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# Social Responsibility towards Human Resources & its Impact

# On the Organizational Image of Workers in the banking sector in the city of Tobruk- Libya

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#### Abstract.

The current study aimed to test the impact of social responsibility practices towards human resources on the organizational image of the organization through the mediating effect of job satisfaction, where the study was applied to the banking sector in the city of Tobruk, Libya, where a list of questionnaires was distributed to (163) employees working with (7) Banks in the city of Tobruk, and the responses to the questionnaire were analyzed using the statistical package SPSS26, AMOS 25, and the results of the study concluded that there is a significant impact of the social responsibility practices towards human resources on the organizational image of the organization, and also found that job satisfaction mediates the relationship between the two variables in a partial way.

Keywords: HRM, Social Corporate Responsibility, Organizational Image, Job Satisfaction



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### 1. Introduction

Social responsibility is one of the most important tools that banks use to express their vision and the way to implement their mission and trends. Customers and the government, but with multiple parties, foremost of which is the environment, which is reflected in their organizational image positively. Social responsibility is a strategic framework adopted by banks with the aim of developing and developing them, as well as achieving the greatest degree of efficiency and success.

Since the organizational image is a creative philosophy within the integrated organization for business development by innovation and creativity in various aspects of its performance, activities and strategy, as the organizational image comes through organized initiatives within banks, in addition to paying attention to the ethical approach followed in all banking transactions, due to its impact on the relationship of the organization with all The transacting parties such as: the community, the employee, the shareholder, by providing the necessary services to the community and achieving its well-being, which in turn results in the prosperity and support of the organization by all parties and stakeholders and the support of its goals, which subsequently leads to supporting the organizational image of the organization in the community, where whenever the organization is concerned with responsibility community and giving it a conscientious value, this led to the progress and advancement of society .The discussion of the social role of business organizations is considered the topics that have sparked widespread controversy in the scientific and academic circles, as well as among businessmen in the private sector. They must play increasing social roles in their environments. And if the social responsibility of business organizations, both goods and services, has historically arose under the influence of pressures exerted by various groups such as workers, customers, consumers, non-governorganizational organizations or civil societies, then it has developed during recent decades under the influence of competition and change in the expectations of stakeholders, and it has become a more voluntary practice for a business organization. To become a partnership in sustainable development. It is considered as the initiative that the organization takes to maximize its organizational image in the minds of its customers, and thus achieve the satisfaction, loyalty and trust of its customers.

In order for the organization to be effective, it must realize its social responsibility and its organizational image towards its customers and the society of which it is a part, and by bringing about a positive and tangible change that its customers realize at the level of the communities in which it operates.

The banking sector plays an important role in the economic and social life of the state of Libya, due to being a component president to consolidate trust state policy and nurturing economic interests, where they accumulate the banks most of the savings of the community as they give credit to the branches of economic activity all, if done well to turn helped economic advancement of society it is worth mentioning that the more sound banking reality as this indicates that the recovery of the economy, constituting an incentive to attract investment and



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business. This will not be achieved only through distinct human resources and has a high degree of efficiency must therefore be interest in social responsibility towards employees of banks in order to prepare them for the appropriate climate to accomplish and achieve goals, from here can formulate the problem of the study in question Riisy Next:

What is the level of social responsibility and its effects on the organizational image of workers in the banking sector in the city of Tobruk?

The scientific importance of the study stems from three points, which are as follows:

First: Most of the previous Arab and foreign studies focused on studying the impact of social responsibility on the organizational image from the point of view of customers only, without addressing the workers who are considered the link between the organization and other parties.

Second: The scarcity of studies that dealt with the social responsibility of banks in the State of Libya, to the knowledge of the researcher

Third: Most of the previous studies examined the relationship through the median effect, such as: determining the identity of the company (Arkan & Guner,2013), but the current study will examine the relationship by examining the role of the mediating effect of the job satisfaction variable for workers.

The practical importance of the study stems from the fact that it is an attempt to assess the current situation of applying social responsibility in the banking sector in the State of Libya to help practitioners and decision makers to identify and identify obstacles to implementation and propose solutions to them. .



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#### 1.1 Literature Review

The concept of social responsibility has evolved significantly since it began to take place in 1950, until it became evident in the last decade, so that business organizations began to show their social responsibilities more seriously in managing their strategies and social reports for stakeholders. As well as highlighting it through different names, as they all refer to social responsibility, including corporate social accountability, corporate ethics, corporate citizenship, and corporate obligations.

The World Bank defined the concept of corporate social responsibility as the commitment of business owners to contribute to sustainable development by working with their employees, their families, the local community, and society as a whole to improve people's standard of living in a way that serves trade and serves development at the same time.

The International Chamber of Commerce also defined social responsibility as all attempts that contribute to companies volunteering to achieve development due to ethical and social considerations. Thus, social responsibility depends on the good initiatives of companies without legally binding procedures.

Al-Ghali and Al-Amri (2005) see it as a contract between the organization and the community, according to which the organization is committed to satisfy the community and achieve its interest, and it is seen as a commitment by the organization towards the society in which it lives through its many social activities such as fighting poverty, combating pollution and creating many job opportunities Solve a lot of problems (transportation, housing, health) and other services

Many researchers have stressed the importance of investing in various areas of social responsibility, such as charitable works, as it has become a strategy as it brings many benefits to the organization, such as increasing sales or enhancing the organizational image (Margolis and Walsh, 2003).

Many studies conducted in different environments confirm the importance of social responsibility, and among these studies was a study conducted in the United States of America in 2006, which showed that an amount of \$2.3 trillion out of \$24 trillion was invested in companies that showed a high percentage within the scale. Social Responsibility (Heslin and Ochoa, 2008).

Poon (2000) and others have emphasized that innovation and creativity have a major role in consolidating the organizational image, but they are not enough to guarantee success, so the interest has increased whether these organizations carry a historical record in social responsibility or not. Therefore, this social criterion added another burden to the organizations, as they incorporated this dimension into their strategies and decisions. (Balmer and Gray, 2000) Turban and Greening (1997) identified a set of social responsibility benefits. In addition to better financial performance and an increase in sales volume, the It has a positive effect on the organizational image.

This is confirmed by the study of Fomburn et., al (2000), where they found a group of benefits besides improving the organizational image, such as the greater ability to attract and



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retain employees, and improve the return on investment. Although good reputation may help organizations, Ewing et., al (1999) has shown that it is not a guarantee of success in financial terms, while Petrick (1999) and others believe that reputation is a competitive means for global companies.

In view of the increasing importance of social responsibility, many definitions have emerged that have attempted to define the exact definition of social responsibility. We mention the most important of these definitions: The ISO definition of social responsibility as "the organization's responsibility for the effects of its decisions and activities on society and the environment through transparency and ethical behavior consistent with sustainable development and well-being." society as well as taking into account the expectations of stakeholders (ISO26000, 2007).

In sum, CSR means that companies act in a socially responsible and accountable manner, not only to property rights holders but to other stakeholders including employees, customers, government, partners, local communities and future generations. The concept of accountability is a major component of corporate social responsibility, and the periodic reports of corporate social responsibility are a tool through which these companies seek to reassure stakeholders that they are constantly concerned with what occupies them in a proactive and creative manner through all their operations. These reports include policies, measurement procedures, key indicators of performance and objectives in the main areas.

Many organizations have realized the importance of a good organizational image, so they have invested huge amounts of money in trying to establish it in the minds of stakeholders. Gregory (1999) believes that every organization has a organizational image, and that the organizational image they see that the organizational image is able to create value and that it has an impact on consumer behavior as it includes a certain perception they have and this perception may not reflect the objective reality, while Boyd sees good as having a great impact on the success of organizations As for Ferrand and Pages (1999), they see that the organizational image is capable of creating value and that it has an impact on consumer behavior as it includes a certain perception they have and this perception may not reflect the objective reality, while Boyd (2001) sees that the organizational image of business organizations contributes to improving behavior And individual attitudes of employees, Boyle (2002) says that it is a treasure that is difficult to obtain and easy to lose.. Gregory (1999) says that this awareness has a great impact on the ability of organizations to survive in the current complex and intense conditions of competition.. (Ferrand and Pages) 1999

Smith (2001) stresses that it is very important for the organization to be distinguished from others in order to remain competitive, especially in the conditions of globalization in which we live, especially those organizations that provide the same services such as banks and airlines with high standardization in providing services. In order for organizations to distinguish themselves from each other and to have the necessary competitive advantage, Greener (1991) says that they must plan a organizational picture that focuses on subtle differences such as: service, reliability, speed of delivery, and security. As for Petrick (1999) and others, they say that the organizational image of organizations is one of the most important intangible resources that support the continuity of their competitive advantage.



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To the organizational image (2006) Šmaižien and Oržekauskas, and it is seen as one of the strategic assets that lead to finding a competitive advantage and encouraging conditions for survival and development of the organization, and many writers use the terms organizational image and fame as being similar, while others differ in the two concepts that the organizational image may include Negative meanings in which there is fabrication and maintenance and do not reflect the truth (O'Sullivan, 1983), and some of them use the identity of the organization instead of the self-image, and the management of the impression instead of the expected organizational image, as for the word fame they use it instead of the perceived organizational image.

The organizational image towards organizations acquires special importance through its influence on the prevailing public opinion towards various aspects related to the organization, where the image, through performing its psychological and social functions, plays a major role in forming and directing public opinion as a source of people's opinions, attitudes and behavior.

Proceeding from the relationship between the organizational image and the formation of the public opinion of the society, it is imperative for the organizations to study the prevailing image of them in the various strata of society, in order to prepare the ground for the development of strategies to create positive organizational images of these parties to ensure the existence of a public opinion in support of their issues and positions and support them with various types of support in the circumstances different.

There is a consensus among most researchers that the organizational image includes three main components or dimensions, which are as follows: first, Cognitive component- Which means the information through which the individual perceives a subject, issue, or person, and this information is the basis upon which the organizational image that the individual forms about others and about various topics and issues..

Secondly, the emotional dimension means the positive or negative tendency towards a subject, issue, person, people or a country within the framework of a set of organizational images formed by individuals. Thirdly, an individual's behavior reflects the nature of the image.

Based on the previous presentation of the literature of previous studies that agreed on the existence of an impact of social responsibility on the organization image, such as: Al-Maleh and Ammar, 2017; Samra and Wadi, 2017: Mohjez and Abu Muammar, 2016), so the first main hypothesis and its sub-hypotheses can be formulated as follows:

H1:There is a statistically significant impact of social responsibility towards human resources on the organization's image of the banking sector in the city of Tobruk, State of Libya

H1.a: There is a positive and significant effect of mobilizing and attracting human resources on the organization image of the banking sector in the city of Tobruk, State of Libya.

H1.b: There is a positive and significant effect of selection and employment on the organizational image of the banking sector in the city of Tobruk, State of Libya.



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H1.c: There is a positive and significant effect of training and development on the organizational image of the banking sector in the city of Tobruk, State of Libya.

H1.d: There is a positive and significant effect of wages and rewarding workers on the organizational image of the banking sector in the city of Tobruk, State of Libya.

H1.e: There is a positive and significant effect of performance evaluation on the organization image of the banking sector in the city of Tobruk, State of Libya.

H1.f: There is a positive and significant effect of professional life improvement programs on the organization image of the banking sector in Tobruk, Libya.

H1.g: There is a positive and significant effect of integrating the disabled on the organization image of the banking sector in the city of Tobruk, Libya.

H1.h: There is a positive and significant effect of protecting women's rights on the organization image of the banking sector in the city of Tobruk, Libya.

### 2. Method

A self-administrated survey in banking sector in Libya and Tobruk city was carried out and applied on a sample of (163) employee working in (7) banks of the sector. Of (368) questionnaires distributed (170) questionnaire were returned, in total (163) completed and usable questionnaires were used in the analysis .With 44.6% response rate of the total population. The questions used in the survey were drawn from several previous studies and validated scales .The use of questions from past questionnaires enhances the validity and reliability of the questionnaire. (Bryman, 2008) Measures with 5 point scale have been chosen to create variance that is necessary for examining the relationships among items & scales and creating adequate reliability estimate (Hinkin et al,1997)

The set of social responsibility toward human resources of the organization were derived from elghalby and elemarry(2018), while the organizational image measure based on (Mohamed,2014)

The statements were measured using a five-point Likert scale, and the respondents only have to put a tick ( $\sqrt{}$ ) on one of the answer choices: (1) do not agree at all, (2) do not agree, (3) are neutral, (4) agree, (5) I very much agree.

The researcher used the SPSS26 and AMOS25 program to analyze the data and get the results, including the tables and figures for the descriptive analysis of the study variables, in addition to analyzing the mean differences between the study variables to test the validity of the hypotheses set for the study, so that the researcher can display the results, and interpret them, to know and analyze the test model



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### 3. Result

When performing a stepwise regression analysis Stepwise Regression The most important independent variables to determine which have a contribution to the mathematical model, which represents the impact of the dimensions of CSR practices towards human resources on the mental image of the organization, as can be seen from the table-4) (13 which shows more variables of the impact on the independent variable van after ) the rights of Women ) ranked the protection of first an explanatory power(B=0.318) followed by training and development(B=0.276, (then selection and recruitment) B=0.36, (and finally after evaluating the performance)) B=0.175The model as a whole explains about %52 of the change in the mental image, and the direction of the effect was positive. Which proves the validity of the first main hypothesis, there is a statistically significant effect of social responsibility towards human resources on the organization's mental image of the banking sector in the city of Tobruk, State of Libya". The regression equation can be represented as follows:

training and 0.27 + protection of women's rights 0.318 + 0.689 = mental image performance evaluation 175. + selection and recruitment 0.36 + development

variable	Values B	std. Error	Values β	value ( t	P-value
		standard error			
(Constant)	0.689	0.201		3.43	0.001
Protection of women's rights	0.318	0.071	0.374	4.488	0



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training and development	0.276	0.054	0.315	5.126	0		
selection and recruitment	0.36	0.104	0.36	3.447	0.001		
Performance evaluation	0.175	0.068	0.232	2.595	0.01		
Total Impact Factor R <sup>2</sup>	0.52						
At the level of significanceα≤0.05 *							

### 4. Conclusion

The current study aimed to test the impact of social responsibility practices towards human resources on the organization image by application to workers in the banking sector in the city of Tobruk.

By analyzing the questionnaire data that was obtained from a sample of (163) individuals from the study sample of employees with (7) banks from the banking sector in the city of Tobruk. The following results were obtained:

Through the results of the descriptive analysis of the study variables that were conducted according to the responses of the study sample vocabulary to the items mentioned in the questionnaire, the following was found:

Most of the responses of the study sample to the dimensions of social responsibility towards human resources came to a medium degree, except after training, which came to a high degree. The lowest practices were average (protection of working women, wages and incentives, employee evaluation), which means that they are applied in the organization to a lesser degree than training and development practices.



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As for the organization image variable with its dimensions, it is applied to a medium degree.

From the statistical analysis to test the hypotheses of the study, the following was found:

- There is a significant and statistically significant effect of the social responsibility towards human resources on the organization's organization image of the banking sector in the city of Tobruk, State of Libya. It was also found that the most dimensions of social responsibility towards human resources affected the organization image in order of training and development, protection of women's rights, selection recruitment and performance appraisal. We find that the results of this hypothesis are in agreement with most of the previous studies, such as: (Al-Nashmi and Qaid 2015; Al-Maaytah and Al-Ruqibat, 2019, Barjoei & Esmaeilpour, 2016).

Through the previous discussion of the results, the researcher recommends the following:

- Designing a system of wages and incentives based on objective criteria related to achievement and performance. This system must include incentives for excellence that are granted to outstanding performance and distinguished employees, and to be given in public.
- Determining clear objectives for the performance appraisal system, and the system must include objective criteria, and all stakeholders (employees bosses colleagues and clients) must participate in evaluating performance.
- Paying attention to the cadres of the second row of the bank's employees who are qualified and skilled, and working on developing their skills and continuously improving the tools and mechanisms used in their development.

In dealing with the subject of this study, the researcher faced some difficulties, which were as follows:

First: The complete lack of response of the sample in answering the questionnaire and the difficulty in collecting the questionnaire due to the conditions of the Covid-19 pandemic.

Future research should be directed towards:

First: Measuring the impact of social responsibility practices towards human resources on job performance and competitive advantage.

Second: Applying the model to other sectors and a larger sample to facilitate generalization of the results of the study.

Third: Measuring the model through the role of the mediating or modifier variable such as: organizational culture or organizational identity.



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