



Social Responsibility Investments in Lebanon

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Abstract

The majority of people having excess in their wealth prefers the concept of “Giving back” to their society, in order to support various social concerns. From one side; the golden goal of investors is obtaining profits and maximizing their wealth, from the other side donating a part from this excess wealth to the society in return is considered essential. However, these two main concepts were mutually exclusive but with time and with the innovations occurring in the financial markets, merging them becomes a necessity. These kinds of innovations were known mainly by “Social responsibility Investments-SRI”. The purpose of this paper is to investigate the factors effecting Social Responsibility investments in Lebanon theoretically and empirically. The empirical study focuses on a sample of Lebanese individual investors from different regions all across Lebanon; 211 respondents are analyzed with SPSS software to develop a factor analyses and Regression model. Findings prove that Social Responsibility Investments are still in the beginnings, where Lebanese individual investors tend to seek high profits regardless the investment field in addition to that ,spreading the concept of SRI in humble geographical areas appears to very necessary for enhancing such kinds of investments in Lebanon.

Keywords: Social responsibility investments; corporate social investments; Competitive Financial returns; Positive Social impact; Humble geographical areas.

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1. Introduction

Historically, human beings tended to help each other based on their religion's requirements and encouragement. Over time it has appeared that people in nature have certain spiritual side that needs to be fed up in order to be satisfied, and this latter is supported by most of religions which motivates its followers not just to look after wealth maximization, but to help each other and give the ones in need like the "zakat" for example; where Islam's states that 2.5% from the Rich people's wealth must be given to poor ones; the main goal behind this is to avoid the monopolization of money in certain group of people, but to circulate all over in order to enhance the society's welfare. In this way the ideal objective behind, lies in combining both goals together that's to say obtaining profits and supporting various social concerns which fall under SRI. Socially responsible investment (SRI) is an investment strategy that seeks both competitive financial returns and positive social impact, where it has been considered as an emerging field in Social Studies. The author in [1] defines SRI as "the process of integrating personal values and societal concerns into investment decision-making" In other terms, SRI is also known as an -ethical investment-it's a discipline that adds concerns about social or environmental issues to the normal ones of risk and return as determinants of equity portfolio construction or activity. However, SRI has three distinctive techniques, which may overlap or follow sequentially: exclusion (negative), activism, and dialogue or engagement. Exclusion avoids investment in certain companies whose operations are judged unacceptable, while activism involves using the rights of share ownership to assert social objectives. SRI may be carried out by individuals, normally through mutual funds, or by institutions such as charitable foundations and pension funds or exchange-traded fund (ETF). Barriers to institutional investors adopting SRI strategies include concerns about the impact on investment performance, and perceived legal restrictions. Nevertheless, investors are being exposed to different choices; assuming that "a charitable tax payer has excess wealth in a given month of \$1,000 and has two choices. First and more traditionally, 90% of it would be invested, and the 10% remained could be contributed to charity. Their second choice is to invest the entire amount in an SRI that is consistent with their charitable intentions" as noted by [1]. However, the main problematic of this study is: What are the main factors that help in enhancing Social responsibility investments in Lebanon? And Does the background of the investor from Cultural, Religious or even his geographical area affect his decision making toward enhancing SRI or not? The purpose of this paper is to investigate the reality behind these kinds of investments through different factors affecting them specifically in Lebanon, as a part from a distributed survey in order to tackle different points of view for various Lebanese individual investors all across Lebanon. Data obtained were entered and analyzed through SPSS Software. Furthermore, the paper is organized as follows; Section 2 presents the historical background of SRI. Section 3 overviews corporate social responsibility. Section 4 investigates the previous studies related to SRI in Lebanon. Section 5 gets over the methodology of the empirical part. Section 6 presents Test results and result analysis for Lebanese individual investors' SRI; ending up with a general conclusion in section 7.

2. Historical background of Social Responsibility Investments

Socially responsible Investments have appeared long time ago with human existence in different forms and shapes. Over years with the development of human being accompanied with financial market's progress especially in 1900s, the equity market started to focus more on the specific religious requirements of the Islamic

community, for example, excluding specific sectors like pork production as noted by author in [2] from investment portfolios. SRI started to appear widely and spread all around the world; where religious funds have been developed based on certain beliefs and refrained from certain kinds that are considered as taboos for some investors, in order to widen the investment choices to be suitable for all kinds of investors; that's to say for certain indices there were another Islamic one in phase that takes into consideration the religious implications, for example "Islamic Dow Jones" have been launched in 1999 in Bahrain and been the first index created for those who seeks investments in compliance with the Muslim's Sharia law ; in addition for the development of the Japanese index "NIKKIE" that has developed "Islamic NIKKIE" for those who are religiously committed ; in this way all kinds of investors would find their request thus being satisfied. Until the 1960s, socially responsible investments were simply those that didn't include tobacco, slavery, drugs, liquor, gambling, firearms, alcohol, human rights violations, environmental concerns, nuclear energy and other deemed "sin" investments as mentioned by author in [3]. This term is also interchanged for the words "vice stocks" and represents investments that fall into the seven deadly sin categories including greed, lust, sloth, wrath, lust, envy, and vanity. From the 1960s forward, SRI investments focused on social movements and political interests that were dominating the social sphere. The most noted events during the 1960s were women's equality, civil rights, the Cold War and the Vietnam War [4]. After the 1980s, issues such as global warming, the Exxon Valdez environmental scare, human rights, health, and school safety came to the forefront of socially responsible investment practices [5, 6]. Education and increased access to information, along with a greater understand of how SRIs can compete with other "top-performing" assets have enabled the growth of this industry to be almost double that of the market during the period from 1995 to 1999. During the 1990s, investors also began to see a "mainstreaming" effect in the market of SRIs. Since 1995, there has been a 929% increase in socially responsible investments [7]. However, Investment decisions initially followed a simple triangle, covering liquidity, risk, and return. Nowadays, the magical square has been used by numerous investors; that's to say liquidity, risk, return, and sustainability. Where it can be seen as an enhancement of the neoclassical homo economics, which is driven only by economics, as presented in Figure 1 (Cengiz and his colleagues 2010).

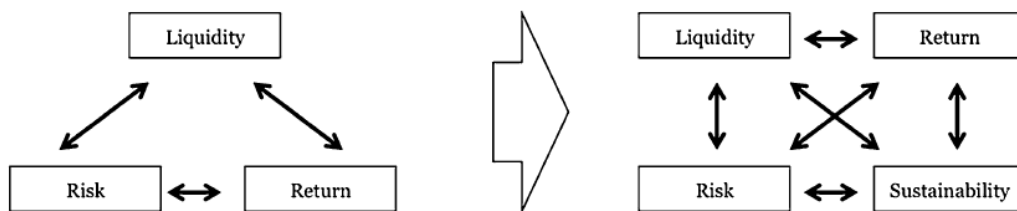


Figure 1: Investors' needs in the investment process

source: Cengiz and his colleagues 2010

As of 2014, 6.6 trillion dollars were invested in SRI investments[7], a 76% increase over a two-year span. In 1999, these investments only totaled \$2.16 trillion dollars [4]. As of 2014, there were 181 US mutual funds, 39

exchange traded funds, and various other forms of investment vehicles that practice SRI [8]. SRI investments in Europe had growth rates of 22.6% and 132% for sustainability themed and impact investments since 2011; According to the GIIN, governments are also providing support for SRI investments. A graph published by the US SIF Foundation models the fast-paced increase in the quantity of socially responsible investments over a ten-year period [9]. From (1995- 2014) SRI investments grew from under \$1,000 billion dollars to \$6,500 billion dollars. The growth in SRI's clearly indicates increased interest in socially responsible investing even though institutions, pension funds, foundations, and college endowments are the biggest contributors to SRI funds according to Kiplinger Persona 1 Finance [10]. Upon analysis, it appears that too much emphasis has been placed on comparison of conventional versus SRI investments which are comprised of two very distinctly different objectives, the latter being that the investor has two objectives to meet when selecting the investment. "Environmental, social, governance, or ESG investments are a common term that is interchanged with SRI, but it simply means that the institutional investors focus on the environmental factors associated with the company's outputs, as well as the corporate social responsibility model of the company and its management structure (Discovery Investment). In 1986, Trillium Asset Management paired with US SIF and other leaders in the SRI space to form the first exclusive ESG investment fund" [4]. However, another kind of social investments lies under "corporate social responsibility investments" where it is encouraged by government by diminishing taxes paid on their profits in order to support such kind of investments. Furthermore, The British government grants investors a 30% tax relief on social responsible investments; whereas the EU established European Socially Responsible Funds which invest 70% or more in social business.

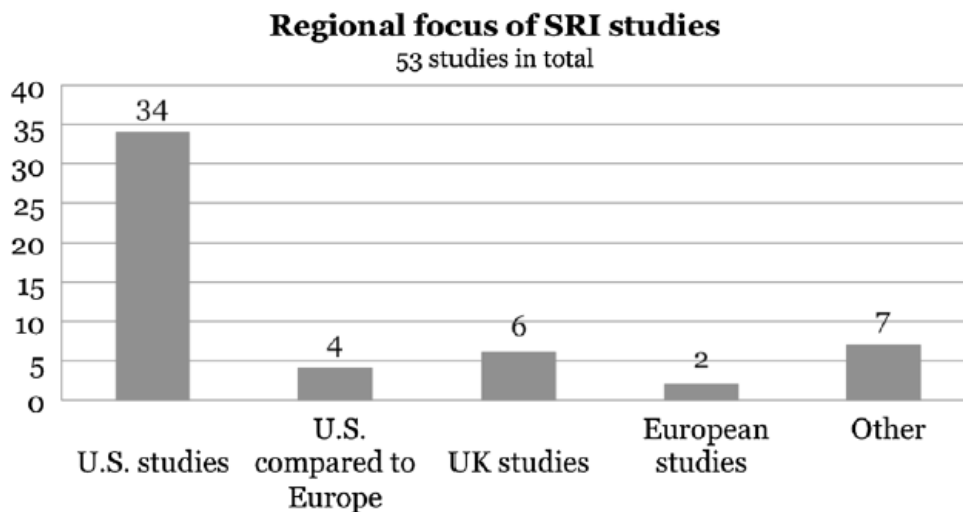


Figure 2: SRI studies

Source: Business research-2015

3. Corporate Social Responsibility (CSR)

Corporate Social responsibility-CSR can be defined as a managing process that includes all the efforts exerted in an organization in an ethical atmosphere. Moreover, it all started internally as a bunch of beliefs and values agreed on, transmitted through meetings, events, webpages, product labels, strategies, logos, advertising

campaigns. However, these beliefs lead to more trust toward the organization, which in turns contributes in increasing and developing the business, leading to sustainability in the long run. Moreover, “CRS is conducted in the organization as a part of and adapted through its strategy and vision, nevertheless these principles should be realized by the strategical and operational management level, and conducted by the whole company thus becoming a part of its identity” [11]. Nevertheless, acting socially responsible in an organization leads to increase revenues and achieve more profits so far.

3.1. CRS and Financial performance

Various studies have insured the relation between CRS and Financial performance of the organization adopting it. Between 1972 and 1992, 20 studies were conducted by Moses L. Pava and Joshua Krause concluding that “Our single most important observation is that, of 21 studies, 12 reported a positive association between CSR and financial performance, 1 reported a negative association, and 8 reported no measurable associations. While it is evidently true that not all studies report that CSR firms perform better than non-CSR firms, the overwhelming preponderance of the evidence indicates that CSR firms perform at least as well as other firms” [11]. However, there were other financial studies that insured that investors have the tendency to pay more for shares in firms having advanced culture and sound practices, in the fields of good corporate governance and CSR so far. According to National business ethics study, employees tends usually to behave and work in a more loyal way toward their organization when they know that it conducts socially and ethically responsible [2]. Nevertheless, using resources as economically and effectively as possible, operational cost specifically and overall costs in general can be cut off or reduced. Furthermore, moving to Lebanon; limited studies from both institutional and private side indicates that SRI appears to be a new trend where it has been used in certain cases as a “Marketing tool”, in order to get benefit from the tax relief.

4. Previous studies in Lebanon

According to the Lebanese Transparency association in Lebanon (2018), the available CSR choices were related mainly to Scholarships and education, Environmental issues (Go Green), Donations, NGO support, Community provision, Sponsorship, Support of cultural events, Corporate Volunteering and finally Employee programs (health care, trainings...) and suppliers. From the corporations' point of view, Lots of studies have been made in order to know the reality of CRS in Lebanon; as a result about 40 businesses among the 100 largest employers in Lebanon were surveyed, with the help of the business magazine “Lebanon Opportunities” in July 2005 by author in [12], in addition for various case studies for small and medium enterprises that were investigated according to global compact membership, their homepages and the CRS activities presented on it, that's to say if CRS reports are presented on it or not; incase it was not present a questionnaire was sent to these organizations to see the reality of CRS activities. Nevertheless, Questionnaire was adopted as the main methodology in order to investigate their way of thinking during investment process. However, the LTA(2010) Focuses mainly on these Lebanese companies to investigate if they have developed a CRS program, when and which activities do they carry; also if there exist any assigned yearly budget for these type of activities and how do they communicate it to the public; in addition for the taxation method assigned for these companies, as government tends normally to lower tax paid on the part of profits going to charitable work, but unfortunately most of the

companies are using this point as “marketing” just without real field work in order to lower the interest paid. Nevertheless questions related also to their own judgement regarding CRS activities in Lebanon whether they have changed up from the war period till now, in addition to the types of measurement that should be taken by the government in order to improve the reality of CRS activities in Lebanon. With respect to the firms that were analyzed according to their global compact membership, their homepages and the CRS activities presented on it; 37 companies’ data were analyzed covering different sectors (Banking& Finance, Communication& Media, Foods, Industry, Retail, Services, Tourism& Leisure) in addition for the questionnaire that was sent to them. Moreover, the author in [14] indicates that “only 12 out of 40 companies were dedicating a part of their homepage for CSR related topics or activities. This corresponds to 30%, meaning that 70% of the reviewed companies did not publish CSR activities on the web”, furthermore with respect to the publication process of CRS annual reports, 38% did have an online CSR report, and unfortunately they don’t integrate the topic into their annual report. Nevertheless, lack of previous studies related to Social responsibility investments from individual’s point of view or private point of view have been clearly noticed in Lebanon, as a result this paper aims to study the reality of this concept from this side as an added value , considering all the regions specially the humble geographical areas in Lebanon that have been taken as a main variable ,where different cultures in addition to different mentalities exist, as people living there disposed more to help each other and encourage such kind of investments; for that it has been taken as one from the variables in our study in order to see its impact on SRI enhancement in addition to other ones.

5. Individual Social Responsibility Investments

Subsequently after investigating the reality of corporate social responsibility investments which found very limited, we had the curiosity to study empirically the reality of SRI from the individual’s point of view in Lebanon.

5.1. Data Source and collection

The Data used in the proceeding part for the empirical study has been collected based on a questionnaire distributed to target numerous Lebanese investors all over Lebanon. The main goal of our research was targeting mainly individual investors,(males and females) aging 22 and above, since usually individual investors could be either young which are still fresh, and mature one’s that have experience in this domain ; to know the difference between them and how would years of experience affect the individual’s investor decision taken, which usually tend to have limited knowledge about certain financial concepts that might affect their way of thinking, their decision making and so far their profitability. After collecting the secondary data from different articles mainly (Corporate Social Responsibility in Lebanon, 2005 and Does the Market Respond to an Endorsement of Social Responsibility? The Role of Institutions, Information, and Legitimacy, 2010); primary data was collected. In this study, a quantitative primary data was collected as a part of a questionnaire distributed through a “link” to target different kinds of investors all over Lebanon to get the biggest amount of views from different regions, in order to help in generalizing the results all over Lebanon. The aim behind the anonymous survey specially sending it through a link lies in making the respondents free from any restrictions or any fear that would limit their answers, but responding frankly regarding his decision making process, even if the responses in certain

cases need to be honest, transparent and straight forward to the answer. Furthermore, Blind survey method promotes greater revelation of sensitive or private information that might contradict the beliefs where it provide identity protection thus being more accurate. 211 complete questionnaires were received based on sample random Sampling. Moreover; 10 questions were mainly asked to investigate the reality of empowering Social welfare regardless the profits obtained, in addition for investigating whether Lebanese individual investors prefer investing with low profit and high social cause, if yes which field do they prefer mostly, that's to say lowering employment rate, environment, production, or education....

5.2. Sampling methods

Two types of Sampling can be considered which are “Non-probability Sampling”, where probability of being chosen is unknown ; furthermore four main types of samples falls under this type (convenience samples which are easy to access, snowball sampling that's to say friends of friends; Purposive sampling or judgmental where you are able to choose those included in your study and the Quota sampling) from the other side, non-probability sampling has a potential for being biased, where results obtained from it can't be generalized in most cases. However, Probability sampling on the contrary includes Random sampling where each included attribute has a known and same probability of being chosen, which result in testing the hypotheses under study and generalizing the results obtained all over the population. Furthermore probability samples are considered the best in most cases, as it helps in ensuring representativeness and precision to the study. The main advantage of this method lies in its ease of use and its accurate representation of the large population. Nevertheless, different methods can be used in probability sampling which are: Simple random sampling, Systematic sampling, stratified sampling, multi-stage and cluster sampling. Simple random sampling is a fair method if applied correctly, where it helps in minimizing any bias that could be found compared to other methods. Second, it helps in picking up a smaller size frame from the existed large population; in addition to that there is no need for the one conducting the research to have a prior knowledge regarding the data being collected, but he can directly ask his questions to gather the data needed without being subjective. Moreover, no technical knowledge needed to adopt this method and since the size of population is large in such kind of sampling method, thus no restrictions on the sample size that should be targeted, as you can get a small quite sample easily; but the more you get the more it's better. Therefore all these reasons helped in adopting this method in addition to its ease of use and its accurate representation of the large population. This study adopts “Random Sampling” method, as the latter seeks all kinds of investors from different regions in Lebanon, in order to insure Representativeness and precision; through using Simple random sampling technique, where each sample included has the same probability of being chosen which is more adequate and helps in testing the hypotheses under study to generalize the results obtained all over the population. Nevertheless, a sample profile based on different judgment criteria: age of the respondent, years of investment experience, most preferable market, most preferred range of prices to invest in. Moreover, The study targets individual investor (males and females) aging 22 and above, as individual investors could be either young which are still fresh (unexperienced), and mature one's that have enough experience in the domain, in order to know the difference between them and how would years of experience affect their decision taken and what are their main investment choices.

5.3. Questionnaire Overview and Hypothesis under study

Regarding our topic, we have found that the questionnaire survey was the most Convenient method owing to the fact that the research had to be conducted in a remote Location...moreover, the author in [15] have told that the questionnaires are the most Convenient and sensible option, especially when the researcher wants to gather information from a large number of respondents as well as being the most powerful method to capture their opinions and attitude. However, during building our survey several points that have been emphasized by the author in [15] were kept in mind:

- “(i) Assuring the participants of confidentiality
- (ii) Keeping questionnaire compact and using questions which focus on core of the research work
- (iii) Gathering respondents’ interest and retaining it”.

The survey was divided into three parts: first demographics questions, second investment basics which were designed to capture quantitative information and other questions (about 7 questions) that indicate us whether these targeted individual Lebanese investors tends to invest in social responsible investments or tends to prefer the normal conventional investments that seek for profits regardless the way and domain of investment based on previous studies (Baron, D. 2001. Private politics, corporate social responsibility and integrated strategy. *Journal of Economics and Management Strategy*, 10: 7-45; Berry, T. C., & Junlrs, J. C. (2013). Socially responsible investing: An investor perspective. *Journal of Business Ethics*, 112(4), 707-720 and Social Investment Forum Foundation. 2010. Report on socially responsible investing trends in the United States. Washington: Social Investment Forum Foundation), Using Likert scale which is a symmetric One-dimensional scale where all the items measure the same thing, however in different degrees of approval or disapproval in addition for close-ended questions. Nevertheless the analysis technique of [16] was used to quantify the used items through assigning certain scores for each attribute, Thus we can tell that our research follows the “Weighted Scoring Method” where weights of one, two, three...were assigned respectively according to the level of positivity, negativity and neutrality of the response in order to be computed and analyzed easily through the SPSS program. However, the main hypothesis that have been understudy was whether Lebanese individual investors prefers enhancing social welfare throughout Lebanon and specifically entering in a new business line in a Humble geographical areas in order to encourage certain social cause, or they tend toward the normal conventional investment way which seeks “high profits/regardless investing field” as their investment combination which may contradict their beliefs.

6. Test Results

Data obtained were entered to the SPSS software and were subjected to descriptive statistics, reliability and validity tests, in addition for correlations, regression and factor analysis.

6.1. Reliability Test results

“Reliability frequently refers to the consistency of a measure of concept, that is to say, if the research is carried out in the other similar context and the similar results can be obtained, the research is highly reliable [16].

Reliability is Considered through three prominent factors namely stability, internal reliability and inter observer consistency [17]. In this study, all the references are from reliable sources such as scientific journals, books or websites of professional bodies. Data is collected and analyzed by using scientific methods with computer aid in accordance with research questions and theories. Therefore, it demonstrates that there is sufficient reliability in this research”. “However, internal reliability of the scales is assessed using Cronbach’s Alpha, which allows researchers to estimate the reliability of participants’ responses to the measurements [18]. As Cronbach’s Alpha calculates the average of all split-half reliability coefficients, it can totally answer the question of internal reliability that whether or not the indicators that make up the scale or index are consistent [17]. As many writers suggest the acceptable factor loading is 0.6 and above [19] , so that the achieved score for this study are more than 0.6 which shows high level of internal reliability”. The reliability test presented in table 1, shows 71% reliability which is an acceptable percentage and shows high level of internal reliability as many writers suggest the acceptable factor loading is 0.6 and above ,so that the achieved score for this study are more than 0.6 which shows high level of internal reliability [20].

Table 1: Reliability Statistics

Reliability Statistics		
Cronbach’s Alpha	Cronbach’s Alpha Based on Standardized Items	N of Items
0.701	0.712	13

Source: The author

A descriptive statistics table for the demographics and investment basics; where mean, std.deviation and variance are mentioned below.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Sex	211	1	2	1.45	.498	.248
Age	211	1.00	4.00	2.5071	.65734	.432
Years of investment	211	1	31	12.48	6.378	40.679
Preferred market	211	1	2	1.46	.500	.250
Investing Choice	211	1	5	2.06	.895	.801
Preferrable Price range	211	1.00	3.00	1.9289	.78659	.619
Valid N (listwise)	211					

Source: the Author

6.2. Statistical sample description

A description of the sample's characteristics in terms of age, educational level, Investment basics and other questions related to investigate the reality of Social Responsibility investments in Lebanon will be presented hereafter. (Source: The author)

6.2.1. Frequencies

Table 3: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	117	55.5	55.5	55.5
	Female	94	44.5	44.5	100.0
	Total	211	100.0	100.0	

According to the test results presented in table 3; 55.5% of the respondents lies under Male (individual investor), whereas 44.5% of female individual investors.

Table 4: Age category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	22-29	18	8.5	8.5	8.5
	30-39	69	32.7	32.7	41.2
	>40	123	58.3	58.8	100.0
	Total	211	100.0	100.0	

Regarding table 4, the respondents' age varied from 22 years to more than 40 years old, with 8.5% between 22-29 years, 41.2% between 30-39, and 58.8% 40 years old and above.

As for the respondents' educational level obtained in table 5, we have got 87.7% with a University level. However, According to the results that have been expressed, 9% have been investing for 7 years, 6.6% for 16 years, and 2.4% for 25 years; in addition to many others.

Table 5: education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school	26	12.3	12.3	12.3
	University	185	87.7	87.7	100.0
	Total	211	100.0	100.0	

Table 6: preferable market for investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Emerging	97	43.5	43.5	43.5
	Developed	114	56.5	56.5	100.0
	Total	211	100.0	100.0	

With respect to the most preferable market that individual investors would like to invest in we can notice from table 6 that 56.5% of them prefer to invest in developed market and stay on the safe side, whereas the remaining 43.5% prefer the emerging market which is more volatile.

Table 7: Investment Choice

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Stocks	67	31.9	31.9	31.9
	Real project	64	30.4	30.4	62.3
	Mixed	80	37.7	37.7	100.0
	Total	211	100.0	100.0	

Regarding the question related to the investor’s choice, as we can see in table 7 that 37.7% prefers to put their money in mixed investments, whereas 31.9% likes to invest in certain stocks and 30.4% in Real projects.

With respect to the preferable range of prices that an investor would like to invest in, It can be noticed in table 8

that 27.5% prefers the high gap (>2M\$),37.9% tends to invest in the middle gap (1-2M\$) and the rest 34.6% prefers not to take risk and tends to the low one (500,000\$).

Table 8: Preferable Price range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	500,000\$	73	34.6	34.6	34.6
	1M\$-2M\$	80	37.9	37.9	72.5
	>2M\$	58	27.5	27.5	100.0
	Total	211	100.0	100.0	

Table 9: Social Cause enhancement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	61	28.9	28.9	28.9
	No	47	22.3	22.3	51.2
	still	103	48.8	48.8	100.0
	Total	211	100.0	100.0	

Regarding the question that asks the individual investor whether they enhance a social cause, table 9 shows that the majority of the investors which are 48.8% have the tendency to enhance a social cause but in reality still, and 22.3% don't encourage this kind of investments and just 28.9% they do enhance a social cause.

Table 10: investment/profit combination

		Frequency	Percent	Valid Percent	Cumulative Percent
	low profit/high social cause	39	18.5	18.5	18.5
	moderate profit/mixed investment	70	31.8	31.8	50.2
	high profits/regardless investment field	102	46.9	46.9	97.2
	Total	211	100.0	100.0	100.0

As we can see in table 10, unfortunately 46.9% of the individual investor respondents tend to invest in high profit investments regardless the investment field, whereas only 18.5% encourage acquiring low profits for obtaining high social cause. During studying whether Lebanese individual investors have the tendency to invest in a new business line or a humble geographical areas to encourage investments in these remote and far areas, knowing that low profits will be gained if any; from table 11 it can be noticed that the higher percentage which records 49.3% will do so 33.2% do not support such kind of investments in these places.

Table 11: Humble geographical area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	70	33.2	33.2	33.2
	Yes	104	49.3	49.3	82.5
	neutral	37	17.5	17.5	100.0
	Total	211	100.0	100.0	

6.3. Result Analyses

A detailed analysis regarding the results that have been obtained from different Tests (Correlations, factor analyses and regression) is presented below.

6.3.1. Correlations

When studying the correlation between the dependent variable (Enhancing Social cause) and the independent variables (Investing in a humble geographical areas, Invest Decision/Profit combination, supporting certain social cause, Investment choice, support investing in high debt companies) the results were as follow:

Investing in a Humble geographical area was positively correlated with taking a decision for Enhancing a Social cause at the level of 0.01, the Pearson correlation between them came out to be equal to 0.193 significant at 0.01 (positive correlation). Investment/Profit Combination and the dependent factor had also a positive correlation (0.333) and its significant at 0.01, therefore it can be told that enhancing a certain social cause requires sacrificing in high profits investments and seeking for investments that have high social cause and low profits. The correlation between investing in high debt companies for the benefit of expanding investments was not significant, that's to say people seeking for acquiring more profits doesn't look for enhancing investments with social cause a lot. However, Supporting a social cause in Lebanon was negatively correlated with enhancing it (-0.048) and not significant, this means that Lebanese investors unfortunately may support such kind of investments theoretically, but when it comes to reality and applicability they do not.

6.3.2. Factor Analysis

Before proceeding in this step, factor analyses is mainly based on “Correlations” above, for that a multicollinearity and singularity check is Essential in order to know which attributes must be included and which should be excluded, the test done has showed that, there was no factors that are highly correlated or perfectly correlated; thus we can tell that all as an initial look all factors can be included except for “Supporting a social cause”.

Table 11: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.639
Bartlett's Test of Sphericity	Approx. Chi-Square
	345.510
	Df
	36
	Sig.
	.000

Usually the KMO and Bartlett’s test varies between 0 and 1, the author in [21] said that values above 0.5 must be accepted in order for factor analysis to yield reliable factors; and values below 0.5 leads the researcher to either collect more data or to rethink more in the variables included. In this case, as it is shown in the table above Kaiser’s value is 0.639 which is considered “Acceptable” [22], therefore we should be very confident that the factor analysis is very appropriate for the collected data. Moving to Bartlett’s which test the null hypothesis and we recommend for this test to be Significant (<0.05), for our data it appears that Bartlett’s test is highly significant (p<0.001), thus we can tell that factor analyses is very appropriate for this study.

Table 12: Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.456 ^a	.398	.116		.810	2.112

a. Predictors: (Constant), supporting certain social cause, support investing in high debt companies, Humble geographical area, investment/profit combination

b. Dependent Variable: Social Cause enhancement

Table 13: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.624	4	5.156	7.867	.000 ^a
	Residual	135.016	206	.655		
	Total	155.640	210			

a. Predictors: (Constant), supporting certain social cause, support investing in high debt companies, Humble geographical area, investment/profit combination

b. Dependent Variable: Social Cause enhancement

As shown in table 12; the adjusted R square is =to .398 which means that 39.8% of the total variance in supporting the enhancing social cause investment decision making is Explained. Moreover having the F significant at less than 0.05 suggests a linear Relationship among the variables and indicates the overall significant of the model used.

Table 14: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.275	.245		5.198	1.000
	investment/profit combination	.330	.072	.311	4.574	.000
	Humble Geographical area	.125	.077	.110	1.621	.010
	support investing in high debt companies	.065	.079	.054	.822	.412
	supporting certain social cause	-.066	.049	-.087	-1.327	.186

a. Dependent Variable: Social Cause enhancement

Based on the factor analysis results presented in table 16; A negative Relationship between one independent

variable can be noticed, except for three which are mentioned above but we have made the regression in order to confirm our results. Beta expresses the relative importance of each independent variable in standardized terms. First, it can be noticed that investment/profit combination has higher impact on enhancing SRI than that of humble geographical area, which in turns has higher affect than support investing in high debt companies and are significant with the dependent factor (Social Cause enhancement). The coefficient table helps us conclude our equation, we find that humble geographical area has higher impact than that of support investing in high debt companies, which has a higher impact than investment/profit combination, but if we take a look at the T test column, we notice that just (humble geographical area and investment/profit combination) are significant while the other is not ((beta=0.125, and beta=0.330) respectively.

6.3.4. Model estimation

Estimation results display that the relation between the Independent variables and the dependent one which is Enhancing Social cause Investment decision is:

$$Y = 1.275 + 0.330 \text{ InvestProfCombination} + 0.125 \text{ HumbleGeo}$$

(.000)

(.010)

This result indicates that two main independent variables (Investment/Profit combination and Humble geographical areas) affects significantly the Lebanese individual investors' decision making toward enhancing a Social cause. The Investment/Profit combination which affects more the Lebanese individual investors' decision making, where responses of investors in the blind survey shows that the majority around 47% (refer to table 10) prefers to get high profits regardless the investment field, that's to say even though in some cases the investment may contradict his own beliefs, culture, religious requirements and traditions; but obtaining high profits appears to be their main target. Nevertheless, these answers are obtained from the anonymous questionnaire that was distributed where it protects the identity of the investor and make him feel free to reveal certain sensitive information about his investment process, as it wouldn't be the same if it wasn't anonymous and results may vary. Various questions were asked, but the main ones that constitute this variable (invest/profit combination) were: Which investment/profit combination do you prefer mostly? (Low profit/high social cause; moderate profit/moderate social cause ; High profit/regardless investment field) followed by another question which states; Do you tend to invest in stocks/real projects that your familiar with and goes with your own beliefs and cultural background even if it provides you with limited profits? (Yes, No, indifferent). However, regarding the second factor that plays a main role also in enhancing social cause is "humble geographical areas"; it constitutes from: Do you support investing in a new business line in a humble geographical area to enhance certain social cause regardless the obtained profit? (Yes, No, still); unfortunately most of the responses were "Still" where it records around 49% and "No" around 22% (refer to table 9); therefore it is clearly shown that Lebanese individual investors support theoretically SRI, as they can't deny their main target which is wealth maximization. As a result, hypotheses understudy regarding the effect of humble geographical areas on enhancing social cause and investing in fields that contradicts their cultural background and beliefs for seeking more profits are accepted based on the obtained results. Consequently, it is worth full to note that Social

Responsibility investments need to be motivated specifically in Humble geographical areas that appear to be significantly effective on enhancing SRI in Lebanon. In addition to the mentality of the Lebanese investors that needs to be developed rapidly with the development of societal needs.

7. Conclusion

Social Responsibility Investments tend to be very limited in Lebanon from both sides (Individual and Institutional) based on the literature review, previous studies and historical background. Thus enhancing Such kind of investments and certain social causes depends mainly on widening the investments in new lines in humble geographical areas in Lebanon, in order to help in nourishing such places and blooming the people out there, regardless of the profits that you may or may not gain, that's to say sacrificing in high profits for the sake of Social cause which appears to be very necessary in Lebanon. On the other hand, social responsibility investments in Lebanon are becoming a kind of Marketing tool for certain individuals and institutions, in order to benefit from lowering the interest or cancelling it on the profit margins provided for such kind of investments; as a result a lot of organizations and individuals are pretending theoretically that they encourage these kind of investments, but when it comes to reality unfortunately it differs a lot...furthermore, this new kind of investment model could be very appealing and wealth generating on all levels if it is applied seriously and with transparency; Hence, an awareness campaigns on SRI targeting the private sector is needed and is essential to improve the state of SRI in Lebanon, in order to become more sensitive to the community needs by adapting it rapidly and following the current mood of the Lebanese citizens, as companies are realizing recently that they function within a community thus they should be more sensitive to its need. Nevertheless, it is noticed that many companies have noticeably change in the manner to which they communicate to their market by adopting a new language that speaks to the collective thought of the Lebanese society, by following the general Lebanese mood , but this step is still limited and not enough at all and this is may be due to the impact of corruption and lack of transparency on the domestic economy which slowed the reconstruction process that in turn slowed the efforts of promoting such kinds of investments in the Lebanese markets. However, this research looks behind the factors that enhance Socially Responsible investments in Lebanon, where it proves through a blind questionnaire sent through a link and targeted 211 respondents; that two main factors affects significantly the Lebanese decision making toward enhancing certain social cause; which are Investment/Profit combination that has a higher impact than that of Investing in humble geographical areas which in turn has less impact. Both factors indicates that the Lebanese individual investor seeks investments with high returns even if it doesn't fit his own beliefs for the sake of maximizing wealth; and the "identity protection" that was taken into consideration in the questionnaire, from distributing to collecting the data back was so necessary to get this sensitive responses that wouldn't be revealed in another method; fearing from the cultural and societal views toward the respondent whenever the identity is discovered.

8. Declarations

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Not applicable

9. Author's Contribution

All authors read and approved the final manuscript

10. Funding

This Study received no funding

11. Availability of data and materials

The data provided by this study along with the material are available

12. Competing Interests

There is none

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