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Corporate Social Responsibility (CSR) in Malaysian banking industry: an analysis through website of six banking institutions

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ABSTRACT

Corporate social responsibility encompasses a wide range of issues ranging from business ethics, corporate governance, and socially responsible business practice to environmental sustainability and community engagement. CSR is an idea whereby companies integrate their social and environmental commitment in line with their economic development within an interaction with stakeholders. Company committed on improving the quality of life of its workforce as well as local community and society in general. The issue of CSR is gaining interest around the world since 1950's, where academicians and practitioners have been consolidating the research in this area. In Malaysia, CSR issues recently begin applied and measured by companies. This paper analyzes the evolution of the CSR concept and presenting various definitions from literature together with Malaysian banking institutions definitions. This article aims to shed some light on the how banking institution in Malaysia defines CSR and perform their CSR activities.

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Introduction

The ideas that address social as well as economic concerns for-profit organization are not new. As early as in 1920's, organizations were revered for upholding their "responsibility" to extra-profit motives by improving labour standards and employee benefits. Then in the 1950's, scholarly work to introduce and develop the concept of Corporate Social Responsibility (CSR) gained momentum. Specifically, Howard Bowen wrote *Social Responsibilities of the Businessman* (1953), leading to further academic discourse on the topic in the 1960s. According to Bowen (1953) social responsibilities of business referred to "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953). Since that, numerous definition of CSR provided by literature, not only derive from academia, but also from a diverse number of organizations, NGOs and governments. However, the definition of CSR still been debated for decades and currently, no concrete definition of CSR.

According to Dahlsrud (2008) when analyzed the 37 most common definitions on CSR states that "there is still some confusion as to how CSR should be defined". Then, he concluded that, "the uncertainty is not so much about how to define CSR, as it is on how CSR is socially constructed in a specific context" (Dahlsrud, 2008)

From a business point of view, the Commission of the European Communities (2001) defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis". Van Marrewijk (2003) adds up to the definition, by announcing that "in general, corporate sustainability and CSR refer to company activities voluntary by definition: demonstrating the inclusion of social and environmental concerns in business operations and interactions

with stakeholders. So, based on these arguments, it is understandable that both academics and organizations denote the spirit of voluntaries when focusing on a CSR strategy. Sternberg (1999) declares that CSR should not be forced, "because being responsible and acting conscientiously both require a freedom to choose that is negated by the coercive force of law".

Why are companies interested in Corporate Social Responsibility? Many scholars offer different perspectives regarding the involvement of organizations in CSR. However, literature shows that it is possible to agree on some basic motives. If an organization focuses on ethical responsibility, the boundary of where the organization begins and ends fades. The organization becomes responsible to all of its diverse stakeholders in providing ethical leadership, practices, and products. If the organization is philanthropically responsible, the organization becomes responsible to itself, shareholders, all stakeholders, and the broader social welfare. The organization may incorporate practices of corporate giving, volunteerism, or community partnerships.

While social and economic goals are seemingly unconnected, organizations may reference the connections that CSR has to economic motives in their justifications of CSR practice (Crane & Matten, 2007). First, organizations may incorporate CSR to improve their public image in response to the visibility on a firm's negative social and environmental impact. Second, organizations may justify CSR based on a belief that the practices will attract clients or consumers. Third, participation in socially responsible behaviors might be justified under the belief that it boosts employee morale. What is fascinating, however, is that organizations often incorporate corporate social responsibility without any direct evidence of these connections (Said, Zainuddin, & Haron, 2009). In contemporary society, businesses have seen an increasing emphasis on the importance of CSR activities due to mounting

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pressure from employees, consumers, and other stakeholders.

Corporate Social Responsibility Activities within the Banking Industry

Corporate Social Responsibility (CSR) activities are determined by the characteristics of companies in each industry as well as by the context in which they all operate. In other words, everything that makes up the social responsibility of a company will depend on circumstances of their own industry, and as the expectations that society has placed on it.

Banking service activities changed significantly due to changes in globalization, financial innovation and the emergence of new technologies in service delivery. The economic crisis in world markets also result is loss of confidence of society in the financial systems, and in order hand, increased social awareness of regulators, shareholders, employees and customers who demand better business practices. In contrast, corporate image play as an important medium for organizations in facing global crisis of confidence. It is relevant to the retail banking sector, which currently facing one of the worst crisis of confidence among its various stakeholders in the international arena. This is one of the main reasons why the financial sector is currently among the leading investors in corporate social responsibility. Green Paper on Corporate Social Responsibility reported that financial institutions closely linked to the Global Compact of the United Nations, representing 9.48% of a total of 3700 member companies in 2008. In addition, financial institutions are also the most present in the main index of global sustainability, making nearly 22% of companies in the Dow Jones Sustainability Index, in year 2008. According to Martinez, Flores & Martinez (2006) banking sector is one of the most active industry that implement relationship marketing strategies. Furthermore, compared other sectors, financial institutions are likely to have a high visibility in the community (Mandell, Orgler Lachman, 1981).

In Malaysia, there are no universal approaches to implement CSR. However, Bursa Malaysia guides some basic concepts company needs to consider in crafting their CSR vision. Bursa Malaysia (2008) defines CSR as “open and transparent business practices that are based on ethical values and respect for the community, employees, environment, shareholders and other stakeholders.” Zulkifli & Amran (2006) reported that Malaysia is recognized as among active developing countries in relation to corporate responsibilities. Banking industry also shown active participation among all service industry in their role rated to CSR activities. For example, Public Bank Bhd (PBB) emerge as the overall winner of the Malaysian Business CSR Awards for 2007 and 2008.

Placing CSR as a part of the corporate agenda show a clear sign that the aims banking institution not for profit maximization only, but towards socially and environmentally responsible investment in building strong interaction with their stakeholders. According to Holcomb et. al. (2007), “most recently, corporations like banks have seen the benefit of making known their contributions since research shows that good corporate citizenship benefits employee morale and assists in promoting the reputation of the corporation as well as their brand image.” As what Nazir Razak, chief executive officer for CIMB bank states that “Corporate social responsibility is no longer about donating money to a random cause, wiping one’s hands clean of it and walking away. At the outset, we wanted our CSR efforts to be focused, sustainable and have a real, positive, long-term impact on the public. The CIMB Foundation is our way of ensuring these efforts are both incisive and scalable.” (CIMB,

2011).

One of the challenges that banking institutions have to face when developing initiatives related to CSR is related to the high expectations of the stakeholders. Therefore, CSR initiatives must be though in details and communicate strategically. Hence, CSR communication must reflect the realities of the business not just to report companies’ efforts in order improve companies’ image. Therefore, the purpose of this study is to document evidence on CSR among Malaysian banking institution, and determine whether what they have done (CSR activities) reflect their main CSR philosophy.

Literature Review

The Evolution of CSR Concept

Fassin (2008) argues that the main factor for not getting consensus definition of CSR are because of CSR has evolved to a confused notion. Fisher (2004) states that the evolution of the modern concept of CSR has been described by Archie Carroll (1999). In the 50’s, according to Carroll, a formal literature on the subject began to develop. During the 60’s and 70’s CSR definitions were expanded and proliferated. The focus on empirical research and alternative topics of CSR such as performance and stakeholder’s theory marked at 80’s. This focus continued on the 90 until present. Parallel to the research in the area of CSR, researchers in management field began to study business ethics in the 60’s and at first it was said that this was just another management fad. However, interest in business ethics has increased in 70’s, where business ethics emerged as a field of study. From 80’s until recently, business ethics is an evolving field. The evolution of CSR can be represented based on temporal continuum that ranges from early studies to the most recent studies based on Figure 1: The Development of CSR Concept

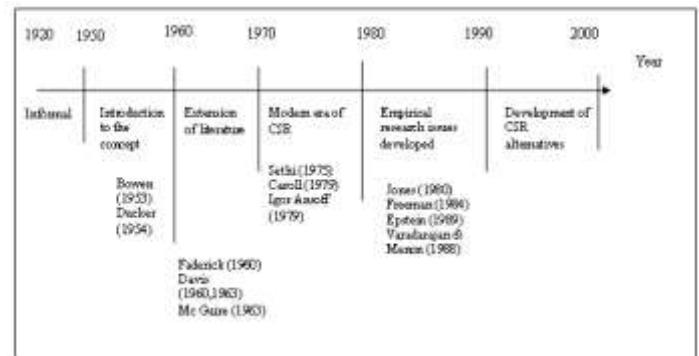


Figure 1: The Development of CSR Concept Before 1920s

An important milestone in the history of CSR was an Industrial Revolution (late 18th and 19th centuries) and industrialization in 19th and 20th century. The idea of ethics in business is not new because large companies began to emerge with activities associated with communities, societies and the environment. Some companies developed “industrial welfare programmes” that provided education, recreation, and socialization of workers, and were seeking to produce simultaneously skilled workers and respectable citizens.

One of the pioneers was Robert Owen, who in the early 1800s set up a series of social villages around his textile mills in Scotland. These villages catered for the education of employees and their children as well as providing health care, food cooperatives, banking facilities and leisure activities. The doctrine of “Owenism” became so popular that it was soon introduced to a number of cotton farms.

1920s to 1950s

In 1920s, Henry Ford used basic CSR tools without ever knowing anything about CSR concept. Henry Ford believed that he ought to pay his workers enough to afford to buy the cars they produced. That decision appeared ultimately benefited Ford Motor Company by making it as an attractive employer also stimulating demand for the car they produced.

The 1950s saw the start of the modern era of CSR when it was more commonly known as social responsibility. In 1953, Howard Bowen published his book, *Social Responsibilities of the Businessman*, and largely credited with coining the phrase corporate social responsibility and perhaps as the father of modern CSR. He conceptualized CSR as “industry’s obligation to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of objectives and values of society” (Bowen, 1953; Maignan & Ferrell, 2004).

In addition, management guru, Peter Drucker also addresses CSR, including public responsibility as one of the eight key areas for business objectives developed in his 1954 book, *The Practice of Management*.

1960s

The literature of the 1960s is not heavily represented in CSR discourse. However, Carroll believed that this decade ‘marked a significant growth in attempts to formalize, or more accurately, state what CSR means’. (Carroll 1999, p. 270). Carroll suggested that some of the most prominent writers during that time were Keith Davis, Joseph W McGuire and William C Frederick. The summary of CSR definition can be referred to Table 1 : Definition of CSR.

1970s to 1990s

The literature on CSR can be distinguishing two main theoretical streams. The first stream represents the CSR perspective emphasizing ethical issues and social audit. The second stream represents the social dimension of strategic management based on stakeholder approaches.

i. CSR perspective in ethical issue

Early theoretical construct that addressing CSR was represented by Sethi (1975) who develop a model for identifying corporate social performance. The three levels of corporate social performance are based on:

- a. social obligation social obligation (response to legal and market constraints)
- b. social responsibility (addressing societal norms, values and expectations of performance)
- c. social responsiveness (anticipatory and preventive adaptation of social needs).

Building on Sethi(1975), Carroll (1979) as cited in Carroll (1991) develop a model of CSR that contains four layers (economic, legal, ethical and philanthropic responsibilities). The four layers reflect that the early stage of business emphasis on the economic and then legal aspects and a later concern for the ethical and philanthropic aspects.

ii. CSR perspective in the social dimension

In 1979, around the time Carroll published his CSR model, the societal dimension of strategic management was explored by Igor Ansoff (1979) in “The Changing Shape of the Strategic Problem”. He proposed that an “enterprise strategy”, describing the interaction of a firm with its environment, should be added to the corporate, business and functional levels of strategic management. These ideas emphasising a broad set of social responsibilities for business are heart of stakeholder approaches to strategic management. The stakeholder theory, was

established by R Freeman in 1984 through his book “Strategic management: A stakeholder approach”, which effectively established the field of Business & Society. Freeman defined stakeholders as “any group or individual who is affected by or can affect the achievement of an organisation’s objectives”. According to Freeman, the use of the term stakeholder grew out of the pioneering ideas at Stanford Research Institute (now SRI International) in the 1960’s. The basic SRI concept was that “managers needed to understand the concerns of shareholders, employees, customers, suppliers, lenders and society, in order to develop objectives that stakeholders would support. Management should actively explore its relationships with all stakeholders in order to develop business strategies.”

iii. Environmental Aspect in CSR

The environmental aspect of CSR can be categorized by “duty to cover the environmental implications of the company’s operations, products and facilities; duty to eliminate waste and emissions; duty to maximize the efficiency and productivity of used resources and duty to minimize practices that might adversely affect the enjoyment of the country’s resources by future generations” (Mazurkiewicz, 2004).

Foundation of environmental aspect was laid in year 1972 in Stockholm at the 1st United Nations Conference on the Human Environment also known as the Stockholm Conference. A prominent development in terms of CSR was the global debate on sustainable development that emerged in 1980s. The World Conservation Strategy that was published in 1980 stressed the interdependence of conservation and development and was the first to conceptualise ‘sustainable development’ (Tilbury & Wortman, 2004).

CSR Definition

Numerous definitions stress different elements on the concept of CSR provided by literature. In order to comprehend the various points of views of scholars about CSR, Kakabadse et al. (2007) have produced a list of definitions of CSR that covers the CSR debate over the last 50 years. Table 1 presents definitions of CSR.

CSR Classification

Maignan and Farell (2004) proposed a classification of CSR definition as :

- a. Social obligation – This approach was proposed by Bowen (1953) define CSR as “the obligation of the company to carry out the policies, decisions and follow the lines of action which are desirable in terms of the objectives and values of our society”. Subsequently, Carroll (1979) have joined this approach by conceptualizing SCR into several social obligations that can be classified as (1) economic obligations (2) legal and ethical obligations and (3) ethical obligation and (4) philanthropic obligations.
- b. Stakeholders obligation – From mid 1980’s a large number of researchers criticize the “social obligation” concept as too broad to facilitate effective management. Thus, they argue that companies should not be responsible for the whole society, but only individuals who directly or indirectly influence or affected by their activities (Clarkson, 1995; Donaldson and Preston, 1995; Jones, 1995). Freeman (1984) develops stakeholder’s theory, which defends the idea of multiple target audiences that directly or indirectly related to the company within the social environment. The rationale for CSR is to meet the demands of these target audiences.
- c. A voluntary ethical behavior - The approach of CSR towards social obligation or interest group means that this action

motivated by company's self interest. So, the main objective of that approach is to gain legitimacy in society. Jones (1995) argues that this view could not evaluate the business responsibility from a social perspective. This is because; company that complies with the law is not adequate to be considered as adopting CSR. Based on this argument some researcher propose an approach to CSR as a company voluntary basis which determines when social activity is responsible or not, regardless of any obligation imposed by society or stakeholders (Donaldson and Preston, 1995; Swanson, 1995). According to this view, socially responsible behaviour is anticipatory and preventive, rather than reactive and restorative. Socially responsible business focus on public interest, voluntary respond to needs of any interest group, foresee the future needs of society a make the necessary steps comply.

d. A set of the management process – While the other three perspectives above focus on explaining the reason that cause firms to undertake social responsibility activities, other authors tried to describe CSR as social management process in organization (Ackerman, 1975; Wartick and Cochran, 1985; Wood, 1991). This approach called corporate social sensitivity or response. For example, in an organization some main activities are access and monitor the changing conditions of environment, meet the demands of the target market, design policies and plans strategic action to improve corporate image.

Methodology

This study used content analysis as a technique to describe the trend and patterns for social responsibility reports gained from specified web sites for the identified banking companies. Content analysis is defined by Krippendorff (1980) as “a research technique for making replicable and valid inferences from data according to their context.” Content analysis used to determine the presence of certain words, concepts, themes, phrases, characters, or sentences within texts or sets of texts. It is also used to quantify this presence in an objective manner (Palmquist, 1980). In order to analyze the CSR philosophy, this study used list of CSR definition by different scholars as a guideline.

Eight banks listed as licensed banking institution in Malaysia by the Central bank of Malaysia used as the sample of this study. The sample represents among the successful local commercial banks in Malaysia. Table 3 below shows the ranking of Malaysian banks based on assets size and market capital for year 2011.

To measure these banks' CSR reporting, a content analysis of company web sites, annual reports and CSR reports available via downloadable in PDF format were used to identify their CSR issues. Most banks in this study provide information regarding CSR issues in their website since 2004 as shown in the Table 4 below. However, only Maybank, Public Bank and AmBank has gradually reported their corporate responsibility issues as compared to the other banks.

Corporate Social Responsibility Report

Meeting legal requirements, requested companies to report their business operation in the annual report. However, companies report only what they do in financial terms, by leaving aside pertinent aspects that help to build a strong brand name, reputation and corporate governance. Corporate Social Responsibility reports are the way that companies communicate their objectives, mission, vision and principles toward activities such as preservation the environment, promoting quality of life, favorable relations with community, a good practice of labour

relations and others. This non financial disclosure must be communicated not only to the investors but to internal and external groups that are equally relevant to the organization. By doing so, companies can establish a strong relationship with all their stakeholders.

Result and Discussion

CSR Definition

The finding from the content analysis suggests that there is not much difference in terms of CSR philosophy and CSR initiative made across the banking sectors. Table 5 represents the philosophy of CSR from the banking institution in Malaysia and CSR classification as proposed by Maignan and Farell (2004).

After analyzing the CSR philosophy for each bank, we can conclude that banking institution:

- address the satisfaction of social and environmental needs of community, without leaving aside the ethical concern.
- strive for economic benefit in order to obtain greater competitiveness, while generating value for their stakeholders.
- comitment toward social responsibility are frame within sustainability approach (economically, environmentally and socially sustainable)

Most banking institution relates their CSR philosophy with the development of community relations. They link the achievement of philanthropy through CSR activity.

The collections of CSR definition available from literatures and banking sector perspective produce a group of CSR key term. These definitions are grouped in two different approach as shown in Table 6a and 6b below.

CSR Activities

This study analyzed four categories of activities that the banks were reporting in line with Bursa Malaysia CSR Framework. They are the environment, the workplace, the community and the marketplace. Table 7 represents the main CSR activities focus by each bank, while Table 8 represents the commonest areas of CSR activities reported by each bank.

The “community” category is the most identified categories of CSR that reported by the banks. This is because an investment towards community will produce returns in the long term. In general, a correct social investment can benefit the company by having strong community relations and in order hand strengthen the image of the company.

Most banking institutions relate CSR within development of community relations, whereby they link the achievement of philanthropy through education, health, quality of life and environmental care. This means they are

Companies must seek to ensure a full implementation of CSR activities and communicate those activities. By communicating what they had contributed to society, companies can gain positive image and gain competitive advantage in the long term. Burke and Logsdon (1996) developed measures for assessing when and in what ways CSR activities jointly serve economic and societal interests. They identified five dimensions of corporate strategy, which are critical to the success of the firm, useful in relating CSR policies and create value to the companies as:

- a. Centrality - closeness of the CSR initiatives with company's mission and objectives.
- b. Specificity - talent of a company to capture the benefits from its CSR activities.
- c. Proactivity – the degree to which the CSR initiatives are well planned and organized.

d. Voluntarism - organization own initiative of involvement in CSR, excluded external pressure.

e. Visibility - CSR initiative recognized by the firm's stakeholders (internal and external)

Burke and Logsdon (1996) categorize centrality, specificity, and visibility as the key dimensions that provide a CSR initiative as a strategic approach. So, with the intention of having a clear picture of CSR process, CSR activities must be centrality because it indicates the role CSR plays for the organization's strategy. CSR activities must strategically focus on the benefits organizations receive from those initiatives. CSR activities should also design to be perceived visible by both internal and external stakeholders.

Conclusion

The history and evolution of social responsibility approach has led to the existence of different CSR definitions. By analyzing CSR definition from eight banks in Malaysia shows that the CSR concept are rooted in those bank activities. These demonstrate that banking institution committed in achieving economically, socially and environmental sustainability. The only question is how banking institution can build and maintain their CSR image. Banking institution must reach a consensus on what CSR issues that they want to evaluate and then what they want to communicate to the public. Communicating can give a dynamic change depend on the views of stakeholders. The company must think beyond social actions and must be able to examine other aspects of social responsibility. After analyzing the range of CSR concepts presented from various banking institution, this paper conclude that CSR as "the state of consciousness which the company making promises to do the right thing at the right time, in the right place and with the right means to get the correct results within a framework of sustainable development and with respect to balance the society, environment and profitability".

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Table 1 : Summary of CSR Definition

Scholars	CSR Definition
Bowen (1953: 6)	“ the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives, and value of our society”. “interest in politics, in the welfare of the community, in educations, in the “happiness” of its employers, and in fact in the whole social world”. “Therefore, business must act justly as a proper citizen should”.
Davis (1960: 70)	“businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic and technical interest”.
Friedman (1962)	Argues that there is one and only one social responsibility in business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rule of the game, which is to say, engages in open and free competition without deception or fraud.
Mcguire (1963:144)	“the idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations.”
Davis and Blomstrom (1966: 12)	“ social responsibility refers to a person’s obligation to consider the effects of his decisions and actions on the whole social system”.
Andrews (1971: 120)	“by ‘social responsibility’ we mean the intelligent and objective concern for the welfare of society”
Davis (1973: 312 -313)	“ firm’s consideration of, and response to, issues beyond the narrow economic, technical and legal requirement of the firm”.
Sethi (1975: 70)	“ social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values and expectation of performance”.
Caroll (1979: 500)	“the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time.”
Jones (1980 : 59-60)	“corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stakeholders and beyond that prescribed by law and union contract”. “ obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. The obligation is broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities
Drucker (1984: 62)	“...the proper social responsibility of business is to tame the dragon, that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into the well-paid job, into wealth”.
Epstein (1989)	“ the notion that corporations have an obligation which transcend economic functions of producing and distributing scarce goods and services and generating a satisfactory level of profits for their shareholders”.
Wood (1991)	Argue that the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities.
Fatehi (1996: 580)	“ obligation of business organisations toward society”.
Maclagan (1999)	“ should be understood as a process, through which individuals’ moral values and concern are articulated”.
McWilliams and Siegel (2001: 1)	“situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interest of the firm and that which is required by law”.
Mohr, Webb and Harris (2001)	“firm commitment to minimize or eliminate any negative effect and maximize positive impact on society”.
Kok et. al (2001)	“the obligation of the firm to use its resources in ways to benefit society, through committed participation as member of society, taking into account the society at large, and improving welfare of society at large independent of direct gains of the company”.
Hopkins (2003: 10)	“concerned with treating the stakeholders of the firm ethically or in a responsible manner”. “ethically or responsible’ means treating stakeholders in a manner deemed acceptable in civilised societies”.
Van Marrewijk (2003)	“ activities that demonstrate the inclusion of social concerns and environmental development of the company and its relationship with stakeholders, and depending on the level of sustainability engagement”
Maignan and Farrell (2004)	“ obligation to meet or improve the standars of interest groups, defining desirable corporate behaviour”
Kotler and Lee (2005 : 3)	“corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources”.
Campbell (2007: 251)	“...corporations as acting in socially responsible ways if they do two things. First, they must not knowingly do anything that could harm their stakeholders - notably, their investors, employees, customers, suppliers, or the local community within which they operate. Second, if corporations do cause harm to their stakeholders, they must then rectify it whenever the harm is discovered and brought to their attention. ... this is a definition that sets a minimum behavioural standard with respect the corporation’s relationship to its stakeholders, below which corporate behaviour becomes socially irresponsible.”

Source : Kakabadse et al. (2007) and own compilation.

Table 2 below provide an example of CSR classification based on some CSR definition.**Table 2: CSR Classification based on CSR Definition**

Scholars	Definition	CSR Classification
Carroll (1979)	The economic, legal, ethical, and philanthropic expectations that society have of organizations at a given point of time.	Social obligation
Jones (1980)	Companies must be voluntarily adopted an obligation to constituent groups in society other than stakeholders and beyond that prescribed by law and union contract	Stakeholders obligation and Voluntary Ethical behavior
Brown & Dacin (1997)	The character of the company, usually with regard to relevant societal issues.	Social obligation
Robin & Reidenbach (1987)	The set of accepted relationships, obligations and duties of the corporation that relate to the welfare of the society.	A set of management process
Petkus & Woodruff (1992)	Company committed to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society.	A set of management process
Murray & Vogel (1997)	Seeking welfare and satisfaction of societal stakeholders, without proximate the financial gain.	Stakeholders obligation
Husted & Allen (2000)	Meeting agreed public expectations of firm behaviour.	Social obligation
McWilliams & Siegel (2001)	Actions that seek for social intention that beyond the interests of the firm ,which is required by law.	Social obligation
Kotler and Lee (2005 : 3)	Commitment to improve community well-being through discretionary business practices and contributions of corporate resources".	A set of management process

Source : own interpretation

Table 3 : Ranking Of Malaysian Banks Based On Assets Size And Market Capital For Year 2011

Bank Ranking	Bank Name	Assets (RM billion)	Market Capitalization (RM billion)
1 st	Maybank	RM 33.09	RM 62.1
2 nd	CIMB	RM 264.9	RM 58.5
3 rd	Public bank	RM 22.6	RM 45.3
4 th	Hong Leong	RM 129.6	RM 19.2
5 th	AmBank	RM 127.2	RM 18.3
6 th	RHB Bank	RM 94.8	RM 16.2
7 th	Affin Bank	RM 46.2	RM 4.8
8 th	Alliance Bank	RM 31.2	RM 4.5

Table 4: CSR Issues Reported In Annual Reports from Years 2004 to 2011

Bank	Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Maybank	X	X	√	√	√	√	√	√
CIMB	X	X	X	X	√	√	√	X
Public bank	X	√	√	√	√	√	√	√
Hong Leong	X	X	X	√	√	√	X	X
AmBank	√	√	√	√	√	√	√	√
RHB Bank	X	X	X	X	X	X	√	X
Affin Bank	X	X	X	X	X	√	√	X
Alliance Bank	X	X	X	X	√	√	√	X

Table 5: CSR Profile of Banking Institution and CSR Classification

Bank	CSR definition	CSR Classification			
		Social obligation	Stakeholders obligation	Voluntary ethical behavior	Management process
Maybank	“Conducting our business in a way that enhances our performance both today and over the long term, contributing to the socio economic development of the countries in which operates. We continue to conserve the environment, enrich the livelihood of the community, care for the development and wellbeing of our employees and contribute to good governance.”				X
CIMB	“We believe in long-term sustainable growth and giving back to society. Our initiatives are aimed empowering communities in a transparent, measurable and accountable way to enable them to stand on their own”.	X			
Public bank	“As a leading financial services group in the country, the Public Bank Group is fully committed to responsible corporate practices, which have a positive impact on the social and economic development of the countries that the Group operates in, by conducting its business activities in a sustainable manner”.	X			X
Hong Leong	“The Hong Leong Group committed to a policy of social responsibility by striving for the betterment of society and holds strong belief that an organization does not detach from its social responsibility.”	X			
AmBank	“We customise our CSR initiatives so that well being and continuous betterment of the marketplace, the community, our staff and the environment are at the core efforts to help build a better society, while concurrently contributing to the nation’s growth and prosperity”.		X		
RHB Bank	RHB Bank CSR philosophies are: <ul style="list-style-type: none"> To embark on initiatives that cut across and impacts the community at large, transcending cultural and religious differences Voluntary contribution that is expected to create and instil positive social values not only to the Group’s employees, but also to the society as a whole. 		X	X	
Affin Bank	“AFFIN Group believes in maintaining good relations with the community and strives to create an image of a good corporate citizen that cares for the community. Over the years, the Group has undertaken numerous corporate initiatives that take into consideration the interest of the community, employees, environment, shareholders and other stakeholders.”		X		

Alliance Bank	<p>We are committed to responsible corporate conduct that helps build robust partnerships and elevates the standing of our shareholders, customers, employees, business partners as well as the communities and environment in which we operate.</p> <p>In tandem with Bursa Malaysia's Corporate Responsibility Framework, our Group's corporate responsibility activities and initiatives are guided by principles of accountability, honesty, transparency and sustainability. In carrying out our corporate responsibility agenda in the areas of the marketplace, workplace, stakeholder engagement, the community and environment, we have established these key themes as our core corporate responsibility pillars.</p>		X		X
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Table 6a: CSR Key Term from literature

CSR Key Term (obtained from the definition of CSR by researcher)	
<ul style="list-style-type: none"> • • • • • • • • 	<ul style="list-style-type: none"> Incorporate and integrate ethical values into society in general Commitment to contribute to social development and improve the quality of life. Regulatory compliance. Building a more just and sustainable society. Set of policies, practices, programs in the processes of decision making and supported by management. Developing relations activities with the community. The impact of company behavior on society and vice versa. Doing good.

Source: own understanding by compilation from various sources

CSR Key Term (obtained from the definition of CSR by banking institution)	
<ul style="list-style-type: none"> • • • • • • • 	<ul style="list-style-type: none"> Building value for stakeholders directly and indirectly linked with company.activities. Relization of organization’s commitment towards sustainable development. Voluntary behavior of the company towards society. Commitment to ethical and social values through business decisions. The commitment of an organization, taking into account the interests of stakeholders. Addressing social issues with the responsibility of the company. Respect the environment.

Source: own understanding by compilation from various sources

Table 7: Main CSR activities

COMMUNITY WELFARE	ENVIRONMENT
<ul style="list-style-type: none"> • Charity - Charity draw - Sports charity match • Donation - Blood donation - Flood victim donation • Sponsorship - Sports sponsorship • Community building fund • Healthcare (equipment, donation etc) • Financial assistance/ foundation • Cash awards / corporate gif(Hari Raya, Chinese New Year, Deepavali etc) • Scholarship • Awareness campaign - Crime prevention • Employee volunteerism • Education - Industrial training for scholars - School building fund - School facilities fund/ ICT fund - Student assistance program - University endowment fund - Graduate employment - Competition(essay writing, spelling etc) 	<ul style="list-style-type: none"> • Recycling campaign • Tree planting Campaign • Forestry project • Biodiversity project • Nature hunt • Protection of endangered species • Air pollution control • Waste management programme • Green technology financing • Disaster relief

MARKETPLACE	WORKPLACE
<ul style="list-style-type: none"> • Investor relations • Media relations • Return value to stakeholders • Product and services innovation • Collaboration/ sharing of knowledge • Prevention of corruption/ ethical conduct / responsible behavior 	<ul style="list-style-type: none"> • Employment training and development • Professional development/employee recognition • Research sponsorship • Health and safety at work • Employee engagement • Labour rights

Source : compilation from corporate social responsibility report for each bank

Table 8 : Banks' and their CSR activities

Bank	Community	Environment	Marketplace	Employee
Maybank	X	X	X	X
CIMB	X		X	
Public bank	X	X	X	X
Hong Leong	X	X	X	X
AmBank	X	X		X
RHB Bank	X	X	X	X
Affin Bank	X			
Alliance Bank	X			