

## **AN AWARENESS LEVEL FROM CSR ACTIVITIES AMONG SELECTED MARINE COMPANIES**

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### **Abstract**

CSR is identified as a responsibility beyond the requirements of national law regarding questions on human rights, environmental, and social rights (Holmgren, 2010). CSR consist of seven principles such as accountability, transparency, ethical behavior, and respect with stakeholders, the rule of law, the international norms of behavior and human rights (Matthew, 2010). The objectives of this research are to discover on awareness of CSR activities among selected marine companies located in Kemaman, Terengganu, Malaysia. 65 respondents from private companies, government link and others such as in ship building, construction, maintenance and repair, ship marine fabrication and oil and gas industries and others related to marine companies was participated. The summary of the results shows, all of the respondents are aware on the CSR activities conducted at their respective companies, 100% of respondents are aware with CSR activities, In addition, 76.9% are aware on CSR activities which is aligned with national goal development and 95.4% are aware CSR activities is important towards shaping the ethical behavior among employees. Unfortunately, only 15.4% respondents' feedback their companies have participated in CSR activities due to financial constraints and lack of support granted from related communities.

**Keywords:** *Corporate Social Responsibility, Marine Companies, Awareness*

## **TAHAP KESEDARAN AKTIVITI CSR DIKALANGAN SYARIKAT MARINE TERPILIH**

### **Abstrak**

Tanggungjawab Sosial Korporat (CSR) dikenal pasti sebagai satu rasa tanggungjawab yang melebihi keperluan undang-undang negara mengenai soalan-soalan tentang hak-hak manusia, alam sekitar, dan hak-hak sosial (Sweden Holmgren, 2010). Tanggungjawab Sosial Korporat terdiri daripada tujuh prinsip iaitu akauntabiliti, ketelusan, tingkah-laku beretika dan hubungan dengan pemegang kepentingan, kedaulatan undang-undang, norma-norma antarabangsa tingkah laku dan hak asasi manusia (Matthew, 2010). Objektif kajian ini adalah untuk mengetahui mengenai kesedaran aktiviti CSR di kalangan syarikat-syarikat marin yang dipilih yang terletak di Kemaman, Terengganu, Malaysia. Sebanyak 65 orang responden daripada syarikat-syarikat swasta, pautan kerajaan dan lain-lain seperti pembinaan kapal, pembinaan, penyelenggaraan dan pembaikan, kapal Marin fabrikasi dan minyak dan industri gas dan lain-lain yang berkaitan dengan Syarikat Marin telah menyertai dalam kajian soal selidik ini. Ringkasan keputusan daripada kajian ini menunjukkan bahawa semua responden adalah mengetahui mengenai aktiviti-aktiviti CSR yang dijalankan di syarikat mereka masing-masing, 100% daripada responden adalah peka dengan aktiviti Tanggungjawab Sosial Korporat. Di samping itu, 76.9% adalah mengetahui mengenai aktiviti-aktiviti CSR yang selari dengan matlamat pembangunan negara, dan 95.4% adalah mengetahui aktiviti Tanggungjawab Sosial Korporat adalah penting untuk membentuk gelagat beretika di kalangan pekerja. Walaubagaimanapun, hanya terdapat 15.4% responden menyatakan bahawa yang syarikat-syarikat turut melibatkan diri dalam aktiviti Tanggungjawab Sosial Korporat ini disebabkan oleh kekangan kewangan dan kurangnya sokongan diperolehi daripada komuniti berkaitan.

**Kata kunci:** *tanggungjawab sosial korporat (CSR), syarikat marin, kewangan*

## **INTRODUCTION**

In today's economic and social environment, issues related to social responsibility is gaining more importance, especially in the business sector such as shipping. CSR is known as a management concept and a process that integrate social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders. While marine companies comprise companies whose activities supply innovative products and services related to the traditional maritime sector. In general, maritime industries include all enterprises engaged in the business of designing, constructing, manufacturing, acquiring, operating, supplying, repairing and/or maintaining vessels, or component parts thereof: of managing and/or operating shipping lines, and customs brokerage services, shipyards, dry docks, marine railways, marine repair shops, shipping and freight forwarding services and similar enterprises. The aim of this research is to analyze the awareness level of CSR activities among selected marine companies. The awareness level of CSR is significantly contributing from various variables such as performance of the top management, commitment from employers and employees. The scope of this research is conducted in Kemaman, Terengganu, Malaysia. This is because, there lot of new development companies contribute to new economies of scale. The marine companies are cheered to apply CSR by fulfilling the guidelines of ISO 26000, the standard providing voluntary guidance of social responsibility. The ISO 26000 constitutes guidelines for all types of organizations in both the public and private sectors, in developed and developing countries, add value to existing social responsibility programs by developing an international regulations on what social responsibility means and the social responsibility issues that organizations need to address, providing guidelines on translating principles into effective action and detailing the best practice that has already evolved and disseminating it worldwide for the good of the international community (ISO & Social Responsibility).

## **LITERATURE REVIEW**

### **Definitions and Concept of CSR**

The European Commission defined CSR as a concept where companies integrate social and environmental concerns in their business actions and in their connection with their stakeholders on a voluntary basis. CSR is also identified as a responsibility beyond the requirements of national law regarding questions of human rights, environmental and social rights (Holmgren, 2010). At present, there is no universal or agreed definition of CSR. However, it is expected that by the end of 2011 the International Organization for Standardization will have applied the ISO 26000 standard for CSR which consist of seven principles, i.e.

accountability, transparency, ethical behavior, respect for stakeholders, respect for the rule of law, respect for international norms of behavior and respect for human rights (Matthews, 2010). According to Holmgren (2010), since the boom of CSR in the early 2000, the concept has continued to embellish. In 2005, 80% of the Fortune 500 companies were declaring CSR on their websites. In 2009, despite the economic recession, many corporations continued to invest in their CSR-related budgets. Bottiglieri Shipping Company managing director, Maria Bottiglieri said: “some companies still think CSR is time-consuming and money-consuming, but they must realize it is a vital tool for recruitment (Matthews 2010). CSR is fretful with environment, safety, labor (employees), customers, investors, community and business ethics (Beckman, 2010).

### **The contribution of CSR to financial performance**

McWilliams and Siegel (2000), stated that a positive, negative and neutral impact of CSR on financial performance. This variation may be because of the empirical analysis. Researchers have demonstrated that a particular flaw in existing studies of the contribution of CSR with the financial performance. It is also identified that the pressure on firms to engage in CSR has increased over the last 3 decades, but not all managers have responded to these pressures. Those who resist typically have invoked the trade-off between CSR behavior and profitability. It is concluded that CSP (corporate social performance) and R & D (research and development) are highly connected, and when R & D intensity is included in the equation, CSR is shown to have a neutral effect on profitability. Tang, Eirikur and Rothenberg (2012), claimed that firm profits are shaped by the ways the firm engage in CSR. Illustration of absorptive capacity theory and related perspectives such as time compression diseconomies, asset mass efficiencies, and path dependence theory, they argued that when a firm engages in CSR slowly and consistently, focuses on related CSR dimensions, and starts with internal dimensions of CSR, CFP will be boosted. With longitudinal data collected from 130 firms from 1995 to 2007 found that firms benefit more when adopted a CSR engagement strategy that is consistent, involves related dimensions of CSR, and begins with aspects of CSR that are more internal to the firm. The pace of the CSR engagement strategy, however, does not moderate the CSR–CFP related.

This research helps fill the gap in CSR research by showing that, regardless of contextual factors, a firm can choose the proper strategy to enhance the financial benefits of the CSR engagement. Basu and Palazzo's (2008), appeal for a focus on the details of CSR rather than on other variables which might interact with CSR to affect financial performance. Henry and Tamayo (2013), also made a similar call for studies to go beyond the 'what' to the 'how'. The connection is tested by using empirical methods. There is an extensive discussion concerning the legitimacy and value of being a socially

responsible business. There are different views of the role of a firm in society and disagreement as to whether wealth maximization should be the sole goal of a corporation. Most people identify certain benefits to a business being socially responsible, but most of these benefits are still hard to count and measure. Their result showed that the sign of the relationship is positive. Different explanations for this result depend on the direction of the causality between CSR and profitability.

There are two arguments that support the view. First is firms which have solid financial performance have more resources available to invest in social performance domains, such as employee relations. Other arguments propose that financial performance also depends on good or socially responsible performance. The two different explanations of this relationship depend on its causality. This research did not explore the direction of the causal connections. Nevertheless, the findings indicate that CSR is positively related to better financial performance and this relationship is statistically significant, supporting, therefore, the view that socially responsible corporate performance can be associated with a series of bottom-line benefits. Ramasamy, Woan Ting and C. Y. Yeung (2007), has conducted on the link between CSR performance and financial performance among large business by comparing monthly average returns of a portfolio of CSR active companies against a portfolio of inactive CSR companies as well as against the market, represented by the Kuala Lumpur Stock Exchange Composite Index (KLSE-CI). It is found out that there is no strong statistical evidence to show that our CSR portfolio outperforms the market; neither does it beat the non-CSR portfolio. It is concluded that the difference between the Sharpe and the Treynor measures are related to the kind of risks measured. The Sharpe index considers the total risks in its risk adjusted computations, while the Treynor index, on the other hand, measures only market risks and hence does not consider company specific risks. Thus, using the Sharpe index, the CSR portfolio utilized is well diversified such that it is able to beat the market returns in all periods under consideration. The Treynor measure seems to be similar to the raw, unadjusted returns since our portfolio comprised of companies from different sectors and different sizes. Treynor measures are similar to the unadjusted measure confirmed that there is no significant difference between the mean returns of the CSR portfolio and the market or even when compared to the non-CSR portfolio. "Using a demand-supply model, they suggest that a firm would allocate that amount of resources that would equate the additional revenue gained from engaging in CSR and the amount of additional costs incurred as a result of it. The additional revenue gained from CSR activities would depend on the extent to which consumers' demand CSR qualities in goods and services.

## **Measurement and implementation of CSR**

Strategy aids as a base for a business firm's conception, while founding its position in the market and its competitiveness. Galbreath (2008), had done a research on how CSR can be effectively constructed into a strategy. B. Lougee and J. Wallace (2008), described that supplements the growing body of research that attempts to improve our economic understanding of CSR. Comparing a sample of socially responsible firms (Dominic 400) to a benchmark sample (S&P 500), they examined the trends in CSR and the relationship between CSR and firm performance over a 15-year period from 1992-2006. The net result is that our measure of net CSR strengths (strengths minus concerns) decreased during this period, even among the Domini 400 samples. Second examined on the relationship between corporate investment in CSR and financial performance over the same 15-year period. Their findings showed that companies with more CSR strengths or fewer CSR weaknesses produced higher ROA—a result that suggests that investments in CSR are consistent with profit and long-term value maximization. Finally, evidences intended to answer the question why companies choose to invest in CSR. Findings suggest that most companies devote resources to CSR initiatives as a means of maximizing long-run value rather than out of a firmer commitment to stakeholders. The findings showed that higher ROA was associated with both more CSR strengths and fewer CSR weaknesses. This relationship was experimental for both the Dominic 400 and the S&P 500 firms. Moreover, this relationship also verified to be consistent among different categories of CSR strengths and concerns.

According to Antonio and Charles (2005), the volatile evolution in the demand for rankings of corporate social responsibility (CSR) has resulted in rise of groups that supply CSR rankings to consumers and investors. Result found that a lot of agencies follow a three step process in evolving a CSR assessment and rating prescribed as follows: *1. Agency compiles available external information about the company. 2. The agency sends out a detailed questionnaire to company and 3. Agency interview key informants internally and externally.* Reports are then structured and commercialized to investors and consumers. A few standards are applied in developing CSR rating. Researchers have revised that agencies practice to entrance corporate performance in six broad areas: *Workplace, Environment, Product safety and impact, International operations and human rights, Indigenous people's rights and Community relations.*

## **Good and bad of CSR**

Differences of opinion about the importance of corporate social responsibility, there is a general consensus among academics and policy makers. T. M. Devinney (2009), claimed that the idea of CSR naturally conflict nature of the corporation. This has weighty suggestions for the understanding of corporate social responsibility, what was viewed as the relevant issues related to it, and how to investigate its roles and effect. Researchers have argued that CSR is good because markets are the most capable way of defining social needs and transporting social solutions. From that outlook, he can highpoint four reasons why a society would want firms to act as tools of policy and be active CSR participants. The first one was individuals vote with their feet and pocketbooks. Based on this logic, corporations with more suitable practices within a society would have more gratified customers, more gratified employees, and more gratified owners and hence would last longer and thrive in more adverse circumstances. Second was corporations owned more knowledge than individuals and governments and so they are more likely to be able to use that information to tailor products and services. Third, corporations have a better thoughtful of trade-offs, technologies, and trends operating within a society and can act on them in a way that is more coherent and realistic than governments can. The last one was being free of the transparency required of governments and many civil society organizations, corporations can more easily engage in social “experimentation” (Brugmann & Prahalad (2007), While, there are five relevance of the bad from the CSR. First, corporations exist to create economic returns, not to resolve societal complications. Next are corporations skew societal standards to their own needs. The third are corporations are not evocative of the society at large, followed by corporations are naturally socially conventional and hence will not experiment unless they can see a clear profit from the endeavor. Lastly, CSR lets governments to renounce some of their social responsibilities, thus making the transfer of those social services provided by companies less answerable and more subject. B.Cheng, I.Ioannou and G.Serafeim (2010), had done an investigation on how CSR lead to better access to finance. Although there has been argued that CSR may execute unnecessary cost to a firm, but the they had provide a few proof that firm with better CSR performance face lower capital constraints. From their observations and result, they claimed that CSR were importantly in ways to create value creation. To obtain financing in capital markets, the firms must have a better CSR performance. Researchers also suggested that managers that are able to create successful CSR strategies can build a lot of benefits for their firms. Another researchers A.Goss and G.S.Roberts (2009), examined the link between CSR and bank loans. Researchers spoke the influence of CSR in a previously unexplored channel of debt markets while exploited the unique role of banks as “quasi-insiders” of the firm and used two different techniques to determine the

maximum penalty for poor CSR performance. Results showed that CSR were the second-order importance in determined loan spreads and also suggested that more work needs to be done in ways to understand how market participants react to CSR or the firms. As a summary, most of the CSR activities have been conducted in many areas. However, CSR in marine industry is rarely being highlighted and discussed, or perhaps has not been conducted respectively or regularly nevertheless has stated as a positive and provides neutral impact of CSR on financial performance and company profitability.

## **METHODOLOGY**

### **Development of hypothesis**

Research objective is a statement that gives information and making the generalization consist a set of principles. Usually it is currently forming a basis for possible experiments to confirm viability. It sometimes can be simply a learning guess or hunch that can be supported by theory. (Calmorin, 1999). It can be known as a wise guessing is formulated and adapted to explain the observation. Furthermore, it can be declarative statement that is tentative in the natural environment. The hypothesis is used to locate the information being needed to resolve the research problems. To meet the research objectives, thus the research hypothesis could be :

H1: The more awareness on CSR level, the more efficient the effectiveness of CSR activities.

### **Population, Respondent and Sample**

Population is known as the larger group which individual are being selected to participate in a research. It is also a collection of data whose properties to be analyzed. The population to be studied and it contains all subjects of interest. The sample of this research is taken from marine companies which are from shipbuilding, construction, maintenance and repair, marine fabrication, oil and gas industries. Total company which involved in this research are 14 companies. The companies are few branch of Petronas, Baker Hughes, Koperasi Petronas and Sapura Kencana. Sampling is the process of selecting a number of individuals in a study and the individual represents the larger group which has been selected. A sample consists of a random selection object or person in the population as possible and it is called sampling, (W.H.Freeman, 2010). Total 80 sets of questionnaires have been distributed to the target sample and the percentage of successful questionnaires received from respondents are 81% (65 sets) from 80 sets.

## **Design of Questionnaire**

A set of questionnaire is made and designed. Then, it was distributed to the target respondents, finding out the information needed and related to objective of the research. The questions are used to make the connection of between effectiveness with the awareness and benefits of CSR at selected marine companies in Kemaman, Terengganu. The rate of return is 81% (65 sets) and the rate of failure is 19% (15 sets). The questionnaires consists five parts and has been divided into five sections which comprises of Section A for Personal General Information about the respondent such as position, age, gender, education and how many year has been working with the company. Meanwhile for Section B is for Company General Information which consists of year of company established, category of company, number of employees, and company scope. Section C is on Independent Variable which is on the awareness of CSR activities. Only the closed format questionnaire is used (Wai Ching Leung, 2001). Closed format question is easy and quick to be filled in. It is also minimize the discrimination against the less literate (in self administrated questionnaire) or less articulate (in interview questionnaire). Other than that, it easy to be coded, recorded, analyze results quantitatively, easy to report the results and it is a natural act where the respondents become increasingly different from other to the questionnaire as it near the end. Sometimes, because of the impatience or fatigue, the respondents may give careless answer.

## **Theoretical Conceptual Framework**

Theoretical conceptual framework shows, the relationship between the independent variable and dependent variable used in the research. The independent variables cover on awareness of CSR activities towards the dependent variable on the contribution of CSR among marine companies.

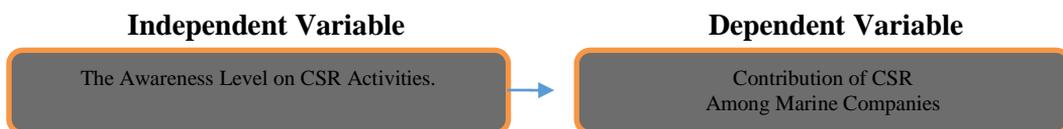


Figure 1: Conceptual Framework

## RESULTS AND DISCUSSIONS

### The Demographic of Respondents and Company Background

The characteristics of respondents information is taken from current position, age, gender, highest education and years of working. From Table 1 below, it shows that, majority at 38.5% or 25 respondents are from Bachelor, 30.8% or 20 is from Diploma, 10 or 15.4% are from STPM and SPM and 10 or 15.5% for others qualification. The majority current position of respondents is from Front Line Management: Supervisor, Executive and Others at 49 or 75.4%. Meanwhile, the majority scope of company is from oil and gas industries from 35 or 53.8%. However, for the CSR implementation, majority has implemented it less than 2 years with 21 or 32.3% (Table 2). Result on category of company (Table 3) shows that majority respondents are from private companies by 56 or 86.2%, followed by government link at 5 or 7.7% and others owned at 4 or 6.2%.

Table 1: Company's Scope

Scope Of Companies	Frequency	Percent
Shipbuilding's Building, Construction, Maintenance and Repair	10	15.4
Marine Fabrication	5	7.7
Oil and gas industries	35	53.8
Others	15	23.1
<b>Total</b>	<b>65</b>	<b>100.0</b>

Table 2: Implementation of CSR

Duration	Frequency	Percentage
Less than 2 years	21	32.3
3 to 5 years	9	13.8
6 to 8 years	14	21.5
More than 12 years	16	24.6
Total	60	92.3
Missing	5	7.7
<b>Total</b>	<b>65</b>	<b>100</b>

Table 3: Categories of Company

Categories of Company	Frequency	Percentage
Private Company	56	86.2
Government Link Company	4	6.2
Others	5	7.7
<b>Total</b>	<b>65</b>	<b>100</b>

### Results from Awareness Level on CSR

There are few questions asked in this questionnaires about CSR awareness. Firstly, is to discover on awareness on CSR activities and secondly is on what is the level of awareness of CSR activities. The results in Table 4 shows that, majority of 65 respondents or 100% are fully aware about who decides, manages and coordinates the company's CSR activities.

Table 4: Awareness of CSR Activities Among Staff

	Frequency	Percentage
Aware	65	100.0

Table 5: Does Staff Aware With Company's CSR Policy?

	Frequency	Percent
Aware	50	76.9
Not Aware	11	16.9
Missing	4	6.2
<b>Total</b>	<b>65</b>	<b>100.0</b>

Table 5 shows, the majority of 50 or 76.9% respondents are aware on company's CSR policy which is aligned with national development goals and only 11 or 16.9% answered not aware.

Table 6: What Level Does Your Company Participate In CSR Initiatives

	Frequency	Percentage
Aware	10	15.4
Not Aware	55	84.6
<b>Total</b>	<b>65</b>	<b>100.0</b>

Table 6 shows, only 10 or 15.4% respondents are aware or know about the level of company participate in CSR initiatives either global, regional or national. Another 55 or 84.6% are not aware about it. It is shows that, majority of respondents did not aware about the level of CSR activities participation from their respective companies.

Table 7: How Important Is The Socially Responsible And Ethical Behavior Towards Its Employees?

Response	Frequency	Percentage
Aware	62	95.4
Not Aware	3	4.6
<b>Total</b>	<b>65</b>	<b>100.0</b>

Table 7 shows that 62 or 95.4% are aware on the importance of CSR activities. Only 3 or 4.6% are not aware on the importance of CSR activities.

Table 8 shows, test of normality results. Kolmogorov-Smirnov is used if the data collected is less than 200. While for Shapiro-Wilk is used if the data is above 200 respondents. The total respondents is at 65, thus it is used Kolmogorov Smirnov test. The normality of the test is known by seeing the significant value or *p*-value. If the significant is above 0.05, the data is normal, while if it is less than 0.05, the data is not normal. The significance shows 0.00, so the data is not normal and it is used non-parametic test in this research.

Table 8: Grouping Variable: What Is Your Current Position?

	Kolmogorov-Smirnov <sup>a</sup>		
	Statistic	df	Sign.
Is the company's CSR policy aligned with national development goals?	.499	61	.000
What level does your company participate in CSR initiatives?	.519	61	.000
How important is the socially responsible and ethical behavior towards its employees?	.540	61	.000

Table 9: Kruskal Wallis Test: Grouping Variable: How Long The Company Has Implemented CSR?

Test Statistics <sup>a,b</sup>				
	Who decides, manages and coordinates the company's CSR activities?	Is the company's CSR policy aligned with national development goals?	What level does your company participate in CSR initiatives?	How important is the socially responsible and ethical behavior towards its employees?
Chi-Square	.000	2.002	8.651	3.138
df	3	3	3	3
Asymp. Sig.	1.000	.572	.034	.371
a. Kruskal Wallis Test				
b. Grouping Variable: How long the company has implemented Corporate Social Responsibility (CSR)?				

Hypothesis: H<sub>0</sub>: no awareness of CSR, H<sub>1</sub>: The awareness of CSR *p-value* ≤ 0.05= reject H<sub>0</sub>, accept H<sub>1</sub>, *p-value* > 0.05= do not reject H<sub>0</sub>. Since *p-value* for all questions in Section D is above 0.05, so the decision doesn't reject the null hypothesis. There are no preferences on the awareness of CSR of marine companies.

## Results on Benefits of CSR

The questions are to identify benefits from CSR activities and what are the benefits of CSR activities.

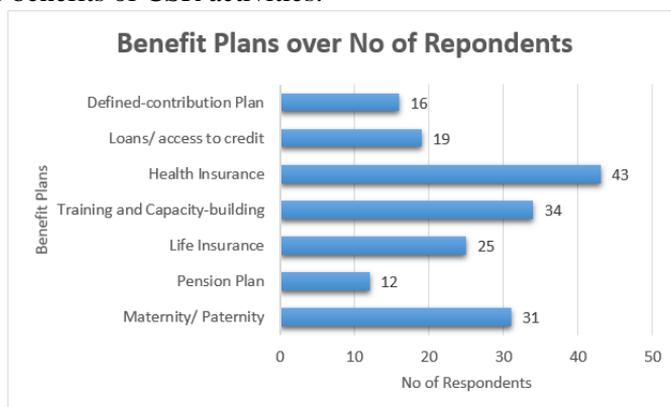


Figure 2: Benefits Plan

Figure 2 shows that, the highest frequency of the benefits plan received by respondent is for health insurance at 43 or 66.2%. While, the lowest benefits is belongs to pension plan by 12 or 18.5%.

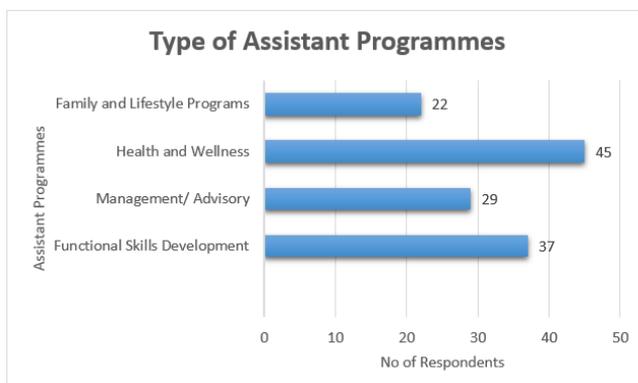


Figure 3: Type of Assistant Programs

Figure 3 shows that, the type of assistant programs provided by companies. The highest is on health and wellness programs by 45 or 69.2%. While, the lowest is on family and lifestyle programs by 22 or 33.8%.

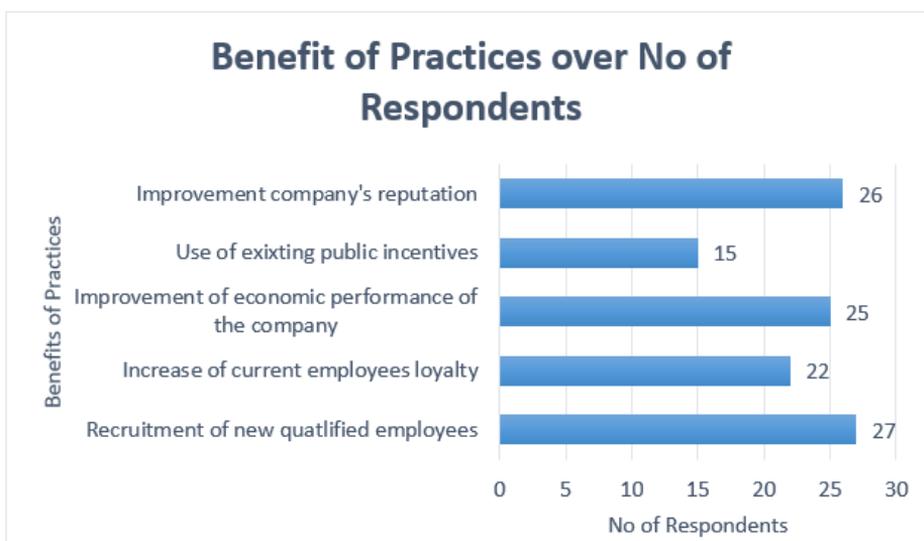


Figure 4: Major Benefits of Implement CSR

Figure 4 shows that, the major benefit for your company regarding socially responsible and ethical behavior towards its employees. All results are quite same but the highest was recruitment of new qualified employees by 27 or 41.5%. The lowest rank was used of existing public incentives by 15 or 23.1%.

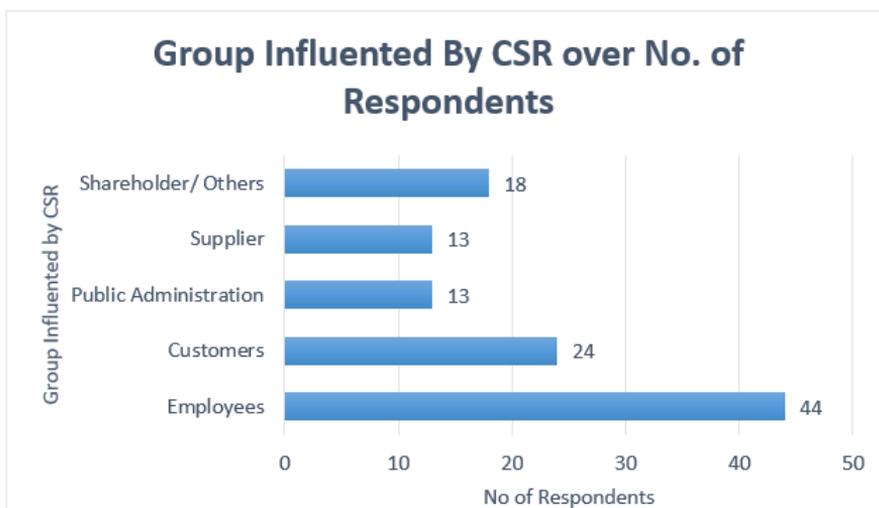


Figure 5: Most Influenced Group

Figure 5 shows that, the most group has been influenced by company's CSR. The highest answered chosen was employees by 44 or 39.3%. The lowest was owned by public administration and shareholders/owners by 13 11.6%.

#### **Awareness:**

#### **Question: To determine the level of awareness of CSR activities between marine companies.**

It shows that there is no preferences on the awareness of CSR in marine companies at Kemaman. The data is on the respondents and companies categories. There is no enough evidence that can conclude that respondents are totally aware on the implementation of CSR.

#### **Question: To determine either CSR is important or not to employees.**

It shows that among front line management respondents with age between 20-29 years, respondents who worked between 5-7 years, companies which had been established 3-5 years and companies which implemented CSR 3-5 years.

## **Benefits**

Firstly, on the benefits plan that received by employees. 43 of total 65 respondent choose health insurance as the main benefits plan that have received. While, the lowest is pension plan by 12 people. Insurance is a mandatory requirement for recruitment of new staff. That's why the highest frequency is belongs to health insurance. Pension plan is the lowest result because a lot of the respondents is new staffs, just a fresh graduate. Respondents do not know their company already develop pension plans for their future. Furthermore, the most selected assistance program is health and witness by 45 people while the lowest is family ad lifestyle program by 22. Family and lifestyle program be the last because most of the respondent is not married yet. Based on my analysis, the major benefit for the company regarding socially responsible and ethical behavior towards its employees is recruitment of new qualified employees. But there is quite same percentage for each answer provided. Use of existing public incentives gets the lowest voted by the respondents. This can conclude as lot of workers do not know about the public incentive by the government. Next on any government support received by companies for its socially and environmentally responsible activities (CSR). Majority said that their company don't receive any support from government. This happen either they don't know about it or their company doesn't receive in real.

## **CONCLUSION**

The result have provided interesting findings on two components affecting employees' productivity through this CSR implementation. Even though, this CSR activities caused a lot of financial expenses, manpower, time and facilities, but at the end of the result will assist the company to enhance the good health among employees, added value to the premises and also to practice lean housekeeping. As time use for the file CSR is a responsibility beyond the requirements of national law regarding questions of human rights, environmental and social rights. The integration of social, environmental, and economic improvement through CSR makes workplaces meaningful. The companies that implement CSR as their monthly activities can contribute to positive relation among employees through team work, commitment, housekeeping, leadership. The result of the research indicate that there is a perception gap in CSR awareness and benefits between employer and employees. The good management in marine sectors supposedly aware this CSR activities is compulsory and needed, but employers do not prepare to provide, highlight and to disseminate the practice of CSR. Thus, it is lead to influence the bad habits among employees that could influence the profits of the company

in general. In addition to that, the employees' irony known the important of CSR which could improve their performance and abilities in handling task and responsibilities. Overall from the results states that, the management of the companies are less aware about the implementation of CSR. Therefore, by conducting this research it is hope that marine companies not only in Kemaman, Terengganu, Malaysia are aware on the CSR implementation in order to produce and enhance employees' social responsibility, environmental responsibilities and economic responsibilities. The marine companies are encouraged to apply CSR by fulfilling the guidelines of ISO 26000, the standard providing voluntary guidance on social responsibility. ISO 26000 constitutes guidelines for all types of organizations in both the public and private sectors, in developed and developing countries; add value to existing social responsibility programmes by developing an international consensus on what social responsibility means and the social responsibility issues that organizations need to address, providing guidelines on translating principles into effective action and distilling the best practice that has already evolved and disseminating it worldwide for the good of the international community (ISO & Social Responsibility). The companies may receive external benefits from implementing CSR policies because CSR is linked to more favourable corporate evaluations, increased purchase behaviour, higher customer satisfaction, market value of a firm, all of which is believed to result in increased profitability for the corporation. The examples of the marine companies undertake CSR activities, are social reporting, prompt response to supplier complaints, prioritization of employee's health and safety, monitoring of quality, environmental impact of product and services. It is also recommended that, it should be on achieving increased level of cooperation between the various departments of the business in terms of achieving CSR related aims and objectives. On the other hand, by introducing CSR aspects of the business at the initial stages of the project and integrating it with long-term aims and objectives helps in implementing an effective review system in terms of improving the quality of CSR. In addition, management should motivate the masses to demand that their smaller groups as well as their employer improve CSR programs. This research is also proposes that, the further in-depth research is required to examine the perception and expectations of marine companies in exercising CSR and CSR implementation at Kemaman, Terengganu, Malaysia.

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