

CORPORATE SOCIAL RESPONSIBILITY AND FIRM PERFORMANCE OF LOCAL AND MULTINATIONAL FIRMS IN PENANG MALAYSIA

By

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**Thesis Submitted To
Ghazali Shafie Graduate School of Government
Universiti Utara Malaysia
in Partial Fulfilment of the Requirement for the Master of Science (International
Business**

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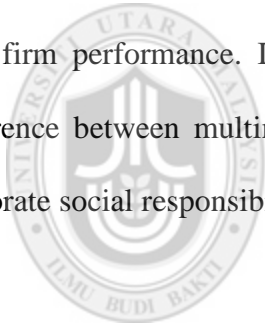
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ABSTRACT

This study examined the relationship between corporate social responsibility (CSR) and firm performance between the multinational and local companies in Penang, Malaysia. Corporate social responsibility (CSR) in this study is dimensionalised into the community development CSR, human resources CSR and environmental contribution CSR. The study used a convenience sampling technique to collect primary data from 113 multinational and local companies in Penang, through a self-administered survey questionnaire and which was analysed with statistical package for social sciences (SPSS) version 20 software. The findings show that community development CSR, human resources CSR and environmental contribution CSR have positive relationship with firm performance. In addition, the findings revealed that there is a significant difference between multinational companies and local companies in their practice of corporate social responsibility.



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ACKNOWLEDGEMENT

This report could not be accomplished without assistance and support of many Lovely people. First and foremost, appreciation to AMIGHTY GOD, the creator of heaven and earth and all that dwell in it, the lifter of my head, the commander of the universe, my strength, shield, fortress and hope. He has been gracious and compassionate in protecting me throughout my studies. All I have to say is thank you LORD.

I also wish to express my deepest gratitude to Dr. Mohd Najib Bin Mansor who, with patient, understanding, encouragement and sincerity, gave me support and valuable advice throughout preparation for this thesis. His effort in coaching and guiding me to the success of the research is undeniable. I would also like to take this opportunity to extend my sincere appreciation and gratitude to the dean of GSGSG, Lecturers and administrative staffs.

I am also grateful to the family of ILESANMI and HASSAN, especially my beloved Parent (Late J.O Ilesanmi) and My Lovely mother Mrs Mopelola Ilesanmi for her prayers and support both morally and financially. I also appreciate my lovely ones Modupe Hassan, stella Ilesanmi, brothers and sisters for their understanding, trust and perseverance.

To my Big Daddy Dr, Saliu A. A and Mr Odukoya J. B for their fatherly advice and to all my friends home and abroad. I Say a very big thank you and I pray that God Almighty will continue to guide and bless you all.

In addition, my special thanks to all 113 respondents of multinational and local firms in Penang, Malaysia for completing the questionnaire, which provided the useful data for this study.

Last but not least, I would like to place on record my appreciation for the many others who have helped me, but not able to mention all of them here.

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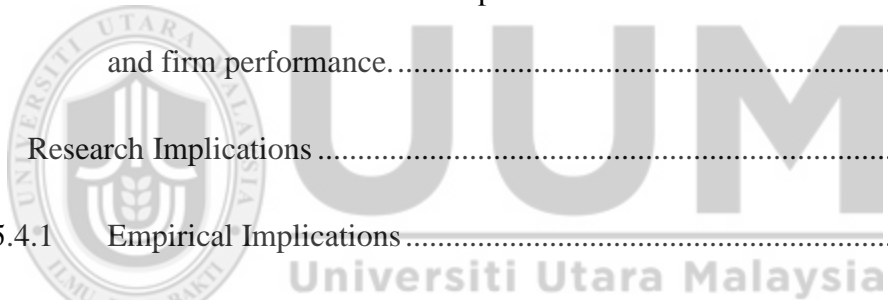
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LIST OF ABBREVIATIONS

NFP	Non-financial Performance
ACCA	Association of Chartered Certified Accountant
NAA	National Association of Accountant
CEO	Chief Executive Officer
SPSS	Statistical Package for Social Sciences
FDI	Foreign Direct Investment



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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The goal of every corporate organization is the provision value and incentives to their stakeholders. Hence, profit-oriented organizations are not charitable organizations that do not seek financial profit, although their interests are sometimes directed towards supporting charitable activities. Sometimes, it is beneficial for corporate organization to embark on charitable activities that should be undertaken by government, though they are not government agencies. These charitable activities are regarded as corporate social responsibilities (Mudzamir & Norfaiezah, 2003).

Corporate social responsibility is an aspect of the economic, legal and ethical activities of a business entity directed towards adding value to the business, societal expectations (Joyner, Payne & Raiborn, 2002; Mudzamir & Nurfaiezah, 2003). Richardson et al., (1999) regarded corporate social responsibility as a ongoing emphasis and obligation of corporate organization to the ethical elements of their management and organizational structure. Corporate social responsibility portrays the interest of the firm by showing the previous activities of the corporation in fulfilling the corporate objectives to ensure that the corporations provide not only goods and services, but also play a major role in contributing to community development (Tilt, 1994).

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