

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

By

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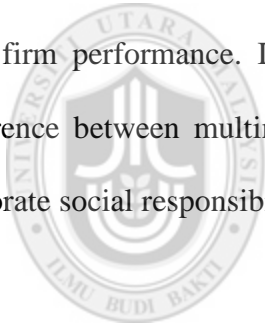
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ABSTRACT

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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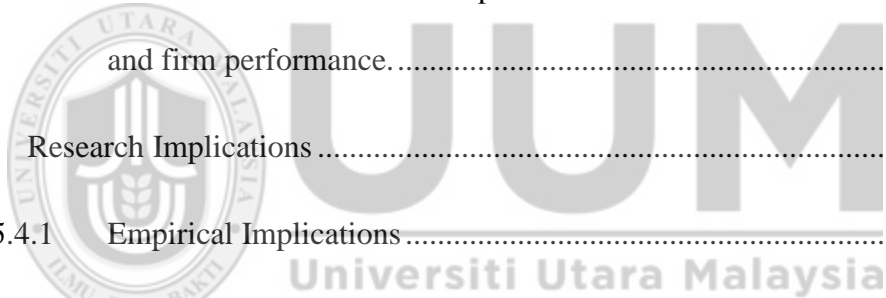
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LIST OF ABBREVIATIONS

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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