9%
		From 10 year to less than 15 years	9	18.8%
		From 15 year to less than 20 years	5	10.14%
		From 20 years and above	8	16.6%
		Total	48	%100

Testing the hypotheses and analyzing their results

1- Testing the first sub-hypothesis:

HO1: There is no awareness of the management of Libyan Islamic banks of the concept of social responsibility.

Table No. (3) shows the results of the statistical analysis of the questions related to the awareness of the management of Libyan Islamic banks of the concept of social responsibility?

Where it is shown that the highest application rate was for question No. (5), which is that fulfilling the obligations related to social responsibility is one of the goals of Islamic banks, where the arithmetic mean reached (4.29) degrees, followed by question No. (1), which is, there is a clear vision for the management of Islamic banks for the concept of social responsibility, where the arithmetic mean reached (4.23) degrees, while the lowest application rate was for question No. (10), which is, is social responsibility considered an essential part of its strategy or just a secondary activity, where the arithmetic mean reached (4.02) degrees, and it was also clear from Table No. (2) that the arithmetic mean for the questions as a whole combined was high, reaching (4.14) degrees, while the standard deviation was (0.98), and this clearly indicates the existence of a statistically significant effect in containing the awareness of the managements of Libyan Islamic banks of the concept of social responsibility. Table No. (3) Results of the opinions of sample members on the extent of the awareness of the managements of Libyan Islamic banks of the concept of social responsibility.

***Table No. (3) Results of the sample members' opinions on the extent to which Libyan Islamic banks' administrations are aware of the concept of social responsibility**

Statement	Arithmetic mean	Standard deviation
1-There is a clear vision for the management of Islamic banks regarding the concept of social responsibility. 4.23 0.92	4.23	0.92
2-The concept of social responsibility requires attention to the environment. 4.08 1.04	4.08	1.04
3-The concept of social responsibility requires attention to employees. 4.06 0.97	4.06	0.97
4-Social responsibility is one of the priorities of Islamic banks. 4.17 0.99	4.17	0.99
5-Fulfilling obligations related to social responsibility is one of the goals of Islamic banks. 4.29 0.91	4.29	0.91
6-The concept of social responsibility accounting includes attention to society. 4.21 0.98	4.21	0.98
7-Social responsibility accounting practices in banks give them a competitive edge 4.06 0.99	4.06	0.99
8-Islamic bank management realizes that interest in applying social responsibility accounting leads to strengthening the level of performance 4.04 1.04	4.04	1.04
9-Libyan Islamic bank managements realize that the concept of social responsibility is one of the reasons for the possibility of applying it 4.23 0.92	4.23	0.92
10-Is social responsibility considered an essential part of its strategy or merely a secondary activity 4.02 0.99	4.02	0.99
Total	4.14	0.98

The results of the table above show that there is a statistically significant effect on the awareness of the Libyan Islamic banks' managements of the concept of social responsibility, as the arithmetic mean of the questions as a whole is greater than the hypothetical mean (3). For the purposes of testing

the hypothesis, 3=Test value was used, and Table No. (4) shows the results of the hypothesis test.

Table No. (4) Results of the initial hypothesis test according to the (T. Test) test

The first sub-hypothesis: There is no extent to which the Libyan Islamic banks' administrations are aware of the concept of social responsibility.	T-tabular	T-calculated	degree of significance sig	degree of freedom
	8.059	2.021	0.000	47

1.The results of the T. Test: showed that the significance level (sig) is less than the significance level (0.05) at a confidence level of 95%, and since the decision rule indicates accepting the null hypothesis H_0 if $\text{sig} < 0.05$ and rejecting the null hypothesis and accepting the alternative hypothesis H_1 if $\text{sig} > 0.05$, and since the calculated T) is greater than the tabular (T), then here we reject the null hypothesis and accept the alternative hypothesis and thus the first sub-hypothesis H_1 was accepted (There is a statistically significant effect on the awareness of the managements of Libyan Islamic banks of the concept of social responsibility.

2- Testing the second sub-hypothesis:

H_{O2} : There is no reality of social responsibility accounting applications in Libyan Islamic banks.

Table No. (5) shows the results of the statistical analysis of the questions related to the reality of social responsibility accounting applications in Libyan Islamic banks, where it shows that the highest application rate was for question No. (13), which is, contributes The Islamic Bank works to provide housing and transportation for its employees, where the arithmetic mean reached (4.42) degrees, followed by question No. (19), which is that



the Islamic Bank contributes to organizing recreational trips for its employees. Where the arithmetic mean reached (4.29) degrees, while the lowest percentage in the application was for question No. (4), which is that the bank appoints a number of individuals with special needs, where the arithmetic mean reached (3.98) degrees. It was also clear from Table No. (4) that the arithmetic mean for the questions as a whole combined was high, reaching (4.16) degrees, while the standard deviation was (0.98), which clearly indicates the existence of a statistically significant effect in containing the reality of social responsibility accounting applications in Libyan Islamic banks. Table No. (5) Results of the opinions of sample members on the reality of social responsibility accounting applications in Libyan Islamic banks.

***Table No. (5) Results of the sample members' opinions on the reality of social responsibility accounting applications in Libyan Islamic banks.**

Statement	Arithmetic mean	Standard deviation
11-The bank trains a number of students to qualify them for practical life. 4.21 0.89	4.21	0.89
12-The bank provides scholarships to outstanding members of the community. 4.06 0.97	4.06	0.97
13-The Islamic bank contributes to providing housing and transportation for its employees. 4.42 0.76	4.42	0.76
14-The bank appoints a number of individuals with special needs 3.98 1.11	3.98	1.11
15-The bank contributes to financing cultural centers, recreational and sports clubs. 4.02 1.15	4.02	1.15
16-The Islamic bank encourages its employees to reduce environmental pollution by providing them with public transportation. 4.06 1.03	4.06	1.03
17-The Islamic bank provides financial assistance to organizations working in the field of environmental protection. 4.23 0.92	4.23	0.92
18-The Islamic bank organizes awareness campaigns on the importance of the environment and its preservation. 4.19 0.88	4.19	0.88
19-The Islamic bank contributes to organizing recreational trips for its employees. 4.29 0.91	4.29	0.91
20-Does the bank cooperate with civil society institutions in implementing social responsibility? 4.12 1.07	4.12	1.07
Total	4.16	0.98

Table No. (6) Results of the initial hypothesis test according to the (T. Test)

Second sub-hypothesis: There is no reality for the applications of social responsibility accounting in Libyan Islamic banks.	Calculated	Tabular	Sig significance level	Degree of Freedom
	47	0.000	2.021	8.201

The results of the T. Test showed that the significance level (sig) is less than the significance level (0.05) at a confidence level of 95%, and since the decision rule indicates accepting the null hypothesis H_0 if $\text{sig} < 0.05$ and

rejecting the null hypothesis and accepting the alternative hypothesis H2 if $\text{sig} > 0.05$, and since the calculated T) is greater than the tabular (T), then here we reject the null hypothesis and accept the alternative hypothesis and thus the first sub-hypothesis H1 was accepted (There is a statistically significant effect on the inclusion of the reality of social responsibility accounting applications in Libyan Islamic banks.

3- Testing the third sub-hypothesis:

HO3: There are no areas of social responsibility accounting that are given priority by Libyan Islamic banks. Table No. (7) shows the results of the statistical analysis of the questions related to areas of social responsibility accounting that are given priority by Libyan Islamic banks, as it shows that the highest application rate was for question No. (26) The Islamic bank is keen to invest money in investment fields with an Islamic character, where the arithmetic mean reached (4.27) degrees, followed by question No. (30), which is, the operations of Islamic banks are consistent with the laws and regulations related to social responsibility, where the arithmetic mean reached (4.19) degrees, while the lowest percentage in the application was for question No. (24), which is, the Islamic bank develops sound banking awareness among customers, where the arithmetic mean reached (4.1) degrees, and it was also clear from Table No. (7) that the arithmetic mean of the questions as a whole combined was high, reaching (4.12) degrees, while the standard deviation was (0.96), and this clearly indicates the existence of a statistically significant effect in containing the areas of social responsibility accounting that are given priority by Libyan Islamic banks. Table No. (7) Results of the opinions of sample members about the areas of social responsibility accounting that are given priority by Libyan Islamic banks.

***Table No. (7) Results of the sample members' opinions on the areas of social responsibility accounting that are given priority by Libyan Islamic banks.**

Statement	Mean	Standard Deviation
21-Islamic banks are committed to the laws that impose obligations on them to compensate for environmental pollution resulting from their activities.	4.02	0.99
22-Islamic banks are committed to telling the truth to customers and being honest in dealing with them in all cases and at all times.	4.08	0.93
23-Islamic banks respect individual differences among customers by not dividing them into groups, for example, according to gender, race, etc.	4.04	0.91
24-Islamic banks develop sound banking awareness among customers.	4.1	0.98
25-The accounting system in Islamic banks allows measuring the impact of their activities on the surrounding environment.	4.17	0.85
26-Islamic banks are keen to invest money in investment areas with an Islamic character.	4.27	0.97
27-Islamic banks are interested in financing their customers from professionals and craftsmen and small traders.	4.15	0.98
28-Islamic banks respond to complaints and suggestions from their customers and improve their services in light of them.	4.12	0.99
29-Islamic banks adopt a unified model for disclosing social performance	4.06	0.99
30-Islamic banks' operations are consistent with the laws and regulations related to social responsibility.	4.19	0.97
Total	4.12	0.96

***Table No. (8) Results of the initial hypothesis test according to the (T. Test) test**

Third sub-hypothesis: There are no areas for social responsibility accounting that are given priority by Libyan Islamic banks.	Calculated	Tabular	Sig Significance	Degree of freedom
	8.083	2.021	0.000	47

The results of the T. Test showed that the significance level (sig) is less than the significance level (0.05) at a confidence level of 95%, and since the decision rule indicates accepting the null hypothesis H_0 if $\text{sig} < 0.05$ and rejecting the null hypothesis and accepting the alternative hypothesis H_3 if $\text{sig} > 0.05$, and since the calculated T) is greater than the tabular (T), then here we reject the null hypothesis and accept the alternative hypothesis, and thus the first sub-hypothesis H_1 (there is a statistically significant effect in the areas of social responsibility accounting that are given priority by Libyan Islamic banks) was accepted.

Results and Recommendations:

First - Results:

- 1- There is a statistically significant effect in containing the awareness of the Libyan Islamic banks' managements of the concept of social responsibility.
- 2- There is a statistically significant effect in containing the reality of social responsibility accounting applications in Libyan Islamic banks.
- 3- There is a statistically significant effect in the areas of social responsibility accounting that are given priority by Libyan Islamic banks.
- 4- The absence of legislation that obligates or voluntarily encourages organizations whose work or products do not have harmful



environmental impacts, such as banks, for example, to contribute to protecting the environment.

Second - Recommendations:

- 1- Holding training courses for employees to increase their experience in providing banking services and developing programs to protect the environment by raising awareness of its risks and supporting social development.
- 2- The importance of Libyan Islamic banks continuing to encourage and provide more support to apply social responsibility accounting in the areas of community service and their employees, to raise the level of their social performance.
- 3- Conducting more research on ways to enhance the concept of social responsibility and accountability for it as an effective means to help organizations survive and achieve a competitive advantage in light of increasing competition and the challenges of globalization.
- 4- Finding legislation that obligates or at least encourages organizations whose work or production does not cause pollution and environmental damage - such as banks - to contribute to protecting and preserving the environment.



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