

Corporate Social Responsibility in Islamic Financial Institutions: A Literature Review.

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1 INTRODUCTION

A close look at the religious position on economic and financial matters indicates that all religions one way or another support the concept of a moral economy, aiming to replace the spirit of profit maximization with social objectives by developing norms with the objective of changing moral behavior to produce social welfare by overcoming the conflict between individual and social interest. However, most of the world societies have moved out of the religiously constructed worldviews and realities long ago. However, in line with such sentiments, examinations of the world financial crisis have recently triggered ideas on integrating moral values into capitalist practices though these are still unformed and uncertain. Corporate Social Responsibility (CSR) presents itself as a valuable proposition to moderate the consequences of capitalism, bringing the current system closer to the ethical dynamics of Islamic banking in an inspirational sense, as the notion of CSR is inherently embedded in the value system of Islamic banking.

Islam is the way of life, which gives guidance for all aspects of human life, both as an individual or as part of a social order in society. Islam provides a comprehensive way of life, which directs every phase of human life, including spirituality, business and social justice (RICE, 1999). Not only regulate matters related to worship, Islam also teaches good relationships with fellow human beings and makes it as one of the principal teachings of Islamic law. Basic principles of Islamic society like social equality, economic equity, brotherhood, unity, and justice, are to build a social consciousness that forbids “selfish” wealth creation (SHAHZAD, 2012; AZIZ; MOHAMAD, 2016).

One issue that thrives in the business today is about Corporate Social Responsibility (CSR). The shift of world paradigm related to responsible business make CSR become a substantial issue for practitioners and academicians in the last two decades and still continues to grow today (HANIFFA; COOKE, 2005; JO; HARJOTO, 2011). The impression that arose today is that the concept of CSR is initiated and growing rapidly in the West. However, the concept is basically in line with the principles of Islamic teachings that have existed since a long time ago.

The concept of social responsibility and social justice has been a foundation for Islamic society since 14 centuries ago. Prophet Muhammad (peace be upon him) exemplifies the principles of social responsibility and justice embedded in the Al-Qur'an through its practice for a fair and harmonious social order (MOHAMMED, 2007). Therefore, to know how the ideal concept of CSR in Islamic view, we only need to return to the values of doctrine in Islam, namely Al-Qur'an and As-Sunnah.

The recent development makes CSR concepts become a new norm in the social system, including in Islamic Financial Institutions (IFI). It is a potential topic and still growing in academic research today. In his study, Maali *et al.* (2006) assessed that Islamic societies have been affected, and in some cases have been dominated by the values of Western culture, including the concept and practice of CSR nowadays. Therefore, an instructive discussion on the concept of CSR, which is specifically examined from the perspective of Islam, is needed to resolve the problem (DUSUKI, 2008). It also becomes important, with regards to the rapid development of Islamic business and finance practices around the world.

This study aims to provide a literature review of previous studies related to CSR in the Islamic financial institutions. There are 53 articles during 2006-2016, which have been reviewed, both in general journal on economics, business and accounting and specific journals for Islamic economics, business, and accounting. The results of this literature review are broadly divided into five parts, which is (a) review by journal and year of publication, (b) by research type, (c) by methodology used (d) by research topic and (e) by theme and region. The results are expected to be useful to inspire further studies by presenting the development and trend of CSR research in Islamic financial institutions. We hope it can also contribute to the development of Islamic economics, both in practice and academic, especially in countries where this theme is not much researched.

This paper is structured as follows. After this introductory section, a brief theoretical review related to the concept of CSR and CSR in Islamic view will be presented in the second section. The used literature review approach will be discussed in the third section, followed by the results and analysis in the fourth section. Finally, the conclusions and recommendations for further research will be presented in the fifth section.

2 LITERATURE REVIEW

2.1 Principles of Islamic Finance

Islamic finance emerged as the institutional forms of Islamic economic thought as in the 1970s, which aims to fulfill the aspirations of Islamic moral economy through financing and regulating economic activity according to Islamic injunctions and ideals. IFIs' aiming to articulate Islamic moral economy should serve social justice and social wellbeing as an integral part of their functioning in their attempt to operate within the Islamic ethical values to achieve a balance between social and financial objectives. As socially constructed institutions, IFIs are expected to foster economic development with considering social welfare and social justice. While achieving prosperity is desirable in Islamic moral economy, the financial activities leading to it should be guided by the following Islamic principles:

(i) Prohibition of interest (or *riba*) is one of the core requirements that IFIs should observe. The condemnation of *riba*, which in Arabic defined as "to increase, to multiply, to exceed, to exact more than was due, or to practice usury" is clearly revealed in Qur'an (IQBAL; MIRAKHOR, 2007:). All sorts of exploitation and any source of unjustified enrichment and fixed returns in financial affairs are not allowed in Islam, which include interest. Thus, *riba* as a root of financial dis-optimality and socioeconomic injustice contravenes the Islamic teaching and principles, prohibition of which is considered essential for "stable and socially efficient economic environment" (ASUTAY, 2010b), since the primary goal in prohibiting *riba* includes promoting social justice as well as sustaining social and economic optimum (ASUTAY, 2007b). Social justice requires that creditors and entrepreneurs share profits and losses in a just manner and the wealth is accumulated and distributed fairly, and reflects the real productivity (ASKARI et al., 2010)

(ii) Risk sharing: Due to prohibiting interest in the form of fixed return, Islamic finance as a result prioritizes joint ventures in various forms by emphasizing the risk-sharing aspect. This means that gaining from an economic activity is not permissible if the financial capital is not exposed to the risk of potential loss. Therefore, both parties, the investor and the borrower, share the risk as well as the reward (IQBAL; MIRAKHOR, 2007). The Islamic financial models that work on the

basis of risk sharing lead to a more responsible approach to lending as well as to making sensible and valuable investments (Khan; Mould, 2008) can be said that conventional derivative instruments, which brought about the recent financial turmoil, would not pass through legal regulations of IFIs (TAYYEBI, 2009). As a result, IFIs have the objective of creating productive economic activities, which will lead to asset-based financing over the debt-based financing (ASUTAY, 2010b), and therefore emphasizes embedded financing.

(iii) The concept of money: According to Islamic thought, “money does not have any intrinsic value of its own apart from the value of the precious metals that are to be found in real sector production of the currency” (CHOUDHURY, 2011). Thus, IFIs are not allowed to engage in money creation out of debt. Central to Islamic moral economy is the idea that money serves to assist social and economic activities of individuals through being a measure of exchange (AYUB, 2007). The use of money in a productive way is essential. In Islamic moral economy “the nature of money... in terms of the intrinsic relationship between money as a moral and social necessity linked endogenously with real economic activities” (CHOUDHURY, 2011: 292).

(iv) Prohibition of speculation (maysir) and uncertainty (gharar): Commercial activities in Islam are subject to the restrictions such as a ban on gharar and maysir, where the former means uncertainty and the latter gambling or speculation.

2.2 CSR in Financial Institutions

Financial institutions in general and banks in particular have a great impact on modern societies as they determine the economic stability and sustainable development. Considering the fact that banks have a dominant share in the financial sector, boost and foster economic activity, they are accepted as the central pillars in the global economy (MERTON, 1995; LEVINE, 1997). In other words, banks as financial intermediaries serve a useful purpose in society; they occupy an essential part of everyday living for most people. As business has become more complex nowadays, traditional banking facilities provide an access to the financial system. Banks perform various roles in the economy and the banking sector, therefore, is considered as a backbone of the daily financial activities in societies. Thus, the banking industry has been under continuous attention and scrutiny by the mass media and academia. In addition, debates over social and economic responsibilities of banks in the past few years have been raised as a result of their irresponsible behavior (CHAMBERS; DAY, 2009).

The existing literature on CSR initiatives in the banking sector demonstrates that environmental issues such as industrial activities causing pollution were integrated into agenda of the banks before social concerns (BOUMA et al., 2001). It was a few years later, when banks had focused on social issues such as reputation and sensitivity in lending money to projects harmful to communities. This can be explained by the behavior of banks, where responsible investment has become a part of standard risk assessment and placed the importance not only on environmental but also on social and financial criteria (VIGANO; NICOLAI, 2006).

As a result, a further attempt was made to promote responsible banking in 2003, when numerous financial intermediaries adopted the Equator Principles, the framework for social and environmental standards for project financing (FRESHFIELDS BRUCKHAUS DERINGER, 2005). Therefore, in 2005, 30 banks, including Bank of America, Citigroup and JP Morgan Chase agreed to restrict the lending or projects sponsoring that may have environmental and social liabilities

associated with them. According to the report published by an international law firm, Freshfields Bruckhaus Deringer (2005), the Equator Principles were implemented by the banks due to external and internal pressures to embrace and improve socially responsible initiatives.

2.1 CSR from Islamic Finance Perspective

Different from the developing theories in the west, Islam takes a more holistic approach to CSR (AHMAD; SADEQ, 2002). One of the basic principles that distinguish the concept of CSR from the west and Islam is related to the intention underlying the company in implementing CSR. Some theories that explain the concept of CSR from the west are less in line with the idea in Islamic teachings. In Islamic view, CSR cannot be considered as an initiative of a company to get a positive image and improve long-term performance (BURKE; LOGDSON, 1996) or as a neutralizer of the negative impact of firm's operational activities (JOHNSTON, 2011). CSR concept also cannot be seen as an action to legitimize the presence of the firm in the midst of society, as proposed in the legitimacy theory (DEEGAN, 2002).

The concept of CSR in Islam has a broader and more fundamental meaning, which includes the *taqwa* (God-consciousness) dimension. The rule of law, morality, and justice is the foundation of the concept of CSR in the Islamic view (KHURSHID, 2014). CSR paradigm from Islamic view can be interpreted as a manifestation of human obedience to God, both individually or collectively, by "being good" to all of the associated parties. The firms, as a group of individuals, must take a role and bear a responsibility to contribute to social welfare (DUSUKI, 2008). Thus, CSR is a moral and religious initiative based on belief in God, as the Owner of their very selves and the resources that they utilize in a company (DUSUKI, 2005). The goal of an Islamic social system is based on *falah* (human well-being) and *hayat tayyibah* (good life) (MOHAMMED, 2007). Both of those goals become the basis of behavior for humans in the society life and also for the company, which bears the social responsibility to support the achievement of those goals in the social order.

In the development of concepts of CSR in the West, ethical codes sometimes conceive a relativistic factor (LEWIS; UNERMAN, 1999; MAALI *et al.*, 2006). An action may be acceptable for a group, but it may also be unacceptable to the other groups. The definition of firm's social responsibility becomes relative and there is lack of consensus about it.

On the contrary, in Islam, the rights and obligations of individuals and organizations against the others are clearly regulated by religion, without being justified by personal opinion. Islam has clearly defined responsibilities for the individual, the corporation and the nation-state. In Islam, features of social responsibilities and justice are deeply rooted in the Al-Qur'an and As-Sunnah (MOHAMMED, 2007). Therefore, Islam as a perfect way of life, can be a strong and effective base for guiding the firms in applying their ethical values (MAALI *et al.*, 2006).

The concept of 'social responsibility' in Islam are derived from the word of God (contained in the Al-Qur'an) and from his Prophet Muhammad's deeds and sayings (As-Sunah). These two sources of Islamic law provide a strong foundation for the implementation of CSR without being influenced by other views. Although there is a potential difference in the responsibility among the organizations with different contexts, the basic concept of CSR from Islamic perspective will vocalize the same

idea (FAROOK *et al.*, 2011). It is because the framework used to defining and guiding CSR and the accountability practices is derived from two main law sources in Islam that has never changed and relevant for the human life throughout the ages.

In Islam, firms are certainly allowed to achieve the targeted profits, but the effort must be in accordance with Islamic values, which regulate the ethical business practices and also regulate the firm relationships with other external parties. Therefore, firms that comply the Islamic rules should have clearly known their role and their responsibility in the community (MAALI *et al.*, 2006).

In her study, Kamla (2006) criticized the current growing practices related to the implementation of CSR in Islamic institutions, especially in the Islamic banking industry. Islamic banks, which are substantially in accordance Islamic principles, currently do not seem to be optimally performing their role in realizing social welfare and poverty eradication. In practice, CSR differences in Islamic banks and conventional banks are just about technical matters such as the prohibition of usury and the calculation of Zakat (KAMLA, 2006). This raises a gap between the ideal concept and the current practice of CSR. Islamic banking is necessary considered to return to the holistic teachings of Islam in order to expand and realize its social responsibility.

As for the development of research related to CSR, Mohammed (2007) considered that most of the CSR-related Islamic literature developing today is inadequate and tend to be fragmented. The current literature is not yet able to develop a systematic model of business practice in line with the idea of Islamic CSR (Mohammed, 2007). The inability of current literatures to developing a systematic model of Islamic CSR implies that such studies are still needed to build a 'generally accepted' theoretical framework of Islamic CSR.

The criticism presented by some academicians, both on practice and theory, implies that the concept of CSR in Islamic financial institutions still leaves a gap that needs to be completed. So, this paper intends to fill in the gap by providing a research mapping of CSR in Islamic Financial Institution, hoping that it can inspire the subsequent research to explore potential areas related to this topic. This attempt becomes increasingly necessary, with regards to the rapid development of Islamic business and finance practices around the world.

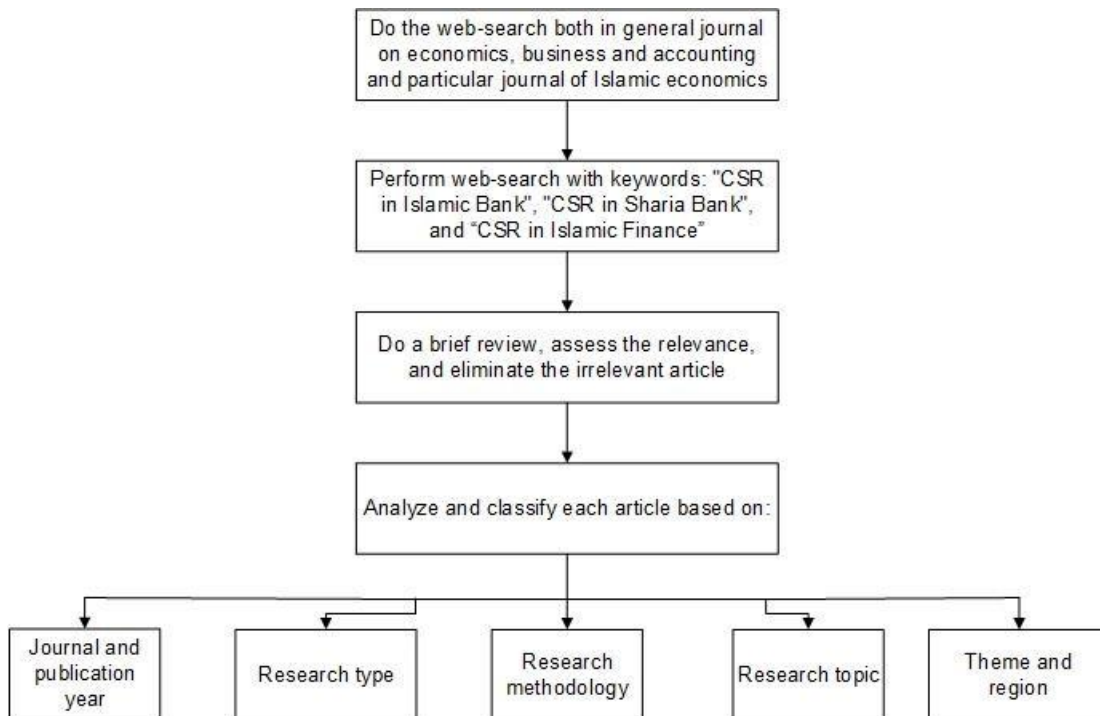
3 METHODOLOGY

This research used qualitative method by doing the literature review, based on collected data. The literature review approach used in this study refers to Aguinis and Glavas (2012) and Hoque (2014). This study was conducted through the web-search, by collecting and reviewing articles related to CSR in Islamic financial institutions, both in general journal on economics, business and accounting and specific journals for Islamic economics. Generally, there were four steps to conduct the review. First, we focused to do the web-search in famous publisher websites such as Emerald Insight, ScienceDirect, JSTOR, and ProQuest, considering that the topics related to Islamic finance are also quite popular in general journals. As the second step, we collected our targeted articles based on three keyword: "CSR in Islamic Bank", "CSR in Sharia Bank", and "CSR in Islamic Finance".

There are 98 articles obtained from the web-search. Third, we did a brief review for each article that have been collected before and assess its relevance to the topic. We only took the CSR-research that takes topics in Islamic institution as our final sample in this study. Noted that the CSR-research conducted on Middle East or

moslem majority countries without discussing any CSR matter in the Islamic view/Islamic institutions were eliminated as well. After eliminating 45 irrelevant studies, finally we got 53 journal articles as our final sample in this study. Fourth, referring to Aguinis and Glavas (2012) and Hoque (2014), we analyzed, identified, and classified each article based on the following 5 aspects: 1) journal and publication year, 2) research type, 3) research methodology, 4) research topic, 5) theme and region. Figure 1 illustrates the literature review approach described earlier.

Figure 1. Literature Review Approach



Source: Modified from Aguinis and Glavas (2012); Hoque (2014).

4 RESULT AND DISCUSSION

4.1 Review Based on Journal and Year of Publication

We summarized our review based on journal and year of publication in table 1. As can be seen in the table 1, the majority of journals are published in the year range of 2014-2016, with a total of 25 studies or 47% of the total studies. A total of 20 studies (38%) were published in 2010-2013 and only 8 studies (15%) were published in 2006-2009. This may indicate that CSR-related research on Islamic financial institutions is a fairly new topic and has a high potential to develop. The published journals are quite diverse, both in general journal on economic, business, and accounting, and specific journals on Islamic economics, business, and accounting.

Based on table 1, there are four journals with a higher number of publications than the other journals. They are *International Journal of Bank Marketing* (3 studies), *International Journal of Economics and Financial Issues* (3 studies), *Journal of Business Ethics* (4 studies), and *Procedia Economics and Finance* (4 studies). All of these journals are general journals of economics and finance (not a special journal of Islamic economics). This shows that the topic of CSR in Islamic financial institution does not only gain interest from specialized journals on Islamic economics, business and accounting, but also from general journal on economics and finance.

Table 1. Review Based on Journal and Year of Publication

Journal	Publication Period		
	2006-2009	2010-2013	2014-2016
Accounting Forum	1	-	-
ABACUS	1	-	-
International Journal of Bank Marketing	1	-	2
The American Journal of Islamic Social Sciences	1	-	-
Journal of Business Ethics	1	-	3
Review of Islamic Economics	1	-	-
Islamic Economic Studies	1	-	-
Humanomics	1	1	-
Accounting, Auditing and Accountability Journal	-	1	-
Social Responsibility Journal	-	1	-

Journal	Publication Period		
	2006-2009	2010-2013	2014-2016
International Journal of Islamic and Middle Eastern Finance and Management	-	2	-
Journal of Islamic Accounting and Business Research	-	1	-
Managerial Auditing Journal	-	1	-
Journal of Financial Reporting and Accounting	-	1	-
World Journal of Social Sciences	-	1	-
Procedia - Social and Behavioral Sciences	-	1	-
Accounting Research Journal	-	2	-
Research Journal of Finance and Accounting	-	1	-
Management Research Review	-	1	-
Islamic Management and Business	-	1	-
International Review of Business Research Papers	-	1	-
Issues in Social and Environmental Accounting	-	1	-
European Journal of Social Sciences	-	1	-
International Journal of Humanities and Social Science	-	1	-
International Journal of Economics, Management and Accounting	-	1	-
International Journal Green Economics	-	-	1
Competitiveness Review	-	-	1
Journal of Economic Behavior and Organization	-	-	1
Procedia Economics and Finance	-	-	4
International Journal of Economics and Financial Issues	-	-	3
The Journal of Developing Area	-	-	1
Environment, Development, and Sustainability	-	-	1
International Journal of Social Economics	-	-	1
EuroMed Journal of Business	-	-	1
Journal of Islamic Marketing	-	-	1
Renewable and Sustainable Energy Reviews	-	-	1

Journal of Islamic Banking and Finance	-	-	1
World Journal of Entrepreneurship, Management and Sustainable Development	-	-	1
International Journal of Business	-	-	1
Journal of Internet Banking and Commerce	-	-	1
Total	8	20	25
Percentage	15%	38%	47%

Source: Stated various journal.4.2 Review by The Type of Research

Of the total 53 studies, 17 studies undertook empirical approach using quantitative methods. Most of those studies were published between 2014 and 2016. Another 17 studies were conducted using empirical approach with qualitative method. The latter studies were mostly published in 2010-2013. The rest of those studies employed conceptual approach. Most of these studies (6 papers) were done within 2014-2016. This shows that to date, CSR research on Islamic financial institutions is still growing, both conceptual and empirical research. Table 2 presents the more detail types of research reviewed in this study.

Table 2. Review by Type of Research

	Publication year			Total
	2006-2009	2010-2013	2014-2016	
Conceptual	4	4	6	14
General Review	1		1	2
Empirical				
Qualitative		10	7	17
Quantitative	2	6	9	17
Mixed Method			2	2
Mixed (Empirical and Conceptual)	1			1
Total				53

Source: Stated various journal.

4.3 Review Based on Research Methodology

As shown in table 3, there are three main methods used by the studies: qualitative, quantitative, and mixed methods. The majority of the research (17 studies) employ qualitative research by applying literature reviews on previous concepts, theories, and prior research on CSR. Additionally, the technique of content analysis has been widely used, both in qualitative method (ARIBI; GAO, 2011; ABBASI et al., 2012; KAMLA; RAMMAL, 2013; YUSOFF; DARUS, 2014) and quantitative method (HANIFFA; HUDAIB, 2007; HASSAN; HARAHAP, 2010; FAROOK et al., 2011; PLATONOVA et al., 2016). Such technique is commonly used in the research to analyze CSR disclosures in annual reports, both quantitatively (by counting the number of words on a particular theme) and qualitatively (by performing an in-depth analysis to find out the CSR main themes in the annual reports). Some of them also present descriptive statistics on the results of the content analysis performed.

Table 3. Review Based on Research Methodology

	Publication Year			Total
	2006-2009	2010-2013	2014-2016	
Qualitative				
Literature Review	5	5	8	18
Case Study	0	3	2	5
Content Analysis	0	6	4	10
Total – Qualitative				33
Quantitative				
Content Analysis - Descriptive Statistic	1	4	3	8
Content Analysis – Regression	0	1	3	4
Questionnaire	1	1	3	5
Total – Quantitative				17
Mixed Method	1	0	2	3
Total	8	20	25	53

Source: Stated various journal

4.4 Review Based on The Research Topic

Result of our review based on the research topic is summarized in table 4. In general, the major topic of the studies (21 studies) related to CSR in the Islamic financial institutions are still limited to the qualitative studies on general review of the existing CSR practices (HASSAN; LATIFF, 2009; BASAH; YUSUF, 2013; ALAMER et al., 2015). Some research topics is also a general review with empirical-qualitative method, which is carried out to expose the CSR practices that exist today, both in general and particular on one or several Islamic banks. Five studies with qualitative methods also provide the theoretical framework of the CSR concept from the Islamic perspective (Islamic CSR). As for the quantitative CSR research, the discussed topics include the impact of CSR on the performance of financial institutions of Islamic banks (e.g. MALLIN et al., 2014; KHAN et al., 2015; MOSTAFA; ELSAHN, 2016), general review of the CSR practices (e.g HASSAN; HARAHAHAP, 2010; SUJANA, 2015), the determinant on CSR (FAROOK et al, 2011; HASHIM et al, 2015; EL-HALABY; HUSSAINEY, 2015), and CSR as poverty alleviation initiatives (RAHMAN, 2010; RAIMI et al., 2014; AZIZ; MOHAMAD, 2016). Table 5 presents the detailed information of the topics.

Table 4. Review Based on The Research Topic

	Publication Year			Total
	2006-2009	2010-2013	2014-2016	
Qualitative				
General review of CSR practice	4	8	9	21
Comparing Conventional vs Islamic		3		3
Impact of CSR		2		2
Providing Theoretical Framework	1	1	3	5
Quantitative				
General review of CSR practice		1	2	3
Comparing Conventional vs Islamic			1	1
Providing Research Instrument	1			1
Perception of CSR by customer/stakeholder			2	2
Determinant of CSR		1	2	3
Impact of CSR		1	5	6
CSR as poverty reduction	1	2		3
Mixed				
General Review of CSR practice			1	1
Perception of CSR by stakeholder			2	2
Total				53

Table 5. Article Distribution by The Research Topic

General review of CSR
a. <u>CSR from Islamic Perspective</u> Kamla <i>et al.</i> (2006), Dusuki and Abdullah (2007), Farook (2007), Dusuki (2008)* Hassan and Latiff (2009), Ullah and Jamali (2010), Cebeci (2012), Barom (2013)* Khurshid <i>et al.</i> (2014)*, Indrawaty and Wardayati (2016)
General review of CSR
b. <u>CSR practice and disclosure in IFI</u> Maali <i>et al.</i> (2006), Hassan dan Harahap (2010), Aribi and Gao (2011), Paino <i>et al.</i> (2011), Rashid <i>et al.</i> (2013), Kamla and Rammal (2013), Sairally (2013), Darus <i>et al.</i> (2014), Yusoff and Darus (2014), Zain <i>et al.</i> (2015), Sujana (2015)
c. <u>Case Study</u> Rahman <i>et al.</i> (2010), Sobhani <i>et al.</i> (2011), Tafti <i>et al.</i> (2012),

CSR Measurement	Comparing CSR in conventional and Islamic bank
Haniffa and Hudaib (2007) [^] , Alamer <i>et al.</i> (2015) ^{1^} , Alamer <i>et al.</i> (2015) ² , Alamer <i>et al.</i> (2015) ³ , Maulan <i>et al.</i> 2016) [^]	Aribi and Gao (2010), Abbasi <i>et al.</i> (2012) Chintaman (2014), Nobanee and Ellili (2016)
Determinant of CSR	Perception of CSR
Farook <i>et al.</i> (2011), Hashim <i>et al.</i> (2015) El-Halaby and Hussainey (2015)	Dusuki dan Abdullah (2007), Aribi and Arun (2015), Nor <i>et al.</i> (2016), Bella dan Al-Fayoumi (2016)
Impact of CSR	CSR as poverty reduction
Mosaid and Boutti (2012), Alafi and Al-Sufy (2012), Platonova <i>et al.</i> (2016) Basah and Yusuf (2013), Mallin <i>et al.</i> (2014), Khan <i>et al.</i> (2015), Mostafa and Elsahn (2016),	Rahman (2010), Raimi <i>et al.</i> (2014)*, Aziz and Mohamad (2016)*
* providing theoretical framework	
[^] providing research instrument	
Source: Stated various journal.	

4.5 Review Based on The Theme and Region

Table 6 presents the review based on the theme and region of the research samples. The majority of studies discuss CSR practices in general (covering all common themes in CSR, including customer, employee, society, and environment issues). There are several studies that only cover specific themes of CSR, such as themes related to community and society welfare (e.g. KAMLA; RAMMAL, 2013; AZIZ; MOHAMAD, 2016) and environment (KAMLA *et al.*, 2006; YUSOFF; DARUS, 2014). There are also two studies that discuss the concept of sustainability (HASHIM *et al.*, 2015; SOBHANI *et al.*, 2011), which is generally wider than the concept of CSR.

Based on the review of region, the majority of the studies (12 studies) take samples globally (around the world, not in specific area). Eleven (11) studies were conducted in the Gulf Cooperation Council (GCC)/ Middle East countries (e.g ARIBI; GAO, 2011; CHINTAMAN, 2014; ARIBI; ARUN, 2015) and 8 studies were conducted in Islamic financial institutions in Malaysia (e.g. DUSUKI; ABDULLAH, 2007; ZAIN *et al.*, 2015; NOR *et al.*, 2016). The rest are spread over in several countries with Muslim majority population, such as Pakistan, Indonesia, Bangladesh, etc.

Table 6. Review Based on Themes and Sample Research

By CSR Theme	Total
CSR in General	42
Specific CSR	
Customer	1
Environment	2
Community and Society	5
Marketplace	1

Sustainability Practice	2
Total	53

By region	Total
Global (Around the world)	12
GCC / Middle East Region	11
Malaysia	8
Pakistan	3
Indonesia	1
Bangladesh	2
Etc (Jordania and Iran)	2
Total	39*

*conceptual papers are excluded

5 CONCLUSION

The recent development of the concept of socially responsible business practices makes CSR become a trending issue for academicians. This study aims to provide a literature review of previous studies related to CSR in the Islamic financial institutions. There are 53 articles which have reviewed and classified based on several aspects, i.e.: (a) journal and publication year, (b) the research type, (c) the methodology used, (d) the research topics and (e) and the theme and region of the study. The results of this literature review are expected to be useful for practitioners and academics, especially for further research that intends to develop research related to CSR in Islamic financial institutions.

Several things to note in the results of the review are as follows. First, based on the review by publication year, it shows that the concept of CSR is still a fairly new topic. The majority of the studies are conducted in the range of 2014-2016. This implies that this topic is still very potential to be developed, given the growing development of Islamic business and finance practices around the world.

Second, based on the review by research methodology used, the majority of the studies is currently still dominated by qualitative research with literature review method. Until the last three years (2014-2016), conceptual research is still quite dominating the existing CSR research. This implies there is an absence of a default standard on CSR practices in accordance with the values of Islamic (Islamic CSR). Some researchers also provide a theoretical framework from the perspective of them. In general, the value conveyed from those theoretical frameworks are same. However, it implies that there has not been a globally consensus on the conceptual framework of Islamic CSR. This condition indicates that such studies are still needed to developing a systematic model of Islamic CSR.

Third, based on the review of research topics, the majority of research is still limited to the general review of the existing CSR practices, which are descriptively presented only. Further research can be developed by extending the scope of the topic. It is expected to strengthen CSR as an important foundation for Islamic institutions in conducting their business. The next study is expected to not only capture the evolving CSR practices, but viewing CSR as a fundamental concept.

Fourth, based on the review of theme of CSR, the majority takes the theme of CSR in general (not specific to certain aspects). Subsequent research can deeply explore the concept of CSR with a more specific theme, such as on environmental aspects,

community welfare, and the other themes. Research with a specific theme is expected to provide a more in-depth picture of a theme as a part of CSR, in order to keep the CSR practice run in a balanced manner.

This study is certainly not free from limitations. The main limitation of this study is related to the coverage of reviewed articles. The literature review rely on the web-search results, so it may not include the relevant article that not accessible through the internet-based searches.

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