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Utilizing A Deep learning approach to examine the consequences of Bank's Web -Based-Social Responsibility Disclosure

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EXTENDED ABSTRACT

Corporate social responsibility (CSR) is a global research and practice topic that encompasses various values, corporate environment, and philanthropic behavior (Inekwe et al., 2021; Wirba, 2023). It plays a crucial role in businesses and governments' social and financial activities, pushing them towards sustainable development and promoting social welfare (Oware and Mallikarjunappa, 2022; Foroghi et al., 2018; Khatib et al., 2021; Staples, 2004). CSR information is essential for stakeholders like investors and analysts, offering insights into costs and benefits, minimizing information asymmetry, aiding in capital market valuations, and assessing firm performance and risk profile. The banking sector, including both non-Islamic and Islamic banks, significantly contributes to CSR activities by funding community development, supporting SMEs, mitigating inflation, and offering social and charitable services. Stakeholders demand transparency in financial and non-financial information, leading firms to shift disclosure attitudes towards CSR. The internet has become a crucial tool for businesses to disclose financial and non-financial information to stakeholders, offering unlimited space and cost savings. It enables corporations to communicate their objectives, missions, and strategies directly to stakeholders, increasing accountability and enhancing financial market effectiveness. The correlation between CSR disclosure (CSRD) and corporate cash holdings has recently gained interest due to its positive impact on cash holding levels. However, the study addresses the challenges of online CSRD due to its complexity and lack of quality. Businesses often prioritize quantity over quality, making CSR a critical concern in management and bank operations. The credibility of official company websites over social media accounts is also examined, highlighting the difficulty in distinguishing genuine and fake ones. Based on the aforementioned arguments, further research is needed to figure out the consequences (corporate cash holdings) of the quality and quantity of online CSRD. Additionally, the Islamic and non-Islamic banks' contexts

lack this type of analysis. Consequently, this study aims to conduct a comprehensive analysis using empirical evidence to address existing gaps and provide valuable insights by answering the following main questions: ***What are the impacts of the quantity and quality of web-based CSRD on top global Conventional and Islamic banks' corporate cash holdings? Could ISO 26000 moderate this impact?***

Therefore, the current study aims basically to: (1) investigate the impact of the quality and quantity of web-based CSRD on corporate cash holdings in the context of top global Islamic and non-Islamic banks by using theories of stakeholder, legitimacy, and media richness; (2) examine whether ISO 26000, a standard for social responsibility, moderates the correlation between the quantity and quality of web-based CSRD and top global conventional and Islamic banks' cash holdings.

To achieve the main objectives, this study focuses on the largest 100 global Islamic and conventional banks based on their assets value. Data was collected through quantitative research and content analysis of their websites. Two indices were developed to assess the quality and quantity of online CSRD. A deep learning approach and descriptive statistics were used to study the consequences of these findings on corporate cash holdings.

This study explores the practices and consequences of online CSRD through theories of stakeholder, legitimacy, and media richness. Stakeholder theory explains the relationship between CSR and shareholder value, emphasizing the need for firms to disclose more information about CSR on their websites. Legitimacy theory suggests firms have a social contract with society, and managers must engage in CSR practices, maintain legitimacy, and disclose information to assess their impact. Media richness theory emphasizes visual communication, multimedia functions, and personal sources in effective communication.

The study's relevance and motivations are derived from that CSR research is expanding globally, benefiting businesses and governments by promoting sustainable development and aiding stakeholders in capital market valuations. The focus on CSR disclosures is crucial for companies and stakeholders. The importance of banks in the economy, as they fund CSR activities, support SMEs, and mitigate inflation. It emphasizes the need for official company websites to understand CSR reporting quality. The internet offers unlimited space and cost savings, enhancing financial market effectiveness and enabling businesses to communicate their CSR initiatives. The study provides insights for policymakers, investors, regulators, managers, and academics on web-based CSR reporting for global Islamic and conventional banks.

The findings indicate that CSRDs (including ISO 26000) were insignificant in impacting Islamic banks cash holdings, while they were significant in impacting conventional bank's cash holdings.

This study, a pioneering and unique one, significantly enhances accounting literature, research methodologies, and practice by offering valuable theoretical, methodological, and practical insights to all interested parties. It investigates, for the first time, the correlation between the quantity and quality of web-based CSRD and global Islamic and conventional banks' cash holdings and whether ISO 26000 moderates this relationship. By moving to methodological contribution, this paper presents two comprehensive indices for analyzing corporate social responsibility (CSRD) practices on global Islamic and conventional banks' websites. The quantity index includes 62 items from CSR standards, regulations, and global initiatives, while the quality index has eight categories. The study uses a deep learning approach and descriptive statistics to examine how CSRD affects corporate cash holdings. Practically, this study provides stakeholders with real-time insights into the quality and consequences of web-based Corporate Social Responsibility (CSRD) for global Islamic and conventional banks. It suggests optimizing CSR initiatives, integrating social performance with financial performance, and using websites for comprehensive CSR information. The study also suggests considering a country's systems and policies when determining online CSRD information quality.

The study has some limitations that require careful consideration. It has limitations, including a sample size of 100 Islamic and 100 non-Islamic banks, reliance on databases like Banker and S&P, focus on the banking sector, time frame of CSRD quality and quantity data collection (second half of 2022 and first quarter of 2023), and method used (quantitative analysis of banks' websites). Meanwhile, its main limitation is its focus on corporate cash holdings as a consequence of the web-based CSRD quality and quantity of top Islamic and non-Islamic banks.

Despite the debate on internet CSR disclosure, which has garnered significant academic interest and extensive literature across various countries, regions, and sectors, further research is needed in the future. The paper examines the impact of online CSRD quantity and quality on corporate cash holding, suggesting future research should explore other factors influencing web-based CSRD quality and quantity like ESG scores, integrated reporting quality, corporate credit ratings and SDG disclosures. Investigating the impacts of online CSR disclosure quantity and quality on these variables is also needed.

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