



UNIVERSITI PUTRA MALAYSIA

***CORPORATE SOCIAL RESPONSIBILITY ORIENTATIONS AND
PRACTICES IN COMMUNITY DEVELOPMENT***

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ORIENTATIONS AND PRACTICES IN
COMMUNITY DEVELOPMENT**



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**CORPORATE SOCIAL RESPONSIBILITY ORIENTATIONS AND
PRACTICES IN COMMUNITY DEVELOPMENT**

By

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CORPORATE SOCIAL RESPONSIBILITY ORIENTATIONS AND PRACTICES IN COMMUNITY DEVELOPMENT

By

SITI NOORMI BINTI ALIAS

July 2012

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Corporate social responsibility (CSR) practice in community development (CD) is one of the strategic initiatives for human resource development emphasized in the New Economic Model (NEM) for Malaysia. The available CSR studies in Malaysia mostly focussed on CSR disclosure and little is known about the CSR orientations and types of practices of CSR in CD. Thus, this study is intended to fill in this knowledge gap in terms of exploring the orientations and types of CSR practices undertaken by the business corporations in CD.

This study used Carroll's CSR orientations of namely economic, legal, ethical, and philanthropic responsibilities and UNDP's CD components of living standards, health, and education. This study adopted descriptive survey research design involving 336 CSR recipients as respondents. The respondents were selected through a simple random sampling technique and the overall response rate was 67.2%. The data were gathered using an adapted questionnaire and were then analyzed using descriptive statistics.

This study reveals that the manufacturing sector represents the most prominent contributors of CSR in CD, followed by electrical and electronic, banking, and telecommunication sectors. CSR began in Malaysia in the 70s but most companies started their CSR practices in CD in the first decade of the millennium due to the influence of globalization and national development policy. The findings indicated that the highest ranked CSR orientation expected by respondent is legal, followed by philanthropic, economic, and ethical. The results also revealed that the business corporations contributed most to the community in terms of education for secondary school and university students in the forms of scholarship, internship, schooling aids, and learning tool such as computer.

The study concludes that this group of Malaysian communities especially the younger generation are aware about the necessities of corporations to run their business operations in accordance with the local laws. The study also concludes that education-related practices are the most prominent types of CSR. It is recommended that the CSR practices particularly on living standards, and health should also be intensified to have a balanced contribution of CSR in CD. Future studies are suggested to delve into the role of CSR in developing community resources by incorporating more subjective components of CD. The extent to which local adaptations of CSR are exercised by multinational corporations in CD is worth to be investigated.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Master Sains

**ORIENTASI DAN AMALAN TANGGUNGJAWAB SOSIAL KORPORAT
DALAM PEMBANGUNAN MASYARAKAT**

Oleh

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Amalan tanggungjawab sosial korporat (TSK) dalam pembangunan masyarakat merupakan satu daripada inisiatif strategik untuk pembangunan sumber manusia yang diberi penekanan dalam Model Ekonomi Baru (MEB) di Malaysia. Kajian mengenai TSK yang terdapat di Malaysia kebanyakannya tertumpu kepada pendedahan terhadap amalan TSK dan tidak banyak diketahui tentang orientasi dan jenis amalan TSK dalam pembangunan masyarakat. Justeru, kajian ini bertujuan mengisi jurang pengetahuan dari segi orientasi dan jenis amalan TSK yang dilaksanakan oleh badan korporat dalam pembangunan masyarakat.

Kajian ini menggunakan orientasi TSK Carroll iaitu tanggungjawab ekonomi, undang-undang, etika, dan filantropi serta komponen pembangunan masyarakat yang telah diambil daripada laporan Program Pembangunan Bangsa-Bangsa Bersatu (UNDP) iaitu taraf hidup, kesihatan, dan pendidikan. Kajian ini menggunakan rekabentuk kajian tinjauan deskriptif yang melibatkan 336 orang penerima TSK sebagai responden. Responden dikenal pasti melalui teknik persampelan rawak mudah dan kadar respon

keseluruhan adalah sebanyak 67.2%. Data diperolehi dengan menggunakan soal selidik yang telah diubahsuai dan kemudiannya dianalisis menggunakan statistik deskriptif.

Hasil kajian menunjukkan bahawa sektor pembuatan merupakan penyumbang utama dalam TSK untuk pembangunan masyarakat, diikuti dengan sektor elektrik dan elektronik, perbankan, dan tele-komunikasi. Amalan TSK di Malaysia bermula pada tahun 70-an namun kebanyakan badan korporat memulakannya pada dekad pertama milenium disebabkan oleh pengaruh globalisasi dan polisi pembangunan nasional. Kajian juga menunjukkan orientasi TSK teratas yang dijangka oleh responden ialah undang-undang, diikuti filantropi, ekonomi, dan etika. Syarikat perniagaan cenderung menyumbang kepada pembangunan masyarakat melalui TSK terutamanya dalam bidang pendidikan bagi pelajar sekolah menengah dan universiti dalam bentuk biasiswa, latihan industri, bantuan persekolahan, dan kelengkapan pembelajaran seperti komputer.

Kajian ini merumuskan bahawa masyarakat Malaysia terutamanya generasi muda yang terlibat dalam TSK adalah sedar tentang keperluan sesuatu operasi perniagaan itu dijalankan mengikut undang-undang setempat. Kajian juga menunjukkan bahawa pendidikan merupakan jenis amalan TSK yang tertinggi dalam pembangunan masyarakat. Kajian mencadangkan agar inisiatif dari segi taraf hidup dan kesihatan juga ditingkatkan untuk menyeimbangkan amalan TSK dalam pembangunan masyarakat.

Kajian akan datang perlu dilakukan bagi menerangkan peranan amalan TSK dalam membangunkan sumber manusia dalam masyarakat dengan mengambil kira komponen pembangunan masyarakat lain yang lebih subjektif. Adaptasi badan korporat multinasional tentang TSK dalam pembangunan masyarakat juga wajar dikaji.

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I certify that a Thesis Examination Committee has met on 20 X07 2012 to conduct the final examination of Siti Noormi binti Alias on her thesis entitled “Corporate Social Responsibility Orientation and Practices in Community Development” in accordance with the Universities and University Colleges Act 1971 and the Constitutions of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the degree of Master of Science.

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DECLARATION

I declare that the thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or other institutions.

SITI NOORMI BINTI ALIAS

Date: 20 July 2012

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