

Factors Affecting Efficient Implementation towards Effectiveness of Corporate Social  
Responsibility (CSR): A Study of CSR of a Company in Klang Valley

By

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Project Paper Submitted in Partial Fulfillment of the  
Requirements for Master in Management  
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## DECLARATION

My own work is being presented here in the form of a dissertation. Every effort should be made to recognize and cite the efforts of others in the appropriate texts where their contributions have been utilized. I also declare that this project paper, which was written the direction of my supervisor, Sir Sapowan Sanusi, and which was handed in as a partial fulfillment of the requirements for Master in Management at Universiti Tun Abdul Razak, has never been handed in before, either in part or in it' entirely, for any others.

  
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Abstract of the project paper submitted to the Senate of Universiti Tun Abdul Razak in partial fulfillment of the requirements for the Master in Management.

**Factors Affecting Efficient Implementation towards Effectiveness of Corporate Social Responsibility (CSR): A Study of CSR of a Company in Klang Valley**

**By**  
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This study explores the factors that are successful in employees' perception of CSR in order to have a better understanding of the effect that it has on the employees. In the course of this study, a poll was taken among the companies in Klang Valley. Research on CSR at the level of individual employees is just being started. To summarize, the idea of corporate social responsibility refers to the practice of giving something back to the community, participating in activities that are benevolent, and creating positive societal value. This study, there will be a particular technique that needs to be implemented in order to be successful. This comprises the design of the research, the population, the sample, and the processes for sampling, as well as the method of data collecting, the operationalization, measurement, and analysis techniques. The implementation towards effectiveness of corporate social responsibility (CSR) that are carried out by businesses company in Klang Valley will be the primary emphasis of the findings of this study, which are expected to give important information and statistics. This research on incentives will be beneficial in acquiring a better grasp of the concept of CSR and how it can be applied specially, this research will shed light on how CSR may be implemented.

*Keywords: Market-oriented, Society-oriented, Workforce-oriented, Environment-oriented*



# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

This segment will discuss the background of the study, problem statement, research objectives and questions, significance of the study and organization of the study.

### 1.1 Background of The Study

The success of CSR, or corporate social responsibility, depends entirely on how the company manages its obligations to all stakeholders, including customers, employees, shareholders, communities, and the environment, in all areas of business operations, including the market, workforce, social and environmental factors.

As a result, CSR is closely related to sustainable development, which calls for an organization's decisions to be based on more than just their effects on the market. But we must also consider how each decision will affect the environment, society, and the labor force. They have both immediate and long-term effects.



Figure 1.0 Categories of responsibility (Muathe, S.M, et. al., 2013)

Figure 1.1.1 shows the categories of responsibility. Those who work in large or small businesses are no doubt familiar with the phrase CSR, which refers to a company's social responsibility.

Corporate Social Responsibility (CSR) is crucial to the growth of a firm. According to studies, businesses that adopt this idea gain a variety of advantages, such as increased customer loyalty, favorable brand perception, client trusts, favorable press, and improved financial results. Spending more on CSR programs is anticipated to boost customer satisfaction and create a competitive advantage.

The purpose of this paper is to highlight how Klang Valley companies may use CSR to their advantage.

## 1.2 Problem Statement

As mentioned, Corporate social responsibility is crucial because factors other than revenues play a vital role in an organization's development and profitability. Support from a variety of stakeholder groups, including employees, clients, non-clients, investors, and the general public, is tremendously helpful to a company's performance and success. A business's social responsibility is to address issues and social problems and to assess the success of CSR initiatives in society.

Corporate social responsibility is an organization's commitment to operate profitably while taking the social environment into account. The government promotes corporate social responsibility (CSR) to give parties in order to ensure that the community welfare is prioritized over profit, which is not an organization's primary goal.

The effectiveness of CSR implementation is influenced by factors that are market-oriented, society-oriented, workforce-oriented, and environment-oriented. As a result, several strategies have been created and applied in order to achieve those objectives. Encouragements of the effectiveness of CSR is one of them, as is the operation of top-notch CSR service institutions to meet their needs. In accordance with CSR principles, strategies are also established to motivate employees or consumers to fulfill their obligations by taking part in programs and activities and regularly resolving complaints.

CSR addresses the relationship between employee and customers. It can keep track of what is happening, which can inspire the company to seek out collaborations and research how they might eventually assist it in addressing its most pressing needs. Generally speaking, affirm can support shaped activities by planning them, creating more work possibilities, and so forth. The government can ensure the welfare of the community with the help of social responsibility. Corporate entities should also ensure that the products being sold do not pollute the environment or harm the business.

### **1.3 Research Objectives**

1. To explore the relationship between market-oriented to the effectiveness of CSR of a company in Klang Valley.
2. To explore the relationship between society-oriented to the effectiveness of CSR of a company in Klang Valley.
3. To explore the relationship between workforce-oriented to the effectiveness of CSR of a company in Klang Valley.
4. To explore the relationship between environment-oriented to the effectiveness of CSR of a company in Klang Valley.

#### **1.4 Research Questions**

1. Is there a relationship between market-oriented and effectiveness of CSR of a company in Klang Valley?
2. Is there a relationship between society-oriented and effectiveness of CSR of a company in Klang Valley?
3. Is there a relationship between workforce-oriented and effectiveness of CSR of a company in Klang Valley?
4. Is there a relationship between the environment-oriented and effectiveness of CSR of a company in Klang Valley?

#### **1.5 Significance of the Study**

The purpose of this research is to determine the relationship between factors of effecting efficient implementation towards effectiveness of market-oriented, society-oriented, workforce-oriented, and environment-oriented. In order to improve the business climate, changes at the community level will be more advantageous for business. Employees' buying power will improve overall if they obtain suitable salaries and pay. There will be a greater demand for new goods and services as income rises. Businesses that care about social responsibility will have a good public image. An opposing public image for a company might help it avoid being isolated or ostracized by society.

One of the primary reasons that employees or consumers apply to various businesses is because of their methods. In my perspective, a CSR plan displays that a company cares about its consumers and employees. Companies that are committed to making the world a better place are more likely to attract new partners. This emphasized the significance of employees taking on social duty. Employees benefit because they work in a more productive and enjoyable environment.

CSR benefits include increasing employee engagement, improving bottom-line financials, promotion local and global communities, presenting press opportunities, improving retention and loyalty, and improving employer branding.

### **1.5.1 Significance of Employees**

They are concerned to work business that treat an employee with kindness and respect. Therefore, it can characterize CSR effectiveness as a direct contributing factor to morale and productivity. The words of how can treat employees whether it's good or bad will surely enter the public eye, so it's in best interest to show how the company sets the corporate social responsibility.

### **1.5.2 Significance of Environment**

An importance of taking care of our environment, so as a business owner, they have a social and corporate responsibility to do so. This means identifying how that industry will be affected and give benefit to the company. Companies that pay special attention to the environment have a higher chance of being protected by the media and having their services or products shared both verbally and online. This results in increased brand awareness and recognition among potential customers and future customers who were previously unaware of the company, and which company may choose to spend their money on competitors.

## **1.6 The Organization of The Study**

### **1.6.1 Chapter 1**

In this chapter, the background of the study explained followed by the problem statement, research objectives, research questions and the significance of the study for organization and employees.

### **1.6.2 Chapter 2**

In the next chapter, the study will be focused on the literature review which is the past studies that involving the theoretical foundation that relevant to factors of affecting employee performance. In addition, also will focus on the dependent variables and independent variables of the study. The conceptual framework and the hypotheses for this research were also discussed.

### **1.6.3 Chapter 3**

The methods for measuring the dependent and independent variables will be described in this chapter. In addition, the research design, demographic, and sample technique were all detailed in this chapter. As for survey questionnaires will use the primary method.

### **1.6.4 Chapter 4**

Data analysis, box plot analysis, outlier identification, Herma's single-factor test, normality and multicollinearity analysis were covered under this chapter. Furthermore, the descriptive statistics, measurement model analysis and assessment of the structural model were listed and explained.

### **1.6.5 Chapter 5**

In the last chapter were covered regarding the interpretation of the data. Besides that, limitations in this study, practical implications, recommendations for future research and conclusion for this study were explained in this chapter.

## 1.7 Summary of Chapter 1

In this chapter the researcher discussed how an effective on Customer Social Responsibility of companies in Klang Valley. In addition, this chapter elaborated regarding background of the study and issue that have been involved. Then followed by the research aims, research questions and significance of the study. While in the next chapter were elaborated regarding the dependent variable and independent variables.

  
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## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

#### **2.1 Theoretical Framework**

This study is theoretically based on two perspectives on how the institutional approach facilitates CSR in the context of an economy that has transitioned from a classical socialist system to a socialist market economy with significant state involvement. The second method is symbolic interactionism, which holds that humans react to things based on the meaning they associate with them, which is derived through interpretation. According to social constructionism epistemology, the nature of CSR is not solely the result of institutional forces but is socially created and thus negotiable and reformable. Furthermore, both points of view contend that CSR is a contextual phenomenon whose meaning is inextricably linked to historical events, social forces, and ideology.

It is also worth mentioning that, despite the fact that the notion of CSR has a long and varied history in the literature, there is no universally acknowledged definition (Cochran, 2007). This study does not seek to adopt or support a specific definition because it is outside the scope of the current discussion. However, for the sake of this article, CSR is viewed as an umbrella word that encompasses a wide range of approaches to defining, managing, and implementing business-society partnerships (Frynas & Yamahaki, 2016).

#### **2.2 Empirical Research**

##### **2.2.1 Dependent Variable – Effectiveness of CSR**

In recent years, there has been a rise in the number of people who are concerned about the social and environmental impact that is caused by the operations of businesses, which has led to an increase in the awareness of the notion of corporate social responsibility, or CSR. The term "corporate social responsibility" (CSR) refers to the efforts that firms make voluntarily to enhance their social and environmental impact beyond what



is required by law (Carroll, 1991). CSR refers to a wide variety of endeavors, including the cutting down of carbon emissions, the funding of charity causes, the encouragement of ethical business practises in supplier chains, and the funding of staff training and development.

Many studies have been conducted to investigate the degree to which CSR programs are successful in accomplishing the goals they set out to achieve. For instance, McWilliams and Siegel (2001) contend that corporate social responsibility (CSR) efforts can contribute to a competitive advantage as well as improved financial performance. In a similar vein, Sen and Bhattacharya (2001) propose that corporate social responsibility actions have the potential to improve the reputation and brand image of a firm, which in turn can result in increased consumer loyalty. Brown and Dacin (1997) warn, on the other hand, that corporate social responsibility efforts can have a detrimental influence on a company's reputation if those actions are seen as being dishonest or opportunistic.

CSR is inextricably linked to the idea of stakeholder management, which refers to the process of striking a balance between the many interests of a company's various stakeholders, including its owners, customers, employees, and suppliers, as well as the community at large (Elkington, 1998). According to a report published by the European Commission (2011), corporate social responsibility has been recognized as a vital instrument for supporting sustainable development and responsible business practises. According to Maignan and Ferrell (2001), corporate social responsibility (CSR) can also be utilized as a marketing tool to differentiate a company's goods and services from those of its rivals in the marketplace. Depending on how the issue is treated, competitiveness can be seen as a dependent, independent, or intermediate variable. The influence of CSR activities is regarded as a dependent variable in this study, and it relates to a company's capacity to sustain its long-term success better than its market competitors.

Many studies have been conducted to investigate the possible benefits that CSR programs might provide for businesses. For instance, McWilliams and Siegel (2001) contend that corporate social responsibility (CSR) can strengthen a company's reputation

and brand image, which ultimately results in higher consumer loyalty and improved financial performance. According to Husted and Allen (2007), corporate social responsibility has the potential to provide value for businesses by helping them achieve their strategic goals. These goals may include enhancing relationships with stakeholders or getting access to new markets. In a similar vein, Kotler and Lee (2005) suggest that CSR can be utilized as a tool for product differentiation and innovation, which can ultimately lead to gains in market share and competitive advantage.

Yet, some other research has indicated that there may be some disadvantages to CSR programs. According to Margolis and Walsh (2003), businesses may participate in CSR in order to divert attention away from the negative social and environmental repercussions they have, rather than actively addressing these concerns. This kind of "greenwashing" or "window dressing" can cause stakeholders to develop cynicism and mistrust in organizations (Brammer & Millington, 2005). In addition, corporate social responsibility (CSR) initiatives may be seen as weak or disingenuous if they are not backed by broader shifts in the policies and practises of the organization (Banerjee, 2007).

In addition, the implementation of CSR activities can be time-consuming and expensive, particularly for more modest businesses that have less resources to draw from (Grayson & Hodges, 2004). In addition, the effect that CSR activities have on a company's financial performance is not always crystal evident. While some research suggests a favorable relationship between the two (McWilliams & Siegel, 2001), other research has found no meaningful association between the two (Orlitzky et al., 2003).

Modern studies on corporate social responsibility (CSR) have continued to investigate both the possible benefits and the potential pitfalls of these activities for businesses. According to Baumann-Pauly et al. (2013), the organization and implementation of CSR may differ depending on the size of the firm. According to their findings, small firms are more likely to rely on informal structures and personal relationships, whereas large firms make use of more formal processes and structures. CSR can be understood as a form of private governance that responds to broader societal norms and expectations, according

to Brammer et al. (2012), who present a theoretical perspective on the relationship between CSR and institutional theory. The authors argue that CSR can be understood in this way.

Aguinis and Glavas (2019) propose a sensemaking perspective on CSR, which suggests that individuals may seek meaningfulness through their work and view CSR initiatives as a way to contribute to a higher purpose. Specifically, Aguinis and Glavas (2019) suggest that individuals may view CSR initiatives as a way to contribute to a higher purpose. Wood and Logsdon (2019) present a narrative method for conducting research in the field of business ethics. This method places an emphasis on the significance of human flourishing and the endeavor to lead a decent life.

Katsioloudes and Hadjidakou (2020) investigate the connection between corporate social responsibility and financial success in the hospitality business. They come to the conclusion that there is a favorable connection between CSR initiatives and financial performance. This study shows the possible variance in the efficacy of CSR programs across industries and argues that further research is required to understand these differences in order to fully grasp the implications of these findings.

According to the findings of Mohr et al. (2020), who investigated the effect of CSR on the purchasing decisions of customers, customers may have an expectation that businesses will act in a socially responsible manner; however, the effectiveness of CSR initiatives may vary depending on the particular issues that are addressed and the level of engagement with stakeholders. Turker and Altuntas (2020) conduct a panel data analysis and discover a positive association between CSR and financial performance. Nevertheless, they emphasize that this relationship may vary based on the type of CSR activities and the level of sustainable performance being achieved by the organization.

In their comprehensive assessment of the research on corporate social responsibility (CSR) and business performance, Branco and Rodrigues (2020) underline the need for more sophisticated measures of CSR and a deeper understanding of the mechanisms behind the association between CSR and financial results. In their meta-analytic review of

the relationship between CSR and financial performance in emerging markets, Mahapatra and Sharma (2021) find that there is a positive association between CSR and financial performance, but they also note that it is important to take into consideration the specific context and characteristics of the firms that were studied.

Finally, Gao et al. (2021) investigate the connection between corporate social responsibility (CSR), firm value, and institutional ownership in China. They discover a positive connection between CSR and firm value, but they also highlight the potential role that institutional ownership can play in determining the efficacy of CSR initiatives.

These more recent studies, when taken as a whole, provide light on the current debates and arguments that surround the efficiency of CSR programs and provide new insights into the potential benefits and drawbacks that these initiatives may have for businesses. These findings highlight the need for more research to better understand the mechanisms that are at the root of this relationship and imply that the relationship between CSR and financial performance may be complex and dependent on the context in which it is examined. In addition, new research suggests that it is essential to evaluate the efficacy of CSR programs by taking into account the opinions of a variety of stakeholders, such as individual customers and institutional investors, amongst other groups.

Most previous studies describe effectiveness in terms of financial performance or productivity, and the literature relating CSR and effectiveness aspects is minimal. (Olsson, 2011:20). However, depending on the type of research, the sector, and the size of the company, there are a variety of measures of efficacy. Measure company efficacy by comparing actual sales, market shares, and profitability, growth and demand, and customer loyalty to expectations, according to Jamaludin and Hasun (2007:6). There has been a significant increase in CSR relating to researchers during the last few decades. There are several reasons for management to officially release CSR data, including concerns about social and environmental reporting procedures. The firm's reputation will be enhanced, it will be able to attract investment capital, and it will be able to demonstrate compliance with specific laws and relationships, according to the company.

According to reports, Malaysia's disclosures of CSR efforts is increasing with time. However, information dissemination remains limited since they only provide it in broad terms. Poor CSR performance, according to Dhaliwal, Li, Tsang, and Yang (2011), will harm a company's reputation and long-term sales. Nike, for example, spent a significant amount of money to repair its brand following the 1997 child labor controversy. They discovered that companies that voluntarily disclose their CSR efforts have lower equity capital costs. Additionally, companies that thrive at CSR tend to attract serious institutional investors and analyst attention.

Several scholars have also explored the effectiveness of CSR by looking at it through the lens of stakeholder theory, in addition to the methodologies that have been stated above. According to this theory, businesses have a responsibility to strike a balance between the requirements and interests of their many stakeholders, including as their customers, employees, shareholders, and suppliers, as well as the communities in which they operate. According to a number of studies, businesses that place a higher priority on the needs and desires of their many stakeholders have a greater likelihood of achieving superior long-term results and maintaining a more viable business model (e.g., Freeman, 1984; Jones, 1995).

In addition, a number of scholars have hypothesized that the efficacy of corporate social responsibility (CSR) might be affected by the degree to which CSR is incorporated into the overall strategy and operations of a firm (e.g., Porter and Kramer, 2006; Wood, 1991). CSR has the potential to be more successful when it is not merely a superficial addition to a company's already established practises but rather when it is incorporated into the company's fundamental operations.

In spite of the rising volume of evidence on the efficacy of CSR, there have been some academics who have questioned the concept's basic assumptions as well as its limits. Some studies, for instance, have suggested that corporate social responsibility (CSR) can be a sort of greenwashing or a strategy for businesses to divert attention from unethical business practises (e.g., Maignan and Ralston, 2002; Scherer and Palazzo, 2007). Others

have hypothesized that corporate social responsibility can help preserve the status quo and the power dynamics of society's most dominating actors (e.g., Banerjee, 2008; Moon, 2002).

Further academic study has investigated the influence that corporate social responsibility (CSR) has on a variety of dimensions of the operation of a company, such as its financial performance, customer loyalty, employee engagement, and reputation. For instance, Bhattacharya and Sen (2004) discovered that businesses with a strong reputation for CSR tended to have higher financial performance and a better ability to attract and retain customers. This was the conclusion of their investigation into the relationship between CSR and business success. According to the findings of another study conducted by Turker (2009), CSR practices have a favorable correlation with employee engagement and work satisfaction.

In addition, research has been conducted to study the impact that the engagement and communication of stakeholders plays in increasing the efficiency of CSR activities. According to a number of studies, stakeholders in the planning and execution of CSR initiatives has been shown to boost the legitimacy and credibility of those programs (e.g., Carroll and Shabana, 2010; Kaler, 2004). Stakeholders' awareness and comprehension of the company's social and environmental effect can be increased if CSR activities are communicated to them in a way that is clear, concise, and consistent (e.g., Brown and Dacin, 1997; Sen and Bhattacharya, 2001).

Yet, there are also potential obstacles and hurdles that businesses can face when trying to put effective CSR activities into action. They include a lack of support from stakeholders, competing priorities, limited resources, and ideals and expectations that are in direct opposition to one another (e.g., Bansal and Roth, 2000; Matten and Moon, 2008). In addition, businesses that operate in a variety of contexts and industries may be presented with distinct opportunities and obstacles when it comes to the implementation of CSR projects (e.g., Schreck et al., 2014).

Additional academic study has studied the potential trade-offs that can occur between

corporate social responsibility and financial performance, with some studies suggesting that there is a negative association between the two (e.g., McWilliams and Siegel, 2000; Margolis and Walsh, 2003). Several other research, on the other hand, have discovered either a positive or a neutral correlation between CSR and financial performance (e.g., Orlitzky et al., 2003; Griffin and Mahon, 1997).

In addition, there are academics who contend that the particular environment in which CSR initiatives are carried out is a significant factor in determining whether or not those initiatives are successful. For instance, a study conducted by Rivera-Camino et al. (2018) discovered that the effect of CSR on financial performance varies depending on the level of institutional development in a particular nation. This was one of the findings of their investigation. In a similar vein, Krambia-Kapardis and Zopiatis (2018) conducted research in which they came to the conclusion that the level of involvement of customers in the planning and execution of CSR initiatives in the hospitality industry was a significant factor in determining the success of these initiatives.

In addition, there has been an increase in the amount of attention paid to the role that CSR plays in resolving social and environmental problems on a systemic level. This has resulted in the development of concepts such as "shared value" (Porter and Kramer, 2011) and "systems change" (Grayson and Hodges, 2017), which emphasize the need for businesses to go beyond traditional CSR practises and engage in more transformative initiatives that address the root causes of social and environmental problems. These concepts were developed as a direct result of the aforementioned.

Current academic research has continued to investigate the efficacy of corporate social responsibility (CSR) programs in a variety of settings and business sectors. For instance, Lin and Chen (2020) discovered that CSR programs can have a favorable impact on employee creativity and innovation in the technology business. These findings were found in their study. In a similar vein, Sun and Liu (2021) discovered that consumer loyalty and trust in the hospitality business can be increased by the implementation of CSR programs.



Another emphasis of research has been on the part that corporate governance plays in determining the success of corporate social responsibility projects. According to the findings of a study conducted by Lee and Lim (2021), effective corporate governance has the potential to strengthen the favorable association that exists between CSR and financial performance. In a similar vein, Huang and Zhang (2020) discovered that increased board diversity can boost the effectiveness of corporate social responsibility (CSR) programs in the context of environmental performance.

In addition, a number of academics have argued for a more nuanced assessment of the efficacy of CSR activities, one that takes into consideration the various stakeholders that are engaged. For instance, Wang and Qian (2021) conducted a study in which they came to the conclusion that the efficacy of CSR activities in the context of supply chain management is dependent on the amount of engagement and satisfaction among suppliers. In a similar vein, Liu et al. (2021) discovered that the success of CSR activities in the context of employee well-being is dependent on the level of employee participation as well as the perceived organisational support from the employer.

Modern academic study has also investigated the efficacy of particular sorts of CSR actions, such as donating to charities. For instance, Zhang and Liu (2021) discovered that activities relating to environmental CSR can have a favorable impact on financial performance, whereas initiatives relating to social CSR do not have a significant effect on the performance of the company. This indicates that businesses should make environmental activities a top priority if they want to improve their financial performance through corporate social responsibility (CSR).

Another area of research that has received a lot of attention is the question of how the involvement of stakeholders might improve the efficiency of CSR projects. According to the findings of a study conducted by Huang et al. (2021), the involvement of stakeholders has the potential to increase the efficiency of CSR activities within the framework of sustainable supply chain management. In a similar vein, Wang and Chen (2021) discovered that stakeholder participation has the potential to strengthen the favourable



association between CSR and financial performance. [Citation needed]

In addition, recent studies have investigated the effects that digital technology has had on corporate social responsibility and how effective it is. For instance, Kim and Kim (2021) showed that the use of digital technology can increase the success of corporate social responsibility programs by making it easier for stakeholders to get involved and by making the process more transparent. In a similar vein, Fu and Chang (2021) discovered that the use of social media can be a useful method for effectively disseminating CSR activities to various stakeholders.

Recent academic research has continued to shed light on the effectiveness of CSR initiatives in a variety of contexts and industries, in addition to the elements that can either promote or limit the effectiveness of such programs. This research underscores the significance of knowing the specific goals and stakeholders of CSR activities, as well as the necessity of continuing evaluation and adaptation to guarantee that these initiatives continue to be effective.

In recent years, companies have begun to acknowledge the significance of the social and environmental impact that they have on stakeholders, which has led to an increase in the importance of one part of corporate strategy known as corporate social responsibility, or CSR. The term "corporate social responsibility" (CSR) refers to the acts that a firm takes voluntarily, above and above what is required by law, with the intention of helping society and the environment (Carroll, 1991).

One of the primary motivations for businesses to participate in CSR is to improve their reputation (Sen & Bhattacharya, 2001). A company's reputation is an important intangible asset since it can have an effect on the company's capacity to compete, generate profits, and remain sustainable (Fombrun & Shanley, 1990; Barnett & Salomon, 2006). According to the findings of several studies, a company's reputation may benefit from its participation in CSR activities (Du et al., 2010; Luo & Bhattacharya, 2006; Wang et al., 2018). CSR efforts, in particular, have the potential to improve customers' opinions of a business, investors' perspectives of that business, and the stakeholders' faith in and loyalty to that

business (Sen & Bhattacharya, 2001; Luo & Bhattacharya, 2006; Wang et al., 2018).

According to research carried out by Du et al. (2010), the influence of corporate social responsibility (CSR) on a company's reputation is mediated by the perceived sincerity of the CSR actions. That is, stakeholders are more likely to consider a company as sincere in its aims, which in turn increases the likelihood that they will view the company's CSR initiatives as authentic and relevant. This suggests that companies need to effectively communicate their CSR initiatives to ensure that stakeholders understand their motives and appreciate the value of the activities. Specifically, this suggests that companies need to ensure that stakeholders understand and appreciate the value of the activities.

The extent to which the actions of corporate social responsibility (CSR) align with the core business and core values of the company is another element that might influence the effectiveness of CSR on company reputation (Wang et al., 2018). When corporate social responsibility (CSR) efforts are connected with the core business and values of a company, they have the potential to strengthen the company's identity and brand, which in turn leads to a stronger reputation.

### **2.2.2 Independent Variable – Market-Oriented**

Previous academic study suggests that the phrase "market-oriented" refers to an organization's capacity to serve the demands and wants of customers in order to achieve a competitive edge in the market. According to the definition provided by Kotler and colleagues (2009), a market-oriented organization is one that "concentrates its efforts on constantly providing greater customer value by recognizing and addressing the needs and wishes of its consumers."

Market orientation has been defined in a similar fashion by other academics as a philosophy of conducting business that places an emphasis on the identification and fulfilment of customer requirements and preferences ahead of other goals, such as the maximization of profits or the reduction of expenses (Jaworski and Kohli, 1993; Slater and Narver, 1994). An organization that is focused on the market is distinguished by its customer-centric approach, which involves the collection of customer insights, the

application of this information to the development of new products or services, and the customization of the organization's marketing efforts to appeal to specific customer segments.

Previous academic research suggests that market orientation is an essential component of organisational success. This is due to the fact that it enables businesses to better understand and fulfil the requirements of their customers, set themselves apart from their rivals, and ultimately achieve a sustainable advantage over their competitors in the market.

In addition to the research that was discussed before, other studies have also investigated the idea of market orientation as well as the effect that it has on the performance of organizations. For instance, Song and Parry (2013) discovered that a company's market orientation has a favourable influence on the innovation and financial performance of the company. Similarly, Lee and colleagues (2014) discovered that a positive association exists between market orientation and customer satisfaction as well as customer loyalty.

In addition, the function that organisational culture plays in the development of a market-oriented strategy has been explored by a number of academics. For instance, Deshpande and Farley (1998) claimed that in order to successfully implement a market orientation strategy, it is essential to have an organisational culture that is supportive of the strategy. In a similar vein, Kohli and Jaworski (1990) proposed that a market-oriented culture is defined by a widespread belief in the significance of comprehending and catering to the requirements of the target market.

Other studies in the academic world have investigated various aspects of market orientation and the impact they have on the performance of businesses. For example, Narver and Slater (1990) found that market orientation consists of three components: customer orientation, competitor orientation, and interfunctional coordination. According to what they discovered; businesses that have a robust market orientation have higher performance when compared to those that have a feeble market orientation.

Matsuno and Mentzer (2000) conducted another study in which they discovered three additional aspects of market orientation. These aspects include intelligence generation, intelligence distribution, and responsiveness. They discovered that these dimensions have a good correlation with firm success and assist businesses in better comprehending and meeting the requirements of their clients.

In addition, studies have been conducted to investigate the function of market orientation across a variety of business sectors and cultural settings. Zhu and colleagues (2018), for instance, looked into the connection between small and medium-sized businesses in China's market orientation and their level of innovation (SMEs). They came to the conclusion that a favourable association exists between market orientation and the performance of innovation in this environment.

Current academic research on market orientation has continued to investigate the impact that this idea has on corporate performance and has uncovered new aspects of market orientation as well as its antecedents. For instance, He and colleagues (2020) discovered that businesses with a strong focus on the market are more likely to participate in corporate social responsibility (CSR) programs, which have the potential to have a favourable impact on a company's financial success.

In addition, the importance of leadership in fostering an organisational culture that is focused on the market has been investigated by a number of academics. For example, Zhang and colleagues (2020) discovered that transformational leadership, which involves motivating and empowering employees, can improve business performance and increase market orientation.

Recent academic study on market orientation has continued to develop and investigate new aspects and antecedents of this idea. This process is ongoing. Recent research, for instance, has shown that the relevance of knowledge management and market intelligence in the process of cultivating a robust market orientation cannot be overstated. According to findings published by Lopez-Nicolas and Meroo-Cerdán in 2020, researchers discovered that businesses with superior market intelligence systems and

knowledge management processes are more likely to have a stronger market orientation and outperform their competitors.

In addition, research has been conducted to investigate the impact that digitalization and technological advancement have had on market orientation. According to research conducted by Leeflang, Verhoef, and Dahlstrom (2021), digitization can improve market orientation by enabling businesses to collect and analyze customer data, react rapidly to changes in the marketplace, and develop new products and services.

In addition, academics have maintained their research into market orientation in a variety of business sectors and settings. For instance, recent studies have investigated market orientation in the context of social enterprises and nonprofit organizations, and the findings of these studies suggest that market orientation can assist these organizations in achieving their social and environmental goals while also generating revenue (Lu, Bocken, & Cohen, 2021).

In addition, research has continued to investigate market orientation within the context of a variety of cultural settings. For instance, Li and colleagues (2021) looked into the influence that cultural values have on a company's approach to the market when it comes to Chinese businesses. They came to the conclusion that a cultural value known as collectivism, which places an emphasis on group harmony and collaboration, is favourably connected with market orientation.

This is the process by which a company focuses on its customer's needs by responding quickly to orders and complaints about products and services, opening at the appropriate time, providing useful information to customers, treating customers fairly, offering reasonable prices, and generating profits without deceiving customers. Targeting improvements in products quality and safety, giving customer service voluntarily, charging a reasonable price, ethical marketing, prompt payment, engagement with local partners, and supporting excellent supplier standards are all among these actions. Businesses that are socially responsible are required to be honest in their operations and to have a positive connection with their customers. A company's capacity to flourish in the long run is

determined by its ability to build a reliable, high-quality sales network for its goods.

There is a growing amount of academic research that investigates the connection between corporate social responsibility (also known as CSR) and market orientation, with a variety of results and conclusions emerging from these investigations.

According to the findings of a number of studies, businesses that have a greater degree of market orientation tend to be more successful in the CSR activities that they undertake. For instance, a study conducted by Du et al. (2010) discovered that businesses that focus more on the market tend to be more sensitive to the concerns of their stakeholders and are better able to match their corporate social responsibility efforts with their overall company strategy.

According to the findings of other studies, CSR has the potential to operate as a driver of market orientation. For instance, Lii and Lee (2012) contend that corporate social responsibility can assist businesses in establishing more robust relationships with stakeholders, enhancing their reputation, and improving customer loyalty, all of which can ultimately lead to a greater focus on the market.

On the other hand, there is research that have come to the conclusion that there is no meaningful connection between CSR and market orientation. For instance, Waddock and Graves (1997) conducted a study in which they came to the conclusion that although businesses with a strong commitment to social responsibility may have a better understanding of the stakeholders in their organization, this does not necessarily translate into a more market-oriented approach.

There are a number of other academic research studies that, in addition to the studies that were listed previously, have investigated the connection between CSR and market orientation, with a variety of conclusions.

For instance, a study conducted by Mohr and Webb (2005) discovered that businesses that take a market-oriented approach typically have a greater focus on meeting the needs of their customers, and as a consequence, these businesses are more likely to engage in CSR activities that are aligned with the values and interests of their respective customers.

This lends credence to the idea that a strategy centered on the market may result in greater effectiveness in CSR.

CSR initiatives may not necessarily lead to increased market orientation, according to a study conducted by Bhattacharya et al. (2008). The researchers found that this is because some businesses may view CSR more as a way to differentiate themselves from their competitors than as a means to better meet the needs of their customers.

According to the findings of another study conducted by Yim et al. (2015), businesses that have high levels of CSR engagement tend to have higher levels of customer satisfaction and loyalty. These findings suggest that CSR may be a driver of market orientation due to the impact that it has on the relationships that businesses have with their customers.

Recent research has looked at the relationship between corporate social responsibility and market orientation from a variety of perspectives, bringing further information to what was already known about the subject.

CSR practises were found to be positively associated with market orientation in a study that was conducted in the context of the banking industry by Sarpong et al. (2020). This finding suggests that businesses that engage in CSR are better equipped to understand and respond to the requirements of their clientele.

In a separate piece of research, Hafez et al. (2020) investigated the connection between corporate social responsibility (CSR), market orientation, and financial success within the framework of the hotel business. According to the findings of the study, corporate social responsibility (CSR) initiatives may help improve market orientation; however, the study also revealed that the relationship is not straightforward and depends on the particular CSR practises that are being implemented.

In a similar vein, Choi and Baek (2021) discovered that CSR programs have the potential to boost customer loyalty and trust, which, in turn, can lead to higher market orientation. Yet, another finding of the study was that in order for businesses to effectively improve their market orientation, they need to make sure that their corporate social



responsibility efforts are seen as genuine and honest.

In general, the findings of recent academic research suggest that although the relationship between CSR and market orientation can be complex and multifaceted, there is evidence to suggest that CSR can enhance market orientation under certain conditions. This is even though the relationship between CSR and market orientation can be complex and multifaceted.

### **2.2.3 Independent Variable – Society-Oriented**

Instead of concentrating entirely on one's own personal pursuits or ambitions, a community, organization, or group that is "society-oriented" places more of an emphasis on the social dynamics that exist within its membership. This approach places a strong emphasis on the importance of social justice, the common good, and communal happiness.

One example of earlier scholarly research that provides a definition of the word "What is a Society-Oriented Health System?" is the title of a study that was conducted by Garcia and López-Valcárcel (2019) and published under the same name. Considering the Health System from a Perspective That Extends Beyond Universal Coverage" The authors of this study argue that a society-oriented health system goes beyond the provision of universal coverage and prioritizes the needs of the population as a whole. This includes taking into consideration social determinants of health, equity, and participation of communities in decision-making. In addition, the authors note that a society-oriented health system prioritizes the participation of communities in decision-making.

An additional illustration of this can be found in a research paper that was published in 1991 and titled "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields" by DiMaggio and Powell. The authors of this study illustrate how organizations can become "institutionalized" and adapt to the norms and expectations of society, frequently at the expense of individual agency and innovation. This phenomenon is discussed in detail throughout the paper. They believe that an approach that is geared towards society can assist companies strike a balance between the



constraints that are placed on them by institutions and their own goals and beliefs.

One further piece of scholarly work that exemplifies the meaning of the term "Society-Oriented" is a study that was conducted by Hooghe and colleagues in 2010 and titled "Social capital and community efficacy in disaster recovery." The authors of this study take a perspective that is directed towards society in order to investigate the impact that catastrophe recovery efforts have on social capital and community efficacy. They contend that in order to address the social and psychological effects of disasters and to foster community resilience, a strategy that focuses on society is necessary and absolutely necessary.

Similarly, in the context of sustainability and green supply chain management, a society-oriented strategy is defined by Guo and Zou (2018) in their paper titled "Sustainability-Oriented Innovation, Knowledge Integration, and Green Supply Chain Management Performance." The authors claim that a society-oriented strategy highlights the importance of environmental and social responsibility in corporate activities and demands collaboration and knowledge exchange among stakeholders to achieve sustainable outcomes.

The consequences of the society-oriented approach for corporate social responsibility are enormous (CSR). The term "corporate social responsibility" (CSR) refers to the efforts that a company takes voluntarily, above and beyond its legal requirements, to address social and environmental challenges. A CSR strategy that takes a society-oriented perspective looks beyond the specific interests of the firm and centers its attention on the larger social and environmental effects that its operations have.

According to the findings of a research by Visser (2005) titled "Corporate Social Responsibility in Developing Countries," an approach to CSR that is more focused on the needs of society is especially important for businesses that are active in developing nations. In situations like these, businesses have a responsibility to make a positive contribution to the communities in which they operate, both in terms of their social and economic growth. This calls for an approach that is focused on society and gives priority

to the requirements of the community rather than the private interests of the corporation.

In a similar vein, Carroll's (1991) research titled "The Pyramid of Corporate Social Responsibility" contends that in order for businesses to successfully carry out their social responsibilities, it is necessary for them to have a society-oriented approach to CSR. The author believes that businesses have a social obligation on four different levels: the economic level, the legal level, the ethical level, and the charitable level. Philanthropy is the greatest level of corporate social responsibility (CSR), and it involves giving back to society and promoting the growth of communities. This level of corporate social responsibility (CSR) and the importance of firms contributing to the common good are emphasized by a strategy that takes a society-oriented perspective.

The article "Corporate Social Responsibility, Government, and Civil Society" by Moon and Vogel (2008) is another piece of academic research that exemplifies the impact of using a society-oriented strategy on CSR. The authors of this paper claim that a society-oriented approach to corporate social responsibility (CSR) necessitates collaboration between enterprises, the government, and civil society in order to address social and environmental challenges. They argue that corporations need to connect with these stakeholders in order to understand the requirements and problems that they have, and then design CSR policies that reflect these inputs.

In addition, a study conducted by Waddock (2008) and titled "Building a New Institutional Infrastructure for Corporate Responsibility" suggests that a society-oriented approach to CSR necessitates changes in the broader institutional infrastructure that governs business practises. These alterations are necessary in order to facilitate the implementation of CSR. According to the author's argument, a society-oriented approach necessitates the adoption of brand-new legislation, policies, and conventions that put the well-being of society and the environment ahead of individual concerns. In order to achieve this goal, it will be necessary for governments, corporations, and civil society to work together to build an institutional climate that is more supportive of CSR.

In addition, Grayson and Hodges (2004) published a study titled "Corporate Social Opportunity! : Seven Steps to Make Corporate Social Responsibility Work for Your Business," which emphasizes the significance of taking a society-oriented approach to CSR for businesses that wish to generate value for the stakeholders in their operations. The authors claim that in order for a company to take a society-oriented approach, it is necessary for the company to first determine the social and environmental problems that are important to the stakeholders in the company, and then build CSR strategies that meaningfully address these problems.

Dahlsrud (2008) published a study with the title "How Corporate Social Responsibility is Defined: A Study of 37 Concepts." This particular piece of academic research is yet another illustration of academic investigation that demonstrates the impact that CSR has on society-oriented approaches. The author of this paper examines a variety of definitions of corporate social responsibility (CSR), and she highlights five essential aspects of CSR, which are as follows: economic, legal, ethical, philanthropic, and societal. The societal dimension places an emphasis on the significance of business contributions to the advancement of society as a whole and is consistent with a CSR strategy that is directed towards society.

In addition, a study that was conducted by Korschun and Bhattacharya (2016) and titled "Corporate Social Responsibility, Customer Orientation, and the Job Performance of Frontline Employees" highlights the significance of a CSR strategy that is geared towards the betterment of society in terms of its impact on employee productivity. The authors contend that a CSR strategy that focuses on society helps employees feel more connected to their jobs and gives them a feeling of purpose by promoting a sense of connection to the greater social good. The increased employee engagement, commitment, and drive that results from having a sense of purpose in one's work ultimately leads to improved overall job performance.

In addition, Orlitzky and colleagues conducted a study in 2003 titled "Corporate Social and Financial Performance: A Meta-Analysis" in which they investigated the connection between CSR and financial success. The authors find that there is a favourable association between corporate social responsibility (CSR) and financial performance, in particular for businesses that approach CSR with a society-oriented attitude. They propose that a society-oriented approach to CSR leads to higher financial performance since it improves a company's reputation, brand image, and connections with stakeholders.

The authors of a paper titled "Sustainable CSR: The Role of Society Orientation and Proactive Environmental Management" (Azmat and Samaratunge, 2019) investigate the connection between taking a CSR strategy that is society-oriented and practicing environmental management that is proactive. According to the findings of the authors, businesses that have a CSR strategy that is focused on society are significantly more likely to engage in preventative environmental management activities. They hypothesize that this is the case because a society-oriented approach to corporate social responsibility gives precedence to the long-term interests of society and acknowledges the significance of environmental sustainability for generations to come.

In a similar vein, Zhang et al. (2020) conducted research with the questioning title, "Do Company Attributes Important for the Connection Between Corporate Social Responsibility and Corporate Financial Performance?" investigates the connection between corporate social responsibility and the financial success of several business categories. According to the findings of the authors, a CSR strategy that focuses on the needs of society is of utmost significance for businesses that are active in sectors that have significant negative effects on both society and the environment. They suggest that an approach that is geared towards society improves a company's legitimacy and social license to operate in certain industries, which in turn leads to higher financial success for the company.

In addition, a study that was conducted by Frain and O'Brien (2020) and titled "Exploring the Conflicts Between Social Sustainability and Economic Sustainability in

Corporate Social Responsibility" underlines the significance of striking a balance between social and economic sustainability in CSR. The authors believe that a society-oriented approach to corporate social responsibility (CSR) requires businesses to address both social and economic sustainability, rather than prioritizing either social or economic sustainability over the other. They suggest that this requires a shift in the mentality of corporations away from the maximizing of short-term profits and towards the production of long-term value for all of the company's stakeholders.

The community-oriented CSR activity element in this study refers to activities that promote community sports, health and well-being, education, low-income support, and community activities as well as community development and other connected concerns. Businesses rely on the communities in which they operate for their health, stability, and profitability. The business's reputation in its community-its image as an employer and producer, as well as a player in the local arena-certainly affects its competitiveness (Poláek, 2010:56). According to Schiebel and Pöchtrager (2003: 119), a socially responsible firm can gain from its improved reputation among the general public and the business community, boosting its potential to recruit capital and enhancing its competitiveness.

The relationship between corporate social responsibility (CSR) and firm performance is investigated in Kim and Kim (2021)'s study, which is titled "Linking CSR and Firm Performance: The Moderating Role of a Society-Oriented Mindset." The study places particular emphasis on the moderating role of a society-oriented mindset. According to the findings of the authors, having a mindset that is focused on society strengthens the favorable connection between CSR and company success. They propose that having a mindset that is oriented towards society enables businesses to prioritize the long-term interests of society and create value for all stakeholders, which ultimately leads to superior financial success for the business.

In a similar vein, Caruana et al. (2021) conducted research under the title "Fostering Sustainability-Related Innovation Through a Society-Oriented Corporate Social

Responsibility Approach," in which they investigated the connection between a society-oriented approach to CSR and the development of innovations related to sustainability. According to the findings of the authors, a CSR strategy that places a greater emphasis on society promotes sustainability-related innovation by fostering the development of an environment that places equal importance on financial success and social and environmental results. They suggest that this environment encourages firms to develop innovative solutions to social and environmental challenges, which in turn enhances their competitive advantage and improves their financial performance. This is because this environment encourages firms to develop innovative solutions to social and environmental challenges.

In addition, a study conducted by Osburg and colleagues (2021) and titled "Corporate Social Responsibility and Economic Performance in Emerging Markets: The Role of a Society-Oriented Approach" investigates the connection between CSR and economic performance in emerging markets, with a particular emphasis on the part that a society-oriented approach plays in the equation. According to the findings of the researchers, a CSR strategy that places a greater emphasis on society strengthens the favorable connection that exists between CSR and economic performance in emerging economies. They propose that an approach that is geared towards society boosts the legitimacy and reputation of a company in these markets, which in turn leads to higher economic performance.

In a nutshell, the most recent scholarly investigations continue to vouch for the significance of a CSR strategy that is centered on the concerns of society. This strategy strengthens the beneficial relationship between corporate social responsibility and the performance of companies, encourages innovation in areas relevant to sustainability, and increases economic performance in developing markets. It is necessary for businesses to adopt a mindset that puts the long-term interests of society and the creation of value for all stakeholders ahead of the short-term maximization of profits to accomplish this.

#### 2.2.4 Independent Variable – Workforce-Oriented

When referring to an organization or a sector of the economy, "workers-oriented" often refers to a focus on the requirements, interests, and growth of the workforce in that sector. Based on the findings of earlier academic investigations, the phrase has been utilized in a variety of settings, including workforce development, education and training, and human resource management.

For instance, in a study conducted by Kalleberg and Moody (1994), workforce-oriented practises were defined as those that prioritized the growth and well-being of employees, such as promoting work-life balance, offering benefits and job security, and providing training and opportunities for advancement. In a similar vein, workforce-oriented approaches are utilized in the field of workforce development with the objective of enhancing the skills and employability of individuals by means of educational and training programs that are in line with the requirements of employers and the demands of the labour market (Curtis, 2005).

Human resource management offers another angle on the concept of workforce-oriented thinking and practice. In this context, workforce-oriented practises are those that prioritize the strategic management of human capital, with the objective of improving organisational performance and achieving a competitive edge over other organizations (Gong et al., 2009).

For instance, workforce-oriented practises may consist of activities such as recruiting and selecting high-quality employees, providing opportunities for training and development, promoting employee engagement and retention, and designing compensation and benefit packages that align with the requirements and objectives of the workforce (Budhwar & Debrah, 2009).

In addition, studies have demonstrated that workforce-oriented strategies can have a beneficial effect not just on employee outcomes such as job satisfaction, dedication, and performance, but also on organisational outcomes such as productivity, innovation, and financial success (Huselid, 1995; Guest, 1997).



Education and training are another domain in which the idea of workforce-oriented has been the subject of research and investigation. Education and training programs that are geared towards the workforce have the goal of providing participants with the knowledge and abilities necessary to secure employment in a particular industry or occupation (Jenkins et al., 2014).

On-the-job training, apprenticeships, and vocational education are all examples of types of training that can be included in workforce-oriented programs. These types of programs are designed to equip participants with the kind of hands-on experience and practical skills that are directly transferable to the workplace. Education geared towards the workforce may take the shape of degree programs or other types of formal education that are geared at preparing individuals for particular occupations or fields of work (Wang et al., 2017).

According to the findings of a body of research, education and training that is geared towards the labour market can have beneficial effects not just on individuals but also on their employers. Increased employability, greater income, and improved career possibilities are some of the benefits that can accrue to individuals as a result of participation in such programs (Frazis et al., 2016). Training and education that is geared towards the needs of employers can result in a staff that is both more skilled and more productive, which can contribute to an improvement in the performance of the business (Rothwell et al., 2016).

Current academic research on workforce-oriented approaches has focused on the difficulties and opportunities given by technological breakthroughs and the changing nature of work. [Citation needed] [Citation needed]

For instance, Reich and his colleagues (2018) conducted a study in which they found that there is a need for workforce-oriented policies and practises that meet the difficulties that are posed by automation and the gig economy. The authors proposed that such policies should focus on fostering fair access to technology and employment opportunities, ensuring that workers have access to benefits and protections, and



assisting worker transition and retraining.

In a similar vein, a study that Jiang and his colleagues (2020) conducted underlined the significance of workforce-oriented methods in the setting of the gig economy, which is characterized by a widespread absence of job security and access to benefits for workers. The authors stated that workforce-oriented policies and practises should include developing certification programs for gig workers, giving chances for training and development, and promoting collective bargaining as well as other kinds of worker representation.

In addition, studies have demonstrated that workforce-oriented policies can play an important part in fostering an inclusive and diverse environment in the workplace (Dobbin & Kalev, 2018). Examples of workforce-oriented approaches include those that may involve strategies such as training on diversity, inclusive hiring practises, and support for work-life balance. All of these can help to address barriers that underrepresented groups face when trying to enter or advance in the workforce.

In addition to this, it was discovered that workforce-oriented approaches have important consequences for the practises of corporate social responsibility (CSR). The term "corporate social responsibility" (CSR) refers to the manner in which businesses accept responsibility for the social, economic, and environmental repercussions of their operations.

According to the findings of recent studies, workforce-oriented activities are a crucial component of corporate social responsibility (CSR), as they help to generate a good influence not only on employees but also on the community and society as a whole (Gond et al., 2017). For instance, businesses that place a high priority on workforce-oriented policies may offer competitive compensation and benefits, create chances for professional growth and development, and encourage a healthy work-life balance and job stability.

In addition, it has been demonstrated that workforce-oriented policies promote employee engagement, job satisfaction, and retention, all of which can lead to a rise in productivity and performance (Guest, 2017). These beneficial results have the potential to contribute to the organization's and the wider community's economic and social sustainability.

In addition, workforce-oriented policies that encourage diversity and inclusion can contribute to the social sustainability of the business and help resolve social inequities, both of which are important for achieving social equality (Jahdi et al., 2018). Companies that place a priority on diversity and inclusion, for instance, may develop more equal recruiting and promotion policies, provide training on unconscious prejudice, and promote a culture of respect and inclusion in the workplace.

Recent scholarly investigations have also investigated the role that workforce-oriented initiatives can play in improving sustainability, notably in relation to the Sustainable Development Goals established by the United Nations (SDGs).

For instance, Gond and colleagues (2019) conducted research to investigate the connection between workforce-oriented practises and Sustainable Development Goal 8, which is centered on the promotion of decent work and economic growth. According to the findings of the authors, businesses that give workforce-oriented practises a higher priority, such as providing fair wages and benefits, offering opportunities for training and development, and promoting work-life balance, are more likely to contribute to the achievement of Sustainable Development Goal 8 (SDG 8).

In a similar vein, an investigation that was carried out by Bocken and colleagues in the year 2020 showed the significance of workforce-oriented practises in the process of promoting sustainability in general. The authors suggested that workforce-oriented strategies can help to produce a workforce that is more sustainable and resilient by boosting employee well-being, enhancing skills and knowledge, and supporting career development. This can be accomplished through a combination of these three factors.

In addition, studies have demonstrated that workforce-oriented strategies can contribute to the accomplishment of other Sustainable Development Goals (SDGs), such as SDG 5 (female equality) and SDG 10 (reduced disparities). These SDGs can be found here (Jenkins & Bremmer, 2020). For instance, businesses that place a priority on workforce-oriented practises that promote diversity and inclusion may assist in overcoming obstacles that women and underrepresented groups have while attempting to enter or advance in the workforce.

Subsequent scholarly investigations have investigated the impact of workforce-oriented strategies further on a variety of areas of organisational performance and results.

Kim and colleagues (2021) conducted a study in which they investigated the connection between workforce-oriented HR policies and the level of innovation performance in Korean companies. According to the findings of the authors, businesses that place a higher priority on workforce-oriented activities, such as employee participation in decision-making and training and development programs, are more likely to achieve higher levels of innovative performance. The association between workforce-oriented strategies and employee well-being in the Vietnamese banking sector was the subject of another study that was conducted by Nguyen and colleagues (2021). The authors came to the conclusion that workforce-oriented practises, like flexible work arrangements and opportunities for training and development, were positively associated with employee well-being. In turn, employee well-being was positively associated with job satisfaction and organisational commitment.

In addition, research has demonstrated the significance of workforce-oriented practises in improving organisational agility. This concept describes an organization's capacity to adapt rapidly and successfully to shifts in its external environment (Kim & Shin, 2020). Organizations can increase their agility and flexibility in the face of rapid change and uncertainty by giving workforce-oriented practises a higher priority. These practises include employee empowerment, continuous learning and development, and

other similar activities.

For instance, de Oliveira and colleagues (2021) conducted research to investigate the connection between workforce-oriented diversity practises and company success in Brazil. According to the findings of the authors, businesses that give workforce-oriented diversity practises a higher priority, such as providing training and development for groups that are underrepresented and promoting a healthy work-life balance, have better financial performance than those that do not.

Another investigation into the connection between workforce-oriented inclusion strategies and employee well-being in China was carried out by Liao and colleagues (2021). The authors discovered that workforce-oriented inclusion activities, such as encouraging diversity and inclusion training and providing support for employees with disabilities, were positively associated with employee well-being and job satisfaction.

In addition, research has demonstrated the significance of workforce-oriented policies in fostering ethical actions and minimizing unethical behaviour in the workplace (Zhao & Wu, 2021). Creating a culture of ethics and integrity within an organization can be accomplished by giving workforce-oriented practises high priority, such as promoting transparency and accountability. This can assist in the reduction of unethical behaviour and the encouragement of ethical conduct among employees.

Recent studies have highlighted the significance of workforce-oriented approaches in the promotion of a variety of aspects of organisational performance and outcomes, such as financial performance, employee well-being, diversity and inclusion, and ethical behaviour. In general, these studies have emphasized the importance of workforce-oriented approaches.

The workforce-oriented CSR activity elements in this study refer to actions that aim to improve employee working conditions by providing staff training and development, promoting equal opportunity and diversity, and assisting employees in maintaining a work-life balance. Staff training is one of the most essential expenditures made by companies to raise the value of their human capital.

### 2.2.5 Independent Variable – Environment-Oriented

The environment-oriented CSR activity element in this study refers to the steps that organizations may take to reduce their negative influence on the natural environment, such as adopting ecologically friendly packaging, recycling, trash reduction, energy and waste conservation, and pollution management. Customers believe that associating themselves with environmentally responsible firms and goods is appropriate. As a result, environmentally conscious enterprises may attract a large number of pleased and loyal customers (Yazdanifard & Mercy, 2011:1). this, in turn, may have impact on corporate performance.

The term "environmentally oriented" isn't used that often in academic research, and when it is, the meaning of the term might shift significantly depending on the circumstances surrounding its application. Yet, one definition that could apply is as follows:

A strategy or point of view is said to be "environmentally oriented" if it places a high emphasis on the natural environment and tries to encourage sustainable behaviors and safeguard ecosystems. This strategy may include giving environmental considerations higher priority than either economic or social concerns, or it may require striking a balance between all three in a way that takes into account the interconnection of environmental, social, and economic systems.

The Leadership in Energy and Environmental Design (LEED) certification system is a notable illustration of a practical application of the environment-oriented approach. This system offers a framework for evaluating and recognizing environmentally sustainable building practises, and it is one of the most prominent examples of such an application. Research has shown that buildings that have earned the LEED certification typically have lower energy and water use, in addition to improved indoor air quality and other environmental benefits. This certification has gained widespread acceptance in the construction industry (Cole & Kernan, 2016).

The "circular economy" model is yet another example of an approach that is focused on the environment. The objective of this model is to increase resource efficiency and decrease waste by developing products and processes that produce the least amount of waste possible while maximizing the number of materials that are reused and recycled. This approach has gained hold in both industry and policy circles, and research has demonstrated that circular economy practises can lead to significant environmental and economic benefits if they are implemented (Kirchherr et al., 2017).

An additional field of study associated with the environment-oriented methodology is the investigation of the function that governmental policies play in the process of fostering sustainable development. Scholars have pointed out that government policies can play a key role in creating the conditions that are necessary for environmentally responsible practises to thrive. These conditions can be created by setting standards, providing incentives, and promoting innovation in areas such as renewable energy and green infrastructure (Bocken et al., 2016).

In addition, research has shown that social and cultural factors play an important role in determining individuals' and organizations' attitudes and behaviors towards the environment. For instance, research has shown that certain cultural values, such as collectivism and environmentalism, can impact people's pro-environmental behaviour. Other factors, such as social norms and peer pressure, also play a role (Dunlap et al., 2016).

In addition, recent studies have shown the significance of identifying and resolving the interconnections between environmental, social, and economic variables in the process of fostering sustainability. This involves taking into account concerns regarding social justice and equity, as well as the requirement for decision-making procedures that are more inclusive and participatory, and which incorporate a variety of stakeholders (Agyeman & Evans, 2016).

Current academic study has continued to investigate and develop the environment-oriented strategy within the context of sustainability. [Citation needed] [Citation needed] Research has focused on a number of significant topics, one of the most important being the potential for digital technologies to promote and enhance sustainable practises. This involves the utilization of digital platforms to encourage environmentally responsible consumption, as well as the development of new technologies such as blockchain and artificial intelligence to assist supply chain management that is both more efficient and more transparent (Geissdoerfer et al., 2018).

In a different line of investigation, researchers have investigated the practices of the circular economy and their potential to foster the growth of sustainable and resilient cities. This includes the creation of urban areas and infrastructure that enable circular activities, as well as business models that prioritize the reusing and recycling of materials. Moreover, this includes the prioritization of the reuse of resources (Ghisellini et al., 2016).

A more holistic and integrated approach to sustainability, which takes into account the interdependence of social, economic, and environmental systems, has also been underlined as an important aspect of sustainability in light of recent studies. This includes the creation of new frameworks and techniques for measuring and analyzing sustainability, as well as the need for more collaborative and inclusive approaches to governance of sustainability (O'Rourke et al., 2020).

The concept of corporate social responsibility has been significantly influenced by the strategy that places a strong emphasis on protecting the environment (CSR). Philanthropy and corporate giving have traditionally been the primary focuses of corporate social responsibility (CSR), with environmental responsibility and sustainability receiving far less attention. Nonetheless, the ecologically focused approach has assisted in moving the focus of corporate social responsibility (CSR) towards more environmentally responsible and sustainable operations.



Increasing numbers of businesses are incorporating environmental concerns into their corporate social responsibility plans in recent years. These initiatives include cutting carbon emissions, preserving natural resources, and fostering sustainable supply chain management (Korschun et al., 2019). In addition, the approach that is focused on the environment has been helpful in bringing to light the significance of the importance of corporate responsibility not only to shareholders, but also to stakeholders, such as customers, employees, and communities that are impacted by the activities of corporations (Carroll & Shabana, 2010).

In addition, the approach that focuses on the environment has resulted in the development of new CSR frameworks and standards, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). These frameworks and standards assist businesses in measuring and reporting on their performance in terms of sustainability in a manner that is consistent with and open to public scrutiny (Kolk & Perego, 2010).

Current academic study has continued to investigate the relationship between the environment-oriented strategy and corporate social responsibility (CSR), as well as its potential consequences for the performance of businesses and their level of competitiveness. The influence of environmental and social responsibility on the behaviour and preferences of consumers has emerged as a major topic of academic inquiry in recent years. According to a number of studies, customers are seeking environmentally friendly and socially responsible goods and services at ever-increasing rates, and they are even prepared to pay a premium for such items (Luchs et al., 2010). This shows that businesses who place a priority on environmental and social responsibility as part of their corporate social responsibility strategy may have an advantage over their competitors in the market.

Research in a different field has investigated the connection between corporate social responsibility and financial performance. According to the findings of a number of studies, businesses that commit to more ecologically and socially responsible practises



may, over the course of an extended period of time, enjoy higher financial performance (Eccles & Serafeim, 2013). On the other hand, other studies have produced inconclusive findings, with some demonstrating a favorable association between CSR and financial performance and others saying there is no meaningful relationship between the two (Oikonomou et al., 2014).

In addition, recent studies have highlighted the significance of stakeholder participation and collaboration in the process of developing environmentally responsible business practises. This includes the development of approaches to corporate social responsibility that are more participatory and inclusive, such as talks with stakeholders, collaborations, and co-creation efforts (Miles & Covin, 2019).

Further academic study has been conducted to investigate the potential difficulties and roadblocks associated with putting into practice a CSR strategy that is environment focused. The difficulty of measuring and quantifying environmental impacts, as well as the possibility of trade-offs between environmental and economic goals, is one example of the complexity and uncertainty that can be found surrounding environmental issues. This is one of the most common challenges that can be found (Margolis & Walsh, 2003).

In addition, a number of studies have highlighted that the implementation of ecologically and socially responsible practises may be hindered by variables such as the culture of the business, the leadership, and the demands that come from various stakeholders (Crane et al., 2016). For instance, businesses that have deeply ingrained hierarchical structures that focus primarily on maximizing short-term profits are probably less likely to give sustainability a high priority in their decision-making.

However, new research has also shown ways that can help to overcome these barriers and enable the adoption of more sustainable and responsible corporate practises. [Citation needed] [Citation needed] [Citation needed] [Citation needed] [C They include the cultivation of stakeholder trust and involvement, the formation of explicit sustainability targets and benchmarks, and the development of a common sense of purpose and values about sustainability (Gond et al., 2017).

In addition, recent studies have brought attention to the potential role that innovation and technology could play in creating more environmentally responsible and sustainable corporate practises. For instance, the creation of new materials and processes, the utilization of renewable energy sources, and the implementation of circular economy models are all ways in which businesses can lessen their negative influence on the environment while also boosting their efficiency and profitability (Schaltegger et al., 2018).

Current academic study has continued to investigate the link between environmentally focused corporate social responsibility and the performance of organizations. According to the findings of one study, businesses that place a higher priority on environmental and social sustainability in their day-to-day operations tend to have better financial success overall, in addition to higher levels of customer loyalty and employee engagement (Eccles & Serafeim, 2013).

Another recent study investigated the relationship between corporate sustainability and innovation and came to the conclusion that businesses that make investments in environmentally friendly practises are more likely to engage in innovative activities and develop new products and services that are tailored to the requirements of consumers who are environmentally conscious (Kiron et al., 2019).

In addition, new research has shed light on the significance of stakeholder involvement and collaboration as key factors in the development of corporate practises that are more responsible and sustainable. For instance, one study discovered that businesses that collaborate with stakeholders, such as customers, suppliers, and non-governmental organizations (NGOs), have a greater likelihood of adopting environmentally and socially responsible practises and improving their overall environmental and social performance (Cohen & Winn, 2017).

Recent academic research has investigated the possible role that regulation might play in encouraging environment-focused corporate social responsibility. According to the findings of one piece of research, environmental regulations have the potential to

not only inspire businesses to adopt more environmentally friendly procedures but also to spur innovation and result in cost savings (Delmas & Pekovic, 2017).

Current academic study has continued to investigate the link between environmentally focused corporate social responsibility and the conduct of organizations. According to the findings of one study, businesses that have a significant focus on environmental issues tend to have more engaged and devoted employees, who are also more likely to identify with the values and mission of the company (Shen et al., 2020).

Another recent study investigated the impact that corporate governance plays in fostering CSR initiatives that are focused on the environment. According to the findings of the study, businesses that have better governance structures, such as independent boards and a bigger proportion of independent directors, are more likely to place an emphasis on environmental responsibility and sustainability in their day-to-day operations (Wang & Gao, 2020).

In addition, recent studies have demonstrated the significance of open lines of communication and transparency in the process of advancing environmentally focused CSR. According to the findings of one study, businesses that effectively communicate their sustainability goals and performance to key stakeholders, such as consumers and investors, are more likely to be seen as socially responsible and to enjoy a competitive advantage (Wagner et al., 2021).

In conclusion, recent academic study has investigated the possibility that environmentally conscious CSR might be promoted through the use of green supply chain management. According to the findings of one study, businesses that implement environmentally friendly supply chain practises, such as purchasing goods from environmentally responsible vendors and cutting down on waste and emissions generated by their operations, can not only improve their financial performance but also make significant contributions to environmental protection (Govindan et al., 2021).

In general, ongoing academic research continues to provide valuable insights into the challenges and opportunities associated with environment-oriented corporate social

responsibility (CSR), as well as to identify strategies and practises that can help companies achieve more sustainable and responsible business operations.

### 2.3 Proposed Conceptual Framework

This chapter covers the factors affecting efficient implementation towards effectiveness of corporate social responsibility (CSR) of a company in Klang Valley which are market-oriented, society-oriented, workforce-oriented, and environment-oriented. In addition, this area will give a brief explanation on the variables of the research from past several research. Theoretical framework is a mandatory element that needs to be developed in every research and same goes this research have developed the framework for a better understanding on the factors that effective of CSR of company in Klang Valley.



Figure 2.0 Theoretical framework of The Study

### 2.4 Hypothesis Development

H1: There is a significant relationship between market-oriented and effectiveness of CSR of a company in Klang Valley.

H2: There is a significant relationship between society-oriented and effectiveness of CSR of a company in Klang Valley.

H3: There is a significant relationship between the workforce-oriented and effectiveness of CSR of a company in Klang Valley.

H4: There is a significant relationship between environment-oriented and effectiveness of CSR of a company in Klang Valley.

## 2.5 Summary of Chapter 2

In business, social, and economics literature, corporate social responsibility has gotten a lot of attention. Despite the difficulties encountered during implementation, it has provided significant benefits to both the corporate organization and the relevant society. Despite its apparent benefits, the notion remains hazy since it is not well understood. However, it is an irrefutable reality that a combination of fundamental features of corporate social responsibility should be used to guide knowledge development, company, choices, and policy creation. Chapter 2 is a review study on literature for topic theoretical framework and underpinning theory, empirical research, proposed conceptual framework and hypotheses development.

The idea of corporate social responsibility is not only vast, but also a difficult issue to study (Kafigi Jeje, 2017). Several elements contribute to the term's complexity. Cultural ties, taboos, and religious convictions, for example, have all contributed to the current definition of CSR in numerous countries and sectors. The types of CSR programs are diving up the complexity of demonstrating CSR behaviors.

## CHAPTER 3 RESEARCH METHODOLOGY

### 3.0 Introduction

In this chapter describes the approach method used in this study to conduct a detailed analysis of factors that affect CSR activities, develop a hypotheses model, propose appropriate hypothesis, and construct a path diagram of the relationship between the independent variable (market-oriented, social-oriented, workforce-oriented, and the effectiveness of CSR activities (dependent variable), as well as to determine.

This chapter includes research design, population, sample and sampling procedure, and data collection methods, operationalization and measurement and data analysis techniques.

### 3.1 Research Design

According to previous researchers, this methodology is based on a cross-sectional design because the study is conducted in a single year, 2010. The link between CSR and business growth, profitability, and sales volume is also examined in this study. In the past, the primary means of data collecting were observation and examination of yearly reports. To fulfil the research goal, 210 yearly reports will be examined and assessed. This research is quantitative because it takes an interpretative approach to data by looking at and evaluating yearly reports.

Research design is the framework to collect the data, analysis and the components of the data that related to the study. There are six mandatories important in research design which are as following:

- Purpose of the study
- Type of investigation
- Research interference
- Study setting
- Time horizon
- Unit of analysis

### **3.2 Study Population and Sampling Procedure**

To pick respondents from various industrial sectors in Klang Valley, a non-probability selection approach called purposive sampling and especially judgmental sampling was utilized.

### **3.3 Sampling Data**

The sample is an element of the population that is selected to take part in the study constitutes the sample. According to Zikmund (2003), sampling design issues are a part of the process of designing a research study. In this part of the process, the researchers design appropriate procedures for sampling after they have specified the scaling and measurement procedures and designed the questionnaire.

### **3.4 Target Population**

Target population inferences are going to be drawn based on the information that is held by the elements or objects that make up the target population. The population that will be the focus of the study needs to be defined in terms of elements, sampling units, extent, and time. The employees that work at companies are the primary focus of this research's population of interest.

### 3.5 Sampling Frame and Sampling Location

The participants in this study are employees working engaged by companies in Klang Valley. They are the target population. According to the data from the Labour Force Survey Report, Malaysia, 2021, the population of employees who are working in Malaysia in the year 2021 was 15.80 million. **(Statistics, 27 April 2022)** was selected as the location because it is in the heart of the city, Klang Valley, and has attained a leading position in the global business community. Because of this, it is indisputable that the majority of employees who are work are women. One of the advantages that want to present a broad view of CSR would have been the ability to do so if they included reporting on such impacts in their CSR reports.



Figure 3.0 Sources Labour Force Survey, Department of Statistics Malaysia



### 3.6 Sampling Techniques

A person or thing from which information is sought can be referred to as a sample element. The particular groups of individuals who carry out are made up of workers who are employed at companies in Klang Valley. There was a wide range of responses to this questionnaire because the population that was targeted is the one that is aware of the impact that CSR has had on them.

The development of this research makes intelligent use of sampling methods other than probability sampling. The use of non-probability sampling is done for the purpose of taking advantages of its benefits, which included a low cost to carry out, a reduction in the amount of time required, the absence of a requirement to obtain a list of the population elements, and the demand for little sampling skill.

### 3.7 Sampling Size

It was stated by Hussey, Jill and Roger (1997) that it is critical to select a sample that is as large as it is possible, in particular when conducting questionnaire surveys. Because of this, the findings of the surveys will be supported with a greater degree of accuracy and certainty. Researchers prepared a total of 200 questionnaires and handed them out at random to business companies in Klang Valley. Before conducting formal surveys among the population in question, a total of 10 samples have been sent out to serve as a sufficient pretest study. This was done before conducting the surveys themselves. The primary purpose of the pretest was to determine whether or not the questionnaires were accurate and valid.

### 3.8 Pilot Data

In most cases, the part of the research process known as 'data collection' starts with pilot testing, which is often referred to as 'pretest'. Pilot testing is carried out in order to identify flaws in the equipment and design of the system, as well as to supply proxy data for the selection of a probability sample. (Cooper Schindler, 2006). Zikmund (2003) defined a pilot test as a questionnaire that was conducted prior to the distribution to the main target respondents in order to determine the relevance of the questions, identify possible question duplication, time to complete the questionnaire, spelling mistakes, readability of the questionnaire, and possible sensitivity of questions. In addition, a pilot test was also utilized in order to assess the reliability and validity of the study questionnaire. Validity is the capacity of a scale or measuring instrument to measure what it is meant to measure, whereas reliability refers to a measure's ability to produce consistent results across time and in a variety of settings.

According to the Cooper and Schindler (2006), pilot testing can imitate the technique and protocol by recruiting people from the population that will be the focus of the study. According to what Cohen (1997) found, a reliability level of 0.700 is deemed to be an acceptable level for the early phases of fundamental research, however, a reliability level of 0.800 or more might be more appropriate in some applied situations.

### 3.9 Data Collection Method

The sort of data gathering method used is determined by the study's purpose. Questionnaires and observation are the most typical approaches employed. The distribution of a set of survey questionnaires to a predetermined number of respondents was employed to collect primary data. Questionnaires were utilized as a research tool to collect data from target respondents in an accurate and timely manner. Self-administered questionnaires are the most popular main data gathering

tools and are used for large inquiries (Kothari, 2004).

The questionnaire is made up of a series of structured questions that responders must fill out and return. Because the questionnaires may be quickly disseminated to many scattered respondents, this approach is less expensive and time consuming. It is also devoid of interviewer bias, can reach problematic respondents, and is perfect for quantitative surveys. However, it is vulnerable to poor response rates, ambiguous interpretations, respondent bias and insincerity, and response delays (Kothari, 2004).

In order to obtain primary data, we used a methodology that involved sending out a collection of survey questionnaires to a specified number of respondents. In order to conduct research in a precise and timely manner, questionnaires were utilized as a research tool to collect data from the target respondents. Midway through the month of December in 2022, researchers will initiate the process of collecting data. Because the survey questions were easy to understand and required only a few minutes for respondents to respond to, the researcher was able to collect data in a relatively short amount of time.

The questionnaires were exclusively disseminated over Facebook and Instagram advertising. The researcher made an attempt to phone each other's companies with human resources department of each established in order to collect responses from the employees of those established. In addition, in order for researchers to speed up the process of providing survey questions to respondents via email and WhatsApp and convert the questionnaires link into QR code which were easy for respondents to scan and answer immediately.

In order for the researcher to verify that the individuals who filled out the survey belonged to the target population, an essential question was included in the questionnaires. This question inquired about the respondent's current workplace with the following options which included market-oriented, society-oriented, workforce-

oriented, and environment-oriented. Those individuals who selected the third and final choice from were consequently excluded from data analysis. The usage of a questionnaire, which is a type of quantitative methodology, has been selected as the method of choice for collecting data from respondents due to the fact that it is simple to implement.



**Figure 3.1 QR code of survey Questionnaires**

### **3.10 Primary Data**

The term 'primary data' refers to information that has been gathered from its original source in order to provide the researcher with assistance in gathering additional information and providing an answer to the research question. A quantitative technique is the questionnaire survey form. Because it is a straightforward approach to data collection from respondents, the questionnaires were selected for this investigation. In addition, the information was obtained firsthand from the population what was the focus of the study.

### **3.11 Secondary Data**

Secondary data is information that has been obtained and documented from earlier studies in databases such as journals, websites, articles, and other sources. Secondary data can also include data that has been collected from other sources. It is possible to differentiate it over time as a result readers have access to the secondary data. In the course of this investigation, references taken from journals and articles are utilized frequently. It makes it easier for the researcher to obtain additional information and sends a clear message that the source is reliable and fact-based. In addition, the research uses Google Scholar to acquire secondary sources in order to gain access to a wider variety of articles.

### **3.12 Operationalization and Measurement**

Content analysis is used in this study to find out and characterize trends in websites, annual reports, and specific social responsibility reports for the forms studied. "Content analysis" is a strategy for gathering and assessing the context of text, according to Neuman (2002). Words, meanings, pictures, symbols, ideas, themes, or any other message they may be expressed" are all examples of content.

There are four groups of variables in this study. The independent variable is the first. The first is the independent variable, which is assessed with a dummy variable using data and is Market-oriented, Society-oriented, workforce-oriented, and environment-oriented. The dependent variable, which is measured by the effect of CSR, is the second group.

A self-reported questionnaire method through a 5-point Likert scale will be used in this study to operationalize the variables. The questionnaire was planned to divide into five parts: Part A, Part B, Part C, Part D and Part E. In Part A, questions involved participants' demographics, specifically gender, age, departments, and education level. Questions in part B, Part C, Part D and Part E will respectively measure the market-oriented, society-oriented, workforce-oriented, and environment-oriented. Table 3.2 shows the 5-point Likert scale used in the study.

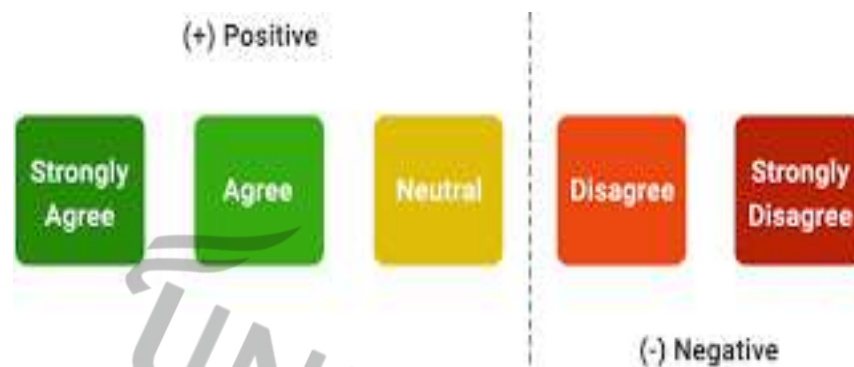


Figure 3.2 The 5-point Likert Scale

### 3.13 Specification of The Variables

The researcher developed a new item for variable measurement by doing some modification and adoption from the prior studies. This is because previous studies developed a strong theoretical and conceptual framework to support their study.

| Variable             | No items | Source                      |
|----------------------|----------|-----------------------------|
| Market-oriented      | 5        | (Chan Che Wee et al., 2014) |
| Social-oriented      | 5        | (Chan Che Wee et al., 2014) |
| Workforce-oriented   | 5        | (Chan Che Wee et al., 2014) |
| Environment-oriented | 5        | (Chan Che Wee et al., 2014) |

Table 3.1.1 The Constructure Variables and Source

### 3.12.1 The Variable Items

#### Market-oriented

Those items related to market-oriented were adopted from (Chan Che Wee et al., 2014) according to the relevant references for item measurement in this study. Market-oriented items are displayed in Table 3.1.2 below.

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I will contribute to my organization campaigns and projects that promote the well-being of society. | The main reason I am involved in different social initiatives is because my organization cares about the well-being of society. |
| 2  | The image of the company's charities will bring benefits to the market.                             | The image of myself and the image of the charities that my organization supports are similar.                                   |
| 3  | I support different charities in order to increase my organization's reputation.                    | supports different social causes in order to increase my organization revenue.  |
| 4  | When my organization supports different charities, I benefit more than the cause.                   | supports different charities in order to increase my organization's reputation.   |
| 5  | I seem to really care about charities that my organization supports.                                | I seem to really care about the charities that my organization supports.  |

**Table 3.1.2 Market-oriented Items (Source: (Chan Che Wee et al.,2014))**

#### Society-oriented

Items related to social-oriented were adopted from (Chan Che Wee et al., 2017) which was used as references. The social-oriented items are shown in Table 3.1.3 below.

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | Being socially responsible is one of the most important things an organization can do.                        | Being socially responsible is one of the most important things an organization can do.                        |
| 2  | Organizations have a social responsibility beyond making profit.  | Organizations have a social responsibility beyond making profit.  |
| 3  | Companies should make regular donations to charity.   | Companies should make regular donations to charity.   |
| 4  | I am more likely to feel good about my organization if I know that it supports different social causes.       | I am more likely to feel good about my organization if I know that it supports different social causes.       |
| 5  | Organizations should support different social causes by giving money, products, or other types of assistance. | Organizations should support different social causes by giving money, products, or other types of assistance. |

**Table 3.1.3 Social-oriented Items (Source: (Chan Che Wee et al.,2014))**

### Workforce-oriented

Items related to workforce-oriented were adopted from (Chan Che Wee al., 2017) which was used as references. The workforce-oriented items are shown in Table 3.1.4 below.

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I consider the factors of my actions affect my coworkers and workforce. | I consider the impact of my actions on my coworkers.              |
| 2  | I try to help others who have been absent from work.                    | I try to help others who have been absent from work.              |
| 3  | I try to help others who have heavy workloads.                          | I try to help others who have heavy workloads.                    |
| 4  | I often help to orient new people even though it is not required.       | I often help to orient new people even though it is not required. |
| 5  | I willingly help others who have work related.                          | I willingly help others who have work related problems.           |

**Table 3.1.4 Workforce-oriented Items (Source: (Chan Che Wee et al.,2014))**

### Environment-oriented

Items related to environment-oriented were adopted from (Chan Che Wee al., 2017) which was used as references. The environment-oriented items are shown in Table 3.1.5 below.

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I am giving back to the community in which does business.                                   | I am giving back to the community in which does business.                                     |
| 2  | I am involved in employee-volunteer programs.   | I am involved in employee-volunteer programs.   |
| 3  | There is a logical connection between myself and charities that my organization supports.   | There is a logical connection between myself and the charities that my organization supports. |
| 4  | My organizations have a good environment in CSR.  | The charities my organization and I support fit together well.                                |
| 5  | Organizations should support others instruments to support their community and environment. | The image of myself and the image of the charities that my organization supports are similar. |

**Table 3.1.5 Environment-oriented Items (Source: (Chan Che Wee et al.,2014))**



### **3.14 Data Analysis Technique**

Analysis is the process of using logic to gain a better understanding of a subject. Identifying a logical pattern and summarizing the essential information given by the study could be part of the data analysis technique. After the data collection process, the data was analyzed through SPSS and PLS4. SPSS was used for descriptive analysis while PLS4 was used for testing the hypothesis. Before proceeding with the real data collection, the researcher goes through the pilot study just to ensure the survey questionnaire was understandable by the target populations.

### **3.15 Summary of Chapter 3**

This chapter describes the researcher's methodology for assessing the dependent and independent variables. In addition, this chapter discussed the study design, demographic, and sampling technique. The most typical way of data collection is through a set of survey questionnaires.

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## CHAPTER 4 DATA ANALYSIS

### 4.0 Introduction

Chapter 4 discussed very important part of every detail of the study such as data preparation, box plot analysis (outlier), normality, multicollinearity collinearity, descriptive validity, internal consistency, convergent validity, discriminant validity, path coefficient, coefficient determination, effect size, blindfolding and predictive relevance and predictive power.

### 4.1 Descriptive Analysis

Descriptive analysis was conducted based on respondent's demographic and variables of the research study.

| Variables       |                        | n(200) | Percent % |
|-----------------|------------------------|--------|-----------|
| Gender          | Male                   | 96     | 48.0      |
|                 | Female                 | 104    | 52.0      |
| Age             | 21 – 30 years old      | 44     | 22.0      |
|                 | 31 – 40 years old      | 92     | 46.0      |
|                 | 41 – 50 years old      | 45     | 22.5      |
|                 | 51 years old and older | 19     | 9.5       |
| Department      | Administration         | 22     | 11.0      |
|                 | Human Resource         | 7      | 3.5       |
|                 | Financial Services     | 43     | 21.5      |
|                 | Sales & Marketing      | 20     | 10.0      |
|                 | Customer Services      | 32     | 16.0      |
|                 | Account                | 13     | 6.5       |
|                 | Information Technology | 9      | 4.5       |
|                 | Operation              | 31     | 15.5      |
|                 | Other                  | 23     | 11.5      |
| Education Level | Primary School         | 7      | 3.5       |
|                 | Secondary School       | 30     | 15.0      |
|                 | Diploma                | 73     | 36.5      |
|                 | Degree                 | 71     | 35.5      |
|                 | Master                 | 16     | 8.0       |
|                 | Doctorate Degree (Phd) | 2      | 1.0       |
|                 | Other                  | 1      | 0.5       |

**Table 4.1.1 Descriptive Statistics of Respondents' Demographic Profile**

The purpose of analyzing respondent's background is to understand the demographic profile of the data set. The summary of the demographic profile is listed in Table 4.1.1.

#### 4.1.2 Gender Distribution of Respondents

| Characteristics |        | Number (n=200) | Percent |
|-----------------|--------|----------------|---------|
| Gender          | Male   | 96             | 48.0    |
|                 | Female | 104            | 52.0    |

**Table 4.1.2 Descriptive Statistics of Respondents 'Gender**

The distribution of the respondent's gender was shown in table 4.1.2. Based on the result, most of the respondents are female 104 (52.0%) and only 96 (48.0%) respondents are male.

#### 4.1.3 Age Distribution of Respondents

| Characteristics |                        | Number (n=200) | Percent |
|-----------------|------------------------|----------------|---------|
| Age             | 21 – 30 years old      | 44             | 22.0    |
|                 | 31 – 40 years old      | 92             | 46.0    |
|                 | 41 – 50 years old      | 45             | 22.5    |
|                 | 51 years old and older | 19             | 9.5     |

**Table 4.1.3 Descriptive Statistics of Respondents 'Age**

The distribution of the respondent's age was shown in table 4.1.3. Based on the result, most respondents are in the age category of 31 – 40 years old 92(46.0%) and 41 – 50 years old 45(22.5%) respectively.

#### 4.1.4 Department Distribution of Respondents

| Characteristics |                        | Number (n=200) | Percent |
|-----------------|------------------------|----------------|---------|
| Department      | Administration         | 22             | 11.0    |
|                 | Human Resource         | 7              | 3.5     |
|                 | Financial Services     | 43             | 21.5    |
|                 | Sales & Marketing      | 20             | 10.0    |
|                 | Customer Services      | 32             | 16.0    |
|                 | Account                | 13             | 6.5     |
|                 | Information Technology | 9              | 4.5     |
|                 | Operation              | 31             | 15.5    |

**Table 4.1.4 Descriptive Statistics of Respondents 'Department**

The distribution of the respondent's Department was shown in table 4.1.4. Based on the result, most of respondents are from Financial Services 43(21.5%) and followed by Customer Services 32(16.0%) respectively.

#### 4.1.5 Education Level Distribution of Respondents

| Characteristics        | Number (n=200) | Percent |
|------------------------|----------------|---------|
| Education Level        |                |         |
| Primary School         | 7              | 3.5     |
| Secondary School       | 30             | 15.0    |
| Diploma                | 73             | 36.5    |
| Degree                 | 71             | 35.5    |
| Master                 | 16             | 8.0     |
| Doctorate Degree (Phd) | 2              | 1.0     |
| Other                  | 1              | 0.5     |

**Table 4.1.5 Descriptive Statistics of Respondents 'Education Level**

The distribution of the respondent's Department was shown in table 4.1.5. Based on the result, most of respondents possess a Diploma 73(36.5%) and about 71(35.5%) of respondents possess a degree.

#### 4.1.6 Effectiveness of CSR activities

| No | Characteristic  | Strongly Disagree<br>n / (%) | Disagree<br>n / (%) | Neutral<br>n / (%) | Agree<br>n / (%) | Strongly Agree<br>n / (%) |
|----|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1  | Company participates in activities which aim to protect and improve the quality of the natural environment. | 6(3.0)                       | 2(1.0)              | 26(13.0)           | 83(41.5)         | 83(41.5)                  |
| 2  | Company supports non-governmental organization working in problematic area.                                 | 5(2.5)                       | 6 (3.0)             | 48(24.0)           | 87(43.5)         | 54(27.0)                  |
| 3  | The company complies with all consumer rights and legal requirements.                                       | 3(1.5)                       | 4 (2.0)             | 30(15.0)           | 93(46.5)         | 70(35.0)                  |
| 4  | The company provides full and accurate information about its products to customers.                         | 3(1.5)                       | 2(1.0)              | 26(13.0)           | 93(46.5)         | 76(38.0)                  |
| 5  | Company contributes to campaigns and projects that promote the well-being of society.                       | 3(1.5)                       | 3(1.5)              | 34(17.0)           | 92(46.0)         | 68(34.0)                  |
| 6  | The company encourages its employees to participate in voluntary activities.                                | 3(1.5)                       | 3(1.5)              | 42(21.0)           | 88(44.0)         | 64(32.0)                  |

**Table 4.1.6 Descriptive Statistics of Effectiveness of CSR activities**

The Effectiveness of CSR on variable in this study consists of 6 questions. The first questions statement is about Company participating in activities which aim to protect and improve the quality of the natural environment and majority of respondent strongly agree and agree with the questions with number of 83(41.5%) respectively.

The second questions statement is about Company supports non-governmental organization working in problematic area and majority of respondent agree with the

questions with number of 87(43.5%). The third questions statement is about the company complies with all consumer rights and legal requirements and majority of respondent agree with the questions with number of 93(46.5%).

The fourth questions statement is about the company providing full and accurate information about its products to customers and the majority of respondent agree with the questions with number of 93(46.5%). The fifth questions statement is about Company contributes to campaigns and projects that promote the well-being of society and majority of respondent agree with the questions with number of 92(46.0%). The sixth questions statement is about the company encouraging its employees to participate in voluntary activities and the majority of respondent agree with the questions with number of 88(44.0%).

#### 4.1.7 Descriptive Analysis of Market-oriented

| No | Characteristic  | Strongly Disagree<br>n / (%) | Disagree<br>n / (%) | Neutral<br>n / (%) | Agree<br>n / (%) | Strongly Agree<br>n / (%) |
|----|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1  | I will contribute to my organization campaigns and projects that promote the well-being of society. | 3(1.5)                       | 1(0.5)              | 33(16.5)           | 104(52.0)        | 59(29.5)                  |
| 2  | The image of the company's charities will bring benefits to the market.                             | 2(1.0)                       | 2(1.0)              | 23(11.5)           | 73(36.5)         | 100(50.0)                 |
| 3  | I support different charities in order to increase my organization's reputation.                    | 3(1.5)                       | 6(3.0)              | 42(21.0)           | 83(41.5)         | 66(33.0)                  |
| 4  | When my organization supports different charities, I benefit more than the cause.                   | 1(0.5)                       | 9(4.5)              | 48(24.0)           | 92(46.0)         | 50(25.0)                  |
| 5  | I seem to really care about charities that my organization supports.                                | 1(0.5)                       | 4(2.0)              | 48(24.0)           | 92(46.0)         | 55(27.5)                  |

**Table 4.1.7 Descriptive Statistics of Market-oriented**

The Market-oriented variable in this study consists of 5 questions. The first questions statement is about I will contribute to my organization campaigns and projects that promote the well-being of society and majority of respondent agree with the questions with number of 104(52.0%).

The second questions statement is about the image of the company's charities will bring benefits to the market and the majority of respondent agree with the questions with number of 73(36.5%). The third questions statement is about I support different charities in order to increase my organization's reputation and majority of respondent agree with the questions with number of 83(41.5%).

The fourth questions statement is about When my organization supports different charities, I benefit more than the cause and majority of respondent agree with the questions with number of 92(46.0%). The fifth questions statement is about I seem to really care about charities that my organization supports, and majority of respondent agree with the questions with number of 92(46.0%).

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#### 4.1.8 Descriptive Analysis of Society-oriented

| No | Characteristic  | Strongly Disagree<br>n / (%) | Disagree<br>n / (%) | Neutral<br>n / (%) | Agree<br>n / (%) | Strongly Agree<br>n / (%) |
|----|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1  | Being socially responsible is one of the most important things an organization can do.                        | 3(1.5)                       | 3(1.5)              | 30(15.0)           | 91(45.5)         | 73(36.5)                  |
| 2  | Organizations have a social responsibility beyond making profit.  | 1(0.5)                       | 5(2.5)              | 42(21.0)           | 66(31.5)         | 89(44.5)                  |
| 3  | Companies should make regular donations to charity.   | 1(0.5)                       | 3(1.5)              | 41(20.5)           | 91(45.5)         | 64(32.0)                  |
| 4  | I am more likely to feel good about my organization if I know that it supports different social causes.       | 0(0.0)                       | 5(2.5)              | 39(19.5)           | 87(43.5)         | 69(34.5)                  |
| 5  | Organizations should support different social causes by giving money, products, or other types of assistance. | 1(0.5)                       | 3(1.5)              | 36(18.0)           | 97(48.5)         | 63(31.5)                  |

**Table 4.1.8 Descriptive Statistics of Society-oriented**

The Social-oriented variable in this study consists of 5 questions. The first questions statement is about Being socially responsible is one of the most important things an organization can do, and majority of respondent agree with the questions with number of 91(45.5%).

The second questions statement is about Organizations have a social responsibility beyond making profit and majority of respondent strongly agree with the questions with number of 89(44.5%). The third questions statement is about Companies should make regular donations to charity and majority of respondent agree with the questions with number of 91(45.5%).



The fourth questions statement is about I am more likely to feel good about my organization if I know that it supports different social causes and majority of respondent agree with the questions with number of 87(43.5%). The fifth questions statement is about Organizations should support different social causes by giving money, products, or other types of assistance and majority of respondent agree with the questions with number of 97(48.5%).

#### 4.1.9 Descriptive Analysis of Workforce-oriented

| No | Characteristic   | Strongly Disagree<br>n / (%) | Disagree<br>n / (%) | Neutral<br>n / (%) | Agree<br>n / (%) | Strongly Agree<br>n / (%) |
|----|--|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1  | I consider the factors of my actions affect my co-workers and workforce. | 1(0.5)                       | 6(3.0)              | 35(17.5)           | 90(45.0)         | 68(34.0)                  |
| 2  | I try to help others who have been absent from work.                     | 7(3.5)                       | 24(12.0)            | 58(29.0)           | 69(34.5)         | 42(21.0)                  |
| 3  | I try to help others who have heavy workloads.                           | 4(2.0)                       | 16(8.0)             | 54(27.0)           | 75(37.5)         | 51(25.5)                  |
| 4  | I often help to orient new people even though it is not required.        | 1(0.5)                       | 14(7.0)             | 72(36.0)           | 65(32.5)         | 48(24.0)                  |
| 5  | I willingly help others who have work related.                           | 1(0.5)                       | 6(3.0)              | 45(22.5)           | 85(42.5)         | 63(31.5)                  |

**Table 4.1.9 Descriptive Statistics of Workforce-oriented**

The Workforce-oriented variable in this study consists of 5 questions. The first questions statement is about I consider the factors of my actions affect my co-workers and workforce and majority of respondent agree with the questions with number of 90(45.0%).

The second questions statement is about I try to help others who have been absent from work and majority of respondent agree with the questions with number of 69(34.5%). The third questions statement is about how I try to help others who have heavy workloads of

respondent agree with the questions with number of 75(37.5%).

The fourth questions statement is about how I often help to orient new people even though it is not required, and the majority of respondent to neutral with the questions with number of 72(36.0%). The fifth questions statement is about how I willingly help others who have work related and majority of respondent agree with the questions with number of 85(42.5%).

#### 4.1.10 Descriptive Analysis of Environment-oriented

| No | Characteristic  | Strongly Disagree<br>n / (%) | Disagree<br>n / (%) | Neutral<br>n / (%) | Agree<br>n / (%) | Strongly Agree<br>n / (%) |
|----|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1  | I am giving back to the community in which does business.                                   | 0(0.0)                       | 7(3.5)              | 52(26.0)           | 94(47.0)         | 47(23.5)                  |
| 2  | I am involved in employee-volunteer programs.   | 2(1.0)                       | 13(6.5)             | 66(33.0)           | 84(42.0)         | 35(42.0)                  |
| 3  | There is a logical connection between myself and charities that my organization supports.   | 0(0.0)                       | 6(3.0)              | 72(36.0)           | 77(38.5)         | 45(22.5)                  |
| 4  | My organizations have good environment in CSR.  | 0(0.0)                       | 6(3.0)              | 40(20.0)           | 82(41.0)         | 72(36.0)                  |
| 5  | Organizations should support others instruments to support their community and environment. | 0(0.0)                       | 2(1.0)              | 41(20.5)           | 90(45.0)         | 67(33.5)                  |

**Table 4.1.10 Descriptive Statistics of Environment-oriented**

The Environment-oriented variable in this study consists of 5 questions. The first questions statement is about I am giving back to the community in which does business and majority of respondent agree with the questions with number of 94(47.0%).

The second questions statement is about I am involved in employee-volunteer programs and majority of respondent agree with the questions with number of 84(42.0%). The third questions statement is about There is a logical connection between myself and charities that my organization supports, and majority of respondent agree with the questions with number of 77(38.5%).

The fourth questions statement is about My organizations have good environment in CSR and majority of respondent agree with the questions with number of 82(41.0%). The fifth questions statement is about I Organizations should support others instruments to support their community and environment and majority of respondent agree with the questions with number of 90(45.0%).

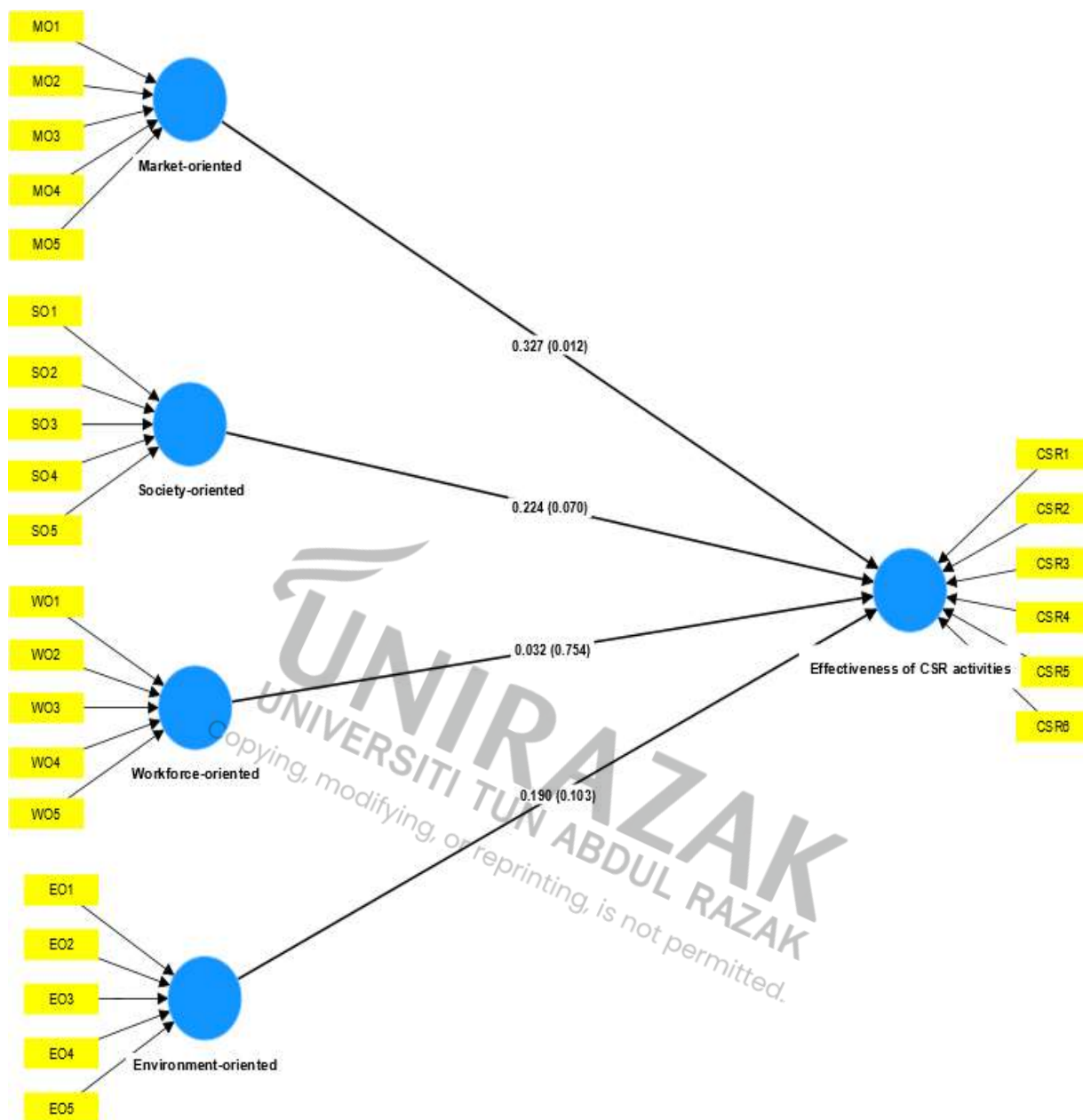
#### 4.2 Reliability Analysis

| Variables            | Cronbach's alpha | Composite reliability | Average variance extracted (AVE) |
|----------------------|------------------|-----------------------|----------------------------------|
| Effectiveness of CSR | 0.912            | 0.933                 | 0.700                            |
| Market-oriented      | 0.889            | 0.919                 | 0.695                            |
| Society-oriented     | 0.904            | 0.930                 | 0.725                            |
| Workforce-oriented   | 0.873            | 0.909                 | 0.671                            |
| Environment-oriented | 0.874            | 0.910                 | 0.668                            |

**Table 4.1.11 Reliability Test Result**

The reliability test was conducted to test the reliability and validity of a questionnaire that has been designed which consists of several questionnaires. The pilot test was done by distributing the questionnaire to 10 respondents. The result from the reliability test showed that the questionnaire is acceptable and the Cronbach 's Alpha value of the questionnaire is more than 0.6. A composite reliability of 0.70 is recommended (Hair,1997), Fornell and Larcker (1981) recommended a CR value of 0.60 or more. Fornell and Larcker (1981) recommended an AVE greater than 0.5.

### 4.3 Correlation Analysis

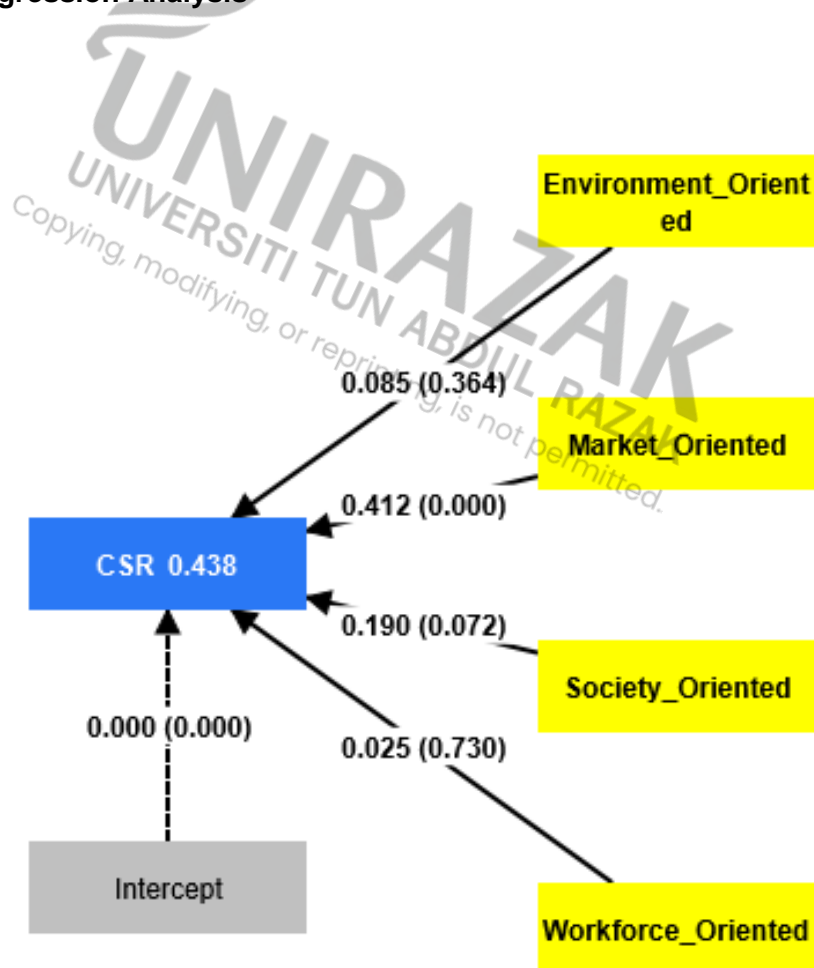


|  | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics ( O/STDEV ) | P values |
|--|---------------------|-----------------|----------------------------|--------------------------|----------|
| Environment-oriented → Effectiveness of CSR activities | 0.190               | 0.193           | 0.117                      | 1.631                    | 0.103    |
| Market-oriented → Effectiveness of CSR activities      | 0.327               | 0.323           | 0.131                      | 2.499                    | 0.012    |
| Society-oriented → Effectiveness of CSR activities     | 0.224               | 0.221           | 0.124                      | 1.810                    | 0.070    |
| Workforce-oriented → Effectiveness of CSR activities   | 0.032               | 0.067           | 0.102                      | 0.314                    | 0.754    |

Table 4.1.12 Correction Result

A correlation test to find any association between market oriented, society oriented, workforce oriented, and environment oriented with the effectiveness of CSR. From the Table 4.1.12, the results show that there is no statistically significant association between society oriented, workforce oriented, and environment oriented with the effectiveness of CSR with the p-value 0.070, 0.754 and 0.103 which is higher than 0.05. Based on the result above and the hypothesis statement, the null hypothesis is failed to reject due to the no significant relationship. Only market oriented have a significant relationship with the effectiveness of CSR with the p-value 0.012 which is below 0.05. Based on the result above and the hypothesis statement, the null hypothesis is rejected due to the significant relationship.

#### 4.4 Multiple Regression Analysis



|                      | Unstandardized coefficients | Standardized coefficients | SE    | T value | P value | 2.5 %  | 97.5 % |
|----------------------|-----------------------------|---------------------------|-------|---------|---------|--------|--------|
| Market_Oriented      | 0.518                       | 0.412                     | 0.131 | 3.958   | 0.000   | 0.260  | 0.777  |
| Workforce_Oriented   | 0.028                       | 0.025                     | 0.081 | 0.346   | 0.730   | -0.132 | 0.188  |
| Society_Oriented     | 0.236                       | 0.190                     | 0.130 | 1.809   | 0.072   | -0.021 | 0.493  |
| Environment_Oriented | 0.110                       | 0.085                     | 0.121 | 0.909   | 0.364   | -0.129 | 0.350  |
| Intercept            | 6.422                       | 0.000                     | 1.540 | 4.169   | 0.000   | 3.384  | 9.459  |

**Table 4.1.13 Regression Result**

Table 4.1.13 above show the results of regression analysis conducted to determine the variance explained which market oriented, society oriented, workforce oriented, and environment oriented with the effectiveness of CSR. Market oriented was significantly predicted by the effectiveness of CSR ( $\beta = .412$ ,  $p < 0.00$ ). Others independent variables do not show significant results which are social oriented, workforce oriented, and environment oriented.

#### 4.5 Discussion

The result shown that market oriented have a significant relationship with the effectiveness of CSR with the p-value 0.012 which is below than 0.05 and Market oriented was significantly predicted by the effectiveness of CSR ( $\beta = .412$ ,  $p < 0.00$ ). This finding is supported by numerous previous studies.

Critics of corporate social responsibility argue that the practice isn't in the best interests of shareholders and that the only social obligation a company has is to maximize profits for its shareholders (Friedman 1970). Opponents of corporate social responsibility (CSR) persist in reiterating the opinion that businesses should not participate in CSR owing to the unpredictability of its effects on financial performance or because it may divert attention away from the primary mission of a company (KPMG 2011; Wood 2010). One point on which supporters and detractors of the idea might reach a consensus is that profitable business relationships with a company's major market stakeholder—its customers—are

essential to generating revenue. However, proponents of CSR address both the economic issue and the lack of business focus by claiming that quick effect should not be sought (Carroll and Shabana 2010). They claim that this is because reputation, like branding, takes a significant amount of time to establish and attain. According to the findings of recent studies, corporate social responsibility (CSR) should rather be regarded in a more comprehensive, holistic, and long-term perspective that encompasses more than just immediate financial performance (Carroll and Sha-bana 2010; KPMG 2011).

According to the findings of other researchers, even while an increase in direct financial performance is unquestionably feasible (Ramc-hander et al. 2012), CSR-related financial success may not always be transparent (Orlitzky et al. 2003). CSR is a comprehensive management concept that acknowledges the presence of interdependency with society, and that CSR offers direct and indirect linkages with firm performance. CSR is also known as corporate social responsibility (CSR) (Carroll and Shabana 2010). In conclusion, corporate social responsibility may bring about direct and indirect improvements in performance, whether those improvements are financial or not (Lev et al. 2011). This is accomplished through the combination of market- and non-market strategies (Baron 1995).

The relationship between corporate social responsibility (CSR) and firm performance has been explored by a number of research, making it well established with the causation running from CSR to firm performance rather than from firm performance to CSR (Wood 2010). The impact, on the other hand, appears to be that increased CSR contributes to improved financial performance, everything else being equal, despite the fact that it is probable that causation is a virtuous cycle (simultaneous and interactive) (Waddock and Graves 1997). It is currently advised that researchers stay away from the firm performance area and instead concentrate their attention on other CSR components and research concerns (Carroll and Shabana 2010; Wood 2010). In spite of the fact that researchers have discovered that CSR can have positive, negative, or neutral effects on firm performance

(Orlitzky et al. 2003), the prevailing opinion in the business world today is that empirical findings indicate the relationship to be overall beneficial (Hill et al. 2007; Hull and Rothenberg 2008; McWilliams and Siegel 2000; Orlitzky et al. 2003; Wood 2010).

CSR, on the other hand, comes with additional costs and focuses primarily on the creation of intangible assets such as brand image and reputation (Carroll and Shabana 2010). Because of this, it is difficult to isolate CSR's impact on firm performance using traditional methods of evaluation and accounting. However, there is a correlation between CSR and firm performance (Semenova et al. 2008). In spite of the fact that there may be issues with measurement, it is asserted that the market value of a company may be improved by catering to the diverse requirements of its stakeholders (Luo and Bhattacharya 2009).

#### **4.6 Summary of Chapter 4**

In conclusion, the result and data analysis were described in detail in this chapter. The data analysis was started by analyzing respondent percentage and frequency. Then, to test the hypothesis the inferential analysis was used. Pearson correlation was used to determine the correlation between variables and all variables show a significant relationship. Linear regression was used to determine the independent variables contribution to dependent variables. The result of linear regression shows all independent variables have impacted on dependent variables. Further discussion in chapter 5.



## CHAPTER 5 CONCLUSION AND RECOMMENDATIONS

### 5.0 Introduction

In this chapter, will explain regarding the discussions, limitations, recommendations, and the conclusion of this study. The purpose of the research is to determine the relationship between factors of effecting efficient implementation towards effectiveness of market-oriented, social-oriented, workforce-oriented, and environment-oriented. The descriptive research design was used with a cross sectional design based on a previous study.

### 5.1 Conclusion

This research aims to determine the relationship between factors of effecting efficient implementation towards effectiveness of market-oriented, social-oriented, workforce-oriented, and environment-oriented by conducting an empirical study using Primary Data by conducting questionnaire.

A theoretical framework showing the relationships between the independent variables (market-oriented, social-oriented, workforce-oriented, and environment-oriented) and dependent variable (effectiveness of CSR) is developed after reviewing available literatures and relevant theoretical frameworks.

The data collected was analyzed in Chapter 4 using Frequency Analysis, Reliability Analysis, Correlation Analysis and Regression Analysis. Based on the results of the analysis, all the research objectives and research questions in this research have been answered. Only market oriented have a significant relationship with the effectiveness of CSR activities with the p-value 0.012 which is below 0.05. Furthermore, Market oriented was significantly predicted by the effectiveness of CSR ( $\beta = .412$ ,  $p < 0.00$ ). Others independent variables do not show significant results which are social-oriented, workforce oriented, and environment oriented.

In addition, the connection between market orientation and the efficiency of CSR has been the subject of investigation in a number of studies that have been conducted in a variety of sectors and countries.

In the context of India, Sharma and Henriques (2005) carried out research to investigate the connection between market orientation and corporate social responsibility (CSR) performance. According to the findings of the study, businesses that place a significant emphasis on market orientation are more likely to have effective CSR programs that have a beneficial impact on the financial performance of the company.

Another investigation of the connection between market orientation and corporate social responsibility performance in China was carried out by Xie and Peng (2009). According to the findings of the study, businesses with a higher level of market orientation had a better performance in terms of corporate social responsibility (CSR), and their stakeholders were more inclined to view them as socially responsible.

In addition to this empirical research, a number of different theoretical frameworks have been presented in order to explain the relationship between market orientation and the efficacy of CSR. For example, according to the stakeholder theory, businesses that take a market-oriented strategy are more likely to consider the interests of all stakeholders, including society and the environment. This, in turn, can result in CSR activities that are more successful.

Current academic research continues to establish the association between a market orientation and an effective corporate social responsibility (CSR) strategy. For instance, Kang and Lee (2020) conducted research to evaluate the connection between market orientation, corporate social responsibility, and financial success in the context of South Korean businesses. According to the findings of the study, businesses that have a greater degree of market orientation are more likely to have effective CSR programs that have a beneficial impact on the financial performance of the company.

In a separate piece of research, Wang et al. (2020) investigated the correlation that exists in the Chinese market between market orientation, environmental performance, and financial performance. According to the findings of the study, businesses with a higher level of market orientation had a greater likelihood of having efficient environmental management practises and of achieving superior financial performance.

Recent research has focused, in addition to these empirical investigations, on the mechanisms underlying the link between market orientation and the effectiveness of CSR. For example, Hu and Wang (2019) conducted a study in which they claimed that market orientation increases the effectiveness of CSR by boosting stakeholder engagement. This, in turn, leads to more effective CSR activities and positive stakeholder views towards the organization.

In addition, new research has shed light on the significance of corporate culture and leadership in terms of the promotion of a CSR strategy that is focused on the market. For instance, González-Moreno and colleagues (2021) conducted a study in which they discovered that a strong ethical culture and transformational leadership were positively connected with a market-oriented approach to CSR in the Spanish setting. This was revealed in their findings.

Recent academic research continues to support the relationship between market orientation and the effectiveness of CSR, and highlights the importance of organisational culture and leadership in promoting a market-oriented approach to CSR. In general, this research continues to show that market orientation is positively correlated with CSR effectiveness. Companies that adopt a market-oriented approach to CSR are better equipped to identify the social and environmental issues that are important to their stakeholders and to develop CSR initiatives that are aligned with those issues. This is because companies that adopt a market-oriented approach to CSR are more likely to take a market-oriented approach to other aspects of their business. Because of this, the company may enjoy improved financial

performance, increased long-term sustainability, and improved stakeholder perceptions towards the business.

The success of a company's corporate social responsibility (CSR) activities has been shown to have a positive link with society-oriented CSR in some research, while other studies have found no meaningful relationship between the two.

It is likely that the lack of a consistent relationship between society-oriented corporate social responsibility and the efficacy of a company's CSR initiatives is due to the fact that CSR is a complicated and multidimensional term. The effectiveness of a company's corporate social responsibility (CSR) initiatives can be influenced by a wide range of factors, such as the company's industry, the particular CSR initiatives it undertakes, and the context in which those initiatives are implemented. Companies can engage in CSR in a variety of different ways, and there are many different ways in which these initiatives can be effective.

In addition, determining how effective CSR is can be difficult because there is no universally accepted definition of what "effectiveness" entails. This can make it difficult to measure. Other studies have looked at social and environmental outcomes, such as the impact of CSR initiatives on employee satisfaction, community engagement, or environmental sustainability. While some studies have focused on financial metrics, such as the impact of CSR initiatives on a company's profitability or stock price, others have looked at these types of outcomes.

For instance, a study that was published in the year 2020 issue of the Strategic Management Journal investigated the connection that exists between the various forms of CSR activities and the financial performance of companies. According to the findings of the study, corporate social responsibility (CSR) initiatives that were oriented towards society, such as those focused on environmental sustainability or social justice, did not have a significant impact on the financial performance of the company. On the other hand, CSR initiatives that were oriented towards corporate governance and philanthropy were found to have a positive association with financial performance.

In a similar manner, a meta-analysis that was published in the Journal of Business Research (2021) investigated the connection between CSR and consumer behaviour. According to the findings of the study, corporate social responsibility (CSR) initiatives as a whole had a positive effect on the behaviour of customers; however, initiatives that were focused on social or environmental issues were not more effective than initiatives that were focused on other areas, such as the health and happiness of employees or ethical sourcing.

There may not be a consistent relationship between society-oriented CSR and the effectiveness of CSR initiatives since these initiatives may be perceived as separate from a company's primary business activities. This is one possible explanation for the lack of a relationship between these two factors. It's possible that customers or investors won't find a strong connection between a company's CSR initiatives and its overall business plan. If this is the case, the influence of society-oriented CSR on the effectiveness of CSR initiatives could be reduced.

The available evidence suggests that the impact of society-oriented CSR may be context-specific and dependent on a variety of factors, such as the type of initiative, the industry and market conditions, and the perceptions and expectations of stakeholders. In general, the relationship between society-oriented CSR and the effectiveness of CSR initiatives is complex and multifaceted. However, the evidence suggests that the impact of society-oriented CSR may be context-specific and dependent on these factors.

The success of a company's corporate social responsibility (CSR) activities has been shown to have a positive link with society-oriented CSR in some research, while other studies have found no meaningful relationship between the two.

It is likely that the lack of a consistent relationship between society-oriented corporate social responsibility and the efficacy of a company's CSR initiatives is due to the fact that CSR is a complicated and multidimensional term. The effectiveness of a company's corporate social responsibility (CSR) initiatives can be influenced by a wide range of factors, such as the company's industry, the particular CSR initiatives it undertakes, and the context in which those

initiatives are implemented. Companies can engage in CSR in a variety of different ways, and there are many different ways in which these initiatives can be effective.

In addition, determining how effective CSR is can be difficult because there is no universally accepted definition of what "effectiveness" entails. This can make it difficult to measure. Other studies have looked at social and environmental outcomes, such as the impact of CSR initiatives on employee satisfaction, community engagement, or environmental sustainability. While some studies have focused on financial metrics, such as the impact of CSR initiatives on a company's profitability or stock price, others have looked at these types of outcomes.

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The available evidence suggests that the impact of society-oriented CSR may be context-specific and dependent on a variety of factors, such as the type of initiative, the industry and market conditions, and the perceptions and expectations of stakeholders. In general, the relationship between society-oriented CSR and the effectiveness of CSR initiatives is complex and multifaceted. However, the evidence suggests that the impact of society-oriented CSR may be context-specific and dependent on these factors.

According to a number of studies, the relationship between environmental orientation and CSR performance is complex and may depend on a number of variables.

Some studies have demonstrated, for instance, that a firm's environmental orientation can have a beneficial effect on its CSR effectiveness, especially when the organization has a strong commitment to sustainability and a long-term perspective on environmental challenges. Several research have found that industry type, firm size, and stakeholder pressure may alter the link between environmental orientation and CSR performance.

The lack of a clear association between environmental orientation and CSR success in some studies may potentially be attributable to methodological or design shortcomings. It is essential to recognize that CSR effectiveness is a complicated term that can be difficult to quantify, and that it may be influenced by a variety of factors outside environmental orientation.

In conclusion, while there is no clear consensus on the relationship between environmental orientation and CSR performance, it is generally accepted that environmental considerations are an important element of CSR and can influence a company's social and environmental impact.

In nutshell, this research has successfully met the objectives set at the start of the research.

## 5.2 Recommendation

Despite the significant contributions made by this study addressing the links between the independent factors (market-oriented, social-oriented, workforce-oriented, and environment-oriented) and the dependent variable (efficacy of CSR), this research has limitations. Future research may overcome these constraints in order to obtain different results. This study covered four factors: market-focused, social-focused, workforce-focused, and environment-focused. Using these four components, this study assessed the effects of this suggested model. Therefore, future research may concentrate on other crucial elements, such as an enhanced CSR approach and a bigger sample size. The data collected for this study consisted of a local cross-sectional sample. To increase the generalizability of their findings, it is suggested that future researchers apply qualitative research methods and broaden their sample to additional regions and nations.

## 5.3 Limitations and Future Research Direction

As with every study, this research has limitations. Our research is limited by our use of a sample from a single nation, the use of data from a single fiscal year, and the method through which CSR is measured. The difficulty in obtaining and acquiring access to a representative index appropriate for our CSR study environment was one of the disadvantages of focusing on a single nation. This is widely cited as a widespread issue in CSR studies. Consequently, the generalizability of all nations is questionable.

Another restriction is whether different ownership forms, such as institutional ownership, might affect CSR and firm performance. Other limits at the national level are variances in national culture. It is believed that the association between market orientation and performance (or customer satisfaction and performance) is higher in cultures with low power-distance and low uncertainty avoidance. Given that these cultural factors may impact, for instance, customer



happiness or contribute to the implementation of voluntary CSR projects at the firm level, extending study to additional countries will benefit practitioner and academic comprehension of voluntary CSR.

The absence of separate CSR measurements is one of the most often cited concerns in CSR research. Future metrics must be created to evaluate the level of CSR among a sample of companies, whether or not they are included in the same Index. Comparability between indices and overtime will help researchers. This metric would enhance comparative, international, and cross-cultural studies. Other measures to enable assessments of specific CSR projects or CSR portfolios at the firm level might be future research objectives. In both research and practice, the variable CSR lacks a precise definition and continues to evolve over time. This may be a phenomenon that does not change, as societal standards are always developing.

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# APPENDICES



## **Appendices**

Appendix A – Survey Questionnaires

Appendix B – Questionnaires References



## Appendix A – Survey Questionnaires



**Graduate School OF Business**

**Master in Management**

**TITLE: FACTORS AFFECTING EFFICIENCY IMPLEMENTATION TOWARDS ON CSR  
(CORPORATE SOCIAL RESPONSIBILITY): A STUDY ON CSR ACTIVITIES ENGAGED IN  
MALAYSIA**

### **SECTION A: Demographics Characteristics**

This set of questions asks for some background information about you. Please answer the following questions by placing a **tick** in the appropriate answer box.

1) Gender

**Male**

**Female**

2) Age

**21 to 30 years old**

**31 to 40 years old**

**41 to 50 years old**

**51 years old or older**

3) Department

- |   |   |
|---|---|
| <input type="checkbox"/> Administration                 | <input type="checkbox"/> Customer Services      |
| <input type="checkbox"/> Human Resource                 | <input type="checkbox"/> Account                |
| <input type="checkbox"/> Financial Services             | <input type="checkbox"/> Information Technology |
| <input type="checkbox"/> Sales & Marketing              | <input type="checkbox"/> Operation              |
| <input type="checkbox"/> Others (Please specify: _____) |   |

4) Education level

- |   |   |
|---|---|
| <input type="checkbox"/> Primary school                 | <input type="checkbox"/> Secondary school       |
| <input type="checkbox"/> Diploma                        | <input type="checkbox"/> Master                 |
| <input type="checkbox"/> Degree                         | <input type="checkbox"/> Doctorate degree (Phd) |
| <input type="checkbox"/> Others (Please specify: _____) |   |

**SECTION B: How important are the following CSR activities?**

| No. | When answering the following questions, please think about the social causes that your employer organization supports. | Strongly Disagree |   |   |   |   | Strongly Agree |
|-----|--|-------------------|---|---|---|---|----------------|
|     |  | 1                 | 2 | 3 | 4 | 5 |                |
| 1   | Company participates in activities which aim to protect and improve the quality of the natural environment.            | 1                 | 2 | 3 | 4 | 5 |                |
| 2   | Company supports non-governmental organization working in problematic area.  | 1                 | 2 | 3 | 4 | 5 |                |
| 3   | The company complies with all consumer rights and legal requirements.  | 1                 | 2 | 3 | 4 | 5 |                |
| 4   | The company provides full and accurate information about its products to customers.                                    | 1                 | 2 | 3 | 4 | 5 |                |
| 5   | Company contributes to campaigns and projects that promote the well-being of society.                                  | 1                 | 2 | 3 | 4 | 5 |                |
| 6   | The company encourages its employees to participate in voluntary activities.   | 1                 | 2 | 3 | 4 | 5 |                |

**SECTION C: (i) What the factors are effect on activities CSR based on Market-oriented?**

| No. | When answering the following questions, please think about the social causes that your employer organization supports. | Strongly Disagree |   |   |   |   | Strongly Agree |
|-----|--|-------------------|---|---|---|---|----------------|
|     |  |                   | 1 | 2 | 3 | 4 |                |
| 1   | I will contribute to my organization campaigns and projects that promote the well-being of society.                    | 1                 | 2 | 3 | 4 | 5 |                |
| 2   | The image of the company's charities will bring benefits to the market.  | 1                 | 2 | 3 | 4 | 5 |                |
| 3   | I support different charities in order to increase my organization's reputation.                                       | 1                 | 2 | 3 | 4 | 5 |                |
| 4   | When my organization supports different charities, I benefit more than the cause.                                      | 1                 | 2 | 3 | 4 | 5 |                |
| 5   | I seem to really care about charities that my organization supports.   | 1                 | 2 | 3 | 4 | 5 |                |

**SECTION C: (ii) What factors are effect on activities CSR based on Social-oriented?**

| No. | When answering the following questions, please think about the social causes that your employer organization supports. | Strongly Disagree |   |   |   |   | Strongly Agree |
|-----|--|-------------------|---|---|---|---|----------------|
|     |  |                   | 1 | 2 | 3 | 4 |                |
| 1   | Being socially responsible is one of the most important things an organization can do.                                 | 1                 | 2 | 3 | 4 | 5 |                |
| 2   | Organizations have a social responsibility beyond making profit.   | 1                 | 2 | 3 | 4 | 5 |                |
| 3   | Companies should make regular donations to charity.  | 1                 | 2 | 3 | 4 | 5 |                |
| 4   | I am more likely to feel good about my organization if I know that it supports different social causes.                | 1                 | 2 | 3 | 4 | 5 |                |
| 5   | Organizations should support different social causes by giving money, products, or other types of assistance.          | 1                 | 2 | 3 | 4 | 5 |                |



**SECTION C: (iii) What the factors are effect on activities CSR based on Workforce-oriented?**

| No. | When answering the following questions, please think about the social causes that your employer organization supports. | Strongly Disagree |   |   |   |   | Strongly Agree |
|-----|--|-------------------|---|---|---|---|----------------|
|     |  |                   | 1 | 2 | 3 | 4 |                |
| 1   | I consider the factors of my actions affect my coworkers and workforce.  | 1                 | 2 | 3 | 4 | 5 |                |
| 2   | I try to help others who have been absent from work.   | 1                 | 2 | 3 | 4 | 5 |                |
| 3   | I try to help others who have heavy workloads.   | 1                 | 2 | 3 | 4 | 5 |                |
| 4   | I often help to orient new people even though it is not required.  | 1                 | 2 | 3 | 4 | 5 |                |
| 5   | I willingly help others who have work related.   | 1                 | 2 | 3 | 4 | 5 |                |

**SECTION C: (iv) What the factors are effect on activities CSR based on Environment-oriented?**

| No. | When answering the following questions, please think about the social causes that your employer organization supports. | Strongly Disagree |   |   |   |   | Strongly Agree |
|-----|--|-------------------|---|---|---|---|----------------|
|     |  |                   | 1 | 2 | 3 | 4 |                |
| 1   | I am giving back to the community in which does business.  | 1                 | 2 | 3 | 4 | 5 |                |
| 2   | I am involved in employee-volunteer programs.  | 1                 | 2 | 3 | 4 | 5 |                |
| 3   | There is a logical connection between myself and charities that my organization supports.                              | 1                 | 2 | 3 | 4 | 5 |                |
| 4   | My organizations have good environment in CSR.   | 1                 | 2 | 3 | 4 | 5 |                |
| 5   | Organizations should support others instruments to support their community and environment.                            | 1                 | 2 | 3 | 4 | 5 |                |

**Thanks for your valuable time & Co-operation.**

## Appendix B – Questionnaires References

Table 1: The effectiveness of CSR based on Market-oriented (Source: (Chan Che Wee, et al., 2014))

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I will contribute to my organization campaigns and projects that promote the well-being of society. | The main reason I am involved in different social initiatives is because my organization cares about the well-being of society. |
| 2  | The image of the company's charities will bring benefits to the market.                             | The image of myself and the image of the charities that my organization supports are similar.                                   |
| 3  | I support different charities in order to increase my organization's reputation.                    | supports different social causes in order to increase my organization revenue.  |
| 4  | When my organization supports different charities, I benefit more than the cause.                   | supports different charities in order to increase my organization's reputation.   |
| 5  | I seem to really care about charities that my organization supports.                                | I seem to really care about the charities that my organization supports.  |

Table 2: The effectiveness of CSR based on Social-oriented (Source: (Chan Che Wee, et al., 2014))

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | Being socially responsible is one of the most important things an organization can do.                        | Being socially responsible is one of the most important things an organization can do.                        |
| 2  | Organizations have a social responsibility beyond making profit.  | Organizations have a social responsibility beyond making profit.  |
| 3  | Companies should make regular donations to charity.   | Companies should make regular donations to charity.   |
| 4  | I am more likely to feel good about my organization if I know that it supports different social causes.       | I am more likely to feel good about my organization if I know that it supports different social causes.       |
| 5  | Organizations should support different social causes by giving money, products, or other types of assistance. | Organizations should support different social causes by giving money, products, or other types of assistance. |

Table 3: The effectiveness of CSR based on Workforce-oriented (Source: (Chan Che Wee, et al., 2014))

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I consider the factors of my actions affect my coworkers and workforce. | I consider the impact of my actions on my coworkers.              |
| 2  | I try to help others who have been absent from work.                    | I try to help others who have been absent from work.              |
| 3  | I try to help others who have heavy workloads.                          | I try to help others who have heavy workloads.                    |
| 4  | I often help to orient new people even though it is not required.       | I often help to orient new people even though it is not required. |
| 5  | I willingly help others who have work related.                          | I willingly help others who have work related problems.           |

Table 4: The effectiveness of CSR based on Environment-oriented (Source: (Chan Che Wee, et al., 2014))

| NO | Adapted Item  | Original Item   |
|----|---|---|
| 1  | I am giving back to the community in which does business.                                   | I am giving back to the community in which does business.                                     |
| 2  | I am involved in employee-volunteer programs.   | I am involved in employee-volunteer programs.   |
| 3  | There is a logical connection between myself and charities that my organization supports.   | There is a logical connection between myself and the charities that my organization supports. |
| 4  | My organizations have a good environment in CSR.  | The charities my organization and I support fit together well.                                |
| 5  | Organizations should support others instruments to support their community and environment. | The image of myself and the image of the charities that my organization supports are similar. |

**APPROVAL PAGE**

**TITLE OF PROJECT PAPER:           FACTORS AFFECTING EFFICIENT IMPLEMENTATION  
TOWARDS EFFECTIVENESS OF CORPORATE SOCIAL  
RESPONSIBILITY (CSR): A STUDY OF CSR OF A  
COMPANY IN KLANG VALLEY**

**NAME OF AUTHOR :                   NUR IZZATI BINTI SHAMSUDDIN**

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The undersigned certify that the above candidate has fulfilled the condition of the project paper prepared in partial fulfillment for the degree of Master in Management.

**SUPERVISOR**

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
Date : \_\_\_\_\_



**ENDORSED BY:**

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Dean  
Graduate School of Business  
Date: