

**How dose corporate social responsibility influence employee loyalty and engagement in  
Saudi Arabia?**

*A Research Paper Submitted in Partial Fulfillment of the Requirements for the Degree of*

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## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Corporate social responsibility (CSR) is a type of self-regulation by businesses that aims to contribute to philanthropic or charitable societal goals through activities like professional service volunteering and providing monetary grants to non-profit organizations (Ajina et al., 2020). Corporate social responsibility predominantly involves the integration of social concerns in business operations and stakeholder interaction with a primary focus on the development of a positive impact on society as well as the profit maximization goal of the organizations (Bacho, 2023). With increasing expectations of integration of Corporate Social responsibilities for businesses, it is becoming an important strategic tool for improving consumer loyalty, inducing the development of business sustainability and enhancing employee loyalty and engagement (Al-Ghazali & Sohail, 2021). In this context, it can be indicated that the relationship between employee attitude and corporate social responsibility has become an important area of research, particularly in regions like Saudi Arabia where corporate social responsibility practices are still in the preliminary stages of development (Alnehabi & Al-Mekhlafi, 2023).

The Kingdom of Saudi Arabia is currently undergoing extensive social and economic reforms in consideration of Vision 2030, which is predominantly aimed at diversification of the economy and reduction of its reliance on oil revenues (Bacho, 2023). A part of this transformation predominantly comprises of development of a more socially responsible and sustainable business environment. As a result, corporate social responsibility has become a significantly important element of Saudi Arabia in organizations, particularly in the public sector (Pinto, 2023). Many companies are beginning to understand the importance of engaging with corporate social responsibility activities for curating positive impact not only on the corporate image but also on the employees, leading to improved employee satisfaction, engagement and loyalty.

Employee performance and loyalty pertain to the commitment that employees have towards the organization. It has been identified that worker loyalty levels were impacted by CSR. Workers' motivation, loyalty and performance within their designated roles improved when they felt the company showed concern for significant matters. Furthermore, it was found that internal performance, emotional commitment, and job satisfaction, all of which are critical elements of employee loyalty, were closely related to external CSR (Memon, Ghani, & Khalid, 2020). Employee loyalty is influenced by CSR attitudes, especially concerning perceptions of fairness and commitment. Theories of social identities state that individuals feel a connection to a social entity when they identify with it (Khan et al., 2023).

Workers feel a stronger bond with their employer when the company shows social and ecological responsibility through its behavior and messaging (Somili, 2022). Employees are more inclined to feel connected to the organization and put in more effort when they perceive a match between their values and the company's actions. Previous research has pointed out that there is a close correlation between identification with the organization on the part of the worker and organizational commitment (Al-Ghazali & Sohail, 2021). Research done on the Saudi Arabian service sector found that CSR activities enhance organizational performance and employees' commitment (Ajina et al., 2020). Another study in Hail, Saudi Arabia specifically focusing on the hotel and tourism industry underlined another significant impact of external CSR activities on the employees' performance during the COVID-19 crisis in the local populace. These findings revealed a certain relationship between organizational citizenship and corporate

social responsibility as the different factors mobilized increased employee commitment (Alnehabi & Al-Mekhlafi, 2023).

Furthermore, CSR program engagement has shown that increased employee satisfaction instils high organizational identification and engagement (Memon, Ghani & Khalid, 2020). A perception that employers as socially responsible can improve the motivation and commitment of the workers to concentrate on the organizational tasks and productivity thus resulting in employee engagement improvement (Khan et al., 2023). If the workers have a positive perception of the norms, values and social responsibility of an employer, then they are likely to have a positive attitude towards their employer.

Pinto (2023) described that MBA graduates who successfully graduated from prestigious business schools are willing to work at lower wages for organizations focusing on CSR (Bacho, 2023). A similar study performed by Memon et al. (2020) found a positive relationship between CSR and EE, keeping the work concentration on the effect of CSR activities on organizational identification and behavioral patterns of the employees. Social responsibilities related businesses have a better corporate image as compared to other businesses which in turn attracts people to engage themselves in that company.

## 1.2 Research Problem and Rationale

The research problem focuses on comprehending how corporate social responsibility has an impact on employee engagement and loyalty in organizations within Saudi Arabia. Even though corporate social responsibility services have been studied significantly in the Western context, there is limited research regarding how these practices have an impact on employee attitudes in the unique business and cultural environment of Saudi Arabia. With the increment in the focus on corporate social responsibility across the global community, it is becoming important to analyze the role that it has in fostering employee engagement and commitment within Saudi Arabian organizations. The rationale associated with this research is to provide comprehensive information regarding how corporate social responsibility practices can be utilised as a strategic framework for improving employee engagement and loyalty in the rapidly evolving Saudi Arabian market.

## 1.3 Research Aims and Objectives

- To evaluate the concept of Corporate Social Responsibility and its different dimensions
- Explore the current corporate social responsibility (CSR) initiatives taken for influencing employee loyalty and engagement within Saudi Arabian organisations.
- To analyse the role of CSR in enriching employee engagement and loyalty in public organisations in Saudi Arabia.

## 1.4 Research Questions

The primary research question that will guide the research is "How does Corporate Social Responsibility (CSR) influence employee loyalty and engagement in Saudi Arabia?". To analyze the question further, the study will also address the following sub-questions:

1. What are the primary corporate social responsibility dimensions that significantly impact employee engagement and loyalty?
2. How does corporate social responsibility impact employee satisfaction and retention in Saudi Arabian organizations?
3. Are there significant differences in the impact of corporate social responsibility on employee loyalty in the public sector in Saudi Arabia?

### 1.5 Significance of the Study

The research is significant because it will help contribute towards the growing body of knowledge regarding corporate social responsibility, particularly in the context of Saudi Arabia where global business practices are being increasingly adopted while maintaining religious and cultural norms. The findings of the study will enable organizations to comprehend how corporate social responsibility initiatives can help in inducing the development of a more loyal and engaged workforce, which is critical for improvement in employee performance and reduction in employee turnover rates.

On top of this, the study will also provide comprehensive information regarding public sector organizations and offer recommendations regarding how specific targeted corporate social responsibility programs can be integrated to meet consumer expectations and needs. It will also highlight theoretical frameworks of social identity theory and stakeholder theory for examining their applicability in the context of improving employee engagement and loyalty in the Saudi Arabian market. On top of this, considering that Saudi Arabian Vision 2030 emphasizes economic development and social responsibility, the study will also provide useful information and implications for organizations that are looking to align their goals and objectives with the national vision of improving employee commitment using feasible corporate social responsibility initiatives.

### 1.6 Structure of the Dissertation

*Table 1: Structure of Research (Source: Author)*

Chapter	Title	Description
<b>Chapter 1</b>	Introduction	Introduces the background of the study, outlines the research problem, and presents the research questions, aims, and objectives.
<b>Chapter 2</b>	Literature Review	Provides a comprehensive review of the literature, exploring CSR concepts, dimensions, and relevant theoretical frameworks with a focus on the Saudi Arabian business environment.
<b>Chapter 3</b>	Research Methodology	Details the research design, including data collection methods, analysis techniques, and ethical considerations.
<b>Chapter 4</b>	Research Findings	Presents the research findings, focusing on the impact of CSR on employee loyalty and engagement in Saudi Arabia.
<b>Chapter 5</b>	Discussion	Discusses the findings concerning the research objectives, providing both theoretical and practical insights.
<b>Chapter 6</b>	Conclusion	Summarizes key findings, offers recommendations, and suggests directions for future research.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

This chapter focuses on developing a comprehensive assessment of the previous literature associated with corporate social responsibility and its impact on employee loyalty and employee retention in Saudi Arabia.

### 2.2 Corporate Social Responsibility (CSR): Definitions and Dimensions

Corporate social responsibility (CSR) or corporate social impact represents a method of international private business self-governance that seeks to aid societal aims of a philanthropic, activist, or charitable kind by participating in, with, or endorsing professional service volunteering via pro bono initiatives, community advancement, providing financial grants to non-profit entities for the public good, or engaging in ethically driven business and investment practices (Abou Saleh & Baroudi, 2022). Since the 1960s, various businesses, scholars, and stakeholders have taken an interest in corporate social responsibility, which has also been termed using several other phrases like "corporate sustainability," "sustainable business," "corporate conscience," "corporate citizenship," "purpose," "social impact," "conscious capitalism," and "responsible business." (Abou Saleh & Baroudi, 2022).

A business professional might view CSR as a corporate strategy, an NGO activist might regard it as mere 'greenwash,' while a government representative may interpret it as a form of voluntary regulation. Furthermore, differences in definition will emerge from varying disciplinary perspectives (Ajina et al., 2019). For instance, an economist may think that the director's discretion required for CSR implementation poses a risk of agency costs, while a legal scholar might see that discretion as a valid reflection of the law's expectations for directors. During the 1930s, two law professors, A. A. Berle and Merrick Dodd, notably discussed the obligation of directors to serve the public interest. Berle contended that there should be legally binding regulations prioritizing labor, customers, and the public alongside or above shareholders, whereas Dodd claimed that directors' powers were merely held in trust (Ajina et al., 2020).

Sheehy characterized corporate social responsibility as "self-regulation of international private enterprises." He analyzed various disciplinary methods to define CSR. The reviewed definitions encompassed the economic interpretation of "sacrificing profits," a management perspective on "beyond compliance," institutionalist viewpoints of CSR as a "socio-political movement," and the legal emphasis on the responsibilities of directors (Ajina et al., 2020). Additionally, Sheehy reflected on Archie B. Carroll's characterization of CSR as a hierarchy of obligations, specifically economic, legal, ethical, and philanthropic responsibilities. Although Carroll was not defining CSR but merely advocating for the categorization of actions, Sheehy formulated a definition that diverged by utilizing the philosophy of science—the field of philosophy aimed at elucidating phenomena (Al-Ghazali & Sohail, 2021). Carroll expanded corporate social responsibility beyond the conventional economic and legal obligations to include ethical and philanthropic responsibilities due to growing concerns over ethical matters in business practices.

Companies might participate in CSR for strategic or moral reasons. From a strategic viewpoint, CSR can enhance company profits, especially when brands choose to disclose both the positive and negative results of their efforts. These advantages partly arise from boosting favorable public relations and maintaining high ethical standards to mitigate business and legal risks by accepting accountability for corporate conduct (Ali & Ali, 2021). CSR strategies motivate companies to create a beneficial effect on the environment and stakeholders such as consumers, employees, investors, communities, and more. From an ethical standpoint, some

organizations implement CSR policies and practices due to the moral convictions of top management: for instance, the CEO of outdoor clothing brand Patagonia, Inc. contends that damaging the environment is ethically unacceptable.

### ***2.2.1 Theoretical Foundations: Stakeholder Theory and Social Identity Theory***

CSR has become an essential organizational strategy to deliberate development and enhance organizational relationships with stakeholders, staff included. Understanding how CSR affects engagement and loyalty is well explained by Stakeholder Theory and Social Identity Theory. Collectively, these theories provide a conceptual framework of how CSR activities affect organizational employee relations, or how these employees regard and engage with organizations (Alnehabi & Al-Mekhlafi, 2023). The stakeholder theory is a framework for organizational management and business ethics that considers various groups affected by business activities, including employees, suppliers, local communities, creditors, and more. It deals with ethics and principles in organizational management, focusing on aspects like corporate social responsibility, market economy, and social contract theory.

The stakeholder perspective of strategy combines a resource-oriented view with a market-oriented view, while also incorporating a socio-political dimension (Alnehabi & Al-Mekhlafi, 2023). A prevalent interpretation of stakeholder theory aims to identify the stakeholders of a business (the normative approach to stakeholder identification) and subsequently analyze the circumstances in which managers regard these entities as stakeholders (the descriptive approach to stakeholder salience) (Ali & Ali, 2021). One reason corporations embrace CSR is to fulfil the expectations of stakeholders apart from just their shareholders. Researchers characterize the stakeholder perspective on CSR as the collection of beliefs about corporate responsibility that all groups or stakeholders connected to the firm possess. In their normative framework, the organization acknowledges these beliefs provided they do not impede the company. The stakeholder viewpoint does not recognize the intricate nature of network interactions within cross-sector collaborations. It diminishes communication to a maintenance role, akin to the exchange perspective (Bacho, 2023).

The increasing popularity of ethical consumerism in the past twenty years can be associated with the growth of CSR. Consumers are growing more conscious of the environmental and social consequences of their daily consumption choices and sometimes make buying decisions based on their ethical and environmental concerns. Shareholders and investors are leveraging their capital through socially responsible investing (SRI) to promote behaviors they find responsible (Bacho, 2023). Nevertheless, interpretations of what defines ethical conduct differ (AlSheddi et al., 2020). For instance, certain religious investors in the United States have divested from companies that go against their religious beliefs. In contrast, secular investors withdraw their investments from companies that they believe impose religious beliefs on employees or clients.

This applies also specifically to Saudi Arabia, as the Kingdom is undergoing continuous economic and social transformation within the framework of Vision 2030 (Freeman et al., 2021). With the Saudi Arabian companies undertaking globalization of business practices but at the same time keeping to the cultural values, the issue of stakeholders becomes paramount, and this includes the employees. CSR programs including environmentalism, ethical commerce, and community welfare apply to some groups of employees who consider these CSR activities as the organizational responsibility for the general welfare of the society (Freeman et al., 2021). For instance, an organization that supports community education or environmental conservation is a way of telling its employees that it cares for the welfare of society, and this increases employee

morale and organizational commitment. However, critics have been quick to point out the weaknesses of Stakeholder Theory. CSR can be a complex process that involves attempts at reconciling the often-conflicting demands of different stakeholder groups, thereby making it easier for CSR strategies to become watered-down (Khan et al., 2023). As will be discussed in the following sections, cultural and religious factors play a substantial role in the KSA workplace when managing tensions between local practice and international requirements.

Social identity refers to the aspect of a person's self-concept that comes from the belief that they belong to a particular social group. Initially developed by social psychologists Henri Tajfel and John Turner during the 1970s and 1980s, social identity theory presented the idea of social identity as a framework to elucidate intergroup behavior (Kovács, 2022). "Social identity theory investigates the concepts of 'ingroup' and 'outgroup', founded on the perspective that identities are formed through a process of difference that is defined relatively or flexibly, contingent upon the activities one participates in." This theory serves as a model to anticipate specific intergroup behaviors based on perceived differences in group status, the perceived legitimacy and stability of these status differences, and the perceived potential for transitioning between groups (Kovács, 2022). This differs from instances when the phrase "social identity theory" is applied to broad theorizing regarding human social selves.

Furthermore, although certain researchers have viewed it as such, social identity theory was not meant to serve as a general theory of social categorization. It was the recognition of the restricted scope of social identity theory that prompted John Turner and associates to create a related theory known as self-categorization theory, which expanded on the insights from social identity theory to offer a more comprehensive explanation of self and group dynamics (Memon et al., 2020). The phrase social identity approach, or social identity perspective, is proposed to characterize the combined inputs of social identity theory and self-categorization theory (Pinto, 2023). Social identity theory proposes that an organization can alter individual behaviors if it can change its self-identity or a component of its self-concept that arises from the understanding of, and emotional connection to, the group.

Specifically, by analyzing the behavior of the employees of companies operating in Saudi Arabia, Social Identity Theory helps to explore how CSR campaigns affect behavior. Workers working for organizations that offer, and support social and ethical issues feel the organizational identity as if it is unique or special (Pinto, 2023). For instance, an employee who works for a healthcare association which already holds a good CSR profile for initiatives such as free medical camps or aid support for underprivileged societies may feel that they do a more meaningful job than the rest. This identification leads to higher levels of organizational commitment and thus less turnover intention because employees feel good about the match of their values with those of their organization (Raskovic & Takacs-Haynes, 2021). Moreover, from a Social Identification Perspective, CSR is seen as an important variable in creating organizational identification which includes pride and is important for employees' retention. Overall, when employees have a perception that their organization is socially responsible then they will be able to defend the organization in and outside the workplace.

The combined framework of Stakeholder Theory and Social Identity Theory may help facilitate a better understanding of the effects of CSR on organizational commitment and employee involvement. Stakeholder Theory acknowledges the expectation of the organization to manage employees' expectations as key stakeholders while on the other hand, SID points to the psychological processes that entice the employees to have an identification towards the socially responsible enterprise (Somili, 2022). Together, these theories illuminate the dual dimensions of

CSR's influence: The expectations are that the course will cover the ethical/organizational and psychological/social implications of the business.

These theories provide insight into how businesses in Saudi Arabia which in one way or the other is influenced by cultural, religious and business factors can adopt CSR to improve employee experiences. Stakeholder Theory principles in the link between CSR strategies and practices mean that organizations are responsive to various employee needs, and expectations, ensuring obligation and loyalty from the employees (Saleh, 2020). At the same time, the use of Social Identity Theory offers a way for understanding how through CSR more positive organizational identification leads to enhanced levels of employees' engagement and organizational commitment (Saleh, 2020). As Saudi Arabia progresses towards attaining Vision 2030 which aims at the diversification of the country's economy and social transformation, the shares of these theoretical approaches in the implementation of the CSR framework of companies cannot be underestimated. Consequently, by integrating and adopting both Stakeholder Theory and Social Identity Theory, this study aims to identify how CSR improves the linkage between corporate ethical duties and the psychological well-being of employees in the Saudi Arabian climate.

### ***2.2.2 Key Dimensions of CSR: Environmental, Social, and Governance***

The overarchingly acknowledged CSR domain splits into the Environmental, Social, and Governance principles that form the ESG framework. All the dimensions focus on different yet related responsibilities that an organization has to its stakeholders (Alofi, 2020). The environmental dimension specifically relates to the extent an organization is willing to reduce the impact it has on the physical environment. This entails programs like carbon diet, energy efficiency and conservation, violent elimination, waste reduction and water usage. In Saudi Arabia, this aspect can be correlated with several objectives within the Vision 2030 strategic plan that addresses the issue of environmental conservation and the country's lack of dependence on oil (Saleh, 2020). Companies that promote the green culture are in a better place to gain employees with an interest in environmental conservation, making companies gain organizational loyalty.

The last dimension is the social aspect which deals with how an organization manages its relationship with employees, the community and society. They include labor relations, employment equality, worker health, safety and welfare, and social investment policies. This study also found that Saudi Arabia, being a collectivistic country, identified with CSR activities that improve the welfare of society, for instance, sponsoring education or making healthcare accessible (Al-Twal et al., 2024). Thus, these efforts help in optimizing personal and organizational values and contributing to engagement and loyalty. The final dimension covers governance which includes ethical business practices, accuracy and Corporate accountability.

These are measures towards combating corruption, fairness and compliance with set and established legal requirements. A robust governance framework remains essential in KSA due to substantial regulatory changes under Vision 2030 that focus on governance rules of professionalism and integrity. When a company displays corporate governance, it should be able to create trust from the side of the workers, enhancing commitment and reducing turnover. Thus, it can be observed that these ESG dimensions form a holistic framework of CSR (Al-Twal et al., 2024). Considering global environmental, social, and governance issues, organizations not only promote development sustainability but also increase organizational satisfaction, engagement, and commitment, especially in culturally and economically transforming contexts such as Saudi Arabia.

### **2.2.3 CSR Trends in Saudi Arabia and Vision 2030**

Saudi Arabia is among the fastest-growing economic forces in the world. Blessed with natural resources and possessing robust military and political connections with the West, the kingdom has strived to align with the economic interests and recommendations of Western countries, while attempting to preserve its traditional political and social structures (Osman et al., 2022). Since the early 1970s, the government has advocated for extensive economic strategies designed to promote economic and technological advancement for its people, while incorporating its economy into the international market. Previous strategies aimed at boosting the growth rate of its gross domestic product (GDP), enhancing human resources, and diversifying the economy (Osman et al., 2022). The latest plans have centered on fostering research, development, and technological integration; supporting scientific endeavors; bolstering Saudi Arabia's position in the global economy; increasing private-sector involvement in the development process; broadening fundamental services available to citizens; safeguarding the environment, and natural resources, and wildlife; and improving and preserving water resources, among other priorities.

These new strategies focus not only on enhancing capacity (for instance, improving citizens' skills and empowering them to take advantage of economic opportunities and participate in productive endeavors) but also on bolstering the competitive stance of the kingdom, providing it with the adaptability required to navigate a shifting global economic landscape (Aldosari, 2017). These objectives align with CSR and reflect the increasing importance of national companies in both the local and international economy. In both instances, the economic strategists in the kingdom seem to have reached a crucial conclusion: the state can achieve its public policy objectives effectively only by collaborating with corporations (Aldosari, 2017).

One of the most commonly effective strategies for encouraging collaboration between government and business is CSR. The core of CSR is that business operations and companies possess an ethical responsibility that allows them to enhance the well-being and health of society. The United Nations characterizes CSRs as the "total impact of business on sustainable development." The objectives are to enhance the position of corporations in society, expand collaboration among businesses, government, and community organizations, and increase the advantages of business operations for social welfare and growth. The government has advocated for these goals both directly and indirectly (Aldawsari, 2023). At first, though, there was no formal expression of CSR in the kingdom. Instead, both the government and religious leaders placed a collective focus on promoting good deeds and protecting the environment.

Three stages can be identified in the formal development of CSR. Initially, the focus was on environmental, philanthropic, and charitable efforts. These have been incorporated into the objectives of most organizations. In 1963, Saudi Aramco implemented its initial clear environmental protection policy, alongside philanthropic objectives. Nevertheless, the environmental aspect received a national enhancement in 1986, when the government took its initial formal protective measure by establishing the Saudi Wildlife Commission, along with other initiatives.

In the second stage, the definition of CSR has expanded to include enhancing productivity and competitiveness, along with creating more job opportunities for individuals in the private sector. The establishment of the Saudi Arabian General Investment Authority (SAGIA) in 2000 marked the peak of dedication to formalizing collaborations between businesses and governmental bodies, particularly concerning sustainability issues (Alzaid & Dukhaykh, 2023). A key priority for SAGIA is to attain swift and sustainable economic

development while promoting investment prospects in areas crucial for ensuring the well-being of future generations. A key duty of SAGIA is to oversee the creation of economic cities throughout the kingdom. With an expense exceeding \$60 billion, Saudi Arabia's economy is being enhanced through the development of multiple integrated sites aimed at encouraging economic diversification, generating over a million new jobs, and increasing private sector contributions to GDP, while reducing adverse environmental effects and optimizing energy conservation and sustainability (Alzaid & Dukhaykh, 2023). Economic rationalization has thus been a key factor in the government's advocacy for CSR.

The onset of the Arab Spring in 2010-11 marked a pivotal moment in the development of CSR in the kingdom, propelling it into the political spotlight. At this point, CSR is perceived as both an economic requirement and a political imperative crucial for social unity and the kingdom's leadership position in the area (Raza et al., 2020). Therefore, the government has initiated two significant actions: offering substantial support to the underprivileged and impoverished, ranging from direct monetary aid to the construction of half a million affordable housing units. Several initiatives have been launched to enhance collaboration between the public and private sectors and to formalize CSR. For instance, the Makkah Chamber of Commerce & Industry held a two-day seminar on CSR in September 2011, involving both the private and public sectors, aimed at raising awareness about the significance of CSR.

### **2.3 Employee Engagement and Loyalty: Definitions and Drivers**

#### **2.3.1 Employee Perceptions of CSR**

Organizational CSR commitment is manifested as employee perception. Positive perceptions promote pride and result in trust, as the cultures held by the employees enable them to support the goals of the organization. A lot of essence in KSA, one can observe such values as community development or environmental responsibility as people as an overarching goal that serves common interest (Alhazmi, 2017). Options related to the notion of CSR are appreciated most of all by the employees and refer to the genuine interest of the organization in the progress of society. On the other hand, the appearance of CSR can often create a negative impact by destroying the customer's trust and loyalty (Alhazmi, 2017). Therefore, CSR should be seen as credible, well-communicated, and appropriate to the expectations of the organization to achieve good results.

#### **2.3.2 The role of CSR in fostering organizational commitment**

Through affective commitment, CSR enhances the emotional attachment of individuals to their organizations while through normative commitment CSR triggers the employees' perceived feeling of obligation to their organizations (Al Shehri et al., 2017). Ethical practices, environmental saving activities, and CA help to remind the employee of the organizational culture thus helping to boost their satisfaction and commitment. The CSR initiatives linked with Vision 2030 more relevant to sustainability lift the morale of the employees in Saudi Arabia. In addition to such programs, such a work culture will increase organizational commitment with low turnover rates in a culturally diverse business setting.

#### **2.3.3 The impact of cultural and religious factors in Saudi Arabia**

Saudi Arabian culture and Islamic religion hierachal influence CSR concerning stakeholder engagement considerably. Collectivism is shareholders of the welfare of the people, and Islamic laws support benevolence and good ethics in business. It showed that CSR activities that are relevant to these values including zakat or community welfare improve employees' emotional attachment to the organizations (Alsurabi, 2024). Another good reason for such a convergence is Social Responsibility, which is also a core component of Vision 2030. But

cultural relevance should be handled well to provide better results for organizations targeting the growth of the community, helping them by providing solutions without making mistakes that would lead to loss of the community's trust.

#### **2.4 CSR as a Tool for Employee Retention and Loyalty**

CSR is an effective way of building the employees' loyalty and performance since it helps to promote job satisfaction and a positive outlook. Endeavors establish that employees are likely to stick to their employers if the latter organization is socially responsible because of the matching personal-norm mechanism (Al Shehri et al., 2017). CSR activities, as shown by community welfare investment, environmental conservation, and good corporate governance decrease employee turnover. In Saudi Arabia, what CSR does is further bolstered by Vision 2030, which advances sustainable development solutions and makes corporate objectives align with national ones.

CSR has a different perspective in the Saudi Arabia public and private sector (Memon et al., 2020). In the public sector, therefore, CSR entails supporting the government's social agendas, including Vision 2030. In the private sector, CSR is now employed as a tool to gain competitive advantage through the recruitment of readily employable talents, to promote corporate image to improve customer relations and to satisfy stakeholders (Murphy et al., 2019). Government/public sectors rely heavily on the effectual implementation of extremely visible community-based programs for corporate social responsibility as compared to the private sector, which puts more of their stress on creativity and innovative measures for togetherness and retention of their employees.

#### **2.5 Summary - Gaps in the literature and research objectives**

Although there is significant literature on the link between CSR and employees, there are some important research gaps, especially in the Saudi Arabian context. Most of the research works are conducted in Western economies, while the impact of culture, religion and economics on the provision of CSR, in turn, its role in promoting organizational employee participation and commitment is often neglected. On top of this, little research compares CSR between the public and private sectors in Saudi Arabia even though each sector faces different issues and has its prospects.

These gaps indicate the importance of the following study that explores not only the effects of CSR on the employees but also the effects within the dynamics of the Saudi Arabian business environment driven by Vision 2030. More specifically, this research is designed to fill the above gaps by examining the extent to which the three major CSR areas, namely environmental, social, and governance contribute to optimizing employee loyalty and retention. Taken within the Saudi context, this research shall generate practical implications in the effort to mainstream CSR concerning cultural and national imperatives, thereby enhancing the level of organizational workforce engagement.

## CHAPTER THREE: METHODOLOGY

### 3.1 Research Design

The research adopts a *critical analysis design* to assess the impact of Corporate Social Responsibility (CSR) on employee engagement and loyalty in Health sector organizations in Saudi Arabia. A *critical analysis design* is viable for this study because the purpose is to determine the nature and/or extent of the relationship between employee attitude and CSR activity. This approach is particularly effective for understanding the phenomenon of CSR in a particular setting without causing delay with the object of research.

The goal of this research study is to catalyze the growth of a primarily descriptive approach by outlining patterns of CSR practice in Saudi Arabia across various types of industries, as well as the effects these practices have on employees' engagement levels and consequent loyalty. The research designs are particularly suitable for examining CSR as an organizational instrument that may assist in enhancing employee retention, engagement and productivity in Saudi Arabia within the confines of the economic and/or cultural context. The observation approach is quite manageable since the emphasis is on secondary data which in this case includes published articles.

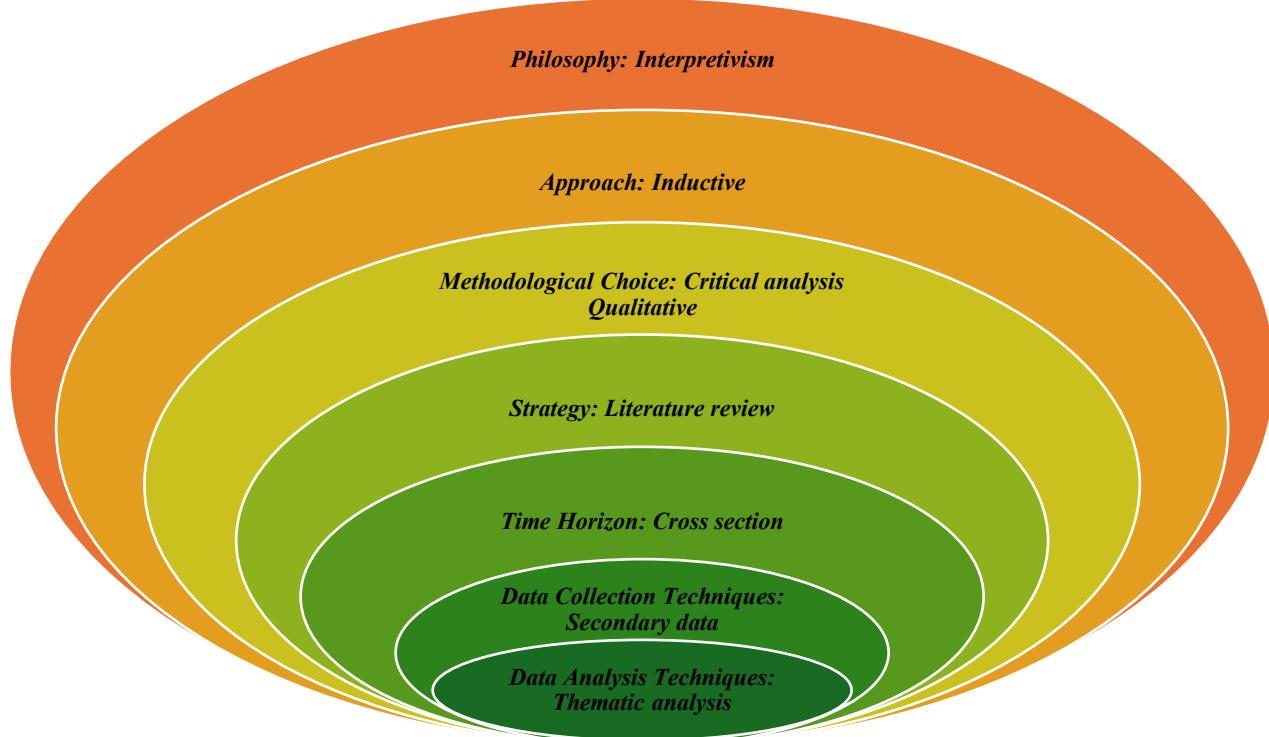
While studying HR in the context of Saudi Arabia it is easier to use a critical analysis approach which assists in creating a structured and detailed strategy for further study of the current initiatives in the domain of CSR and their relation to the typical indicators of employee engagement and retention. This design is beneficial for addressing the research questions of the study which aims at identifying the different dimensions of *Corporate Social Responsibility* that impact employee engagement and loyalty, assessing how CSR influences retention and examining sectoral differences in the Saudi Arabian health industry environment concerning corporate social responsibility. The critical analysis approach also helps in supporting the goal of the study of uncovering the CSR trends, identifying the specific areas of improvement and providing actionable information for the organization aiming to improve employee engagement using CSR.

On top of this, the critical analysis approach helps in creating an in-depth examination of employee responses and CSR activities within the health sector, including public organizations in Saudi Arabia. The in-depth analytical approach is a primary feature of the critical analysis approach which enables comparison across the health sectors, essentially providing a broader comprehension of the role of CSR in influencing employee engagement and loyalty. This approach of data synthesis will assist the study in providing a broader account of the effect of CSR on employees in the Saudi Arabian health sector. The implications that were derived from this design should help deliver practical direction for Saudi Arabian health organizations which are interested in performing CSR strategy alongside the engagement goals of their employees, particularly as Vision 2030 of KSA focuses on sustainable business and social responsibility.

### 3.2 Research Approach

The study adopts a *Qualitative Research Approach* to achieve the aim of understanding the moderating effects of CSR on employee engagement, loyalty and retention in Saudi Arabia. Quantitative research is possible for the study because it aims to provide an understanding of the complex social process by analyzing such factors as perception, attitudes, and motivation that in most cases cannot be easily and objectively quantified. As compared to the quantitative dominant research method that is based on statistical data and figures, and different research results based thereon, the qualitative method allows for a detailed analysis of patterns and relationships

between CSR activities and attitudes of the employees, while offering the prospects of gaining richer understanding of the conditions of the CSR effect on the employee loyalty.



*Figure 1: Research methodology (Source: Author)*

In addition to this, the incorporation of secondary data within this qualitative approach is realistic in explaining the global economy and culture of the healthcare industry in Saudi Arabia's CSR program. These are the government and institutional, academic and industrial publications; the following will be useful in providing general and more information about employers, employees and stakeholders' influences on CSR in Saudi Arabia. Using thematic analysis of this data, the study will be able to profile the people and patterns and themes such as the role of CSR in employee retention, loyalty and engagement.

This is especially in the case of Saudi Arabia where CSR practices are more and more driven by Vision 2030 thanks to its view on sustainable development and diversification of the economy. Another reason for using the qualitative approach is to enable the understanding of the culturally saturated Saudi Arabian environment in which religious and social factors could overlap with the organization's CSR practices when determining employee attitudes. This approach helps in examining the role of CSR in inducing the development of a supportive and socially responsible work environment which can be significant for boosting employee motivation, loyalty and engagement. On top of this qualitative analysis also provides information regarding the role of CSR in fostering organization pride and identity the important elements of employee loyalty.

### **3.3. Philosophical approaches:**

This research takes an interpretivist philosophical approach, recognizing that grasping the link between CSR and employee engagement necessitates interpreting social constructs and human experiences. Ontologically, this study posits that reality is socially created, acknowledging that employees' views of CSR initiatives are influenced by their cultural, social, and organizational environments in the public sector of Saudi Arabia. Epistemologically, the

research adopts a subjectivist perspective, recognizing that understanding CSR's influence on engagement arises from the interpretations and experiences of social actors. This interpretive framework corresponds with the study's qualitative method, facilitating a profound understanding of how employees derive meaning from their organizations' CSR efforts.

### 3.4 Data Collection Methods

#### 3.4.1 Data Collection

The study implements the use of *Secondary Data Collection* methods for assessing the impact of CSR on employee loyalty in Saudi Arabia. Secondary data is significant because it involves acquiring information that is already made available. It helps save resources and time that would otherwise be required in conducting primary data collection. Considering the focus of the study is on exploring the established CSR practices and their impact on the broader Saudi Arabian business environment, secondary data provides a reliable foundation for deeper analysis without the requirement to conduct new interviews, surveys or other forms of primary data collection.

Secondary data for this study will be sourced from multiple governmental and academic sources. Academic journals, institutional reports and dissertations will help to provide reliable data from previously conducted studies, making them invaluable for comprehending the relationships and trends between employee loyalty and CSR in Saudi Arabia. Research and reports published in journals like the *Journal of Business Ethics*, *Sustainability* and the *Asia Pacific Journal of Marketing and Logistics* are specifically important for analyzing comprehensive discussions on CSR practices. Studies on the influence of CSR on employee engagement, engagement and loyalty in Saudi Arabia and similar cultural contexts will help to provide the primary foundation for assessing similar patterns in the Saudi Arabian business environment.

Institutional and government reports are other important sources of secondary data. For example, the *Ministry of Human Resources and Social Development in Saudi Arabia* provides comprehensive reports on employee welfare, labor market trends and best practices in the business environment which offers information into the government initiatives and regulatory framework influencing CSR in Saudi Arabian organizations. On top of this, Vision 2030 strategic plans and reports reveal how CSR is aligned with the national goals for social and economic development which have implications for employee perceptions of CSR and organization CSR practices.

Secondary data will also be gathered from reputable databases like *Lanchester University Library*, *JSTOR* and *Google Scholar* where academic case studies and articles will be accessible. These databases have significant research on employee engagement and CSR, with a particular focus on the broader Middle East regions and Saudi Arabia. By utilizing studies from different industries like tourism, finance and healthcare, the research will be able to gain a broad understanding of sector-specific and cultural factors associated with the impact of CSR on employee loyalty.

To ensure data relevance and accuracy, the study will carefully select sources that are credible, recent and directly associated with the research objectives. The secondary data relevance to the context of the study will be studied to ensure the findings can reflect the impact of CSR on employee loyalty in Saudi Arabia based on specific inclusion and exclusion criteria summarized in the table below:

*Table 2: Inclusion and exclusion criteria (Source: Author)*

Criteria	Inclusion	Exclusion
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<i>Relevance</i>	Studies directly focused on CSR, employee loyalty, engagement, and job engagement.	Studies unrelated to CSR or employee behavior (e.g., unrelated business or economic studies)
<i>Geographic Focus</i>	Research centered on Saudi Arabia or Middle Eastern countries with similar cultural contexts.	Studies from regions with significantly different cultural or regulatory environments
<i>Publication Date</i>	Publications from the past 10 years to ensure current CSR practices and relevance	Studies older than 10 years, unless historically relevant or providing foundational theory
<i>Source Type</i>	Peer-reviewed academic journals, government reports, credible institutional reports	Opinion articles, blog posts, unverified sources, and non-academic websites
<i>Data Quality</i>	Studies with clear methodologies, data collection, and analysis processes	Studies with unclear or inconsistent methodologies and findings
<i>Language</i>	English and Arabic publications	Publications in other languages without reliable translations
<i>Industry Relevance</i>	Research on CSR across various industries relevant to the Saudi Arabian context	Industries or sectors that have little to no CSR practice within Saudi Arabia

On top of this, to avoid bias, a broad range of studies and prospectives will be examined including both International and local viewpoints on CSR practices. The use of secondary data will help the study to synthesize and compile extensive information on the influence of CSR on employee loyalty leading to a well-rounded assessment that aligns with the research goals.

### **3.4.2 Sources of Secondary Data**

The secondary data sources for this study will include Government and institutional reports, peer-reviewed academic journals, dissertations and case studies. A comprehensive assessment of the primary secondary data sources that will be utilised for developing this study has been provided in the table below:

*Table 3: Data sources (Source: Author)*

<b>Source Type</b>	<b>Description</b>	<b>Major sources</b>
<i>Academic Journals</i>	Peer-reviewed articles that provide insights into CSR practices, employee loyalty, and engagement	Journal of Business Ethics, Sustainability, Asia Pacific Journal of Marketing and Logistics
<i>Government Reports</i>	Official publications from Saudi government agencies on labor, CSR regulations, and Vision 2030	Ministry of Human Resource and Social Development (HRSD) reports, Saudi Vision 2030 strategic documents
<i>Institutional Reports</i>	Studies from institutions and research centers focused on CSR in Saudi Arabia.	Reports from King Abdulaziz Center for National Dialogue, and CSR Saudi programs
<i>Dissertations/Theses</i>	Graduate and doctoral research on CSR and employee behavior in Saudi Arabia or similar contexts	Theses from Saudi universities and international universities with a focus on Middle Eastern CSR practices

<i>Online Academic Databases</i>	Collections of academic papers, articles, and studies accessible for in-depth literature review	Google Scholar, JSTOR, Lancaster University Library
<i>Case Studies</i>	Detailed analyses of CSR implementations in specific Saudi organizations or industries	Case studies on CSR initiatives in tourism, and healthcare industries

### 3.5. Data Analysis Techniques

#### 3.5.1 Thematic Analysis for Qualitative Data

For the assessment of the secondary data gathered, the study will utilize *Thematic Analysis*. Thematic analysis is a popular qualitative research method that focuses on discovering patterns of meaning within qualitative data. It is seen as a technique rather than a methodology like other qualitative approaches such as grounded theory or interpretative phenomenological analysis. Thematic analysis should be viewed as a broad term encompassing various approaches, rather than a single technique. Thematic analysis is utilized in qualitative research to investigate themes and patterns of meaning in data. This approach highlights organization, detailed description, and interpretation of data based on theory. It delves deeper than simply tallying words or phrases, exploring both explicit and implicit meanings in the data. Coding is essential for identifying key elements in the data and assigning coding labels to develop themes.

In the context of the study, it is suitable because it provides an organized approach to explore how CSR influences employee engagement and loyalty in Saudi Arabia. By analyzing the recurring theme in the secondary sources like engagement, employee perceptions of CSR, employee perceptions of retention and CSR efficiency, the thematic analysis will help to identify consistent patterns in the responses of employees to CSR initiatives across multiple Industries or sectors in Saudi Arabia.

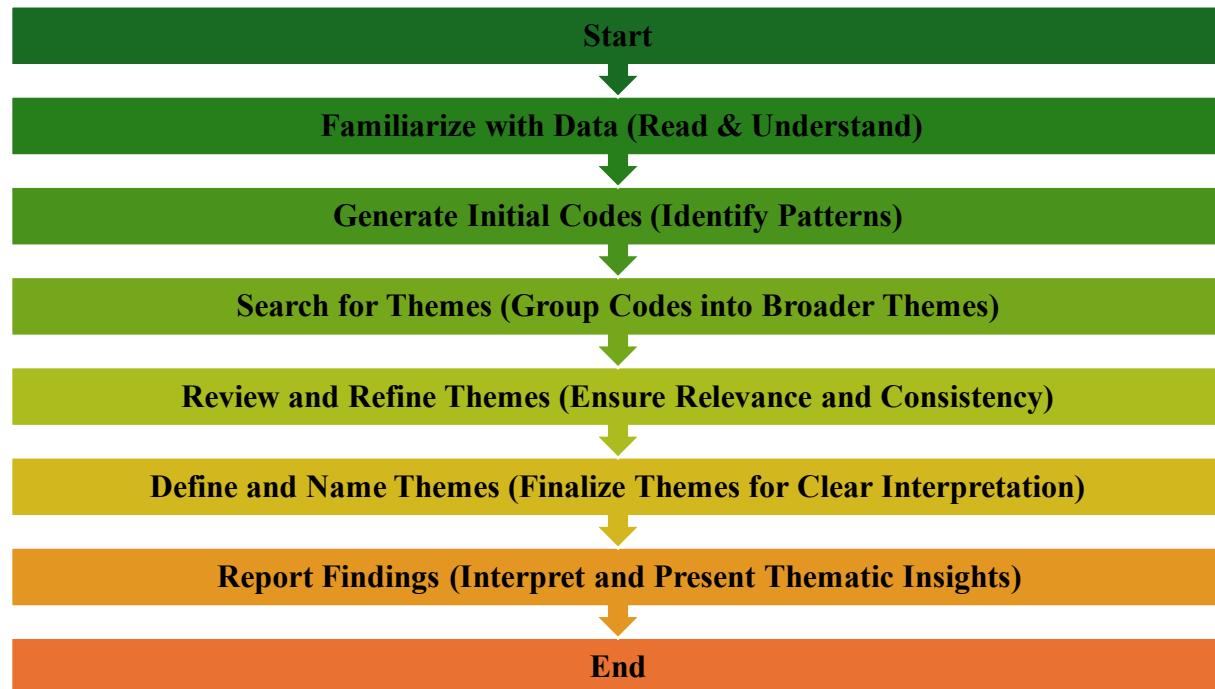


Figure 2: Data analysis steps (Source: Author)

The analysis will start with familiarizing the collected data followed by the generation of the initial code based on relevant information associated with the impact of CSR on employee engagement and loyalty. These codes will then be clustered for the identification of the overarching themes. The themes will be reviewed and refined to ensure relevance and clarity. The final themes will form the narrative that captures the influences of CSR on employee attitude in Saudi Arabian organizations. The approach will help to develop an in-depth understanding of how CSR practices are aligned with the values of employees and contribute towards the development of a positive organizational culture.

### 3.6 Ethical Considerations

*Table 4: Ethical considerations*

<b>Ethical Consideration</b>	<b>Description</b>	<b>Actions to Address</b>
<i>Academic Integrity</i>	Ensuring proper citation and acknowledgement of all secondary sources to avoid plagiarism.	Carefully cite all sources following the APA style of referencing; use the submission link to check for plagiarism.
<i>Copyright and Permissions</i>	Respecting the intellectual property rights of authors and institutions by using only authorized, publicly available, or properly permitted materials.	Ensure all data used is publicly accessible or authorized and seek permissions if required.
<i>Data Privacy</i>	Protecting sensitive or proprietary information found in government or institutional reports and ensuring data use complies with confidentiality standards.	Use only non-confidential, publicly accessible data; avoid proprietary or sensitive information.
<i>Transparency</i>	Disclosing the criteria for selecting secondary data sources and acknowledging any limitations related to data used in the study.	Provide a transparent explanation of data selection and any limitations in the methodology section.
<i>Accuracy and Context</i>	Avoiding misinterpretation by maintaining the original context of secondary sources to ensure accurate representation of findings and perspectives.	Interpret findings accurately; avoid cherry-picking data that misrepresents original research.
<i>Avoiding Bias in Data Use</i>	Recognizing and managing any biases present in secondary sources that could influence study outcomes.	Critically evaluate the biases in each source and acknowledge them when discussing findings and conclusions.
<i>Use of Data for Intended Purposes</i>	Ensuring that data is used only for academic purposes, respecting the intent behind the publication of original studies.	Use data exclusively for research purposes; do not use any data outside the scope of academic study.

## CHAPTER FOUR: FINDINGS AND DISCUSSION

### 4.1 Introduction

Chapter Four contains the research findings from this study which looks at CSR and its effect on employee engagement, loyalty and satisfaction in Saudi Arabia. Given that CSR plays a more significant role in developing organizational strategies, the importance of considering its impact on workers in a motivation process should not be underestimated. The results are presented according to corresponding CSR themes, which in the presented study, outline different aspects of environmental, social and governance business activities and their impact on employee benefit.

### 4.2 Findings' Themes

#### 4.2.1. Coding and results:

Table 5: Data coding

Theme	Reference	Key Concepts/Codes	Key Insights	Context/Setting	Methodology	Findings
Theme 1: <i>Perceptions of CSR Dimensions (Environmental, Social, Governance)</i>	Ajina et al. (2019)	CSR dimensions, Environmental, Social, Governance	CSR initiatives enhance customer and employee loyalty by addressing key ESG factors.	Saudi Arabia, marketing and logistics sectors	Quantitative survey	CSR positively impacts employee loyalty and engagement through ESG initiatives.
	Ajina et al. (2020)	CSR, Brand value, Governance	CSR enhances brand value, employee trust, and loyalty in financial services.	Saudi Arabia, financial services	Qualitative research	CSR improves organizational reputation and employee engagement, particularly in governance practices.
	Saleh, A. (2020)	CSR in SMEs, CSR perception	CSR in SMEs focuses on social and environmental dimensions, leading to higher employee trust.	Saudi Arabia, SMEs	Case study	CSR practices improve employee satisfaction and engagement by promoting social and environmental responsibility.
	Alofi, N. (2020)	CSR perception, Disclosure	Positive CSR perception and disclosure lead to better employee relations and performance.	Saudi Arabia, mixed industries	Survey analysis	Transparency in CSR initiatives improves employee satisfaction and firm performance.
	Aldosari, A. M. (2017)	CSR disclosure, Awareness	Awareness of CSR disclosure influences employee trust and organizational commitment.	Saudi Arabia, corporate sector	Qualitative interviews	CSR disclosure enhances employee perceptions and engagement in Saudi firms.
	Aldawsari, S. H. M. (2023)	CSR policies, Banking sector	CSR policies in banks promote employee engagement and foster organizational loyalty.	Saudi Arabia, banking sector	Case study	CSR policies in Saudi banks improve employee loyalty and engagement.
	Al-Twal et al. (2024)	Wasta, CSR, Employee loyalty	Wasta social capital enhances CSR's impact on employee loyalty and innovation.	Saudi Arabia, corporate sector	Mixed methods	Wasta enhances the influence of CSR on employee loyalty and

					organizational innovation.
<i>Theme 2: The Role of CSR in Employee Engagement and Satisfaction</i>	Al-Ghazali & Sohail (2021)	Employee satisfaction, CSR	Employees with positive CSR perceptions show higher career satisfaction and engagement.	Saudi Arabia, public and private sectors	Survey analysis
	Ali & Ali (2021)	CSR impact, Employee satisfaction, Retention	CSR directly impacts employee satisfaction and engagement, enhancing retention.	Saudi Arabia, various industries	Quantitative survey
	Memon et al. (2020)	Employee engagement, Social exchange, CSR	CSR enhances employee engagement through social exchange and perceived organizational support.	Saudi Arabia, various sectors	Quantitative research
	Osman et al. (2022)	Employee engagement, Corporate image	CSR strengthens corporate image, leading to higher employee engagement and loyalty.	Saudi Arabia, private businesses	Structural equation modeling
	Alzaid & Dukhaykh (2023)	Employer branding, Employee retention	Employer branding supported by CSR improves employee retention and engagement.	Saudi Arabia, banking sector	Quantitative survey
	Al Shehri et al. (2017)	Organizational culture, Employee engagement	CSR as part of organizational culture fosters greater employee engagement in Saudi banks.	Saudi Arabia, banking sector	Qualitative research
	Alsuraihi, G. (2024)	Job satisfaction, Affective commitment, CSR	CSR positively impacts job satisfaction, affective commitment, and organizational trust.	Saudi Arabia, various sectors	Survey research
<i>Theme 3: CSR Practices and Organizational Loyalty</i>	Bacho, M. (2023)	Employee loyalty, CSR at KAUST	CSR initiatives foster organizational loyalty and a sense of pride among employees at KAUST.	Saudi Arabia, KAUST	Case study
	Alnehabi & Al-Mekhlafi (2023)	Organizational loyalty, CSR	CSR strengthens organizational loyalty by increasing employee identification	Saudi Arabia, public and private sectors	Quantitative research

		with the organization.				
Memon et al. (2020)	Employee loyalty, CSR practices	CSR creates a strong emotional bond between employees and their organization, fostering loyalty.	Saudi Arabia, various sectors	Quantitative research	CSR initiatives lead to higher employee loyalty by aligning organizational values with employee expectations.	
Raza et al. (2020)	Customer-company identification, Loyalty	CSR fosters customer-company identification, boosting employee loyalty and engagement.	Saudi Arabia, banking sector	Structural equation modeling	CSR enhances employee loyalty through strong customer-company identification.	
Alhazmi, A. N. A. S. (2017)	CSR disclosure, Loyalty	CSR disclosure enhances transparency, leading to higher employee loyalty in Saudi firms.	Saudi Arabia, corporate sector	Qualitative analysis	Disclosure of CSR practices improves employee loyalty by fostering trust.	
<i>Theme 4: CSR in the Context of Saudi Vision 2030</i>	Pinto, L. (2023)	Vision 2030, CSR practices	CSR practices aligned with Vision 2030 enhance employee satisfaction and retention.	Saudi Arabia, service sector	Qualitative research	Aligning CSR with Vision 2030's sustainability goals strengthen employee engagement.
	Al-Twai et al. (2024)	Vision 2030, CSR, Innovation	CSR initiatives that align with Vision 2030 foster innovation, enhancing employee loyalty and engagement.	Saudi Arabia, corporate sector	Mixed methods	CSR initiatives aligned with Vision 2030 improve employee engagement and organizational innovation.
	Khan et al. (2023)	CSR and Vision 2030, Social responsibility	CSR initiatives connected to Vision 2030 increase employee engagement by emphasizing social responsibility.	Saudi Arabia, corporate sector	Quantitative research	CSR practices linked to Vision 2030 enhance employee perceptions of social responsibility, boosting engagement.
	Kovács, G. (2022)	Stakeholder theory	Managing stakeholder interests through CSR enhances employee engagement and loyalty.	Global	Theoretical paper	Effective stakeholder management through CSR leads to better employee outcomes.
	Raskovic & Takacs-Haynes (2021)	Social identity theory	Social identity theory explains how CSR strengthens employees' identification with their organizations, enhancing engagement.	Global	Theoretical paper	CSR practices help employees identify with organizational values, increasing engagement and loyalty.
	Al Shehri et al. (2017)	Organizational culture, CSR	Organizational culture influences employee	Saudi Arabia, banking sector	Qualitative research	CSR integrated into organizational culture increases

		engagement, with CSR as a key component in Saudi banks.			employee engagement and satisfaction.
Aldawsari, S. H. M. (2023)	CSR practices, Banking sector	CSR practices in Saudi Arabian banks influence employee retention and loyalty.	Saudi Arabia, banking sector	Case study	CSR initiatives in the banking sector improve employee retention and organizational commitment.
Theme 5: Public vs. Private Sector CSR Initiatives	Osman et al. (2022)	Public sector, Private sector, CSR	CSR practices in the public and private sectors differ, with the private sector focusing more on employee engagement.	Saudi Arabia, private and public sectors	Structural equation modeling
Alzaid & Dukhaykh (2023)	Public sector, Private sector, CSR	CSR initiatives in the banking sector vary by sector, with private banks focusing on employee retention.	Saudi Arabia, banking sector	Quantitative research	Public-sector CSR addresses community welfare, while private-sector CSR emphasizes employee welfare and retention.
Murphy et al. (2019)	CSR, Saudi business students	CSR perceptions in the public and private sectors impact employee loyalty differently in Saudi Arabia.	Saudi Arabia, business students	Survey research	Public and private sector CSR initiatives have different impacts on employee loyalty, influenced by organizational values.
Freeman et al. (2021)	Stakeholder theory, CSR	Stakeholder theory highlights CSR's importance in addressing employee interests, impacting engagement and satisfaction.	Global	Theoretical paper	Stakeholder theory emphasizes the significance of CSR in maintaining positive employee relationships.
Abou Saleh & Baroudi (2022)	CSR impact, Employee engagement	CSR initiatives in Lebanese banking improve employee engagement, with lessons applicable to the Saudi context.	Lebanon, banking sector	Case study	CSR increases employee engagement in the banking sector, which could be applied in the Saudi context.

#### 4.2.2 Theme 1: Perceptions of CSR dimensions (environmental, social, governance)

The findings demonstrate how CSR dimensions particularly the environmental, social, and governance (ESG) escalate employee awareness and perception, performance, commitment, and satisfaction. In Saudi Arabia, overall strategic CSR initiatives, including environmental credibility, social responsibility, and the implementation of good governance practices, help organizations enhance the organizational image of their companies and attract high employee commitment (Ajina et al., 2019; Ajina et al., 2020; Saleh, A., 2020). Self-organizing system: Communicating and actualizing Environmental CSR, e.g. Practical Implementation of Sustainable Policy, enables the engagement of employees to care for ecological outcomes.

Corporate social responsibility strategies such as community and employee welfare improve employees' identification with the company, especially in the context of Saudi Arabia's collectivistic culture, which prioritizes community welfare (Alofi, N., 2020; Aldosari, A. M., 2017).

Another facet of strategic CSR – the focus on governance CSR, transparency, ethical business practices and compliance with regulations – contributes to further developing trust between the employers and their subordinates given the Saudi Arabian regulation updates under the Vision 2030 program (Aldawsari, S. H. M., 2023). Thus, CSR practices that reflect the values of employees in issue areas like environment, social, and governance in regard to integrity, affect positive change to the Sphere of Engagement, therefore reducing turnover levels (Al-Twal et al., 2024). On the other hand, organizations in which CSR initiatives have not been properly implemented or in which CSR policies are nominal shall suffer negative perception loss which adversely affects staff loyalty (Al-Twal et al., 2024). Therefore, for CSR to become an influential tool for engagement, it needs to be sincere, encompassing, and morally aligned with the company's values as well as the individual's ethics.

#### ***4.2.3 Theme 2: The role of CSR in employee engagement and satisfaction***

CSR becomes a critical factor that helps in increasing the overall employees' commitment and satisfaction by facilitating the organizational environment, which will reflect the employee's values and expectations (Al-Ghazali & Sohail, 2021). It was also expounded that those employees who are aware of their organization's social responsibility are likely to be more committed and have a higher level of pride associated with the organization's performance (Ali & Ali, 2021). Another study done with employees in Saudi Arabia revealed that culture, which embodies collectivism, supporting community causes, environmentalism, and worker welfare enhances workers' morale.

The research also found that CSR that was targeted at the employee including health management programs, appropriate personnel treatment, and education contributed not only to job satisfaction but also to employee loyalty. Moreover, CSR enhances organizational climate by improving the relation of the management with the employees minimizing various barriers like mistrust. Thus, the theory is more likely to be engaged when employees have an opinion that the employer is concerned with society and personal well-being (Memon et al., 2020; Osman et al., 2022; Alzaid & Dukhaykh, 2023). However, CSR can only work wonders in increasing engagement, if and only if the activities launched are real and not fake. As with any form of communication, fake or 'green washing,' CSR communication can do more harm than good, erode trust and reduce employee satisfaction (Al Shehri et al., 2017). Consequently, CSR that reflects a company's engagement in social and environmental matters is relevant for the improvement of organizational commitment and employee satisfaction (Alsurabi, G., 2024).

#### ***4.2.4 Theme 3: CSR practices and organizational loyalty***

CSR evolution benefits organizational commitment since people prefer to work for organizations that embrace a culture that is close to the individual's values and has a positive impact on society. Whenever organizations embrace programs of corporate social responsibilities, including environmental conservationism, community contribution and other ethical conducts in the business, organizational employees exhibit a high level of emotional commitment which leads to loyalty (Bacho, M., 2023; Alnehabi & Al-Mekhlafi, 2023; Memon et al., 2020). In Saudi Arabia CSR programs that appeal to the high importance of collectivist cultures such as those that are centered on the welfare of the community and social

responsibilities tend to receive favorable from employees since they are upheld within the workplace (Bacho, M., 2023; Alnehabi & Al-Mekhlafi, 2023; Memon et al., 2020).

CSR also promotes organizational loyalty as any corporate social initiative develops a standard that addresses issues to do with work culture, trust, and ethicality. The study found that if employees feel their organization is only motivated by the need to ensure organizational success, such employees will not defend the organization (Raza et al., 2020; Alhazmi, A. N. A. S., 2017). Moreover, employee-focused CSR practices including employee welfare programs, voluntarism and environmental sensitization help the employees feel as though they are being appreciated, hence improving their loyalty (Raza et al., 2020). But for CSR practices to impact customer loyalty, they should be a part of the organizational culture not something just used to market an organization. For CSR to result in enhanced employee retention, it must be seen as commendable and fully integrated into a company's organizational culture.

#### **4.2.5 Theme 4: CSR in the context of Saudi Vision 2030**

Saudi Vision 2030 has recast CSR activities in Saudi organizations due to economic diversification and sustainable development. This is consistent with CSR standards, which the national focus on social responsibility, environmental protection, and ethical management promotes to make companies employ more effective and responsive approaches to CSR. CSR initiatives are in line with Vision 2030 with goals like the diversification of sources of revenue other than oil, increased transparency in the public sector, and care for the environment as is evidenced below (Pinto, L., 2023; Al-Twal et al., 2024; Khan et al., 2023; Kovács, G., 2022; Raskovic & Takacs-Haynes, 2021; Al Shehri et al., 2017; Aldawsari, S. H. M., 2023). Saudi Arabian firms that integrate their CSR strategies with Vision 2030's agenda enjoy support within and outside the workplace – from clients, investors, and the public.

Employees who feel that their organization is involved in supporting national development and sustainability will only feel pride and hence be loyal to their employers, hence improving engagement and retention. Thus, education, health and social programs can be highly relevant to the Saudi context because the country has embarked on a serious drive to improve its human capital (Pinto, L., 2023; Al-Twal et al., 2024; Khan et al., 2023; Aldawsari, S. H. M., 2023). Hence, by linking CSR to Vision 2030 we can help organize and ensure that people are willing and eager to make a change in the organization, as well as the whole country (Kovács, G., 2022; Raskovic & Takacs-Haynes, 2021; Al Shehri et al., 2017). However, it must be noted CSR itself is aligned with Vision 2030 and its strategies in KSA and the organization's insincerity or hypocrisy can damage the trust of employees in CSR.

#### **4.2.6 Theme 5: Public vs. private sector CSR initiatives**

In Saudi Arabia, there are two models of CSR, the first one is for government companies and the second one is for Private Companies. The nature of CSR in the public sector tends to reflect government goals and country development goals, especially Vision 2030. The public sector normally encompasses big social concerns which directly involve the community like environmental concerns, health and education. These initiatives are generally associated with governmental initiatives and are viewed as the components of the state's developmental plans. Public sector employees are compelled by what they do as work is considered as a service to the nation and thus boosts their morale to duty (Osman et al., 2022). In contrast, corporate CSR activities that are shown in the private sector have different objectives of gaining a competitive edge, increasing reputation and satisfaction among the employees as well as increasing their loyalty. There are many well-documented theories and pieces of research that explain why private companies want to be associated with CSR practices that improve employees' lives in

Saudi Arabia. Both sectors attach great importance to CSR; the public sector is mainly committed to social outcomes, while the private sector mainly considers the organizational benefits and the health of employees (Alzaid & Dukhaykh, 2023). However, CSR in both sectors is instrumental in improving employees' motivational levels of commitment, organizational loyalty and satisfaction, by ensuring that practices reflect the culture and perception of the Saudi Arabia society.

The relevance of Corporate Social Responsibility (CSR) in enhancing human resource management and creating new forms of stimulating employee engagement in public organizations in Saudi Arabia is notable since the key objectives of the CSR strategy correspond to the organizational objectives and the employees' values (Murphy et al., 2019). In the public sector, CSR activities are usually centered on community welfare, environmental consciousness and social responsibility, for instance, which are in harmony with the Saudi cultural orientation, which is collectivist (Freeman et al., 2021). The study discovered that employees of public organizations are more productive due to perceptions of their employer as having a positive impact on society, especially in Vision 2030. This is because having a reason to work for an organization makes employees feel connected to the organization and therefore decreases turnover. Moreover, the credibility of CSR practices creates a favorable attitude towards their employers among employees leading to Organization commitment (Abou Saleh & Baroudi, 2022). In general, CSR, as shown in this research, plays a significant role in Saudi public organizations both in the enhancement of the welfare of society and in the motivation and retention of employees.

### 4.3 Discussion

#### 4.3.1 Integration of Findings with Stakeholder Theory

Freeman introduced Stakeholder Theory which predicted that organizations have to deal with a large number of stakeholders, mainly employees, customers, suppliers and the whole of society. On this basis, the conclusions of this study underscore that CSR is a critical determinant of employment commitment and devotion in Saudi Arabian organizations; such a conclusion is consistent with the ST. When organizations embark on CSR activities, they ensure that they meet the stakeholder's needs and or expectations, especially the employees.

When attempting to implement CSR in the Saudi Arabian environment where the cultural values are collectivism and social responsibility, the implementation strategies that strike a positive among employees include environments, community development, and ethical givers. This paper's results suggest that organizations' Saudi employees are less likely to be committed to their organizations if those organizations are not committed to CSR, confirming the stakeholder perspective of business organizations. Through the integration of CSR activities which benefit the society and country's Vision 2030, Saudi organizations improve their image, confidence and commitment among their employees.

Moreover, the study shows that the management's inability to meet these obligations may result in job dissatisfaction and a high turnover. This supports the usage of a stakeholder-centered view of CSR, where employee perception is deemed to be essential for sustainable business success. Promotion of CSR strategies that have an aspect of labor interest and that are acceptable by the organization's values enhances the bond between the organization and the workers which discourages turnover. As a result, according to Stakeholder Theory, CSR remains crucial to the management of competing stakeholder claims, in which employee satisfaction and involvement are critical to the organization's performance.

#### ***4.3.2 Integration of Findings with Social Identity Theory***

According to Social Identity Theory, people attend more to the group of which one is a member in giving more behavior and attitude. This theory posits that a portion of people's identity is drawn from their membership to various social formations, such as the place where they work. The results of this work show that CSR programs can make a meaningful impact on the identification of workers that would increase organizational commitment and worker loyalty.

A positive relation with organizational identity is achieved when the CSR practices are embedded within the Saudi Arabian context by supporting common values held by employees as well as the goals of Vision 2030. Thus, the findings are that when employees have a sense that their organization is active in the area of social responsibility to the public, environment and ethical standards then they are more likely to have an organizational identification. This research shows that those who are satisfied with the echo of the perception that they hold about their organization's CSR programs have a deeper emotional attachment to the respective organization. This identification enhances commitment and reduces turnover because employees have pride in the organization they work with and consider such an organization as having a positive impact on society.

Moreover, the study recommends that by the time that an organization engages in the funding of the CSR activities that concern society, then the employees develop a social identification of the organizational identification. The congruency between the employee and the organization hence improves the employee's identification resulting in higher affective commitment and Organizational loyalty. On the other hand, failure to incorporate CSR into organizational practice poses a risk of diluting the employees' identification with the firm and thereby eradicating firm loyalty. Consequently, Social Identity Theory explains how CSR can act as a valuable approach to reinforcing the organization's formal identity which employees derive pride from being associated with their organization and therefore work harder and more committed.

#### ***4.3.3 Implications for organizational practices in Saudi Arabia***

Based on data gathered from this research it can be concluded that the study has implications for Saudi Arabian organizations, specifically in terms of CSR activities. Notably, organizations should implement CSR into their core strategies comprehensively besides monitoring the initiatives to reflect the expectations of their employees and support the national developmental agenda like Tanzania's Vision 2030. Appropriate CSR initiatives for social causes and environmental concerns along with ethical issues of the organization can improve EMPG, satisfaction level and commitment. In Saudi Arabia, due to culturally inherent collectivistic norms that require sacrificial exercising of collective obligations, CSR should be culturally sensitive to positively impact the emotional appeal to the employees. CSR activities must therefore be genuine and this is why organizations should communicate such activities to the public. In addition, it is important for CSR solutions feted to the nature of the sector, where public sector organizations ought to develop major community-oriented projects and the private sector ought to develop its employee social programs. When decision-makers effectively incorporate CSR into organizational culture, it will be mutually beneficial for Saudi organizations and their employees, as well as consumers.

## CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusion

The research focused on analyzing the role of corporate social responsibility in defining employee engagement, satisfaction and loyalty in Saudi Arabian organizations, with a significant focus on the public sector. The findings highlight that corporate social responsibilities have an extensive impact on employee outcomes by stimulating the development of alignment, pride and trust with the values of the organization. Employees in Saudi Arabia, which is characterized by a collective and community welfare culture, respond positively to corporate social responsibility initiative that focuses on an environment of sustainability, social responsibility and ethical governance. These practices help reduce employee turnover, increase loyalty and improve overall employee satisfaction.

On top of this, corporate social responsibility initiatives are also in alignment with Vision 2030, playing an important role in ensuring that employees are engaged with the goals and objectives of Saudi Arabia by connecting organizational practices to national goals. This not only helps in ensuring that the organization can meet the Vision 2030 goals but also enables the employees to perceive that they are contributing towards societal progress. In particular, public organizations can benefit significantly from CSR strategies that predominantly focus on large-scale community development and ethical practices. On the other hand, private sector organizations can focus on improving employee detection by promoting transparent governance and welfare programs. Essentially, it can be stated that corporate social responsibility is not only a tool for improving corporate reputation but also acts as an important factor in stimulating a loyal and engaged workforce in Saudi Arabia.

### 5.2 Practical Recommendations for CSR implementation in Saudi Arabia

Table 6: Recommendations (Source: Author)

Recommendation	Description	Expected Outcome
<i>Align CSR with Vision 2030</i>	Ensure CSR initiatives reflect the goals of Vision 2030, focusing on sustainability and societal welfare.	Strengthens the connection between organizational practices and national objectives, boosting employee pride and loyalty.
<i>Focus on Environmental Sustainability</i>	Implement initiatives aimed at reducing carbon emissions, conserving water, and adopting renewable energy.	Enhances organizational reputation and employee engagement, particularly in sectors sensitive to environmental impact.
<i>Promote Social Welfare and Community Development</i>	Invest in initiatives such as education, healthcare, and social programs benefiting local communities.	Increases employee satisfaction and loyalty by demonstrating a commitment to community well-being.
<i>Increase Employee Welfare Programs</i>	Provide programs that focus on employee health, wellness, career development, and work-life balance.	Improves employee job satisfaction, reduces turnover, and fosters long-term loyalty.
<i>Ensure Transparency and Ethical Governance</i>	Develop clear CSR reporting practices and ethical	Builds trust with employees, fostering a sense of fairness

	guidelines, ensuring accountability and trust.	and transparency in organizational practices.
<i>Engage Employees in CSR Initiatives</i>	Involve employees in CSR projects through volunteer programs, decision-making, and feedback.	Strengthens employee engagement by making them active participants in CSR efforts.
<i>Cultural Sensitivity in CSR Design</i>	Tailor CSR initiatives to local cultural values, emphasizing collective responsibility and community.	Aligns CSR with Saudi cultural values, fostering higher employee engagement and alignment with organizational goals.
<i>Measure and Communicate CSR Impact</i>	Regularly assess and communicate the impact of CSR efforts on both the community and employees.	Keeps employees informed about the value and impact of CSR initiatives, reinforcing their engagement and commitment.

### 5.3 Limitations of the Study

Table 7: Research Limitations (Source: Author)

<b>Limitation</b>	<b>Description</b>	<b>Implications</b>
<i>Dependence on Secondary Data</i>	The research relies only on existing literature and reports, which may limit the depth of insights and specific contextual factors relevant to the study.	Findings may lack the specificity and nuance that primary data could provide, potentially affecting the richness of the analysis.
<i>Quality of Existing Data</i>	The reliability and validity of secondary data sources may vary, and biases inherent in previous research could affect the study's conclusions.	Conclusions drawn may be influenced by the quality of the sources, leading to potential misinterpretations or skewed findings.
<i>Limited Generalizability</i>	Focus on the Saudi Arabian context may restrict the ability to generalize findings to other cultural or geographical settings.	Results may be context-specific, limiting their applicability to organizations in different regions or industries.
<i>Temporal Constraints</i>	Secondary data may be dated, and the findings may not accurately reflect current trends or practices in CSR and employee loyalty in Saudi Arabia.	Changes in the business environment or shifts in CSR practices may render some findings less relevant over time.
<i>Potential Research Bias</i>	Existing studies may exhibit bias based on researchers' perspectives, influencing the analysis of CSR and employee loyalty.	The presence of bias could lead to skewed interpretations or a lack of comprehensive understanding of the relationship between CSR and employee loyalty.

<i>Narrow Focus on CSR Dimensions</i>	The research may not encompass all possible dimensions of CSR, potentially overlooking significant factors that influence employee loyalty and engagement.	Key aspects of CSR that could impact employee attitudes may be missed, leading to an incomplete understanding of the relationship.
<i>Lack of Primary Data Insights</i>	The absence of direct employee feedback through surveys or interviews means that personal experiences and sentiments regarding CSR are not captured.	Employee perspectives on CSR initiatives may remain underexplored, limiting the depth of analysis related to loyalty and engagement.

#### 5.4 Scope for Further Research

It can be indicated that future research can focus on developing an assessment of the long-term impact of corporate social responsibility initiatives on employee performance and retention across different sectors in Saudi Arabia using a longitudinal study. Analysis of the efficiency of corporal social responsibility practices in small and medium-size enterprises in comparison to the larger corporations can also help in providing valuable information regarding the research topic. On top of this, future studies can also analyze the role that digitalization in corporate social responsibility plays in employee engagement. Cross-cultural comparison between corporate social responsibility practices in Saudi Arabia and other countries would also help in developing a significant understanding regarding the impact of CSR on employee outcomes.

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## APPENDICES

### Appendix 1: CSR Framework:



### CSR Initiatives in Saudi Organizations

Organization Name	Industry Sector	Key CSR Initiatives	Target Stakeholders	Alignment with Vision 2030	Impact on Employee Engagement/Loyalty
Saudi Aramco	Energy	Environmental sustainability programs, Green tech innovations, Educational scholarships	Employees, Local communities, Environment	High - Supports Vision 2030's sustainability and diversification goals	Very High - Employees engaged in projects contributing to national development
Al Rajhi Bank	Banking	Community welfare programs, Financial literacy campaigns, Employee well-being initiatives	Employees, Local communities	High - Focus on economic empowerment and financial inclusion	High - Increased loyalty due to strong employee engagement and welfare focus
	Telecommunications	Digital inclusion, Technology training for youth, Environmental initiatives	Employees, Young professionals, Local communities	Moderate - Promotes innovation and connectivity, supporting Vision 2030 goals	High - Strengthened loyalty through CSR initiatives promoting tech-driven growth
SABIC	Manufacturing	Renewable energy projects, Carbon emission reduction, Local community support programs	Employees, Environment, Local communities	High - Strong focus on environmental sustainability and innovation	High - Employee pride and engagement due to contribution to sustainability goals
	Banking	Education and health initiatives, Employee development programs, Community outreach	Employees, Students, Local communities	High - Aligns with Vision 2030's social development and human capital goals	Very High - High retention and engagement due to employee welfare programs

<i>Al Habtoor Group</i>	Construction	Sustainable construction practices, Affordable housing projects, Local community support	Employees, Local communities	High - Promotes Vision 2030's sustainability and housing goals	High - Employees value company's long-term commitment to sustainable growth
<i>Almarai</i>	Food & Beverage	Environmental conservation, Support for local farmers, Health and nutrition programs	Employees, Farmers, Local communities	High - Directly aligns with Vision 2030's agricultural and sustainability goals	High - Employees feel proud to work for a company contributing to health and sustainability
<i>Ma'aden</i>	Mining	Water conservation, Local community development, Educational programs for youth	Employees, Local communities, Environment	High - Supports Vision 2030's environmental sustainability and human capital development	Moderate - Employee engagement boosted through community-driven initiatives
<i>Riyadh Bank</i>	Banking	Financial literacy, Health awareness programs, Volunteering opportunities for employees	Employees, Local communities	High - Promotes economic empowerment and social responsibility	High - Strong employee satisfaction due to bank's focus on social responsibility
<i>Al-Faisal University</i>	Education	Scholarship programs, Educational development, Green campus initiatives	Students, Employees, Local community	Moderate - Aligns with Vision 2030's human capital and education development goals	Moderate - Increased engagement due to educational and environmental initiatives

### CSR Practices and Employee Outcomes

Organization Name	CSR Practice	Employee Outcome	Source
<i>Saudi Aramco</i>	Environmental sustainability programs, Educational scholarships	Increased employee satisfaction, Engagement, Loyalty	Saudi Aramco Sustainability Report, 2020
<i>Al Rajhi Bank</i>	Financial literacy programs, Employee well-being initiatives	High employee engagement, Strong loyalty	Al Rajhi Bank Annual Report, 2021
<i>Saudi Telecom Company (STC)</i>	Digital inclusion, Technology training for youth, Environmental initiatives	Improved employee morale, Increased employee retention	STC CSR Report, 2020
<i>SABIC</i>	Renewable energy projects, Carbon emission reduction programs	Higher employee pride, Engagement, Loyalty	SABIC Sustainability Report, 2020
<i>The National Commercial Bank (NCB)</i>	Education and health initiatives, Employee development programs	Increased job satisfaction, Employee loyalty	NCB Annual Report, 2020
<i>Al Habtoor Group</i>	Sustainable construction practices, Local	Enhanced employee loyalty, Positive organizational identity	Al Habtoor Group CSR Report, 2021

	community support programs		
Almarai	Support for local farmers, Environmental conservation, Health and nutrition programs	Stronger employee engagement, Organizational commitment	Almarai Sustainability Report, 2020
Ma'aden	Water conservation programs, Local community development	Increased employee satisfaction, Loyalty	Ma'aden Annual Sustainability Report, 2021
Riyadh Bank	Financial literacy programs, Volunteering opportunities	Higher employee engagement, Job satisfaction	Riyadh Bank CSR Report, 2020
Al-Faisal University	Scholarship programs, Green campus initiatives	Enhanced employee pride, Job satisfaction	Al-Faisal University Sustainability Report, 2020

### CSR Alignment with Vision 2030

Organization Name	CSR Initiative	Vision 2030 Goal Addressed	Alignment with Vision 2030	Impact on Employee Engagement/Community	Source
Saudi Aramco	Environmental sustainability programs, Educational scholarships	Environmental sustainability, Human capital development	High - Strong focus on energy diversification and sustainability	Enhanced employee pride in contributing to national growth	Saudi Aramco Sustainability Report, 2020
Al Rajhi Bank	Financial literacy programs, Educational support initiatives	Economic empowerment, Human capital development	High - Supports financial inclusion and educational access	Increased engagement due to alignment with economic goals	Al Rajhi Bank Annual Report, 2021
Saudi Telecom Company (STC)	Digital inclusion, Technology training for youth, Environmental sustainability initiatives	Technological advancement, Community development	Moderate - Supports Vision 2030's goal of digital transformation	Improved morale due to focus on innovation and community	STC CSR Report, 2020
SABIC	Renewable energy projects, Carbon emission reduction programs	Environmental sustainability, Innovation, and technology adoption	High - Strong alignment with sustainability and innovation goals	Strong engagement due to focus on environmental leadership	SABIC Sustainability Report, 2020
The National Commercial Bank (NCB)	Education and health initiatives, Employee development programs	Human capital development, Public health and well-being	High - Directly supports Vision 2030's social development goals	Boosted employee satisfaction through health and education focus	NCB Annual Report, 2020
Al Habtoor Group	Sustainable construction practices, Affordable housing projects	Sustainable development, Community welfare	High - Focus on sustainable development and community support	Enhanced community engagement and employee pride in contributing to social welfare	Al Habtoor Group CSR Report, 2021
Almarai	Support for local farmers, Environmental conservation, Health and nutrition programs	Agricultural development, Public health and environmental sustainability	High - Aligned with Vision 2030's goals of agricultural growth and health	Strong employee loyalty through alignment with public health goals	Almarai Sustainability Report, 2020

<i>Ma'aden</i>	Water conservation, Local community development, Educational programs	Environmental sustainability, Community development, Education	High - Directly supports Vision 2030's sustainability and education goals	Increased employee pride due to involvement in sustainable projects	Ma'aden Sustainability Report, 2021
<i>Riyadh Bank</i>	Financial literacy programs, Volunteering opportunities for employees	Economic empowerment, Community development	High - Aligns with Vision 2030's focus on human capital and social responsibility	High employee engagement through volunteerism and financial inclusion	Riyadh Bank CSR Report, 2020
<i>Al-Faisal University</i>	Scholarship programs, Green campus initiatives	Human capital development, Environmental sustainability	Moderate - Aligns with Vision 2030's educational and environmental goals	Enhanced employee pride and job satisfaction through sustainability initiatives	Al-Faisal University Sustainability Report, 2020