

Impact of Corporate Social Responsibility (CSR) on Corporate Sustainability: A Case Study from Developing Economy

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Abstract In the recent years, it has been observed that the Corporate Social Responsibility (CSR) has been a favorite topic for the researchers and academicians. There are various themes and topics associated with it. There were papers on CSR and leadership, CSR and culture, CSR and Finances, CSR and Human Resources, etc. The topic has been revealing and investigating excellent research papers and other academic writings on different themes of the CSR. However, it was necessary to investigate the same in the Middle Eastern Countries also [1]. This article examines the CSR characteristics and their impact on CS in the Lebanese banking sector, considering the mediating role of organizational culture. In this thesis, data was collected by using questionnaires distributed over 150 participants in Lebanon. The data was gathered then analyzed using statistical software (SPSS20) to test the significance and the type of relationship between the independent variables CSR and the dependent variable CS, considering the role of organizational culture: clan culture, market culture, adhocracy culture, and hierarchy culture. The outcomes of the thesis revealed that the independent variable CSR has a direct positive significant relationship on CS.

Keywords Corporate Social Responsibility, Corporate Sustainability, Clan Culture, Market Culture, Hierarchy Culture, Adhocracy Culture

1. Introduction

In the recent years, it has been observed that the Corporate Social Responsibility (CSR) has been a favorite topic for the researchers and academicians. There are various themes and topics associated with it. There were papers on CSR and leadership, CSR and culture, CSR and Finances, CSR and Human Resources, etc. The topic has been revealing and investigating excellent research papers and other academic writings on different themes of the CSR. However, it was necessary to investigate the same in the Middle Eastern Countries also [1]. Rather the focus has to be about different practices in Lebanon. As a result, the present study aims to investigate CSR practices in the banks of Lebanon. The basic research is to study the relationship of the CSR and cross-sectional integration of CSR and Corporate Sustainability Development (CSD) strategies to observe the performance in the firms. Apart from this, the research study will also investigate the impact of the cultural practices on CSR in

introducing the sustainability in the business performances. In addition to this, the current research will be focusing on the viability of the strategic directions and decisions taken and is beneficial for the Corporate Financial Sustainability. The attention combining CSR, CSD, performances in the organizations, introduction of the strategies in the CSR activities, etc. need attention for the appropriate research in the Middle Eastern Countries like Lebanon [2].

The major areas of the present study revolve around the CSR with relation to the role of the investors and stakeholders. In other words, one may desire to know more about the expectations of the stakeholders and investors towards the future projects of the companies and the manner in which CSR will be playing a major role in terms of the profits and gains. As a result, there will be improvements in the performance of the organizations. Since the focus is on the firms, it is necessary to comprehend more about the cultural practices of the firm and the manner these affect the sustainability of the firm. Thus, there must be a relationship between the cultural practices and the sustainability of the firm [3]. Apart from these, there are research projects focusing on the role of the socially responsible companies and their role towards the corporate sustainability. This means that the companies are playing a major role towards

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being responsible in the social manner and improve their corporate sustainability in the society. Subsequently, these companies are able to sustain in the market and survive successfully in the competitive world of business. Therefore, one may observe the role of the CSR played in the domains of the business. This leads one to know more about the zone of the CSR in order to understand the sustainable development of the businesses. Consequently, a serious study is required to know more about the intricacies of the CSR towards the running of the businesses in Lebanon [4].

The previous research has showcased the importance of the CSR and associated areas of it towards the development of the businesses in UK, USA, European and Australian countries. However, there is a need to understand the presence of CSR in countries like Lebanon. Prior literature revealed the gaps in the research for the identified areas of CSR playing its role in Lebanon [5]. Thus, it is a significant to include the explicit statements of significance with special reference to CSR in introducing the improvements of the businesses in Lebanon [6] [7]. One may see the impact of CSR on Lebanese firms and observe the relationship between CSR, Sustainability, Cultural Practices, improvement in the performances at various levels, role of the strategic decisions and leadership and grabbing the attention of the stakeholders and investors.

There may be various reasons for the importance to conduct the study in Lebanon. Firstly, the research has revealed that such a study had been successful one for the development in other countries [8]. Secondly, it is much wanted research study for the development of the businesses in a country like Lebanon [9]. Post War scenarios showed that the situations are very bad in Lebanon with respect to the business development for the firms (Harfoush & Alena, 2019). Thirdly, there is a need to understand the manner in which one may attract the investors and stakeholders for the business projects (Abboud & AbdulRazek, 2010). Fourthly, it was necessary to know about the cultural practices being adhered in Lebanese firms and organizations. This will allow one to see the changes in the culturally environments of Lebanon [12] [13]. In other words, this may raise certain observations like-whether there are indeed any changes in Lebanon or not, whether the cultural practices allow one to change or not as observed in other countries, what kind of the cultural practices are needed in Lebanon, whether new cultural practices are required or not or earlier practices will allow for the improvements in the performances of the Lebanese firms? Fifthly, the role and presence of the stakeholders and investors may be studied upon in the research [14]. One may raise the research towards them-whether Lebanese stakeholders and investors are sufficient to make the necessary investments or external individuals may be introduced in Lebanese projects or not? What kind of projects or activities may be introduced In Lebanon to attract them?

Sixthly, another query will be attended towards the different kinds of social responsibilities in Lebanon [15]. What kind of social responsibilities are present at the moment

in Lebanon? Whether similar kind of responsibilities are sufficient for the firms or not? What new kind of responsibilities will be identified in Lebanon to improve the performances of the firms? Is it possible to introduce new and innovative social responsibilities as observed in other countries in Lebanon? Or innovativeness must be observed in the existing social responsibilities? Seventhly, one needs to attend towards the performances in the firms also [16]. What kind of performances are going to count for the firms to survive in the markets of Lebanon? Is it only financial performances or non-financial performances may be added or considered for the study?

The main purpose of the research is to understand the CSR practices in the Lebanese banks. In other words, the investigation is to study the relationship of corporate social responsibility and cross sectional integration of CSR and CSD strategies or practices to highlight the performances of the firm in Lebanon [17] [18] [19]. The case study also investigates the impact of the cultural practices like Clan, Market, Adhocracy and Hierarchy on CSR and the manner in which it emerges and takes the form of the sustainability as the business performance. Apart from these two, one may also raise the concern for the viability of the various strategic movements and decisions which are extremely beneficial for the corporate financial sustainability and survive in the competitive markets [20] [21] [22].

2. Literature Review

There has been a long history with respect to discussions on the role of the businesses across the world. Apart from this, one may observe that there are challenges arising due to the rapidly growing environmental and social changes in the society. Subsequently, the respective role has been a center of attraction for further analysis from different sectors [23]. As a result, the corporations are searching ways to go beyond the customary financial perfumatory goals, redesigning their products as per the effects on the society and the environment, and aiming to attract the stakeholders and investors towards their sustainable and innovative projects [24]. It has also been observed that there are improvised performances in the social and environmental zones. This helps them to gain the necessary tangible advantages like reduction in the prices and the risk management; and intangible benefits like increased reputation in the business domains and increase in the competition with other business entities [23]. As a result, there is potentiality amongst the different corporations to add their shared activities in a positive manner towards the society and environment apart from the maximization of the profits. This has become a common focus amongst researchers and empirical individuals from the corporations [25]. Consequently, the operation of this identified potentiality is the step towards the beginning of the corporate social responsibility (CSR) and corporate sustainability (CS).

In the last few decades, it has been observed that both CSR and CS has developed a lot and helped the companies to grow also. It is during these developmental years; the scholars and academicians established the knowledge with respect to the role of the business entities. Along with this role, one may even note their contributions in providing various resolutions and solutions for issues and problems towards the social and environment. These turned out to be in favor of the economic growth also. It must be noted that there are previous studies done to show the interchangeability of CSR and CS; while there are others opting for the opposite quarters. It was in the study of Bansal and Song that it was found that the origination of CSR and CS are independent of each other and set forth a different pathway altogether in the research. However, it is worthwhile to perceive that there is a convergence in their thoughts while using similar definitions, ontological assumptions, nomological networks and the measurement [26]. According to these authors, one must proceed further with the exploration of the distinctiveness, being complementary to each other and integration of the two topics rather than relying on the assumption that both the constructs are same and there is no difference between them. According to in the Ashraf, Adams, Walker, and Magnan (2018), their work is based upon the similar lines of Bansal and Song [26]. Their work highlights on the integration of CSR and CS. Furthermore, this is based upon two alternatives viz. the traditional stage or as an ultimate achievement for the corporation. Thus, this helps in the necessary allowance of the concepts to be separate and different from each other. It is worthwhile to note that there is a development in the definitions of CSR and CS and they are very close to each other [27] [26]. Nevertheless, the general perspective for both CSR and CS needs further attention and more discussion in terms of their theories and conceptual understanding and interpretations also.

With the advent of research techniques, one may also perceive that there are evidences from the qualitative research also like bibliometric methods. With this in the bracket, there is a recent study focusing on the research trends and patterns about the CSR and CS. The authors used the bibliometric method to provide the qualitative review to establish the relation between the CSR and CS. This revealed the overlaps between the two concepts. Subsequently, it was helpful to know the foundational conditions which determine the integrated corporate and business model for CSR and CS [28]. There were no other papers which may delineate such details. Thus, the identified paper presents the conceptual and evolutionary path model for both CSR and CS. It is also pointed out that the term sustainable development was first established and through it, there has been the development of the concepts like CSR and CS. In doing so, various connections were also understood between the two terms. This was done through good number of theories as observed in a firm. One more point to be noted is that such studies provide necessary insights in to the theoretical developments.

These in turn support the corporate's role and their recognition in the communities. This is usually done through the adoption of the CSR and CS activities. Rather it must be added here that these activities form the business strategies and plans are made accordingly by the business entities. According to Seth and Thomas [29], "Theories of the firm provide a perspective for thinking about organizational objectives and a framework for analyzing important research problems" [29]. With this, there are many theories established for the firm like agency theory, institutional theory, evolutionary theory, resource-based theory, and social contract theory and the stakeholder theory, etc. These theories form the essential agenda for the business entities in order to establish their proposals towards the business responsibilities and research pertaining to the sustainability. Apart from this, it also gives a lucid explanation on the manner in which the corporate and multinationals function and operate within the circles of the CSR and CS [24] [30]. There are no mutual agreements with these theories for the businesses. However, with the most appropriate theories, the studies point out towards the discussions on the practical application of the institutional theory, resource-based theory and the stakeholder theory. These theories frame the essential grounds for presenting the integrative model for the CSR and CS policies and actions. Finally, they exhibit the strategy for the corporate business.

A- CSR, Clan Culture and CS

The authors focused on the exploration of the culture of the organization as a moderator and its effect on CSR and performance of the firm. The focus was on the contributions of the corporates in Korea. In other words, there was a translation of the CSR into the firm performance. Thus, the authors argued from the CSR strategy view point. Under this, they highlighted two main points. On one hand, they discussed about the effectiveness of the CSR over the performance of the firm. Secondly, they focused on the contingency approach. This helped them to give the explanation about the vertical fitness between the CSR and the organizational culture of the company. Apart from this, they also showed the moderating effect and influence of their organizational culture over the association between the firm and CSR. The conclusions revealed that some organizational cultures moderated the relationship between the CSR and the outcomes of the financial analysis. Moreover, there is an important role of the organizational culture also. It enhances and presents a positive relationship between the CSR and the performances of the firm in overall manner [31].

B- CSR, Market Culture and CS

The authors declared the predictors of the corporate social responsibility to be different types of the organizational cultures and the emerging models for the organizational culture types. The main conceptual framework is the competing values framework [32]. A cross structural evaluation model was presented in order to understand the corporate social responsibilities. The evaluation was meant for the perceptions of the product in the consumer markets. In other

words, the authors introduced the conceptual understanding of the corporate social responsibility as an integral aspect to affect the brand management of the corporates. As a result, the study was based on a multi-dimensional model and with the perspective of the cross-country beliefs towards the concept itself. It analyses the consumer and their perceptions and behavior of various products. Thus, they concluded that the associations of the SR are necessary for the consumers [33]. Becker and others examined the cross-cultural associations of CSR and marketing communications in Mexico and USA. Though they are also focusing on the perceptions of the company and the brand management, they were successful in adding economies and political landscapes into their study. These form the strategies for the brands at the global levels [34]. The primary motive was to understand the strategic implications of the CSR. The authors wanted to understand the critical engagement of the marketing campaigns of the "ethical" bottled water. They adopted the three-step discourse analysis to analyze the research question i.e., the [35] identified analysis of the McCracken's model of the cultural status of the goods and products meant for the consumers [35].

C- CSR, Adhocracy Culture and CS

One has already perceived the discussions about the moderating role of the organizational culture and its effects on CSR for the different performances in the firm [31]. The authors introduced the term "Corporate Citizenship" (CC) as an "action-oriented offspring" of CSR. Thus, there are debates around the CC, ethics, role and companies' behavior in the immediate society. One may find discussions around "the good reasons for acting in a responsible manner" with the members of the society, clients, customers and the community. Subsequently, there is a debate on CSR along with the strategic designed drivers for the different levels of the company like the culture of the corporate, social innovations and community. With the help of the conceptual framework, there are differentiations between the legitimation and sense making. Secondly, the paper helps to develop a CSR strategy for the company. Furthermore, the measurements and instruments present a complex CSR process [36].

The paper presents the role of the antecedents like CSR and entrepreneurial orientation present in the model of the knowledge sharing specially in Cai Luong Theatre companies of Vietnam. With the examination, the authors are able to examine the role of these antecedents and the manner they play a vital role in the knowledge sharing model and it is meant for both individuals and organizations. Thus, it was found out that there is a positive effect of CSR on the entrepreneurial orientations of the theatre companies. It is the valuable part of the research wherein the role of the CSR has been shown for the knowledge sharing amongst the individuals [37].

D- CSR, Hierarchy Culture and CS

In this work, there was an examination of the variables of culture and leadership with the values of the CSR. Apart from this, they wanted to know about the manner the managers apply them towards their decision-making processes. It is a longitudinal study and shown the collectivism model and the power distance and the manner in which the SR values become essential to the top management members [37]. One may also observe the leaning effects of the popular retail corporations towards the global CSR projects and these were observed in Brazil. There are challenges and problems for the corporations applying the CSR activities. These challenges help in centralizing decision making steps and the hierarchical cultures are in control. As a result, the firms of Brazil began to adopt dynamic and well-managed set of the CSR policies [38].

E- Clan Culture and Adhocracy Culture

Fekete and Bocskei show the integrated model for the businesses with culture and performances of the company. This is in the times of the globalization. There is also tough market competition for the businesses to survive. The authors developed the indicators to measure the company strategy, structure, culture and performance. To evaluate the company performance, Kaplan Norton Balanced Score Card has been used [38]. In one of the studies, it was examined about the strategy and the culture of seven segments of the industries like construction, banking, information technology, power, steel, etc. Apart from this, the association between the strategy and culture of the organization was examined by the author. In the conclusion, it was stated that there are significant differences amongst the strategy and culture of the organizations. Different kinds of strategies are discussed like prospector, analyzer, reactor, etc. It was also found out that adhocracy culture was more present in the pharmaceutical sector. On other hand, clan and hierarchy was observed in the construction industry. Thirdly, in the adhocracy culture, prospector strategy was high and analyzer was high in the clan adhocracy cultures. Similarly, in the hierarchy and clan culture, defender and reactor strategies were high. In the end, it may be concluded that different cultures use different strategies [39].

F- Comprehension of the Variables and their Relationship

From Figure 1, it is very evident that there is a mediating effect between the IDV i.e., CSR and DV i.e. CS. One may note the presence of the mediators of the cultural practices of the Clan Culture, Adhocracy Culture, Market and Hierarchy Culture. Whether it is full or partial mediation will be understood only after the results of the analysis of SEM. However, from the Figure 1, it is clear that there are indeed the mediating effects viz. four in number between the CSR and CS.

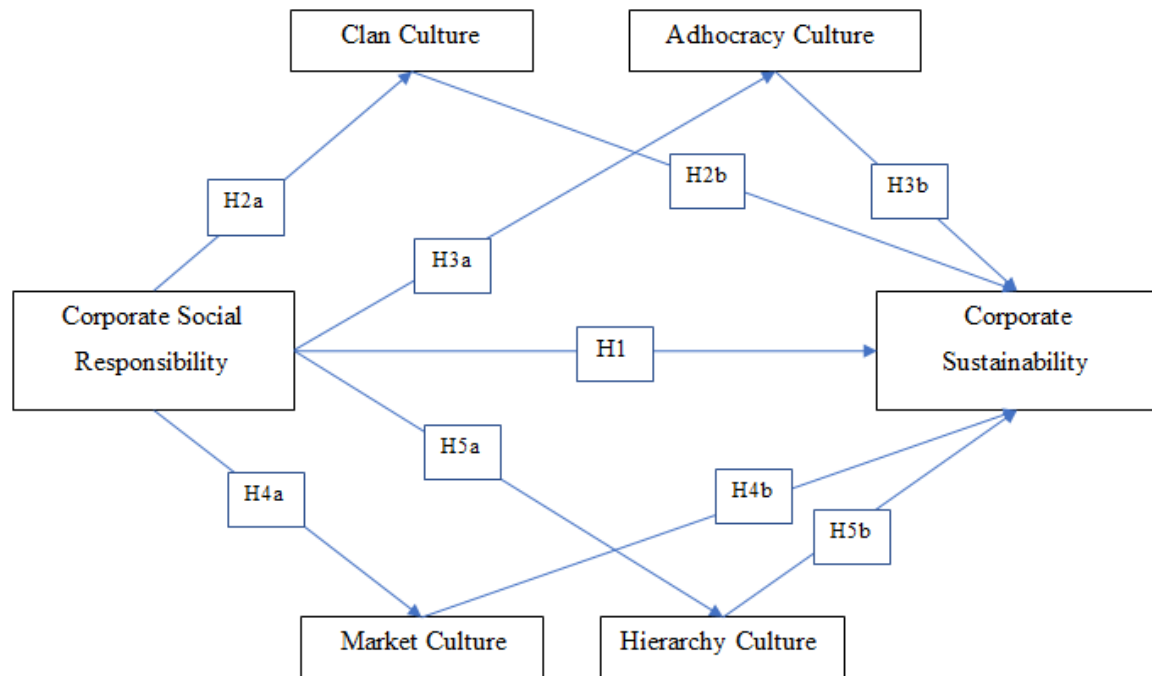


Figure 1. Theoretical Model (Source: Developed by the researcher)

Based in the research model above, the following hypotheses are going to be studied:

- H1: there is a significant relationship between corporate social responsibility and corporate sustainability.
- H2: there is a significant impact of the mediating variable of clan culture on the relationship between corporate social responsibility and corporate sustainability.
- H2a: there is a significant impact from corporate social responsibility on clan culture.
- H2b: there is a significant impact from clan culture on corporate social responsibility.
- H3: there is a significant impact of the mediating variable of adhocracy culture on the relationship between corporate social responsibility and corporate sustainability.
- H3a: there is a significant impact from corporate social responsibility on adhocracy culture.
- H3b: there is a significant impact from adhocracy on corporate social responsibility.
- H4: there is a significant impact of the mediating variable of market culture on the relationship between corporate social responsibility and corporate sustainability.
- H4a: there is a significant impact from corporate social responsibility on market culture.
- H4b: there is a significant impact from market culture on corporate social responsibility.
- H5: there is a significant impact of the mediating variable of hierarchy culture on the relationship between corporate social responsibility and corporate sustainability.

H5a: there is a significant impact from corporate social responsibility on hierarchy culture.

H5b: there is a significant impact from hierarchy culture on corporate social responsibility.

3. Research Methodology

Research Approach

The basic approach for the research is mixed methodology one with emphasis both on the qualitative and quantitative methods. This utilization of the mixed methods helps to combine both quantitative and qualitative research data. This helps in understanding the variables identified through the qualitative study and proceed further for the quantitative research. It helps in the formation of the models for the research. Before presenting the final model of the research, the variables will be identified in both research approaches [40]. Thus, the quantitative data was collected from the survey method after designing the questionnaire and was distributed for the collection of the data. The qualitative research was done with the help of the bibliographic and citation analysis of the different research papers collected from different databases like SCOPUS, Google Scholar, Proquest, etc. [41] [42] Apart from the bibliographic and citation analysis, the content analysis of the research papers also helped in understanding the selection and identification of the variables necessary for the research analysis.

Population and Sample for the Study

a) Population

Since the study aims in investigating CSR practices in Banks and Insurance Companies present in Lebanon, the

total population is 604 [43] [44]. It is difficult to cover the entire population of Lebanon. Thus, a sample has to be selected and identified for the study. However, the philosophical assumption of the logical positivism states that there is a need to cover the population in order to achieve the truth. This will simultaneously help in achieving the objectivity of the research study. Otherwise, it will be a futile attempt for the research work. Consequently, a sample has to be selected in such a manner that the respondents are rightly identified for the study. Thus, it will be representing the total population of Lebanon. Subsequently, it is essential and necessary to cover the correct survey sample size also.

b) Sample Size

At present, there are three to four ways in which the sample size may be calculated for the survey. There will be two measures that will certainly affect the accurateness of the data that will be collected and tested for the study. The first one will be the margin of error or confidence intervals and will be based upon the 5% margin of error. In other words, it will be between 85% and 95% of the entire population. The second one will be based upon the confidence level. In the present study, it will be 95% confidence level. The sample size was equal to 200 respondents.

Data Analysis

The data was collected with help of the questionnaire. In the first place, the questionnaire designed was given to the experts from the Department of the University. The two individuals identified were

- a. The Head of the Department
- b. The Subject Expert faculty and the team of three research scholars

After their approvals, the questionnaire was re-designed with the essential changes and amendments in it. There were different banks identified in the city of Lebanon. The questionnaires were distributed to the Branch Managers, Assistant Managers designated for different portfolios and employees working in the bank. A total of 400 employees were selected for the study to fill in the questionnaire. The convenient time was set and appointments were fixed to distribute the questionnaires and get them filled on the same day.

The questionnaire had 50 questions in all and was designed in the simple English language so that it may be understood by all. Once the questionnaires were collected, the data was keyed into the Excel Sheets and saved in the computer for the further analysis.

4. Data Analysis

Descriptive statistics for variables

Descriptive statistics are short descriptive coefficients that summarize the total data set, or a sample of a population. Descriptive statistics are divided into central trend and

variability measures (Saunders *et al.*, 2019). Here, table (1) shows the measures of minimum, maximum, mean and standard deviation.

Table 1 shows the minimum and maximum values of the obtained data (5). The lowest number on the 5-point Likert Scale is 1 (Strongly Disagree), which was the lowest value here, and the highest value is 5 (Strongly Agree), which was the highest value here. Additionally, the means and standard deviation of the variables are presented.

Table 1. Descriptive Statistics of Variables

Variable	Minimum	Maximum	Mean	Standard Deviation
Corporate Social Responsibility	1	5	3.5100	.96625
Corporate Sustainability	1	5	3.5050	1.18190
Adhocracy Culture	1	5	3.5229	1.13051
Clan Culture	1	5	3.5900	1.27640
Market Culture	1	5	3.5950	1.28110
Hierarchy Culture	1	5	2.1691	.85236

Source: SPSS (20) Outputs

As seen in the table above (1):

- The mean value of the CSR standards shows a value which is closer to 4, whereas the minimum value is 1, the maximum value is 5, and the standard deviation is equal to .966. This means that majority of respondents agree on the importance of CSR application in the banking sector.
- The mean value of corporate sustainability shows a value which is closer to 4, whereas the minimum value is 1, the maximum value is 5, and the standard deviation is equal to 1.181. This means that majority of respondents agree on the importance of auditing independence role in financial reporting quality.
- The mean value of the adhocracy culture shows a value which is closer to 4, whereas the minimum value is 1, the maximum value is 5, and the standard deviation is equal to 1.130. This means that majority of respondents agree on the importance of adhocracy culture for achieving corporate sustainability.
- The mean value of clan culture shows a value which is closer to 4., whereas the minimum value is 1, the maximum value is 5, and the standard deviation is equal to 1.276. This means that majority of respondents agree on the importance of clan culture for achieving corporate sustainability.
- The mean value of hierarchy culture shows a value which is closer to 4., whereas the minimum value is 1, the maximum value is 5, and the standard deviation is equal to 1.281. This means that majority of respondents agree on the importance of market culture for achieving corporate sustainability.

Reliability Test

Table 2. Cronbach Alpha per Item

Variable	Number of Items	Cronbach's Alpha
Clan Culture	3	.863
Adhocracy Culture	3	.871
Market Culture	3	.876
Hierarchy Culture	3	.867
Corporate Social Responsibility	5	.890
Corporate Sustainability	23	.869

Source: SPSS (20) Outputs

The reliability analysis for the whole questionnaire shows a reliability value that equals to .910, indicating a high reliability value for the whole items of the questionnaire. The findings of Cronbach Alpha for each variable are shown in table (2) for each variable.

The Cronbach Alpha results for each item are shown in table (2). The variables' internal consistency assessment indicates a high level of dependability. Standards have a value of clan culture (.863), adhocracy culture (.871), market culture (.876), hierarchy culture (.867), corporate social responsibility (.890), and corporate sustainability (.869). This demonstrates that all variables have a high level of dependability.

Correlation Analysis

Table 3. Correlation Analysis

Correlations						
	Clan Culture	Adhocracy Culture	Market Culture	Hierarchy Culture	Corporate Social Responsibility	Corporate Sustainability
Clan Culture	1					
Adhocracy Culture	.950**	1				
Market Culture	.946**	.957**	1			
Hierarchy Culture	.140	.053	-.016	1		
Corporate Social Responsibility	.824**	.690**	.635**	.432**	1	
Corporate Sustainability	.961**	.960**	.967**	-.060	.669**	1

Table (3) revealed that all of the independent variables investigated are very closely related to the dependent variable, corporate sustainability, all of which have a value greater than 0 and closer to one. This indicates that the independent variable (corporate social responsibility) has a strong positive correlation with the dependent variable

(corporate sustainability) (Kumar, 2018). This also implies for all mediating variables, except for hierarchy culture which showed a significant negative correlation with corporate sustainability.

Regression Analysis

Table 4. Coefficients (CSR and CS)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.636	.264		2.407	.017
	Corporate Social Responsibility	.751	.069	.669	10.953	.000

a. Dependent Variable: Corporate Sustainability

Source: SPSS (20) Outputs

The research hypothesis (H1) is assessed in the table above. Hypothesis H1 related to the direct relationship between CSR and CS is showing a positive significant relationship between both the dependent and independent

variable. The results of this relationship depict that ($\beta = .751$; $t = 10.953$; $p\text{-value} = .000$). This indicates that both variables move in the same direction, which means that the higher the CSR, the higher is CS.

Table 5. Coefficient Analysis (Clan Culture, Corporate Social Responsibility * Corporate Sustainability)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.044	.063		.690	.492
	Corporate Social Responsibility	.429	.029	.382	15.001	.000
	Clan Culture	1.455	.029	1.275	50.085	.000

a. Dependent Variable: Corporate Sustainability

Source: SPSS (20) Outputs

The research hypothesis (H2) is assessed in the table above. Hypothesis H2 related to the direct relationship between CSR and CS, taking into consideration the mediating variable clan, is showing a positive significant impact between both the dependent and independent variable. The results of this relationship depict that for CSR ($\beta = .429$; $t = 15.001$; p -value = .000), and for the mediating variable clan culture ($\beta = 1.455$; $t = 50.085$; p -value = .000).

For a primary assessment of the effect of the mediating variable (clan culture), a comparison between the value of beta (β) before and after adding the mediating variable to the

regression equation is considered. In the direct regression test conducted in the first regression model under the section related to the impact of CSR on CS (see table), was equal to $\beta = .751$ for the impact of the independent variable CSR on CS. On the other hand, the value of beta for the impact of CSR on CS has decreased to $\beta = .429$ after adding clan culture as a mediating variable. This shows that one could assume that clan culture as a mediating variable mediates the relationship between CSR and CS. This is going to be later on concluded through the slope analysis.

Table 6. Coefficients Analysis (Adhocracy Culture, Corporate Social Responsibility * Corporate Sustainability)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.370	.106		-3.504	.001
	Corporate Social Responsibility	.215	.036	.013	9.415	.003
	Adhocracy Culture	.852	.035	.951	29.781	.000

a. Dependent Variable: Corporate Sustainability

Source: SPSS (20) Outputs

The research hypothesis (H3) is assessed in the table above. Hypothesis H3 related to the direct relationship between CSR and CS, taking into consideration the mediating variable adhocracy culture, is showing a positive significant relationship between both the dependent and independent variable. The results of this relationship depict that for CSR ($\beta = .215$; $t = 9.415$; p -value = .003), and for the mediating variable adhocracy culture ($\beta = .852$; $t = 29.781$; p -value = .000).

For a primary assessment of the effect of the mediating variable adhocracy culture, a comparison between the value

of beta (β) before and after adding the mediating variable to the regression equation is considered. In the direct regression test conducted in the first regression model under the section related to the impact of CSR on CS (see table), was equal to $\beta = .751$ for the impact of the independent variable CSR on CS. On the other hand, the value of beta for the impact of CSR on CS has decreased to $\beta = .215$ after adding the adhocracy culture as a mediating variable. This shows that one could assume that adhocracy culture as a mediating variable mediates the relationship between CSR and CS. This is going to be later on concluded through the slope analysis.

Table 7. Coefficients Analysis (Market Culture, Corporate Social Responsibility * Corporate Sustainability)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.006	.089		.071	.943
	Market Culture	.908	.026	.908	34.860	.000
	Corporate Social Responsibility	.104	.029	.093	3.561	.000

a. Dependent Variable: Corporate Sustainability

Source: SPSS (20) Outputs

The research hypothesis (H4) is assessed in the table above. Hypothesis H4 related to the direct relationship between CSR and CS, taking into consideration the mediating variable market culture, is showing a positive significant relationship between both the dependent and independent variable. The results of this relationship depict that for CSR ($\beta = .104$; $t = 3.561$; $p\text{-value} = .000$), and for the mediating variable market culture ($\beta = .908$; $t = 3.561$; $p\text{-value} = .000$).

For a primary assessment of the effect of the mediating variable market culture, a comparison between the value of

beta (β) before and after adding the mediating variable to the regression equation is considered. In the direct regression test conducted in the first regression model under the section related to the impact of CSR on CS (see table), was equal to $\beta = .751$ for the impact of the independent variable CSR on CS. On the other hand, the value of beta for the impact of CSR on CS has decreased to $\beta = .104$ after adding the market culture as a mediating variable. This shows that one could assume that market culture as a mediating variable mediates the relationship between CSR and CS. This is going to be later on concluded through the slope analysis.

Table 8. Coefficients Analysis (Hierarchy Culture, Corporate Social Responsibility * Corporate Sustainability)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.161	.276		4.203	.000
	Hierarchy Culture	-.335	.076	-.281	-4.401	.000
	Corporate Social Responsibility	-.887	.072	-.791	-12.375	.000

a. Dependent Variable: Corporate Sustainability

Source: SPSS (20) Outputs

The research hypothesis (H5) is assessed in the table above. Hypothesis H5 related to the direct relationship between CSR and CS, taking into consideration the mediating variable hierarchy culture, is showing a negative significant relationship between both the dependent and independent variable. The results of this relationship depict that for CSR ($\beta = -.887$; $t = -12.375$; $p\text{-value} = .000$), and for the mediating variable hierarchy culture ($\beta = -.335$; $t = -4.401$; $p\text{-value} = .000$).

For a primary assessment of the effect of the mediating variable hierarchy culture, a comparison between the value of beta (β) before and after adding the mediating variable to the regression equation is considered. In the direct regression test conducted in the first regression model under the section related to the impact of CSR on CS (see table), was equal to $\beta = .751$ for the impact of the independent variable CSR on CS. On the other hand, the value of beta for the impact of CSR on CS has decreased to $\beta = -.887$ after adding the hierarchy culture as a mediating variable. This shows that one could assume that hierarchy culture as a mediating variable mediates the relationship between CSR and CS. This is going to be later on concluded through the slope analysis.

Sobel Test Analysis: Testing the Indirect Effect

A variable may be considered a mediator to the extent to which it carries the influence of a given independent variable (IV) to a given dependent variable (DV). Generally speaking, mediation can be said to occur when (1) the IV significantly affects the mediator, (2) the IV significantly affects the DV in the absence of the mediator, (3) the mediator has a significant unique effect on the DV, and (4) the effect of the IV on the DV shrinks upon the addition of the mediator to the model. These criteria can be used to informally judge whether or not mediation is occurring, but MacKinnon & Dwyer (1993) and MacKinnon, Warsi, & Dwyer (1995) have

popularized statistically based methods by which mediation may be formally assessed.

Table 9. Sobel Test

Mediating Variable	Test Statistics	Std. Error	P-value
Clan Culture	3.6785	0.02303	.000
Adhocracy Culture	3.4528	0.02041	.000
Market Culture	3.1248	0.02147	.000
Hierarchy Culture	3.5887	0.02333	.000

Source: SPSS20

n statistics, the Sobel test is a method of testing the significance of a mediation effect. The test is based on the work of Michael E. Sobel, a statistics professor at Columbia University in New York, NY and is an application of the delta method. In mediation, the relationship between the independent variable and the dependent variable is hypothesized to be an indirect effect that exists due to the influence of a third variable (the mediator). As a result, when the mediator is included in a regression analysis model with the independent variable, the effect of the independent variable is reduced and the effect of the mediator remains significant. The Sobel test is basically a specialized t test that provides a method to determine whether the reduction in the effect of the independent variable, after including the mediator in the model, is a significant reduction and therefore whether the mediation effect is statistically significant.

Hereby, all mediating variables are proven to play an indirect significant effect.

5. Conclusions

The present study contributes to the existing literature on

corporate social responsibility (CSR) and organizational culture (OC) in the banking sector by examining the impact of CSR characteristics on corporate sustainability (CS) in Lebanese banks, considering the mediating role of OC. While previous studies have examined the relationship between CSR and CS, very few studies have examined the role of OC as a mediator between the two constructs, particularly in the context of the Lebanese banking sector.

This thesis examined the CSR characteristics and their impact on CS in the Lebanese banking sector, considering the mediating role of organizational culture. In this thesis, data was collected by using questionnaires distributed over 150 participants in Lebanon. The data was gathered then analyzed using statistical software (SPSS20) to test the significance and the type of relationship between the independent variables CSR and the dependent variable CS, considering the role of organizational culture: clan culture, market culture, adhocracy culture, and hierarchy culture.

The findings of the present study are consistent with previous research on the positive impact of CSR on CS. For instance, studies conducted by Ali *et al.* (2020), Majeed *et al.* (2021), and Khan *et al.* (2021) have found a positive relationship between CSR and CS in the banking sector. However, the present study also sheds light on the mediating role of OC in this relationship, which has not been extensively studied in the literature.

The outcomes of the thesis revealed that the independent variable CSR has a direct positive significant relationship on CS.

- First, the findings of this research also adds that the mediating variable clan culture has a positive relationship with decreasing the direct effect of CSR on CS in Lebanese banks. The findings revealed that clan culture is one of the factors to consider for CS, as clan culture objectives imply a chance for reaching corporate sustainability, thus this mediates the impact of CSR on CS in the Lebanese banking system.
- Second, the findings of this research also adds that the mediating variable adhocracy culture has a positive relationship with decreasing the direct effect of CSR on CS in Lebanese banks. The findings revealed that adhocracy culture is implemented in the banking sector, but not to the level that it helps in increasing its mediating effect on the CS of the factors, as adhocracy culture objectives imply a decreasing effect on corporate sustainability. Thus, this mediates the impact of CSR on CS in the Lebanese banking system.
- Third, the findings of this research also adds that the mediating variable market culture has a positive relationship with decreasing the direct effect of CSR on CS in Lebanese banks. The findings revealed that market culture is implemented in the banking sector, but not to the level that it helps in increasing its mediating effect on the CS of the factors, as market culture objectives imply a decreasing effect on corporate sustainability. Thus, this mediates the impact of CSR on CS in the

Lebanese banking system.

- Fourth, the findings of this research also adds that the mediating variable hierarchy culture has a negative relationship as it significantly decreases the direct effect of CSR on CS in Lebanese banks. The findings revealed that hierarchy culture dramatically decrease the relationship between CSR and CS. Thus, this negatively mediates the impact of CSR on CS in the Lebanese banking system.

In terms of the mediating effect of OC, the present study found that clan culture and adhocracy culture have a positive relationship with decreasing the direct effect of CSR on CS, while market culture has a negative relationship, and hierarchy culture has a significantly negative relationship. These findings are consistent with the study conducted by Amran *et al.* (2014), which found that organizational culture acts as a mediator between CSR and organizational performance. Specifically, the study found that clan culture and adhocracy culture positively mediate the relationship between CSR and organizational performance, while market culture and hierarchy culture negatively mediate the relationship.

For the theoretical contribution, this research has set as detailed research of the CSR policies for Lebanese banks to understand the legal status, responsibilities and achievements of these authorities. Therefore, beside of academic literature review, the researcher the challenges and opportunities in increasing the occurrence of a sustainable banking system. The findings of this research may assist banks and even the public sector and other financial institutions to improve the legal position and ethical different programs by considering the mediating role of organizational culture.

6. Recommendations

- (i) Encourage the implementation of clan culture
- (ii) Encourage the implementation of adhocracy culture
- (iii) Discourage the implementation of market culture
- (iv) Address the negative impact of hierarchy culture
- (v) Develop auditing approaches
- (vi) Increase participation in CSR activities
- (vii) Educate employees on CSR

These policy actions aim to enhance the positive impact of CSR on CS in the Lebanese banking sector while considering the mediating role of organizational culture. By adopting these policies, banks can promote a positive organizational culture that aligns with CSR goals and enhances CS.

Future research should look on auditing approaches that might aid banks in assessing and responding to recent CSR issues. The use of red flags in analyzing potential for CSR might be one beneficial area. The efficacy of red flags in assessing risks deriving from asset theft and financial reporting unethical and unsustainable behavior that has been studied previously, but no research has looked specifically at the effectiveness of these in assessing CSR-related concerns.

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