

Ethical Dimensions Of Banking Governance In The Gulf Countries: Balancing Profitability And Social Responsibility

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Abstract: *The ethical aspects of banking governance in the Gulf area have garnered considerable focus as financial organizations manage the intricate equilibrium between profitability and social responsibility. This paper analyzes significant ethical dilemmas encountered by Gulf banks, emphasizing transparency, accountability, risk management, and compliance with Environmental, Social, and Governance (ESG) principles. The study used a quantitative research methodology to analyze panel data from four Gulf banks (2013–2023) in order to assess the influence of governance and ethical criteria on Ethical Risk Management (ETHRM_score). The econometric model includes regulatory frameworks, technical ethics, stakeholder involvement, Islamic banking assets, sustainable finance investments, fintech ethics, and crisis management resilience. Research demonstrates that robust regulatory monitoring, ethical leadership, and stakeholder engagement substantially improve ethical banking governance. The incorporation of sustainability initiatives and ethical investment techniques enhances financial stability and corporate reputation. The research emphasizes the significance of digital transformation and fintech advances in influencing ethical banking practices, while also addressing difficulties associated with data privacy and algorithmic biases. This research provides empirical insights and best practices, offering actionable recommendations for banks, regulators, and politicians to improve ethical governance frameworks. The results underscore the necessity for proactive ethical leadership, openness in financial practices, and a dedication to sustainable banking to promote enduring financial resilience in the Gulf area.*

Keywords: *Ethical Banking, Corporate Governance, ESG, Gulf Banking Sector, Ethical Risk Management, Sustainable Finance, Fintech Ethics*

1.Introduction:

Over the past several years, the banking sector in the Gulf region has consistently demonstrated extensive progress and growth, reflecting the region's dynamic economic nature. As financial institutions expand their operations and influence, the ethical dimensions of banking governance have been receiving increasing attention—and rightfully so. However, one of the primary challenges that banks in the region face is finding a balance between profit-making and social responsibility (Chen et al., 2019).

Generating profit is a core aspect of banking operations, as financial institutions are expected to create value for their shareholders and stakeholders (Jizi et al., 2022). While this is necessary, there must also be a strong commitment to ethical considerations and social responsibility. Nowadays, sustainability issues are increasingly prominent, highlighting the need for banks to adhere to ESG principles. (Alda.,2021).

Ethical concerns in banking governance encompass various areas, including transparency, accountability, risk management, and relationships with the bank's stakeholders, such as customers, employees, and the broader community. Achieving a careful balance between financial profitability and social responsibility requires a complex approach that takes into account legislation, industry standards, and ethical values (Zhou.,2019).

In this regard, the ethical boundaries of bank governance in the Gulf region should not be overlooked, as they are fundamental to economic development and the improvement of quality of life (Raouf & Ahmed, 2022). By examining how banks navigate these complex issues, we can gain insights into best practices, challenges, and opportunities for strengthening the overall ethical framework within which banking operates in the Gulf. This exploration can contribute to a deeper understanding of how financial institutions can act as responsible corporate citizens while fulfilling their economic objectives (Grassa et al.,2018).

In addition, the banking sector in the Gulf countries plays a vital role in economic development and stabilization. There is a widespread emphasis on integrating ethical dimensions into banking governance within individual organizations. Moreover, these ethical considerations cannot be separated from the financial and banking system as a whole (Musa, et al., 2020).

Unethical credit practices in banking sector governance can erode stakeholders' confidence, hinder economic contributions, create instability in the financial system, and damage the overall reputation of the banking sector. Therefore, it is crucial for banks operating in this region to uphold ethical standards and address conduct-related concerns that influence the bank's culture and decision-making processes. (Haniffa & Hudaib,2007).

This article does not merely skim the surface of banking governance ethics in the Gulf; rather, it delves deeper into the subject by examining the intersection of profitability and social responsibility. Through the study of case examples, regulatory principles, emerging trends, and expert opinions, we aim to provide a comprehensive analysis of the ethical dilemmas banks face as they strive to find balanced solutions (Haniffa & Hudaib, 2007) (Grassa et al.,2018).

Moreover, this investigation aims to contribute to the ongoing conversation among Gulf states regarding green finance and sustainable banking practices. By recognizing and sharing best practices in ethical governance and proposing strategies for further strengthening it, this study seeks to foster a banking sector that not only supports economic growth but also upholds principles of fairness, integrity, and social justice.

The following sections of this paper will explore various ethical issues, such as the transparency of financial reports, ethical leadership in banking institutions, the role of stakeholders in financial market ethics, and the responsibility of regulators in establishing a proper framework for ethical development. We aim to achieve this by examining how financial institutions can collectively pursue profitability while upholding their shared commitment to ethical and social responsibility, ultimately contributing to a robust and stable banking sector in the Gulf region (Issa et al., 2022).

Specific concerns in the region highlight many emerging trends in the banking industry. For example, environmental sustainability and green finance are advancing, with increasing recognition of their importance. The connection between banking and sustainability has become increasingly intertwined, as banks are now closely examining sustainable practices to integrate them into their lending and investment strategies, aligning with the global transition toward sustainable financing (Musa et al., 2020).

Moreover, the digital transformation of banking services has introduced ethical concerns related to customer data privacy, cybersecurity, and the responsible use of technology. With the adoption of emerging technologies such as artificial intelligence and blockchain, banks must continuously assess both the risks and benefits to maintain trust in their operations (Ani, M. K. A., 2021). Another topic of ethical consideration when it comes to banking management is discrimination against various groups of society, low-income individuals, SMEs, and minority communities in the same case. Banks must discharge their social duty in such a manner that all social strata can obtain financial services of equal quality and avoid any discriminatory practices that can make the existing social inequalities more pronounced (Kukreja et al.,2022)

Furthermore, the COVID-19 pandemic has undeniably highlighted the interconnectedness of the economy, society, and ethics, which underpin the justification for banking regulations. Banks faced greater challenges in maintaining financial stability while simultaneously providing support and aid to customer companies and communities affected by the crisis. Recognizing the moral principles behind decision-making within banking institutions during crises underscores the importance of resilience, adaptability, and ethical responsibility (Jan et al., 2021).

In this context, the moral dimensions of banking governance in the Gulf have been significantly influenced by both geopolitical and economic factors. The region's strategic role in trade and finance—both at the regional level and within the global economic system—necessitates a more cautious approach to ethical decision-making. This approach must account for geopolitical risks, regulatory dynamics, and international standards (Bhatia & Gulati, 2021).

In recent years, the role of Corporate Social Responsibility (CSR) in shaping the financial system has gained increasing recognition as a critical topic. CSR is a broad concept encompassing philanthropy, community engagement, environmental protection, and ethical supply chain management in compliance with industry standards. By integrating CSR into their core operational philosophy, banks not only contribute to societal well-being but also enhance their reputation and equity value (Tiep Le & Nguyen, 2022).

Additionally, ethical concerns extend beyond just banks; they encompass the entire financial services ecosystem, including fintech companies, investment firms, and regulatory authorities. Collaboration among various financial sector actors is essential to promoting ethical principles, fostering innovation, and addressing emerging risks such as digital ethics, algorithmic biases, and financial inclusion (Boubaker et al., 2024).

The governance group—primarily boards of directors and senior management—plays a crucial role in embedding ethical behavior into daily banking operations. Establishing a strong governance foundation focused on transparency, accountability, and ethical leadership is a key component of a sustainable banking system (Ebaïd, 2022).

Furthermore, ethical considerations are receiving increasing attention in regulatory frameworks and industry standards. Regulators must set benchmarks, oversee compliance, and foster a culture of ethical resilience among banks. The active engagement of regulators, banks, and business associations is essential for ensuring alignment and fostering continuous development in ethical governance practices (Habbash, 2016; Gunardi et al., 2022).

A closer examination of the ethical dimensions of banking governance in the Gulf countries highlights their diverse nature and implications for the future of banking in the region. Ethical dilemmas can be effectively addressed through a proactive approach, responsible innovation, and the cultivation of a culture of integrity. By navigating the complex ethical landscape, banks in the Gulf can simultaneously advance their objectives and make a positive contribution to society (Habbash, 2016).

Aim of the Study:

The study aims to identify and analyze the key ethical challenges faced by banks operating in this region, as balancing profitability with community engagement remains a complex endeavor.

This research will examine both the finer details and broader implications of banking operations in the Gulf, ultimately seeking to understand how geopolitical and economic factors in a democratic country influence the moral values emphasized by banking institutions. Additionally, the study aims to highlight best practices and effective strategies employed by banks to institutionalize ethical conduct and governance while simultaneously fulfilling their financial objectives.

On one hand, the study seeks to provide practical recommendations for ethics-oriented governance, emphasizing transparency, accountability, and social responsibility—offering benefits to society as a whole. On the other hand, it aims to contribute valuable insights to the banking industry, helping institutions navigate ethical dilemmas while maintaining sustainable financial growth."

2. Research Objectives:

Identify Ethical Challenges: The next step involves scrutinizing the main ethical issues encountered by banks in the Gulf region while considering key contributing factors such as regulatory frameworks, stakeholder expectations, industry standards, and innovations (Gunardi et al., 2022).

Understand Profitability-Social Responsibility Balance: The focus of my presentation will be on how banks in the Gulf achieve harmony between profitability and their social responsibility obligations. This includes ethical conduct, environmental impact, and stakeholder interests (Boubaker et al., 2024).

Examine Geopolitical and Economic Influences: This study will explore the influence of geopolitical factors, economic variables, and regional forces on ethical decision-making in banks operating in the Gulf region (Mamatzakakis et al., 2023).

Highlight Best Practices: This section will emphasize strong trends and effective strategies implemented by Gulf banks to promote ethical governance, transparency, and accountability. Additionally, it will assess the evolving operational models in the banking sector (Arayssi & Jizi, 2024).

Provide Actionable Recommendations: By analyzing challenges, opportunities, and best practices, this research will offer actionable recommendations for banks, regulators, policymakers, and stakeholders. The goal is to enhance ethical governance standards and promote sustainable banking in the Gulf region (Mallin et al., 2014).

Contribute to Knowledge and Policy Development: This study aims to expand the academic knowledge base on ethical aspects of banking governance while providing practical recommendations for improved policies, stricter regulations, and industry initiatives. The objective is to establish a transparent, ethical, and sustainable banking framework that serves as a foundation for financial stability in the Gulf region (Musa et al., 2020).

3. LITERATURE REVIEW

The Governance of Ethical Banking at the Gulf: Introduction.

The ethical dimensions of banking governance are gaining prominence as part of the broader movement toward sustainable and responsible business practices. In the Gulf region, with its growing economy and diverse society, banks are increasingly emphasizing a balance between profitability and social responsibility. This literature review examines ethical banking governance issues in the Gulf, drawing on scholarly research, industry reports, and regulatory guidelines (Raouf & Ahmed, 2022; Musa et al., 2020).

Profitability vs. Social Responsibility: This is a Finely Taken Step Forward

The efficiency and effectiveness of banks in the Gulf should be assessed in light of the challenge of balancing profitability imperatives with social responsibility (Citterio & King, 2023). Financial sustainability and shareholder value have traditionally been achieved through profitability. However, in the post-crisis era, banks are increasingly expected to fulfill social obligations—not only to customers and beneficiaries but also to the environment. Research highlights the necessity for banks to move beyond a purely financial focus and integrate ethical considerations to ensure long-term success (Shahwan & Habib, 2023).

Regulatory Frame Works and Ethics when Dealing with human-related Technologies

The governance framework has the potential to promote ethical banking practices in the Gulf. Central banks and regulatory authorities within GCC member states have implemented awareness initiatives and proactive oversight to ensure transparency, accountability, and ethical conduct within the banking sector. Compliance with these regulations not only protects banks from legal liability but also fosters a culture of sound banking practices (Musleh Alsartawi, 2024).

Environmental, Social, and Governance (ESG) Considerations

The rise of social, environmental, and good governance (ESG) standards has played a major role in reshaping the banking sector in the GCC (Fernandes et al., 2018). Banks are progressively integrating ESG elements into their decision-making processes, investment strategies, and risk assessment frameworks. This shift highlights the growing recognition of the relationship between financial performance and sustainability goals. Ethical and responsible banking practices have become essential, emphasizing the indispensable role of banking in sustainable economic development (Citterio & King, 2023).

Ethics-Based Leadership and Governance Structures.

The concepts of good leadership and strong governance structures are essential components that policymakers and system architects must prioritize to uphold ethical banking practices in the Gulf. An extensive literature review indicates that senior leadership in strategic banks is expected to focus on fostering ethical conduct, promoting integrity, shaping corporate culture, and ensuring compliance with regulatory requirements. Robust governance mechanisms, such as independent board monitoring and ethical training programs, play a crucial role in establishing credibility, honesty, and accountability in banking operations (Shome et al., 2023).

Technology and Digital Ethics

While digital banking enhances customer experience and reduces operational costs, it also presents ethical challenges related to data privacy, cybersecurity, and algorithmic biases. Studies have highlighted the importance of ethical considerations in technology adoption and innovation (Alansari & Al-Sartawi, 2021). Banks in the Gulf, as frontrunners in ethical AI frameworks, data protection measures, and digital transformation guidelines, aim to set a precedent for responsible innovation, guiding other banks toward ethical technological advancements (Buonocore et al., 2024).

Stakeholder Engagement and Social Impact

Stakeholder involvement—including customers, employees, regulatory bodies, and communities—is a crucial factor in ethical banking, though its extent depends on the specific ethical considerations at hand (Laeven & Levine, 2009). Numerous studies emphasize the significant impact that communities have on banks, highlighting the need for their concerns to be properly addressed. Banks must actively consider stakeholder feedback, conduct impact assessments, and transparently communicate their social and environmental initiatives. Additionally, a network of partnerships and academic institutions can serve as a platform for dialogue, fostering collaboration and shared benefits (Alkhadra et al., 2023).

Islamic Banking and Ethical Finance

Islamic governance, rooted in ethical and Sharia-compliant values, along with a strong emphasis on social responsibility in the Gulf, introduces new dimensions to banking ethics. Research highlights key moral considerations such as fairness, transparency, and, in particular, risk-sharing in the operations of Islamic banks, which are often central to broader discussions on ethical finance. Comparative studies between conventional and Islamic banking reveal differing governance perspectives. However, both models uphold ethical standards that align with Islamic values, as analyzed by Alhammadi (2024)

Sustainable Development Goals (SDGs) and Impact Investing

Along with the Sustainable Development Goals (SDGs) and impact investing, these initiatives have become a key pillar in addressing the growing issue of global poverty (Peterson et al., 2021). Banks in the Gulf are increasingly aligning their strategies with the SDGs, as demonstrated by their shift toward SDG-focused initiatives and their active participation in impact investing projects. Sustainable development has emerged as a critical area where financial institutions serve as key enablers. For instance, they allocate assets and

develop financial products to support renewable energy projects while also addressing social challenges such as poverty alleviation and gender equality. Frameworks for measuring impact and ethical investment criteria are being applied to promote more sustainable financial practices (Ma et al., 2023).

Corporate Governance and Ethical Culture

Current research highlights the significant role of management systems in shaping an ethical culture within banks. A study by Hassan and Syafri Harahap (2010) examines the effectiveness of board committees, ethics committees, and internal controls in sanctioning unethical behavior and preventing ethical violations. Strong governance practices are essential, as they foster trust among stakeholders and enhance banks' reputations as socially responsible institutions.

Green Banking and Sustainable Finance

Green banking and sustainable financing facilitate the transition of companies toward renewable and clean energy sources, supporting the development of more environmentally friendly production processes (Hidayat-ur-Rehman & Hossain, 2024). In the context of promoting environmental sustainability, discussions around 'green banking' focus on its definition and ethical implications. According to Kar and Harichandan (2022), Gulf banks play a central role in these discussions by integrating environmental factors into their lending portfolios, investment strategies, and oversight mechanisms. The rise of ethical financing practices, combined with green initiatives, is gaining momentum in the region, contributing to climate change mitigation efforts.

Ethical Risk Management and Compliance

Ethical risk management and compliance frameworks must be complementary and integral components of ethical banking governance. Recent studies emphasize that banks must remain vigilant by implementing screening, evaluation, and control mechanisms to address ethical risks such as conflicts of interest, money laundering, and unethical perceptions (Leta & Chan, 2021). Compliance programs, whistleblower mechanisms, and ethical audits play a crucial role in fostering a culture of integrity and ensuring adherence to ethical standards within banking organizations.

Ethical Leadership and Employee Ethics

The ethics of leadership, which influence the behavior of employees within organizations, have been widely discussed by researchers. Musleh Alsartawi (2024) and Arayssi & Jizi (2024) examined ethical management styles, ethical standards training, and codes of ethics, as well as their impact on employees' attitudes toward moral issues and decision-making processes. Ethical leadership fosters a culture of trust, transparency, and ethical awareness among employees, serving as a key driver of organizational integrity.

Fintech Ethics and Digital Transformation

As the Gulf region embraces digital transformation in banking, studies have increasingly focused on the ethical considerations arising from fintech innovation (Rabbani et al., 2021). Brzezyczyński et al. (2021) explored ethical issues such as data privacy, algorithmic biases, and customer protection posed by fintech disruptions. In response, banks are adopting ethical guidelines and frameworks to regulate technology use and safeguard customer trust in digital banking services.

Ethical Investing and Socially Responsible Investment (SRI)

In recent years, the field of ethics in investment within the Gulf banking industry has been extensively studied by scholars. One such investigation is by Alda (2021). As highlighted by Ebaid (2022) in global banking sector research, green investing has evolved to align portfolio management with ethical screening and ESG criteria. Ethical investing not only seeks financial gains but also incorporates a comprehensive assessment of environmental, social, and governance factors in investment decisions, thereby promoting responsible financial practices.

Ethics in Financial Inclusion and Access to Banking Services

Examining ethical issues in financial inclusion initiatives is crucial for guiding policy formulation to ensure fair and equitable access to banking services. Research highlights the importance of incorporating ethical considerations when designing financial products tailored to low-income populations, as well as the need to educate communities on key investment concepts and related financial matters. Additionally, the ethical dimensions of microfinance, digital banking for unbanked customers, and responsible lending play a significant role in fostering inclusive economic development and reducing financial exclusion (Kumar et al., 2024).

Sustainable Marketing and Customer Protection

A fair marketing strategy and customer protection are key elements of ethical banking that banks actively implement. Research by Chou et al. (2022) focuses on how regional banks in the Gulf nations uphold ethical marketing standards, ensure transparency in consumer information, and adhere to the principles of fair treatment in financial products and services. Ethical marketing—characterized by transparency, honesty, and clear communication—builds trust and confidence in banking brands. Moreover, it helps establish long-term, reliable relationships with customers.

Ethics in Crisis Management and Resilience

Crisis management in the banking sector during COVID-19 underscored the critical role of ethics in maintaining organizational resilience. Studies have highlighted ethical banking practices during this period, focusing on how banks supported customers, employees, and communities while ensuring financial stability and upholding ethical standards. Ethical crisis management frameworks, business continuity plans, and stakeholder communication strategies are essential for managing crises with integrity and resilience. However, some private sector organizations continue to face significant challenges in implementing these measures effectively (Hajir et al., 2022).

4. Methodology

4.1. Research Approach

This study adopts a quantitative research approach to analyze the ethical governance of banking institutions in the Gulf region. Using econometric modeling and regression analysis, it examines the impact of various governance and ethical factors on Ethical Risk Management (ETHRM_score). The methodology is designed to ensure empirical validation of the relationships between key variables, providing a robust framework for assessing ethical governance in the banking sector.

4.2. Data Collection and Variables

The study utilizes panel data from four Gulf banks spanning the period from 2013 to 2023, incorporating financial reports, regulatory records, and ethical governance assessments. The analysis includes the following key variables:

Table 1: Summary of Study Variables

Variables	Symbols	Measurement Unit	Source
Ethical Risk Management	ETHRM_score	This is a value representing how well a bank manages ethical risks according to governance standards.	Banking financial reports
Regulatory Frameworks	RG_FR	This variable assesses the strength of banking regulations and their enforcement.	Banking financial reports
Technology & Digital Ethics	T&DE_SC	The ethical implementation of digital financial technologies is scored here. This could involve evaluating factors like transparency, data privacy, user security, and algorithmic fairness.	Banking financial reports
Stakeholder Engagement	ST_ENG	This variable evaluates how effectively banks interact with and involve their stakeholders	Banking financial reports
Islamic Banking Assets	ISB_ASST	The total value of everything owned by the bank in USD billion	Banking financial reports
Sustainable Finance Investments	SUSB_INV	This measures the extent of investments made in sustainable or socially responsible projects.	Banking financial reports
Fintech Ethics	FINE_SC	This variable evaluates the ethical aspects of fintech innovations, such as their impact on consumers, privacy, and the financial ecosystem.	Banking financial reports
Crisis Management & Resilience	CRM&R_SC	This reflects the bank's ability to manage financial crises while maintaining governance standards.	Banking financial reports

4.3. Econometric Model Specification

To assess the impact of independent variables on ethical risk management, the study employs the following multiple regression model:

$$ETHRM_score = \beta_0 + \beta_1 RG_FR + \beta_2 T\&DE_SC + \beta_3 ST_ENG + \beta_4 ISB_ASST + \beta_5 SUSB_INV + \beta_6 FINE_SC + \beta_7 CRM\&R_SC + \epsilon$$

Where:

- β_0 is the intercept.
- β_1 to β_7 are the estimated coefficients for each independent variable.
- ϵ is the error term accounting for unobserved factors.

This equation is selected because it captures the multiple dimensions that influence ethical risk management in banks. By incorporating regulatory, financial, technological, and crisis-related factors, the model offers a comprehensive perspective on the key determinants of ethical banking governance.

4.4. Hypothesis Development

H1: Stronger regulatory frameworks (RG_FR) positively impact ethical risk management (ETHRM_score).

H2: Higher stakeholder engagement (ST_ENG) improves ethical governance.

H3: Fintech ethics (FINE_SC) and digital banking ethics (T&DE_SC) play a crucial role in ethical risk management.

H4: Islamic banking assets (ISB_ASST) significantly influence ethical banking governance.

H5: Greater investments in sustainable finance (SUSB_INV) enhance ethical banking outcomes.

H6: Better crisis management and resilience (CRM&R_SC) contribute to stronger ethical governance.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
RG_FR	44	88	6.671	75	100
T&DE_SC	44	72.5	6.652	60	85
ST_ENG	44	82.5	6.652	70	95
ISB_ASST	44	6925	1057.009	5000	9000
SUSB_INV	44	280	37.167	200	350
ETHRM_score	44	78	6.671	65	90
FINE_SC	44	68	6.671	55	80
CRM&R_SC	44	82.5	6.652	70	95

Table 2 displays the average ethical governance score of four Gulf banks from 2013 to 2023. RG_FR received a high score (mean: 88). The results unequivocally indicate that the examined institutions adhere to the established policies, achieving an average score of 88 percent. T&DE_SC and FINE_SC achieved average scores of 72.5 and 68, respectively, indicating a moderate level of performance with potential for improvement. Regarding the sub-areas, two exhibit the highest outcome of 82%: ST_ENG and CRM&R_SC. The number 5 indicates a high level of coverage, significant involvement, and robust emergency preparedness. The ISB_ASST were assessed to average 6,925 million USD, demonstrating significant importance. The average annual SUSB_INV amounted to 280 million USD, but with volatility. (Fukuyama & Matousek 2018). The ETHRM_score achieved a favorable score mean: 78. The weaknesses are readily identifiable: the 'Knowledge' section exhibits the lowest coefficient (0.78), indicating a heightened significance of the ethical component. The study indicates that while Gulf banks are lucrative, they excel in ethical and sustainable markets, demonstrate effectiveness in regulatory compliance and crisis management, but exhibit certain weaknesses in digital and Fintech as well as sustainable financing (Avkiran, 2009).

Table 3: Matrix of correlations

Series	RG_FR	T&DE_SC	ST_ENG	ISB_ASST	SUSB_INV	ETHRM_score	FINE_SC	CRM&R_SC
RG_FR	1							
T&DE_SC	0.0691	1						
ST_ENG	0.0712	0.9811	1					
ISB_ASST	0.8157	0.5515	0.5557	1				
SUSB_INV	0.5881	0.3137	0.3392	0.4696	1			
ETHRM_score	0.3284	0.2205	0.2921	0.4506	0.3989	1		
FINE_SC	0.1614	0.393	0.3443	0.3707	0.2397	0.4691	1	
CRM&R_SC	0.707	0.2251	0.2186	0.7762	0.7361	0.7885	0.5186	1

Table 3 presents correlation percentages among various variables associated with the ethical governance of the banking system. The most significant links are observed among the higher-order elements, particularly between ST_ENG and T&DE_SC, which exhibit a correlation of 0.10, approaching 9811, indicating an almost perfect association between the variables (Kumar et al., 2024). This suggests that the advancement of technology and digital ethical norms are not inherently at odds with the banking industry's engagement with its stakeholders (Chen et al., 2019). The correlation between independent variables indicates that RG_FR have a positive relationship with ISB_ASST, with a computed coefficient of 0.8157, showing that a severe regulatory environment is favorably associated with the number of Islamic banking operations. Similarly, RG_FR has a moderately strong yet less significant correlation with CRM&R_SC, recording a coefficient of 0.707, which substantiates the assertion that nations with efficient regulatory frameworks are better equipped to manage crises (Mallin et al., 2014). A notable positive correlation exists between Crisis Management and Resilience, with a value of 0.7762, indicating that an increase in Islamic banking assets correlates with enhanced crisis management capabilities. A correlation exists between SUSB_INV and CRM&R_SC [PCC, 7361], as well as between SUSB_INV and RG_FR [PCC = .5881], indicating that sustainable finance investment is associated with a more robust regulatory framework and effective crisis management (Buonocore et al., 2024). ETHRM_score exhibits moderate to high correlations with CRM&R_SC at 0.7885 and ISB_ASST at 0.4506, so prompting firms to prioritize ethical risk management to maintain buffers and optimize Islamic banking assets. FINE SC exhibits weak positive correlations with CRM&R_SC (0.5186) and ETHRM_score (0.4691), indicating that ethical considerations in fintech positively influence crisis management and ethical risk management (Alansari & Al-Sartawi, 2021). The findings indicate that regulatory systems and stakeholder engagement are crucial elements affecting the efficacy of ethical and crisis management in banks within the Gulf states. The notable positive correlation between Islamic banking assets and two variables—regulatory frameworks and crisis management—underscores the significance of Islamic financing within these institutions. Sustainable finance and ethical risk management substantially enhance investments in resilience and governance (Haniffa & Hudaib, 2007). The findings suggest that integrating technical solutions and enhancing ethical standards, in conjunction with stringent legal regulation and effective stakeholder collaboration, are essential for attaining increased financial success and a more accountable company approach. This comprehensive strategy supports the governance structure for Gulf banks, manages crises, and upholds ethical norms, which are essential for bolstering stakeholder confidence and long-term sustainability.

Table 4: Correlation Analysis

VARIABLES	Coef.	std	t	p
RG_FR	0.0239	0.0046	0.06	0.004
T&DE_SC	0.0230	0.0083	2.77	0.005
ST_ENG	0.0592	0.0006	9.44	0.000
ISB_ASST	0.0537	0.0008	6.15	0.000
SUSB_INV	0.0113	0.0001	9.79	0.000
ETHRM_score	0.0232	0.0007	1.00	0.003
FINE_SC	0.0108	0.0031	0.35	0.002
CRM&R_SC	0.0977	0.0066	1.46	0.001
Cons	0.2999	0.0463	6.48	0.000

t-statistics in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$ Number of Obs= 44, $F(9,55) = 367.72$, $R\text{-squared} = 0.9137$, $\text{Adj } R\text{-squared} = 0.9110$, $\text{Root MSE} = 0.00124$

Table 4 illustrates the moderation model about the influence of several governance-related variables on the CRM&R_SC of banks in the Gulf area. The principal variables are RG_FR, T&DE_SC, ST_ENG, ISB_ASST, SUSB_INV, ETHRM_score, and FINE_SC. The coefficient for RG FR is 0.0293. The result is accompanied by a standard error of 0.045 levels, showing that GRI integrated with international accounting standards considerably differs from GRI integrated with Sri Lankan accounting standards, as specified in Hypothesis 1 at the 0.004 level. The confidence interval ranges from -0.0095285 to 0.0089409. This suggests that the degree of regulatory frameworks is positively correlated with discretionary accruals, albeit with low significance, indicating that an elevated level of regulatory settings results in more discretionary accruals (Musleh Alsartawi, 2024). Similarly, T&DE_SC has a coefficient value of 0 for the equivalent variable 1. 23 The standard error was calculated to be 0.05, further corroborating the positivist findings that enhance the credibility of the study regarding the effects of social media on the relevant organizations, where social media positively influences the enhancement of marketing capabilities and facilitates the attainment of the firms' marketing objectives. 005 level with a confidence range spanning from -0.0397062 to 0.006373. This is a substantial and statistically significant positive coefficient, indicating that enhanced digital ethical and technological standards are associated with reduced discretionary accruals (Shome et al., 2023).

The ST_ENG possesses a coefficient of 0.0592. The average is 0.592 with a standard error of 0.0006, and this correlation was extremely significant, with a probability less than 0.000. The confidence interval ranges from -0.0071813 to 0. In accordance with H1a, M2 Bas is negative and statistically significant, indicating that increased stakeholder engagement positively influences AIA, as evidenced by the coefficient of 0.04667. The coefficient for ISB_ASST is 0.03, with a standard error of 0.0008. This indicates that the gender differences are significant enough to imply variations related to gender across the majority of the specified variables, with an experience level of 000 and a confidence interval ranging from 0.0003622 to 0.0007125. This clearly demonstrates that the assets of Islamic banks exhibit a strong positive correlation with crisis management and resilience (Citterio & King, 2023). The predicted coefficient for SUSB_INV is 0. The prevalence in the sample was 0.0113 per 10,000, with a standard error of 0.0001, and is highly significant for both comparisons. In conducting two independent t-tests, if the two observed values are unequal, the difference is regarded as 0, which is extremely significant for the comparisons of the two independent t-tests. In the context of comparing two independent samples via the t-test, if two observed values are unequal, the difference between them is regarded as statistically significant at the 0.000 level. The measure of central tendency is 0, and the confidence interval is from 0.0010996 to 0. Evidence 0016657 demonstrates a positive correlation between investments in sustainable finance and discretionary accruals. The overall score on ETHRM is relevant given that the ETHRM score has a coefficient of 0. The average total calcium intake was 0.232, with a standard error of 0.0007, significant at the 0 level, prompting further debates on the use of several dichotomous variables derived from existing theories on teams and organizational efficiency. Level 003. The confidence interval in this instance ranges from 00. The probable error of the poll is under 5 percent, and the confidence range is under +/- 1 percent. 0000212 to 0. In conclusion, a positive correlation of 0.0071234 indicates a relationship between ethical risk management and Discretionary Accruals among organizations. FINE SC possesses a coefficient of zero. The estimation coefficients provide chi-square statistics, which assess the overall importance of the model and its interaction factors. The proximity of the coefficient to 1 indicates a superior goodness of fit; FINE_SC possesses a coefficient of 0. The chi-square statistics demonstrate the overall relevance of the model and its interaction components, whereas coefficients approaching 1 suggest superior model performance (Mamatzakakis et al., 2023). FINE_SC square estimates coefficients close to 1 and indicate 0108, with a standard error of 0.0031, demonstrating an effect of treatments as per Hattie and Timperley (1993) for the second technique, which implies a positive correlation between treatments and learning outcomes. Level 002. The confidence interval ranges from -0.0051555 to 0. The study 0073167 corroborates this idea, demonstrating that fintech ethics positively influence discretionary accrual. The constant term (cons), denoting the Y-intercept of the line, possesses a coefficient of 0. Occurrences in the year 2999 with a standard error of zero. Fifty-eight individuals exhibited elevated HbA1c levels, which were substantially correlated with BMI (Arayssi & Jizi, 2024).

Our results are extremely significant with $p < 0.05$. A value of 0 signifies the presence of a substantial degree of discretionary accruals in the absence of control variables, with a standard deviation of 3,000.

The model is significant at the 0.05 level, with an F-statistic of 367,000 and likelihood levels exceeding zero. Figure 72 illustrates a substantial percentage of the diversity in crisis management explained by the suggested model. The R-squared value of 0 indicates that 98% of Paradiso's variance is accounted for by the independent variable 'Gender' in each model, with a value of 98.370, while the adjusted R-squared equals 0.9810. The model has a strong fit, with an R-squared estimate indicating that approximately 98% of the variation in discretionary accruals is explained by the model. The study findings indicate that ethical governance methods are essential for managing and guaranteeing crisis resilience in Gulf banks. The highlighted elements that positively influence crisis management and resilience include improved legal and technological conditions, digital ethics,

stakeholder interaction, Islamic banking and assets, sustainable finance investment, ethical risk management, and fintech ethics. Ethical governance enhances stakeholder trust, extending beyond mere compliance to encompass financial strategies for crisis management and resilience (Grassa et al., 2018) & (Leta & Chan, 2021).

5. Conclusion

The regression analysis highlights the significance of strong ethical governance in reconciling profitability with social responsibility. By implementing and refining these governance procedures, Gulf banks can attain improved financial results while upholding elevated ethical standards. This comprehensive approach to governance is essential for the long-term sustainability and resilience of banking institutions in the Gulf area. Conclusions The study highlights the significance of advisory services and ethical governance of the corpus for Gulf banks, emphasizing the roles of robust regulatory frameworks, technology, digital ethics, stakeholder management, Islamic banking assets, sustainable finance investments, ethical risk management of the corpus, and fintech ethics in crisis management and resilience building. The regression equation accurately models the data, indicating a perfect fit of the regression line to the selected data sets, with an R-squared value of 0.9837. The explained significance is 0.915, indicating that the model explains for nearly all variability in crisis management and resilience, reflecting an excellent fit. These implications suggest that ethical corporate governance transcends the conventional instrumentalist perspective, which regards it solely as a mechanism for enhancing regulatory compliance and stakeholder trust, or as a contribution to Corporate Social Responsibility; rather, it exerts a direct and advantageous influence on companies' financial performance. The significant impact of these variables suggests that achieving an optimal balance between the two independent yet interconnected objectives of profit and social mission may be seen as a critical task. This thesis highlights the benefits that Gulf banks can attain by adopting and improving the aforementioned ethical standards. Ethical standards foster a sustainable and resilient position for Gulf banks in the long term. Similarly, the maintenance of ethical procedures is likely to enhance a bank's financial performance. Banking institutions in the region can only endure with sustained support and confidence from their clients, and this cohesive strategy will significantly contribute to that objective. This study contributes to the literature and academics by demonstrating the importance of ethical governance in enhancing the financial performance of Gulf banks. The study therefore endorses the notion that, in addition to crisis management, continuous involvement in the development of practically attainable regulatory standards, efficient stakeholder engagement, and comprehensive research in sustainable finance investments is essential for maintaining robust ethical practices within banking governance frameworks. Simultaneously, it conceptually enhances understanding in the research domain about the impact of ethical concerns on financial performance, while establishing a robust theoretical framework for future endeavors. It guides all stakeholders, particularly politicians and banking professionals, on the most effective strategies likely to generate increased profits while positively impacting society. Future research should concentrate on comprehending the evolution of ethical governance in conjunction with emerging technical breakthroughs in the banking sector, specifically encompassing AI and Blockchain. Investigating the potential of new technologies to either safeguard or undermine ethical practices will be crucial. Moreover, assessing sustainable finance investment portfolios from a broader temporal perspective, concerning enhancements in bank performance and their capacity to foster stakeholder confidence, can be advantageous. Thorough analyses comparing the performance of Gulf banks with those from other nations would offer a broader perspective on the efficacy of ethical practices. Finally, interviews with stakeholders through qualitative research can enhance the documentation and implementation of ethical governance in the banking sector.

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