
Relationships among Perceived Role of Ethics and Social
Responsibility, Internal Corporate Social Responsibilities
and Organisational Commitment in the Service Industry

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A research project submitted in partial fulfillment of the
requirement for the degree of

Master of Business Administration (Corporate Governance)

Universiti Tunku Abdul Rahman

Faculty of Accountancy and Management

August 2017

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ACKNOWLEDGEMENTS

I would like to express my deepest appreciation to all the people who assisted me in completing this study.

Firstly, I would like to express my sincere gratitude to my supervisor Dr Low Mei Peng for the continuous support of my Master study, related research as well as for her motivation, patience and immense knowledge. She devoted her precious time and efforts in providing me with valuable comments and advices. Her guidance helped me in all the time of research and writing of this dissertation. I could not have imagined having a better supervisor for my research.

Secondly, I would also like to thank my parents, brother, sister and friends. They were always supporting me and stood by me through the good times and bad. They were always there cheering me up and encouraging me with their best wishes. They are the most important people in my world.

Thirdly, I am also hugely appreciative to the respondents who spent their time in completing the questionnaire. Their cooperation and feedback with valuable information have made this research possible. Special mention goes to Universiti Tunku Abdul Rahman (UTAR) for giving me facilities in accessing to various resources that helped me in completing this thesis.

Last but not least, I would like to take this opportunity to dedicate my appreciation to all the contributors who are not mentioned above. I would never have been able to finish my thesis without the guidance, help and support from them.

DEDICATION

I would like to dedicate my dissertation work to my family and friends. This journey is impossible without their words of encouragement and push for tenacity ring in my ears. They have never left my side and continually providing me with persistent confidence and encouragement.

I would also like to dedicate this thesis to my respected supervisor, Dr Low Mei Peng who have supported me and provided me with guidelines and motivation. I will always appreciate her helping throughout the completion of this research.

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LIST OF ABBREVIATIONS

CBSEM	Covariance-Based SEM
CSR	Corporate Social Responsibilities
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
Internal CSR	Internal Corporate Social Responsibilities
OCQ	Organisational Commitment Questionnaire
OLS	Ordinary Least Squares
PLS	Partial Least Squares
PRESOR	Perceived Role of Ethics and Social Responsibility
SEM	Structural Equation Modeling

PREFACE

The study is conducted as part of course requirements for the Master of Business Administration (Corporate Governance) programme in Universiti Tunku Abdul Rahman (UTAR).

The objective of this research being conducted is to gain better understanding on the Relationships among Perceived Role of Ethics and Social Responsibility (PRESOR), Internal Corporate Social Responsibilities (Internal CSR) and Employees' Organisational Commitment in the Service Industry in Klang Valley, Malaysia.

In fact, the main concentration of this study is through PRESOR, and how is PRESOR connected with internal CSR. Then, from the relationship between the mentioned factors, this research would test the degree of commitment level of the employees (i.e. customer service representatives).

ABSTRACT

The service industry in Malaysia expects a growing share of Gross Domestic Product (GDP) as the economy develops. It is important for organisations to be socially responsible in the business world. This is because an organisation that takes interests in broader social issues such as the practices of Corporate Social Responsibilities (CSR) could increase the reputation, mitigate risks and thus contribute to business performances.

The main purpose of this study is to identify the relationship among perceived roles of ethics and social responsibility (PRESOR), internal corporate social responsibilities (Internal CSR) and employees' organisational commitment level in the service industry. The five core dimensions of internal CSR are adopted from Al-bdour, Ali, Elisha and Soh (2010), namely health and safety, human rights, training and development, work-life balances and workplace diversity.

Judgmental sampling was utilized in this study where the researcher chooses the respondents based on the researcher's professional judgement and knowledge. A total of 223 responses were received and analysed. The results of this study revealed that, internal CSR and PRESOR are positively related towards employees' organisational commitment. Meanwhile, there is no significant relationship between PRESOR and internal CSR. In addition, the findings of this research also indicated that human rights of the five core dimensions of internal CSR has the greatest impact on customer service representatives' organisational commitment.

CHAPTER 1

INTRODUCTION

1.0 Overview

This chapter provides an overview of the research titled Relationship among Perceived Role of Ethics and Social Responsibility (PRESOR), Internal Corporate Social Responsibilities (Internal CSR) and Organisational Commitment in the Service Industry from Klang Valley, Malaysia. The research begins with the background of study, followed by problem statements, research questions and research objectives. Then, this research continues with the scope of study and lastly, the significance of study.

1.1 Background of Study

In the business world, it is important for organisations to be socially responsible as this could enhance the reputation, mitigate risks and thus contribute to business performances. In addition, an organisation that takes interests in broader social issues or practices Corporate Social Responsibilities (CSR) can bring benefits such as customer relationships enhancement and cost savings. CSR refer to organisation's initiatives in assessing and taking responsibility for the benefit of the environment, community and social well-being (Carroll & Shabana, 2010).

Besides that, CSR also act as a voluntary agent where a firm controls and assures that its business is complied with the ethical standards and the spirit of law. In reality, organisations that implement CSR tend to be able to increase their long-term profits and sustain their business in the long run. This is because the opportunity of becoming a preferred or favourable firm in the eyes of customers increases when the public get to know about the effort they contribute in philanthropic activities such as volunteerism, social programs and monetary donations (Olajide, 2014).

In today's businesses, a few extensive classification of social responsibility are practiced by the organisations and are show in the following:

- **Ethical labour practices:** It is important for organisation's on-going success and reputation enhancement by treating the employees fairly, ethically and promoting human rights. Therefore, organisations need to perform CSR and develop ethical principles and practices throughout the business in securing the rights of employees (Roberts, 1992).
- **Environmental efforts:** One of the main focuses of CSR is to reduce the effect on the environment and establish an environmental sustainability into each business processes and functions (Roberts, 1992). This is because businesses tend

to have a large carbon footprint regardless of their sizes. Hence, any action or activities that could decrease the level of footprint would be beneficial to the organisation and the society as a whole (Roberts, 1992).

- **Volunteering:** Joining volunteer events could help in increasing the level of employees' engagement and in building new skills for employees. Furthermore, firms could convey their support and concern towards the community and this would indirectly stimulate employees' organisational commitment (Roberts, 1992).
- **Philanthropy:** There are quite a number of resources that businesses could benefit the social. For example, philanthropic CSR which includes activities such as funding for the purchase of school bags or donating funds to charities (Roberts, 1992).

The traditional concept of CSR proposes that its responsibility is solely to the business's owners and shareholders. Nevertheless, organisations should apply a wider perspective of its responsibilities of CSR to a variety group of individuals which comprises of employees, investors, customers, suppliers, manufacturers, governments, local community and environmental groups (Kiran & Sharma, 2011). In Malaysia, to actively support CSR, the government manages it by reflecting in tax incentives, reporting and voluntary standards, and policy and regulation. This is because CSR are developing in a rapid scale and Malaysia is riding on this momentum (Belmonte, 2015). This shows that organisations in Malaysia are strongly encouraged to involve in CSR as part of their culture.

Generally, CSR have been made as part of the business strategies by organisations around the world. In the "new world of CSR", one of the attributes is the connection between CSR and the organisations business performances (Carroll & Shabana, 2010). In addition, firms have to completely practice CSR by having a procedure set up into their business strategies and operations. The procedure shall include human

rights, ethical, social, environmental and customers' concern in close cooperation with their stakeholders (Gaudencio, Coelho, & Ribeiro, 2017). According to past research, CSR activities created a great impact on internal stakeholders (Aguinis & Glavas, 2012). Employee relations, employee engagement, in-role performance and most importantly employee organisational commitment tend to be increased when the organisation is socially responsible (Babiak & Wolfe, 2009). Recently, Low (2015) added that the focus of CSR had been expanded to internal stakeholder (i.e. employees).

In fact, employees tend to work for a corporation that possess a good public image (Etheredge, 1999). This is because employees are more likely to engage to their jobs and are more productive when organisations are philanthropically minded. In other words, employees who are engaged to the firm would stay longer and are more creative than employees that are disengaged. Consequently, it helps in creating a productive and positive environment where employees could thrive by instilling a strong culture of CSR within each and every employee in the firm (Yin, Singhapakdi, & Du, 2016). Moreover, organisations tend to provide a positive environment or workplace for their employees when they exhibit philanthropic behaviour (Mihaljevic & Tokic, 2015). This would enhance the level of connection between the employees and organisations as the employee is aware of their employer's commitment in bettering the local and global communities.

In general, organisations could assist the employees in becoming more creative, productive and committed by incorporating comprehensive CSR programs (Choi, Ullah, & Kwak, 2015). In view of the fact that one of the most significant qualities that an employee can own is creativity, as creative employees would feel more inclined towards firms that implemented CSR activities. Besides that, previous researches revealed that engaged employees are more loyal to the organisation and thus increase the level of organisational commitment (Carroll & Shabana, 2010).

Organisation has the obligation towards a more prominent social environment which it operates in (Casado, Nicolau, Ruiz, & Sellers, 2014). This includes the employees that deliver services and the end customers. CSR in service industry has its own attributes as compared with the other industries (McWilliams & Siegel, 2010). Services by the employees are the products provided by the organisations in the service industry. Employees contact with customers directly and the services are invisible, unlike products in other industry that could be stored or delivered in advance (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). Besides that, it is important to ensure that customers' satisfaction is maintained and the quality of service has to conform to the customers' judgment standard. Thus, it is equally important for the organisation to be socially responsible and provide customers with reliable and standardized quality of services.

Many researches have been carried out to study the impact of CSR towards the organisation, employees' performances and level of employees' job turnover rates. However, there is little research which focuses on the relationship among PRESOR, internal CSR and organisational commitment. Therefore, the purpose of this study is to deliver and address this disparity. To examine the relationship between PRESOR, internal CSR and employees' organisational commitment in service industry from Klang Valley, Malaysia, the researcher adopted the five core dimensions of internal CSR. The five core dimensions of internal CSR which are adopted from Al-bdour, Ali, Elisha and Soh (2010) include:

1. Health and Safety
2. Human Rights
3. Training and Development
4. Work-life Balance, and
5. Workplace Diversity

1.2 Problem Statement

Quality customer service plays a crucial role in building a successful business. In this highly competitive and customer-driven market, customer service who handles firm's problems over the phone, through email or even face-to-face with prospective customers is important in helping the organisation to resolve problems and fulfill customer satisfaction (Carson, 2015).

Moreover, exceptional customer service helps customers to distinguish organisations from their competitors. Firms would benefit with better profits and sales as they will gain repeat businesses from customers whereas organisations with poor customer service might lose customers. Therefore, maintaining an excellent customer service is vital for business as this will help in reducing negative impact of the organisation, assists in keeping existing customers and could acquire new customers.

Although this might costs a lot in retaining and obtaining customers, the efforts of maintaining good customer service would pay off over time. This is because customers are the most precious resource and the reason firms exists, thus, their comments or feedbacks are essential in shaping organisations' brand awareness (McFarlane, 2013).

As a result, it is important to consider employees' commitment and job satisfaction as employees in customer service department is the base or foundation of an organisation. In addition, ethical behaviour and socially responsible practices of a business may indirectly influence employees' performance and commitment. Consequently, if organisations conduct businesses ethically, employees will perform their job better with more competence and concentration. This would eventually boost the output or productivity of the organisations.

However, customer service has one of the largest turnover rates in the industry (Han, Bonn, & Cho, 2016). This puts the management of the organisations in difficulty as they need to search for potential employees which may cost them a lot in hiring and training new recruits. Organisations often utilize immediate rewards or result-based rewards to retain their employees but the turnover rates are still increasing. This is due to a combination of unsatisfied customers which increase the employees' level of stress and affect the employees' performances. These situations often lead to decreasing of employee organisational commitment and employee who could not take up against more stress might choose to withdraw from the organisation (Park & Shaw, 2013).

Furthermore, customer service often thinks that new hires tend to fail or be defeated by unsatisfied customers which indirectly resulted in poor morale and working environment among employees. Hence, the level of organisational commitment in service industry is low.

Besides that, high turnover rate in service industry might be a severe impact towards organisations financially and low morale among employees. Turnover rate affects businesses regardless of the sizes. Most of the employees in customer service who leave the firm are due to dissatisfaction of job and could not cope with the amount of stress they obtain from their job. There are many other reasons employees are not committed to the organisation including lack of organisation support, better remunerations from other organisations and better job growth potential in other organisations (Butali, Wesang'ula, & Mamuli, 2013).

In fact, level of employees' organisational commitment could affect job performance and turnover rate as mentioned above. Hence, it is important to study on how to enhance employees' organisational commitment as it could lead to improvement of job satisfaction of employees and better job performance. Furthermore, lack of organisational commitment causes organisations to have difficulty in achieving their

objectives and may reduce their profits. This is because negative consequences affect employees' productivity when there is an absence of organisational commitment.

Hence, it is important to identify the factors of employees' job satisfaction and commitment towards the organisation in order to retain and attract potential employees. However, there is still little research which focuses on the relationship among PRESOR, internal CSR and organisational commitment. This research attempts to address the insight of positive relationship among PRESOR, internal CSR and employees' organisational commitment in service industry from Klang Valley, Malaysia.

1.3 Research Questions

This study aims to answer the following research questions:

1. What is the relationship between perceived roles of ethics and social responsibility (PRESOR) and internal corporate social responsibilities (Internal CSR)?
2. What is the relationship between internal corporate social responsibilities (Internal CSR) and employees' organisational commitment?
3. What is the relationship between perceived roles of ethics and social responsibility (PRESOR) and employees' organisational commitment?
4. Which dimension of the internal corporate social responsibilities (Internal CSR) has the most significant effect towards the level of employees' organisational commitment?

1.4 Research Objectives

The purpose of this study is to identify the relationship among perceived roles of ethics and social responsibility (PRESOR), employees' organisational commitment level and internal corporate social responsibilities (Internal CSR) in service industry.

The objectives of this research are:

1. To explore the relationship between perceived roles of ethics and social responsibility (PRESOR) and internal corporate social responsibilities (Internal CSR).
2. To determine the relationship between internal corporate social responsibilities (Internal CSR) and employees' organisational commitment.
3. To investigate the relationship between perceived roles of ethics and social responsibility (PRESOR) and employees' organisational commitment.
4. To examine which dimension of the internal corporate social responsibilities (Internal CSR) has the most significant impact towards the level of employees' organisational commitment.

1.5 Scope of the Study

This research investigates the relationship among PRESOR, internal CSR and employees' organisational commitment in service industry from Klang Valley, Malaysia. Generally, service industry is where organisations gain profits through offering intangible products and services. It could be categorized into few different types including firms that are involved in transportation, food services, retailing, banking, financial services and other service-dominated businesses.

In fact, there are also many other elements that would influence the level of employees' organisational commitment, but the main concentration of this study is through PRESOR and how is this linked to internal CSR. Then, from the relationship between the mentioned factors, the research would test the degree of commitment level of the employees. Moreover, the primary target for this research is employees who work as customer service representatives in financial institutions, telecommunication institutions and banking institutions.

1.6 Significance of the Research

Most organisations hope to achieve the sustained results after investing in effort, time and money in service improvement initiatives. However, failure often happened due to lack of long-term commitment by customer service representatives. The commitments of employees are a major element in evaluating the success of a business (Olajide, 2014). The success of the organisation is inseparable with employees' commitment because there is a relationship or connection between customer service representatives and firms' customers.

Furthermore, it is crucial to foster organisational commitment among employees as they have a direct and influential contact with the customers. Their performances would directly impact the perceptions of customers towards the quality of the service provided. Hence, employees that are able to provide favourable quality of service to customers has become one of the most important factors in determining the success of organisations. In addition, highly committed customer service representatives will devote more effort in their tasks and performances.

For this research, the findings would be beneficial to organisations in the service industry and organisations which consist of the customer service departments in Malaysia. Firstly, organisations could have a better understanding on the perceived roles of ethics and social responsibility concept. Then, they can determine the

relationship of it with their CSR activities which then lead to the employees' organisational commitment. Firms could evaluate and interpret how being socially responsible would have impact on the commitment level of employees.

Besides that, high level of turnover rates in the industry could be reduced as the findings might help organisations to identify adequate CSR activities and are appropriate to be utilized to maximize customer service representatives' organisational commitment. This would prevent the level of turnover rates to increase and help in reducing costs of firms.

Lastly, useful knowledge and information on PRESOR, internal CSR and employees' organisational commitment would be beneficial to other researchers who have interests on conducting research on the antecedent and consequences of internal CSR. The findings of this research could be adopted as reference for their future studies.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter discusses the exogenous variable which is perceived role of ethics and social responsibility (PRESOR). The exogenous/endogenous variable is internal corporate social responsibilities (Internal CSR). For internal CSR, there are five core of dimensions, namely health and safety, human rights, training and development, work-life balances and workplace diversity. Meanwhile, the endogenous variable is the employees' organisational commitment.

The chapter begins with a short introduction about the service industry in Malaysia, followed by the concept and importance of PRESOR and the general concept and importance of CSR. Then, this study proceeds with the five core dimensions of internal CSR practices (health and safety, human rights, training and development, work-life balances and workplace diversity) and the concepts and importance of employees' organisational commitment. After that, this research continues to determine the relationships between PRESOR, internal CSR and employees' organisational commitment, respectively. Lastly, this chapter ends with the proposed conceptual framework and hypotheses of study.

2.1 The Service Sector in Malaysia

In an advance, innovative and high esteem wellsprings of development, a structure for the New Economic Model has been drawn up by the government to move Malaysia from a middle-income to a high-income economy (New economic model for Malaysia, 2010).

As the economy develops, the service industry expects a growing share of Gross Domestic Product (GDP). Besides that, as Malaysia is moving towards into a developed country, more noteworthy accentuation ought to be focused on the improvement of the services sector to serve as the motor of development to drive and maintain the economy.

According to the Tenth Malaysia Plan for year 2011 to year 2015, service sector is required to develop at 7% every year until reaching the year of 2015. This would raise its commitment to GDP to 61% before the Plan's time frame. With an expanding bit from Foreign Direct Investment (FDI), for service sector to achieve the focused GDP contribution, the evaluated new investment of RM 44.6 billion is needed (Tenth Malaysia Plan 2011 - 2015, 2010).

To offer and retain customer loyalty and satisfaction are one of the fundamental goals of customer service representative (Blut, Beatty, Evanschitzky, & Brock, 2014). This is because the costs to keep an existing customer are predicted to be five to ten times more to obtain a new customer. Thus, it is important to understand and keep in mind that each customer are an asset to the organisations and make sure good quality of customer service is provided to them.

2.2 The Concept of Perceived Role of Ethics and Social Responsibility (PRESOR)

Ethics relates to the apparent obligation of organisations to hold fast loyally to all government and state laws (Godos-Díez, Fernández-Gago, & Martínez-Campillo, 2011). It also keeps away from movement that undermines the welfare of employees, investors and customers in the quest for benefit or profit. By providing a trusting working environment, an organisation with perceived role of ethics could affect its workforce (Assudani, Chinta, Manolis, & Burns, 2011). Therefore, employees would be energized and believed that the organisation is leading its business dependably and acting to the greatest advantage of the business.

Social responsibility requires a component of openness or transparency to show that the business benefits the environment or society (Choi, Ullah, & Kwak, 2015). An organisation that inhibits its customers to view its business practices could be met with doubt by the population in the market. Moreover, by letting consumers to effectively have a look into business practices; it helps to enhance employees to be firmly entrenched to organisation's rules and regulations (Assudani, Chinta, Manolis, & Burns, 2011). This would enhance the organisation's image where customers may increase their level of loyalty on account of the firm's socially responsible business practices.

To quantify the view of the significance of ethics and social responsibility (PRESOR) to firm's achievement, Singhapakdi, Vitell, RallapalU and Kraft had built up a scale in year 1996. The PRESOR instrument has been utilized moderately as a part of research in business ethics (Singhapakdi, Vitell, RallapalU, & Kraft, 1996). Business ethics as a field is characterized by the association of morals and business. Business ethics suggests to the estimation of business conduct whether it is good and bad, as opposed to depending completely on standards of administration, management and accounting.

2.2.1 The Importance of Perceived Role of Ethics and Social Responsibility (PRESOR)

Generally, an organisation which practices role of ethics stimulates fair competition among employees. The business urges employees to compete with each other by empowering fair business strategies without straightforwardly attempting to weaken or undermine the performance of others (Godos-Díez, Fernández-Gago, & Martínez-Campillo, 2011). This helps the organisation to accomplish a higher level of achievement and keeps a good team spirit in the working environment.

Furthermore, by being a socially responsible firm, employees start to view the organisation in a more positive perception. This would also prompt the expanded profitability and commitment by the workforce (Choi, Ullah, & Kwak, 2015). Hence, employees will start to build in more positive feelings with the organisation along with its increments of socially responsible conduct. There are many activities that can exploit socially responsible work practices, such as reduce the number of dispensable products in the working environment and lessen amount of waste.

According to Shafer (2015), with ethical issues regularly falling outside their extent of thought, employees who minimize the significance of corporate ethics and social responsibility ought to essentially observe issues from the point of view of the consequences on the organisation's "bottom line" productivity or profitability, which means the last part of the financial statement – profit or loss. On the other hand, employees who trust in the significance of ethics and socially responsible conduct, the ethical implications of business choices ought to be more remarkable (Shafer, 2015). This would help in enhancing the level of employees' organisational commitment.

2.3 The Concept of Corporate Social Responsibilities (CSR)

According to Uddin, Hassan and Tarique (2008), “*the purpose of Corporate Social Responsibilities (CSR) is to make corporate business activity and corporate culture sustainable in three aspects: Economic aspects, Social aspects, Environmental and Ecological aspects*”. Furthermore, CSR is a procedure with the plan to grasp obligation regarding the organisation's activities and to support a positive effect through its activities concerning stakeholders, shareholders, society and environment. Each of these aspects is illustrated as below:

1. **Economic aspects:** The economic parts of CSR comprise of comprehension the economic effects of the organisation's operations. The economic parts of CSR are frequently thought to be synonymous with budgetary or financial issues (Uddin, Hassan, & Tarique, 2008). Nonetheless, the economic obligation is not just an issue of organisations being financially responsible. The financial measurement of the manageability motivation ought to rather consider the direct and indirect economic effects that the firm's operations have on the society and on the organisation's stakeholders (Mazur, 2015). This makes up corporate economic obligation.
2. **Social aspects:** Public is getting more and more aware about social responsibilities as compared to before. Hence, social aspect is also the latest developed aspect among the three dimensions. Many organisations become aggressive in dealing with social concerns. In other words, social responsibility means being responsible for the social impacts the organisation has on individuals (Uddin, Hassan, & Tarique, 2008). This includes the general population inside the organisation, in the inventory network of the organisation, in the society the organisation is in and as consumers of the organisation. It refers to the commitment in administration issue to settle on decisions and take

activities that will add to the well charge and interests of society and in addition those of the firm (Mazur, 2015).

3. **Environmental and Ecological aspects:** Environmental concern and sustainable advancement are key factors of the CSR. Furthermore, natural, environmental and ecological issues have been an imperative subject of argument for as long as thirty years in the business world (Mazur, 2015). The information and problems among the aspects have advanced over a scene of changing business substances. Ecological perspectives set up in the 1970s with the main genuine comprehension of the environmental effects of business (Uddin, Hassan, & Tarique, 2008). Today, in the 21st century, we are confronted with new difficulties.

2.3.1 The Importance of Corporate Social Responsibilities (CSR)

The expanded intricacy of worldwide markets and complexity of customers, the increased significance of social, and environmental and ecological effects have changed the way a successful organisation focuses on what affects its primary concern (Zhu, Liu, & Lai, 2016). This happens when the economic aspects is still imperative or significant. Nowadays, to reach long-term success, it is important to understand and be aware of the Triple Bottom Line, namely Economic aspects, Social aspects, and Environmental and Ecological aspects.

One reason that organisations ought to have obvious CSR activities is because of the significance and popularity of online media or social network (Wesselink, Blok, Leur, Lans, & Dentoni, 2015). When an organisation practices social responsibilities through raising funds or setting up employee giving projects, utilizing social media to elevate these activities, it creates a positive image environment and it is a good method to connect with the customers on a more profound level.

In addition, Crifo, Diaye and Pekovic (2016) revealed that advertising is a powerful instrument to form customer recognition and build an organisation's awareness. Organisations that effectively promote their social responsibility conducts regularly would find a way to plug these endeavours through the media. Employees volunteering projects, organisations' funding or donations programs and other related CSR activities are intense branding device that can assemble publicity for firm (Crifo, Diaye, & Pekovic, 2016).

At last, one of the best advantages of advancing social responsibilities in the work environment is the positive environment organisations establish for the employees (Wesselink, Blok, Leur, Lans, & Dentoni, 2015). Employees will be more committed when they know that they are serving a socially responsible organisation. This can assemble a feeling of group and cooperation which unites everybody where this prompts to happier, better and more effective and efficient employees.

2.4 The Five Core Dimension of Internal CSR

CSR is identified as external CSR and internal CSR (Babiak & Wolfe, 2009). External CSR advances the quest for positive effects on society and the environmental and ecological from corporate programs and operations. It enhances transparency and openness through the reporting procedure it standardizes, which encourages social improvement. Meanwhile, internal CSR concentrates on what can be done in the organisations to enhance the prosperity of workforce, employees' lives and efficiency and additionally its effect on profitability at the "bottom line".

The five core dimensions of internal CSR which are adopted from Al-bdour et al. (2010) consist of Health and Safety, Human Rights, Training and Development Work-life Balance, and Workplace Diversity. Each and every of the dimension would be described as follow:

2.4.1 Health and Safety

An efficient and effective work environment could improve employees' productivity and organisational commitment as employees are the most important asset for a firm. Employers have the obligations to take sensible consideration to secure the health and safety of all the individuals in the working environment (Gibbins & MacMahon, 2015).

Moreover, organisations should not participate in improper conduct that would harm themselves or others and must report any deformities in the workplace or hardware which might endanger employees' health and safety. Poor working environment would lead to decreased in productivity and will affect employees working behaviour towards the organisation. In addition, risky practices or employees with poor health may also convey in low rate of performance, high absenteeism, high cost and high turnover rate (Tawiah & Baah, 2014).

Therefore, it is one of the basic factors to establish a safe and protected workplace to the employees. According to Kunyk, Broadwith, Morris, Diaz, Reisdorfer and Wang (2016), this is also the most ideal approaches to retain employees and enhance their organisational commitment and lead to profitability maximization. Despite the fact that it might cost to actualize safe practices and introduce security hardware, the impact of not making a move to invest in health and safety management can be severe.

2.4.2 Human Rights

Human rights advocates explore asserted infringement of human rights far and wide and maintain for the discontinuance, counteractive action and cure of abuses. Over the decades, human rights field has become essential with many organisations distinguishing themselves as human rights associations. According

to the previous research, all businesses have to take charge of managing circumstances adequately, rapidly and decently (Joscelyne, Knuckey, Satterthwaite, Bryant, Li, & Brown, 2015). At any situation, organisations should react to discrimination by acting quickly, furnishing the complainant with a sound workplace and communicating with the complainant regarding the issues faced.

For instance, employees are protected from prejudice or bias in the working environment. Moreover, employees are secured in all stages of the employment which include negotiations of adaptable work plans, being offered unjustifiable terms and conditions of job, being unfairly retrenched, demoted or dismissed and others (Hutchinson, 2010). In other words, businesses have a legitimate obligation to ensure that employees who work for them are dealt with reasonably and with respect.

According to Laine (2015)'s study, organisations get the most advantage when they can recruit and preserve the best employees, and expand the potential and the execution of those employees. This is because biased strategies and policies might restrict organisations from recruiting great employees. Furthermore, it could lead to employees' dissatisfaction and lower the commitment with the firm (Laine, 2015). In general, employees must be treated fairly to avoid conflicts. A working environment that respects employees' human rights would develop a positive relationship towards the employees' organisational commitment.

2.4.3 Training and Development

Training and development is a key factor to extend the information base of employees. However, numerous businesses discover that it is costly to invest in training and development programs. Besides that, employers may decrease the

number of these activities as attending programs would decrease the completion time of projects by employees (Detsimas, Coffey, Sadiqi, & Li, 2016).

Despite the negative views on training and development, employees could enhance their capability and performance through training and development. Through effective learning, employees can advance their productivity and resulting in improving of job satisfaction and motivation towards the organisations (Halpin, Curtis, & Halpin, 2015). This would certainly assist the employees to perform better and consider new thoughts that help them to exceed in their job.

All in all, implementing training and development helps organisations to sustain adequately and also provides advantage to the employees in strengthening the competitiveness of firms. In addition, it will create an encouraging work environment and greater commitment by them (Neacşu, 2015). Employees could gain more fulfilment towards their organisation as they feel they are respected, appreciated and valued by their firms.

2.4.4 Work-life Balances

Work-life balance is one of the significant element in promoting employees' job satisfaction and engagement towards the organisations. It is the relationship between spaces and times for work and non-work life where a division is framed between an employee's career and personal life (Russo, Shteigman, & Carmeli, 2016). Moreover, work-life balance is accomplishing the desired mix of support in both work and different fragments of life. This mix does not stay stagnant but rather changes as an employee has changes in duties and obligations.

In the business world, organisations have started to acknowledge that work-life balance is important to retain good employees. This is because work interruptions into employees' private time would impact employees' behaviour towards the job. Besides that, study also found that work obstruction with family life will decrease employees' work fulfilment and reduce the rate of job commitment (Dominika, 2016).

Today, it is common for employees to have numerous contending obligations throughout their life. Hence, it would prompt anxiety, high absenteeism and low efficiency when there is an imbalance between employees' work commitments and their different obligations. Employees who have a superior work-life balance will have a more prominent awareness of organisational commitment (Kaliannan, Perumal, & Dorasamy, 2016). They will concentrate on their work and ultimately stay with the firms.

2.4.5 Workplace Diversity

Workplace diversity implies the disparity of employees within the same organisation. Differences in qualities include race, sexual orientation, ethnic gathering, age, identity, subjective style, residency, hierarchical capacity, education, foundation and others (Enehaug, Helmersen, & Mamelund, 2016). Furthermore, diversity comprises of how employees see themselves as well as how they see others.

For instance, organisations need to communicate and interact with their employees for them to work together effectively. According to Grivastava and Kleiner (2015), a firm's intensity and accomplishment relies on its capacity to grasp differing qualities and understand the advantages. Organisations would be accounted with various benefits at the point when they effectively deal with qualities issues, create and execute diversity arranges.

Generally, an organisation should have the capacity to handle and deal with its diverse work environment successfully. In addition, handling diverse qualities in the working environment have to be a part of the culture of the whole firm as it could lead to better problem solving and decision making (Grivastava & Kleiner, 2015). Study also showed that there would be increment in the employees' organisational commitment within a diverse workplace (Abu-Febiri & Quinless, 2010).

2.5 The Concept of Employees' Organisational Commitment

Generally, organisational commitment indicates the bond between employees' involvement with their organisations. Comprehensively, employees who are committed to their firm would have a linkage with the organisation. They have a feeling in becoming part of the organisation and could comprehend the objectives of the organisation. Furthermore, this additional element of such employees is that they have a tendency to be more attached to their work, indicate generally higher productivity and are more proactive in offering their assistance.

The Three-Component Model of organisational commitment by Meyer and Allen (1991) has increased considerable prominence since its beginning. In the study, Meyer and Allen (1991) reasoned that an employee's duty mirrored a yearning, need and commitment to keep up participation in a firm (Meyer & Allen, 1991). Thus, commitment shows itself in three different behaviours which comprises of Affective Commitment, Normative Commitment and Continuance Commitment.

According to Meyer and Allen (1991), affective commitment ponders commitment based on the emotional attachment employees had created with the organisation. Employees determine the objectives of firm and have the urge to stay with it. Normative commitment ponders commitment based on moral obligation in staying with an organisation. Employees think that they have the obligation to remain within

the organisation. Continuance commitment ponders commitment based on the apparent costs or pros and cons of leaving the organisation. Employees are staying as they think that they might experience a greater loss in a new working environment.

In this study, the researcher attempts to explain the concept of organisational commitment by using Mowday, Porter and Steers Model. The description of the model is in the following section:

2.5.1 Mowday, Porter and Steers Model

According to Mowday, Porter and Steer (1982), organisational commitment is defined as *“the relative strength of an individual’s identification with and involvement in a particular organisation and can be characterized by a strong belief in and acceptance of the organisation’s goals and values, willingness to exert considerable effort on behalf of the organisation and a strong desire to maintain membership of the organisation.”* (Mowday, Porter, & Steers, 1982)

Mowday et al. (1982) offered a description of organisational commitment which includes three segments: (1) a solid faith in and acknowledgment of organisational objectives and qualities, (2) an ability to apply impressive exertion for the benefit of the organisation and (3) a powerful urge to keep up enrolment in the organisation.

The fundamental to Mowday, Porter and Steers Model is the Organisational Commitment Questionnaire (OCQ) which links to the measurement of affective commitment and considers as a part of the most constantly used instruments. The OCQ comprises 15 statements with 7 point scale which measure the dimension from "strongly disagree" to "strongly agree".

This instrument is further enhanced by Mowday, Porter and Steers (1982). The researchers adjusted and built up an improved version of OCQ which comprises of 6 statements with 5 point scale. The improved form of OCQ has higher dependability to weigh the level of employees' organisational commitment. Thus, the improved version of OCQ would be adopted in this research.

2.5.2 The Importance of Employees' Organisational Commitment

Organisational commitment is profoundly important. Many researches have shown that commitment greatly affects the performance level of the firm (Devecea, Marquésa, & Alguacil, 2016). This is where dedicated employees would relate themselves to the organisation's objectives and expectations. Committed employees will show more noteworthy organisational citizenship conduct (Marques & Costa, 2016). This means that they are willing and have the ability to go beyond their required employment obligations.

Indeed, numerous studies have discovered positive linkages between employees' behaviour and organisational commitment (Tharikh, Cheah, Saad, & Sukumaran, 2016). For example, a more prominent exertion applied by the employees in performing their duty, better work participation and higher conveyance of service quality. Basically, this demonstrates the effectiveness and efficiency of employees' performance at workplace. In addition, in today's quick paced and dynamic business environment, firms can no longer ensure "a job forever" which has made the thought of organisational commitment become significantly more relevant (Raina & Britt Roebuck, 2016). Therefore, it is the best way for firm to obtain this sort of conduct.

A major portion of commitment is the manner by which employees see the firm and the contrasts that separates it from the various conceivable managers (Chen et al., 2015). It is very important for an effective firm to have committed

employees. If organisation utilizes a great deal of assets to locate the right individuals for the employment, it is critical to have the capacity to keep them in the long-term period. Responsibility becomes the most significant factor in this procedure. Then again, it is imperative to study commitment and get to know the elements influencing it since it has potential to impact organisational efficiency and employees' welfare (Tharikh, Cheah, Saad, & Sukumaran, 2016).

2.6 The Relationships between PRESOR, Internal CSR and Employees' Organisational Commitment

In the workplace, position in the firm, gender, tenure and other ethnic customs might create personal bias (Futa, 2013). Hence, various ways can be utilized to redress the personal biases through practicing CSR and improve the level of organisational commitment. Furthermore, it has been proposed that making of quality based morals programs that advance moral mindfulness, honesty and eagerness to look for counsel can build responsibility, trustworthiness and organisational commitment (Hameed, Riaz, Arain, & Farooq, 2016).

In addition, organisational commitment can be expanded through enlisting individuals whose qualities are adjusted to organisation's qualities, additionally through training and development, where employees have an opportunity to learn or enhance their transferable aptitudes or abilities in regards to the organisation (Ebeid, 2010). By focusing on employees' equity and great working conditions, the concept of CSR, which was originated from business ethics, plays an important role. Moreover, previous researcher stated that CSR could be differentiated into two parts (Futa, 2013). Firstly, the decisions made by organisations must not endanger its employees and stakeholders. Secondly, any negative results and damage brought about by the organisation must be completely altered.

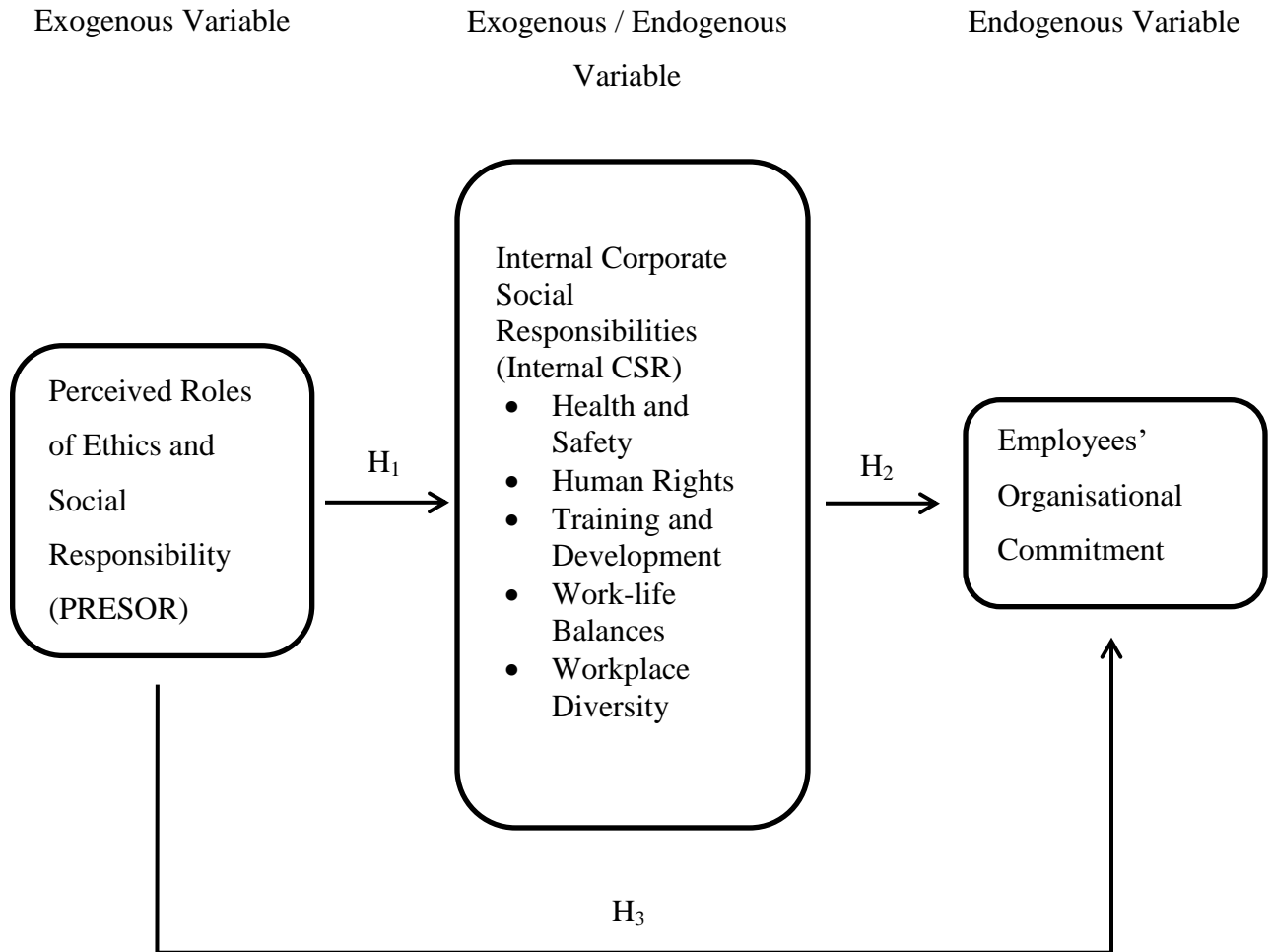
According to study by Prutina (2016), positive perception of CSR has a positive linkage towards the commitment of employees. Moreover, internal CSR (how the organisation treats its workforce) as well as external CSR (projects and activities that influence external stakeholders) will impact the perceptions of employees towards the organisation (Prutina, 2016). Researcher who has concentrated on this relationship discovered that the most negative impacts on employees' impression of the organisation were brought on by corporate harm to nature and wrong conduct towards customers (Choi, Ullah, & Kwak, 2015).

Organisational commitment, especially affective commitment where employees are bond with their firms has been discovered in helping to reduce the turnover rate and absenteeism level. Besides that, a study investigated that PRESOR leads to affective commitment by employees or impression of how employees are respected in the workplace (Etheredge, 1999). According to Shafer (2015), employees would perform positive affective organisational commitment when firm practices socially responsible activities.

Employees engaged themselves firmly with their organisation when socially responsible programs are incorporated in the organisation. According to Futa (2013)'s study, employees would associate themselves strongly with their firms when they gain support from the firms to complete the social welfare activities. Etheredge (1999) contended that organisations occupied with socially responsible activities would gain a positive reputation and are better ready to get good and productive employees.

2.7 Proposed Conceptual Framework

Figure 2.0: Conceptual Framework



Source: Developed for the research

2.7.1 Hypotheses

These are the hypotheses that will be tested to examine the research questions:

Hypothesis 1

H₁: There is a positive relationship between perceived roles of ethics and social responsibility (PRESOR) and internal corporate social responsibilities (Internal CSR).

Hypothesis 2

H₂: There is a positive relationship between internal corporate social responsibilities (Internal CSR) and employees' organisational commitment.

Hypothesis 3

H₃: There is a positive relationship between perceived roles of ethics and social responsibility (PRESOR) and employees' organisational commitment.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is an experimental and precise search for appropriate data on a particular study. Research contains characterizing and redefining issues, constructing theory or hypothesis; gathering, sorting out and assessing information collected; and achieving conclusions. Finally, the researcher deliberately testing the conclusions to figure out if they fit the hypotheses developed for the study.

The main objective of this research is to identify the relationship among PRESOR, internal CSR and organisational commitment in the service industry from Klang Valley, Malaysia. This chapter addresses the research procedure and data analysis. It begins with the research design, followed by time horizon of the research, data collection method, sampling design and research instruments. Then, this chapter continues with the construct measurement, data processing, methodological consideration and ends with data analysis.

3.1 Research Design

A research design is the major plan of a study. The outline of a study characterizes the type of research such as experimental or descriptive, research question, dependent and independent variables, hypotheses, data collection techniques and data analysis (Jalil, 2013). Research design is also the system that has been made to look for answers to research questions.

This study is conducted by utilizing a quantitative research method. A quantitative research is a deliberate method of understanding models by using empirical investigation, computational method or traditional mathematical (Zikmund, Babin, Carr, & Griffin, 2010). The goal of quantitative research is to create and utilize numerical models, hypotheses and theories relating to the study. Furthermore, quantitative information or data is any information that is in the form of numbers or statistics, for example, percentages, rates and others.

In addition, self-administered survey is used to collect the quantitative survey information for this study. Self-administered surveys are filled in alone by respondents without the assistance from the researcher (Zikmund, Babin, Carr, & Griffin, 2010). The vast majority of respondents resist long feedback questionnaires and individual interviews. Therefore, self-administered surveys would stay away from these issues as respondents can provide sufficient feedback and avoid skewed responses. Moreover, this method encourages respondents to participate as their identities would be kept anonymous (Creswell, 2013).

In this research, self-administered questionnaire is applied to gather quantitative data from the target population. The primary target of this research is employees who work as customer service representatives in financial institutions, telecommunication institutions and banking institutions.

According to Zikmund, Babin, Carr and Griffin (2010), causal research is the examination of relationships of cause and effect into the research. This technique seeks to demonstrate the cause and effect relationship between two variables. This study adopted a causal research approach. The aim of this research study is to investigate how PRESOR and internal CSR could affect the employees' organisational commitment level in service industry.

3.2 Time Horizon of the Research

A cross-sectional analysis is used in this study. It is a kind of observational study that is utilized to capture information gathered from the respondents at one particular point of time (Zikmund, Babin, Carr, & Griffin, 2010). The information accumulated is from the respondents of this research with different demographic profiles, for instance, gender, age, race, marital status, highest education level, tenure in current job and job position that mostly matches the respondents. Furthermore, a cross-sectional design of research method is simple and convenient as it focuses on how a single variable would differ between respondents (Johnson & Hall, 1988).

3.3 Data Collection Method

3.3.1 Primary Data

Primary data includes the gathering of original or first-hand essential information by the researcher (Sekaran & Bougie, 2010). Primary data is used to gather data for the particular purpose of the research. The questions are developed to obtain required data that meet the objectives of the research.

Self-administered survey is utilized in this study. Structured questionnaires would be delivered to the respondents to collect quantitative data. This eases the

researcher in concentrating on particular subjects and having a higher control over how the data is gathered in a relatively quick manner.

3.3.2 Secondary Data

According to Sekaran and Bougie (2010), secondary data is the information that has been gathered by and promptly accessible from different sources. Such information is less expensive and more rapidly available than the primary data. Furthermore, secondary data might be more accessible when primary data could not be acquired by any means.

In this study, many journals by the previous researchers have been studied. Journal search engines such as Science Direct, Emerald and Scopus are widely used by the researcher. In addition, articles, books and online search engine such as Google are also used to discover relevant materials. The advantage of using secondary data is that a great part of the foundation work required has been completed. The information may have been utilized as a part of literature reviews, published journals or books somewhere else.

3.4 Sampling Design

3.4.1 Target Population

Target population refers to a group where it contains individuals that a researcher intends to study (Sekaran & Bougie, 2010). The target population of this research study is the employees who work in service industry located in Klang Valley, Malaysia. A total of 250 questionnaires were delivered to the employees who work as customer service representatives in the service based organisations.

3.4.2 Sampling Size

The sample size for this study comprises 223 respondents from service based organisations in Klang Valley, Malaysia. The targeted respondents are 250 samples. Thus, the response rate is 89.2%. They were selected randomly from the target population with a 95% confidence level. The sample size ought to be 30 or more to be considered as a substantial sample size as indicated by Central Limit Theorem (Sekaran & Bougie, 2010).

3.4.3 Sampling Elements

In the sampling procedure, the target population is too huge for the researcher to reach all of the individuals. Hence, a relatively smaller and deliberately picked sample is used to indicate the whole population. This means that any employees who are linked to the purpose of this research would be chosen as sampling unit from the organisations selected by the researcher.

3.4.4 Sampling Technique

Sampling techniques are significantly divided into two categories, namely probability sampling and non-probability sampling (Sekaran & Bougie, 2010). In probability sampling, each element has a possibility of being chosen. In non-probability sampling, there is supposition that an even distribution of attributes is found within the population. Hence, researcher believes that any specimen would be representative and results would be precise.

For probability sampling, randomization is an element of the selection procedure. As for non-probability sampling, there is no real way to assess the probability of any one component being incorporated into the sample, since the elements are picked subjectively. Besides that, there is no assurance given that each element

has a possibility of being incorporated, making it incomprehensible either to gauge sampling variability or to determine conceivable bias (Sekaran & Bougie, 2010).

Nevertheless, non-probability tends to be more effective and efficient when the researcher attempt to gather feedback and generate ideas. Furthermore, it is also more convenient and less costly. Due to time constraint, the researcher conducted a non-probability sampling for this study.

Convenience sampling is a particular method of non-probability sampling technique that depends on information gathering from target population who are conveniently accessible to take part in the study. In this research, convenience sampling is used where it includes getting respondents wherever the researcher can discover them and regularly wherever they are convenient to participate.

The target respondent for this study is 250 customer service representatives in Klang Valley, Malaysia. Hence, judgmental sampling, a non-probability sampling method is suitable to be utilized in this study where the respondents are hard to locate. This type of sampling technique is used where the researcher chooses the respondents based on the researcher's professional judgement and knowledge (Sekaran & Bougie, 2010).

Judgemental sampling is utilized in this study because the researcher knows a group of dependable respondents that could help in collecting appropriate data for this study. This sampling technique is also used as the researcher is gathering data from a specific group of individual which is the customer service representatives (Jalil, 2013).

3.5 Research Instrument

This segment identifies the design of questionnaires. The questionnaires contain four sections where some research questions are adopted from the previous researchers and some are developed by the researcher. The sections are distributed as following:

Table 3.0: Content of the Questionnaires

Section	Information	Items	Adopt from:
A	Demographic Profile	7	Self-developed
B	Perceived Roles of Ethics and Social Responsibilities (PRESOR)	6	Etheredge (1999)
C	Internal Corporate Social Responsibility (CSR)		
	- Health and Safety	4	Al-bdour et al. (2010)
	- Human Rights	4	Al-bdour et al. (2010)
	- Training and Development	3	Al-bdour et al. (2010)
	- Work-life Balance	3	Al-bdour et al. (2010)
	- Workplace Diversity	2	Al-bdour et al. (2010)
D	Organisational Commitment	6	Mowday et al. (1982)
	TOTAL	35	

Source: Developed for the research

3.5.1 Section A: Demographic Profiles

Section A is used to gather respondents' personal details and this section was developed by the researcher. It comprises of 7 questions including gender, age, race, marital status, highest education level, tenure in current job and job position that mostly matches the respondents. Respondents are required to choose the most appropriate answer from each of the fixed-alternative questions.

3.5.2 Section B: Perceived Roles of Ethics and Social Responsibility (PRESOR)

Section B is to indicate the perceived role of ethics and social responsibility (PRESOR) in achieving organisational effectiveness. Five-Point Likert scale is utilized in this section. A total of 6 items were extracted from Etheredge (1999). To measure the level of agreement and disagreement, a five responses alternative is given to the respondents. The number ranges from “1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree”. In this part, respondents have to select on the given numbers to convey the level of agreement or disagreement towards the designated statements regarding PRESOR.

According to Losby and Wetmore (2012), likert scale is the most broadly used method to deal with scaling responses as a part of survey study. It is a psychometric scale ordinarily included in research study that applies survey questions. Besides, this is an extremely helpful question type for researcher when a general estimation of conclusion around a specific topic, feeling or experience is needed (Losby & Wetmore, 2012).

3.5.3 Section C: Internal Corporate Social Responsibilities (CSR)

Section C is to investigate the relationship of PRESOR, five core dimensions of Internal CSR practices and employees’ organisational commitment. A total of 16 questions were adopted from Al-bdour et al. (2010). In addition, this part also uses the Five-Point Likert scale to measures the opinions of respondents. As identical with Section B, a five responses alternative is given to the respondents. The number ranges from “1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree”.

3.5.4 Section D: Organisational Commitment

Section D is to examine the employees' organisational commitment level in the service industry. In this study, the researcher adopted the Organisational Commitment Questionnaire (OCQ). It is the fundamental to Mowday, Porter and Steers Model where the OCQ comprises of 15 statements with 7 point scale. This instrument is then further enhanced by Mowday et al. (1982). Therefore, the researcher adjusted and applied the improved version of OCQ which comprises of 6 statements with Five-Point Likert scale. Respondents are required to provide answers according to the five responses alternative with the given number ranging from "1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree".

3.6 Construct Measurement

In this research, questionnaire is used as an exploration instrument consists of a list of questions with the objective of collecting data from respondents by the researcher. According to Zikmund (2003), there are four measurement scales, namely nominal, ordinal, interval and ratio where they are used to identify different kind of information and to direct the data to the adequate measurement.

Nominal scales have no quantitative value where they are utilized for naming variables. Ordinal scales are commonly measures of non-numeric ideas such as joy and fulfilment. Interval scales are numeric scales in which the analyst realizes the precise differences between the values as well as the order. Ratio scales provide the accurate value amongst units and they have an absolute zero, which takes into consideration an extensive variety of both descriptive and inferential measurements to be used.

The Section A of the questionnaire in this study collects the demographic profiles of the respondents. Hence, a combination of nominal scale and ordinal scale is applied. Nominal scales are used to characterize the respondents into groups such as their gender, race, marital status, education level and job position. As for ordinal scale, it involves the age and tenure of respondents' in their current job.

Moreover, for Section B, C and D of the questionnaire, interval scale namely Five-Point Likert scale is adopted as their measurement scale. Respondents are required to provide answers according to the five responses alternative with the given number ranging from "1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree".

3.7 Data Processing

In general, data processing is the gathering and control of information to deliver important data. It is significant for the researcher to ensure that the questionnaires collected back from the respondents are correctly filled and completed. Missing data may cause inaccuracy when all the data are entered into the system to be processed. Hence, the researcher would complete a manual checking process towards all the gathered questionnaires and make sure that all the questions are answered completely by the respondents.

3.8 Methodological Consideration

In the scholarly writing of many fields, Structural Equation Modeling (SEM) has taken up an important part (Becker, Klein, & Wetzels, 2012). SEM is exceptionally well known in many controls as the Partial Least Squares (PLS) approach to SEM provides a contrasting option to covariance-based SEM (CBSEM) (Hair, Hult, Ringle, & Sarstedt, 2013). This is where the approach is particularly suited for circumstances when information is not normally distributed.

In PLS path models, the clarified difference of the endogenous inactive factors are boosted by assessing partial model relationships in an iterative grouping of Ordinary Least Squares (OLS) regressions (Becker, Klein, & Wetzels, 2012). As for CBSEM, it gauges model parameters so that the disparity between the evaluated and sample covariance matrix is reduced. In addition, PLS is alluded to as soft modeling technique with least requests in regards to sample sizes, estimation scales and residual conveyances (Monecke & Leisch, 2012).

The data collected by the researcher of this study is analysed using SmartPLS. SmartPLS is a stand-alone programme customized for PLS path models (Monecke & Leisch, 2012). It has an independent operating system and is based on a Java Eclipse platform. Besides that, the model is determined through drag and drop. A basic model for the latent factors will be drawn and the indicators to the latent variables would be assigned (Hair, Hult, Ringle, & Sarstedt, 2013).

3.9 Data Analysis

3.9.1 Descriptive Analysis

Descriptive analysis is utilized to depict the fundamental components of the information in a study. This analysis gives a clearer understanding about the sample and the measures. It also summarizes the data in a meaningful way. Besides that, it frames the basis of every quantitative analysis of information together with simple graphics analysis such as percentage, frequency distribution and averages of demographic information provided by the respondents.

3.9.2 Inferential Analysis

The predetermined statistical model is identified by the researcher where the researcher has to make sure that it follows the conceptual model proposed to be tested (Becker, Klein, & Wetzels, 2012). Furthermore, the model shall agree to specialized prerequisites, for example, identification and with the information adjusting to the required arrangement and measurable power.

Adding on, Hair, Hult, Ringle and Sarstedt (2013) pointed out that the structural model is theory based and is the prime concentration of the research questions as well as the research hypotheses. The structural model and the demonstrated connections among the latent develops is viewed as separate from the measurement demonstrate.

The researcher has to accomplish two phases to assess to PLS-SEM results. This includes Phase 1 where the measurement models with the analysis differing relying upon whether the model incorporates formative measures, reflective measures or both is investigated. In the event that the measurement model assessment gives satisfactory outcomes, the researcher proceeds to Phase 2, which includes assessing the structural model.

CHAPTER 4

RESEARCH RESULTS

4.0 Introduction

Data was collected based on the main research objective which is to identify the relationship among PRESOR, internal CSR and organisational commitment in the service industry. The data was then analysed by using SmartPLS. The results generated along with the research findings were presented in this chapter.

The descriptive analysis is presented in frequency tables and figures, accordingly. The inferential analysis is explained based on the analysis of both measurement and structural models derived from SmartPLS output. The results presented in this chapter show the linkages between theory and real life practices.

4.1 Response Rate

Table 4.0: Rate of Return of Questionnaires

Questionnaires Distributed	250
Completed Questionnaires Received	223
Total Response Rate (%)	89.2%

Source: Developed for the research

In this study, a total of 250 sets of questionnaires were distributed to the customer service representatives in Klang Valley, Malaysia. The researcher received 223 sets of complete questionnaires which indicated a response rate of 89.2%.

4.2 Descriptive Analysis

Descriptive analysis was used to determine frequency and percentage to all the responses by the respondents. The 223 responses collected were explained in this section. The analysed statistical data is shown in frequency tables, pie charts and bar charts.

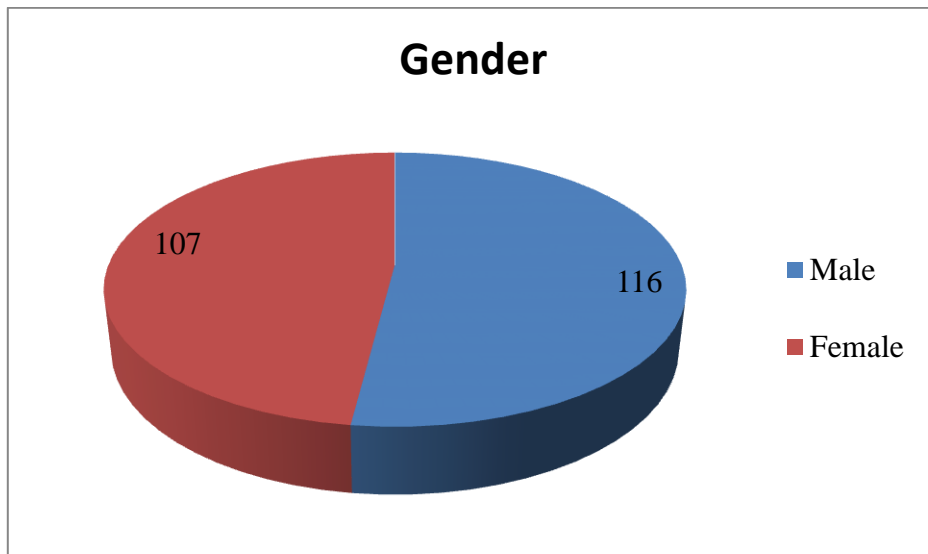
4.2.1 Gender

Table 4.1: Frequency Table on Gender of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Gender	Male	116	52.02
	Female	107	47.98
	Total	223	100.00

Source: Developed for the research

Figure 4.1: Pie Chart on Gender of Respondents



Source: Developed for the research

As shown in Table 4.1 and Figure 4.1, majority of the respondents are male which constitute 52.02% (116 respondents). Meanwhile, female respondents constituted 47.98% (107 respondents).

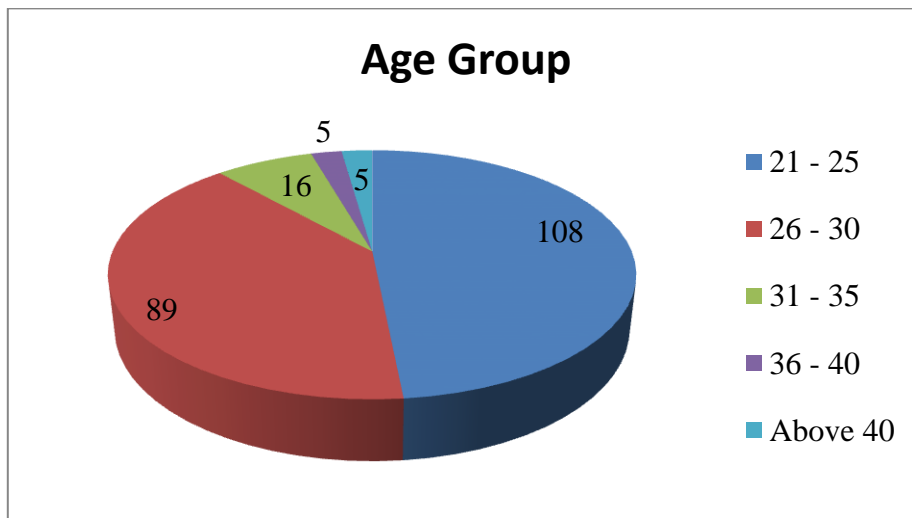
4.2.2 Age Group

Table 4.2: Frequency Table on Age Group of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Age Group	21 – 25	108	48.43
	26 – 30	89	39.91
	31 – 35	16	7.18
	36 – 40	5	2.24
	Above 40	5	2.24
	Total		223

Source: Developed for the research

Figure 4.2: Pie Chart on Age Group of Respondents



Source: Developed for the research

According to Table 4.2 and Figure 4.2, majority of the respondents were aged between 21 to 25 years old (48.43%). This followed by respondents that aged between 26 to 30 years old (39.91%). Next, respondents with age group of 31 to 35 comprised 16 respondents (7.18%). Finally, only 5 respondents (2.24%) for each of the age group of 36 to 40 and above 40 years old.

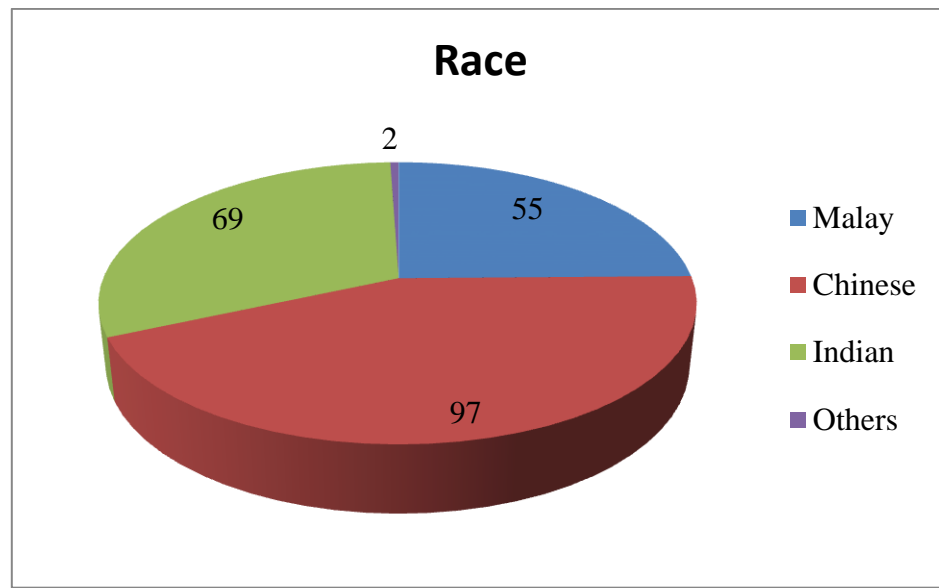
4.2.3 Race

Table 4.3: Frequency Table on Race of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Race	Malay	55	24.66
	Chinese	97	43.50
	Indian	69	30.94
	Others	2	0.90
	Total	223	100.00

Source: Developed for the research

Figure 4.3: Pie Chart on Race of Respondents



Source: Developed for the research

As presented in Table 4.3 and Figure 4.3, it can be seen that majority of the respondents were Chinese which consist 43.50% (97 respondents), followed by Indian 30.94% (69 respondents), Malay 24.66% (55 respondents) and 0.90% (2 respondents) were made up from other races.

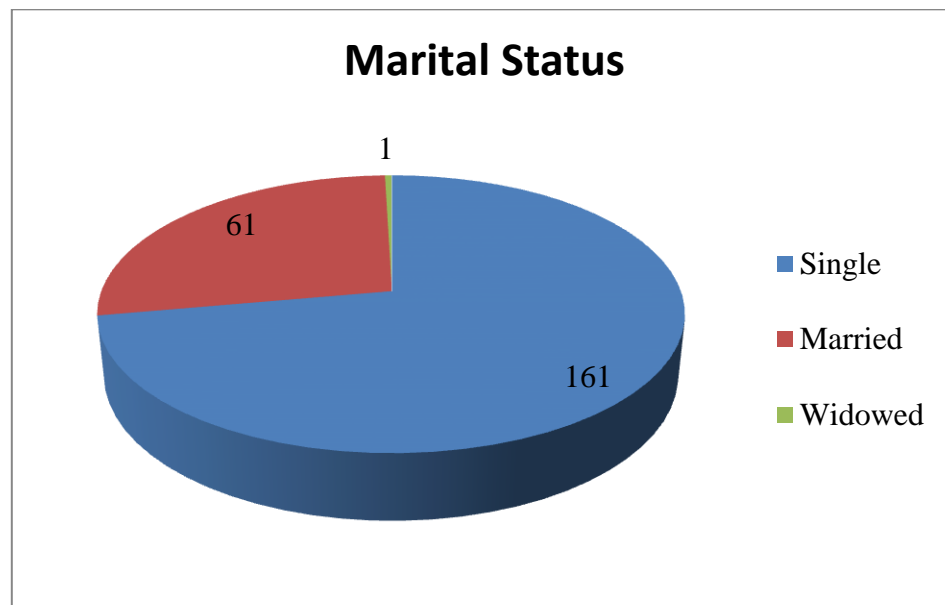
4.2.4 Marital Status

Table 4.4: Frequency Table on Marital Status of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Marital Status	Single	161	72.20
	Married	61	27.35
	Widowed	1	0.45
	Total	223	100.00

Source: Developed for the research

Figure 4.4: Pie Chart on Marital Status of Respondents



Source: Developed for the research

As shown in Table 4.4 and Figure 4.4, majority of the respondents were single which comprise 72.20% (161 respondents) and 27.35% (61 respondents) of the respondents were married. There were only 1 respondent was widowed which comprise 0.45%.

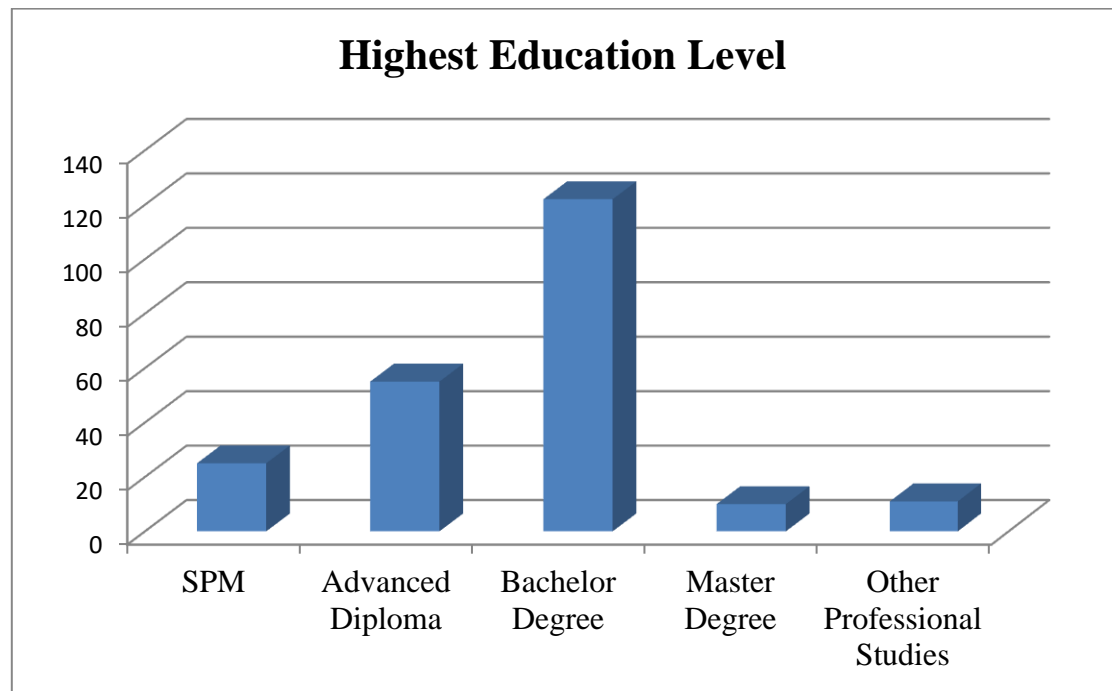
4.2.5 Highest Education Level

Table 4.5: Frequency Table on Highest Education Level of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Highest Education Level	SPM	25	11.21
	Advanced Diploma	55	24.66
	Bachelor Degree	122	54.72
	Master Degree	10	4.48
	Other Professional Studies	11	4.93
	Total		223

Source: Developed for the research

Figure 4.5: Bar Chart on Highest Education Level of Respondents



Source: Developed for the research

According to Table 4.5 and Figure 4.5, a large portion of respondents were Bachelor Degree holders which consist of 54.72% (122 respondents). In addition, 55 respondents (24.66%) possessed Advanced Diploma, followed by 25 respondents (11.21%) where their highest education level was SPM. Then, 11 respondents had their professional studies as their highest education level which comprise of 4.93% while Master Degree holders consist of 10 respondents (4.48%).

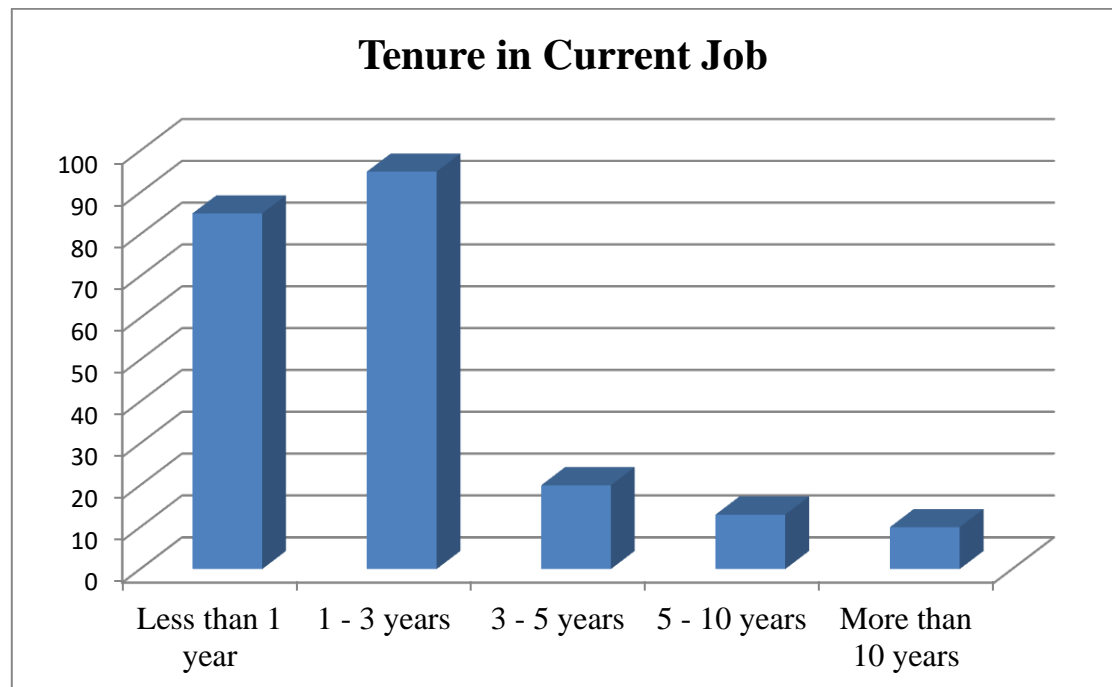
4.2.6 Tenure in Current Job

Table 4.6: Frequency Table on Tenure in Current Job of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Tenure in Current Job	Less than 1 year	85	38.12
	1 – 3 years	95	42.60
	3 – 5 years	20	8.97
	5 – 10 years	13	5.83
	More than 10 years	10	4.48
	Total		223

Source: Developed for the research

Figure 4.6: Bar Chart on Tenure in Current Job of Respondents



Source: Developed for the research

Table 4.6 and Figure 4.6 revealed that 95 respondents (42.60%) had served the company for only one to three years, 85 respondents (38.12%) for less than a year, 20 respondents (8.97%) for three to five years, 13 respondents (5.83%) for five to ten years while 10 respondents (4.48%) had served the organisation for more than ten years.

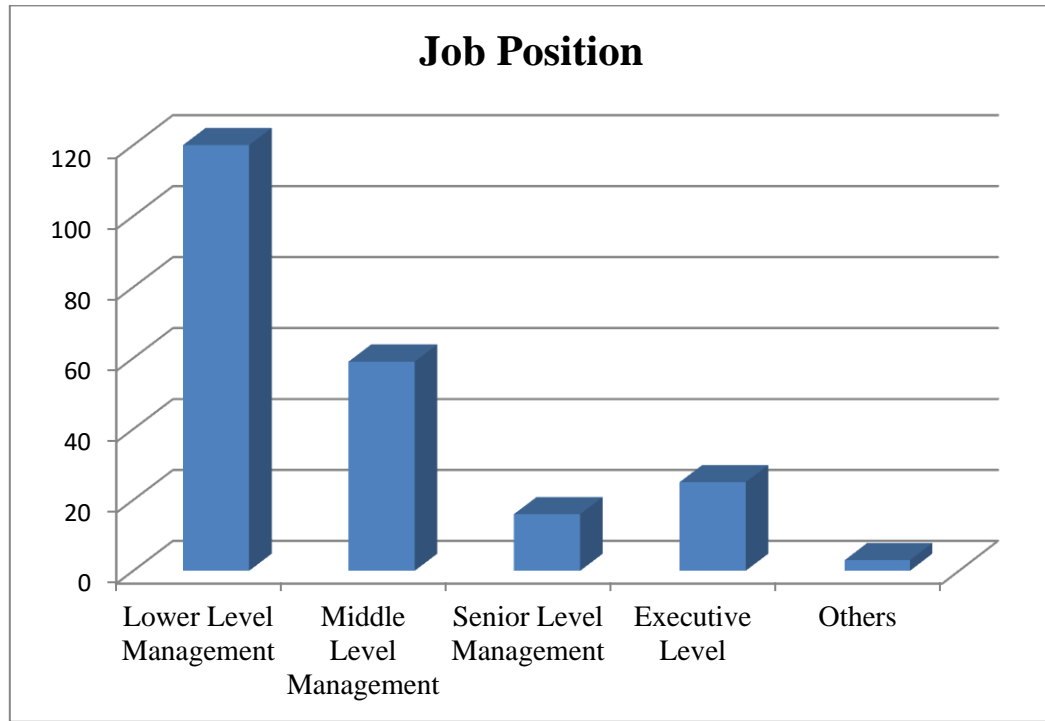
4.2.7 Job Position

Table 4.7: Frequency Table on Job Position of Respondents

Demographic Profile	Categories	Frequency	Percentage (%)
Job Position	Lower Level Management	120	53.81
	Middle Level Management	59	26.46
	Senior Level Management	16	7.17
	Executive Level	25	11.21
	Others	3	1.35
	Total	223	100.00

Source: Developed for the research

Figure 4.7: Bar Chart on Job Position of Respondents



Source: Developed for the research

As presented in Table 4.7 and Figure 4.7, 53.81% (120 respondents) were of lower level management, 26.46% (59 respondents) from middle level management, 11.21% (25 respondents) from executive level and 7.17% (16 respondents) from senior level management. There was only 1.35% (3 respondents) who was from other levels of management.

4.3 Stage 1 - Measurement Model Analysis

Measurement model assessment consists of convergent validity and discriminant validity. Convergent validity of the measurement is ascertained by assessing factor loading, Average Variance Extracted (AVE) and also Composite Reliability (CR) (Gholami, Sulaiman, Ramayah, & Molla, 2013).

Table 4.8: Internal Consistency and Convergent Validity

Construct	Measure	Loading	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)
Human Right	HR1	0.866	0.898	0.901	0.929	0.767
	HR2	0.887				
	HR3	0.822				
	HR4	0.925				
Health & Safety	HS1	0.831	0.887	0.890	0.922	0.747
	HS2	0.900				
	HS3	0.892				
	HS4	0.831				
Training & Development	TD1	0.906	0.852	0.863	0.911	0.774
	TD2	0.920				
	TD3	0.809				
Work-life Balances	WLB1	0.920	0.854	0.858	0.912	0.777
	WLB2	0.810				
	WLB3	0.909				
Workplace Diversity	WD1	0.887	0.766	0.768	0.895	0.810
	WD2	0.888				
	WD3	0.418				

Perceived Role of Ethics and Social Responsibility	PRESOR1	0.810	0.892	0.903	0.922	0.703
	PRESOR2	0.893				
	PRESOR3	0.879				
	PRESOR4	0.790				
	PRESOR5	0.684				
	PRESOR6	0.768				

Source: Developed for the research

4.3.1 Factor Loading

As presented in Table 4.8, the factor loadings was shown from the final PLS measurement models. According to Hair, Black, Balin and Anderson (2010), when the factor loading is above 0.500, it is an acceptable loading that is considered good for an indicator.

Based on Table 4.8, the highest loading was 0.925 from the measure HR4. Meanwhile, the lowest loading was 0.684 from the measure PRESOR5. Furthermore, the measure of WD3 had loading of 0.418 which was below 0.500. Thus, it was eliminated in the scale refinement process. The remaining items carried forward are having good loading with values that are higher than 0.500 (Hair, Black, Balin, & Anderson, 2010).

Rho_A is useful to determine the reliability of coefficient (Dijkstra & Henseler, 2015). The value above 0.700 indicates that the construct is reliable. According to Table 4.8, the highest Rho_A was the value of 0.903 from Perceived Role of Ethics and Social Responsibility and the lowest Rho_A was the value of 0.768 from Workplace Diversity. Based on the above table, it shows that all the Rho_A are above the value of 0.700. Thus, all the constructs are reliable.

4.3.2 Convergent Validity

Convergent validity is the degree to which multiple items to measure the same concept in agreement by item-to-total correlation (Hair, Black, Balin, & Anderson, 2010). The values of Average Variance Extracted (AVE) could be used to counter-check the convergent validity. The AVE is acceptable when it has value above 0.500.

As shown in Table 4.8, the highest AVE was Workplace Diversity with 0.810 and the lowest was 0.703 of Perceived Role of Ethics and Social Responsibility. In this study, all constructs have AVE of 0.500 and above. This shows that the general amount of variance in the indicators accounted for by the latent construct exceeded the recommended value.

4.3.3 Internal Consistency Reliability

Composite reliability (CR) is a measure of the general reliability of a group of heterogeneous but similar items (Hair, Hult, Ringle, & Sarstedt, 2013). The measure of internal consistency reliability is the value which portrays the degree to which the construct indicators indicate the latent construct. The acceptable value of CR shall exceed 0.700. Despite the fact that Cronbach's Alpha is still extremely popular in determining reliability; the level of CR could determine convergent validity (Bollen & Long, 1993).

From Table 4.8, the highest CR was Human Rights with 0.929, while the lowest was Workplace Diversity with 0.895. In addition, all constructs possessed an acceptable CR of 0.700 and above and they have high internal consistency. Therefore, all scales used in this study were reliable.

4.3.4 Discriminant Validity

Table 4.9 : Fornell and Larcker Criterion

Discriminant Validity	HR	HS	OC	PRESOR	TD	WD	WLB
HR	0.876						
HS	0.791	0.864					
OC	0.853	0.779	0.913				
PRESOR	0.656	0.630	0.672	0.807			
TD	0.736	0.784	0.803	0.619	0.880		
WD	0.802	0.795	0.844	0.638	0.782	0.900	
WLB	0.721	0.761	0.672	0.541	0.676	0.754	0.881

Source: Developed for the research

Note: Average Variance Extracted (AVE) is represented by the diagonals in bold while squared correlation is represented by the other entries.

The objective of discriminant validity is to make sure that there is no significant variance among different variables that could have the same reason. According to Hair, Black, Balin and Anderson (2010), the difference between one construct towards the other within the same model is explained. Besides that, the square root value of AVE of each construct must be greater than the correlations with the other constructs (Fornell & Larcker, 1981).

As shown in Table 4.9, the square root of AVE is represented by the diagonal elements in bold. There is no multicollinearity between the constructs as presented from the test. Furthermore, there is another method to observe the correlations between the two latent variables. If the correlations are higher than 0.900, they are significantly overlapping constructs where multicollinearity are present between them. According to Table 4.9, all correlations are below 0.900 and thus there is no multicollinearity between the constructs.

4.4 Stage 2 - Structural Model Assessment

Based on sub-samples of 1000 cases, bootstrapping is conducted on the constructs. It was determined that all constructs are significant at 95% confidence interval in accordance to the bootstrapping and all p-value were below 0.050.

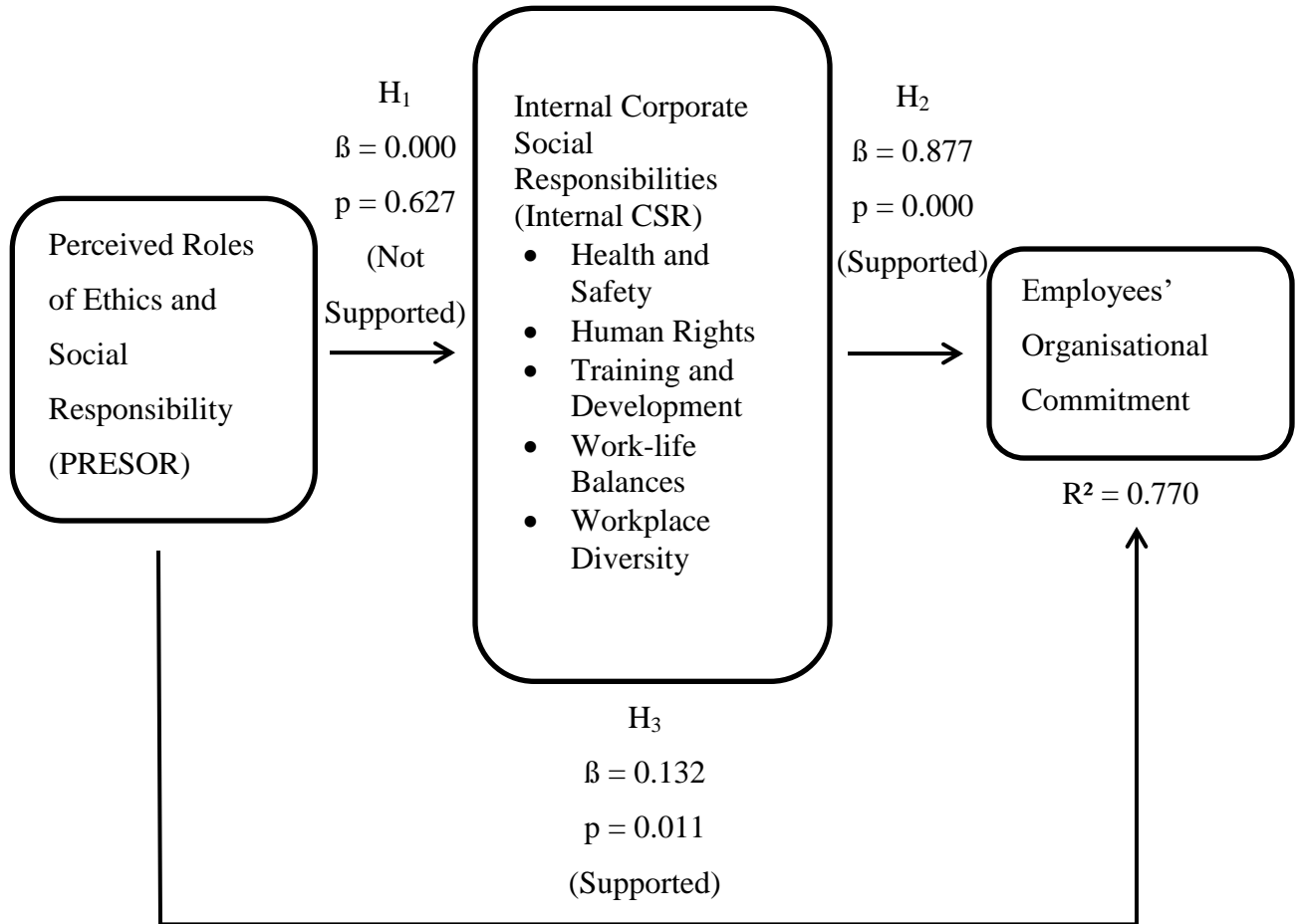
Table 4.10: Critical Values of A One-tailed Test

Critical Values	Significance Level
1.65	0.10
1.96	0.05
2.57	0.01

Source: Developed for the research

Table 4.10 shows the critical values of a one-tailed test. In accordance to this study's objectives and field, a five per cent significance level (T-Statistics <1.96) is used for this model.

Figure 4.8: Results of Structural Model



Source: Developed for the research

Figure 4.8 shows the result of the structural model with H₂ and H₃ being supported with path significance at 0.050. The R² value was 0.770 which indicates that 77.0% of the variance in employee organisational commitment can be explained by PRESOR and internal CSR.

4.4.1 Collinearity Assessment

Prior to structural model assessment, collinearity assessment is carried out.

Table 4.11: VIF Value

Construct	VIF
HR	5.557
HS	4.126
Internal CSR	1.000
PRESOR	1.885
TD	3.245
WD	6.374
WLB	2.789

Source: Developed for the research

Variance Inflation Factor (VIF) is used to determine multicollinearity. Hair, Black, Balin and Anderson (2010) stated that constructs with VIF that is greater than 10 is considered to be multicollinear.

Based on Table 4.11, it is shown that the highest VIF value was Workplace Diversity with 6.374 while the lowest was Internal Corporate Social Responsibilities with 1.000. The VIF of each construct were less than 10 (Diamantopoulous & Siguaw, 2006).

According to the above table, it could be concluded that there was no multicollinearity in this study. Therefore, this analysis showed that the constructs are different and are measuring different aspects.

4.4.2 Path Coefficient Assessment

Table 4.12: Path Coefficient Assessment on Reflective Measure

	Standard Beta	T-Statistics	P-Values
HR → Internal CSR	0.290	23.631	0.000
HS → Internal CSR	0.269	41.366	0.000
TD → Internal CSR	0.207	29.724	0.000
WD → Internal CSR	0.151	25.351	0.000
WLB → Internal CSR	0.188	25.902	0.000

Source: Developed for the research

As presented in Table 4.12, all the T-statistics at 95% confidence level were greater than 1.96. This explained that the constructs measuring Internal CSR were statistically significant.

Table 4.12 also reveals that Human Rights has the highest beta (0.290). This indicates that Human Rights is an important variable in explaining Internal CSR followed by Health and Safety (0.269), Training and Development (0.207), Work-life Balances (0.188) and Workplace Diversity (0.151).

4.4.3 Testing the Hypotheses

Table 4.13: Results of Path Coefficients and Hypotheses Testing

Hypothesis	Relationship	Standard Beta	T-Statistics	P-Values	Decision
H ₁	PRESOR → Internal CSR	0.000	0.622	0.267	Not Supported
H ₂	Internal CSR → OC	0.877	42.529	0.000	Supported
H ₃	PRESOR → OC	0.132	2.310	0.011	Supported

Source: Developed for the research

Table 4.13 explains the results of path coefficients and hypotheses of this study in the structural model. The following explains the decision to reject or accept the hypothesis:

Hypothesis

H₁: There is a positive relationship between PRESOR and internal CSR.

H₂: There is a positive relationship between internal CSR and employees' organisational commitment.

H₃: There is a positive relationship between PRESOR and employees' organisational commitment.

As presented in Table 4.13, the path coefficient for H₁ was 0.000 while the T-statistics was 0.622, which is below 1.96. Hence, H₁ is not supported. The path coefficient for H₂ was 0.877 while the T-statistics was 42.529. Similarly for H₃, the path coefficient was 0.132 while the T-statistics was 2.310. The p-values for

H₂ and H₃ were less than 0.050 or with 95% confidence level. Therefore, both H₂ and H₃ are supported.

Based on the analysis, it is concluded that both Internal CSR and PRESOR have significant positive relationship with Organisational Commitment. On the other hand, the result revealed that there is not enough evidence that PRESOR is significant with Internal CSR. The p-value was greater than 0.050 or with 95% confidence level.

4.4.4 Determination of Coefficient Assessment, R²

Table 4.14: Determination of Coefficient

	Standard Beta	T-Statistics	P-Values
OC	0.770	21.280	0.000

Source: Developed for the research

As presented on Table 4.14, the p-value was 0.000 which was less than 0.050 at 95% confidence level. The T-statistics was 21.280 which were above 1.96. Therefore, Organisational Commitment was significant in this study.

In addition, the determination of coefficient (R²) of Organisational Commitment was 0.770. This means that 77.0% of the variance variation can be explained by this study.

4.4.5 Determination of Predictive Relevance, Q^2

Table 4.15: Predictive Relevance

Predictive Relevance	Q^2
Internal CSR	0.581
OC	0.596

Source: Developed for the research

Stone-Geisser's Q^2 value is examined as one of the criterion of predictive relevance besides examining the magnitude of R^2 values. In the PLS path model, Q^2 value of latent variables is collected by using the blindfolding method. Blindfolding is a sample re-uses technique. It deletes data points and provides prognosis of the original values (Hair, Hult, Ringle, & Sarstedt, 2013).

The predictive relevance (Q^2) of Internal CSR (0.581) and Organisational Commitment (0.596) were larger than 0. According to Hair, Hult, Ringle and Sarstedt (2013), this indicated that Internal CSR possessed a predictive capacity over PRESOR and Organisational Commitment also possessed a predictive capacity over Internal CSR and PRESOR.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

This chapter provides the overall results of the study and makes conclusion on the relationship among PRESOR, internal CSR and organisational commitment in the service industry from Klang Valley, Malaysia. This chapter is organized in the following manner:

- 5.1 Discussion on the findings and outcomes of the research analysis from Chapter 4
- 5.2 Implications on the study
- 5.3 Limitations of the study
- 5.4 Recommendations for future research
- 5.5 Conclusion of the research

5.1 Discussion on Findings

Table 5.1: Results on the Hypotheses Testing

Hypotheses	Values Scored	Decision
H ₁ : There is a positive relationship between PRESOR and Internal CSR.	$\beta = 0.000$ $p (0.267) > 0.050$	Not supported
H ₂ : There is a positive relationship between Internal CSR and employees' Organisational Commitment.	$\beta = 0.877,$ $p (0.000) < 0.050$	Supported
H ₃ : There is a positive relationship between PRESOR and employees' Organisational Commitment.	$\beta = 0.132,$ $p (0.011) < 0.050$	Supported

Source: Developed for the research

Hypotheses were formed to examine the relationship among PRESOR, internal CSR and employees' organisational commitment. Based on Table 5.1, it is concluded that internal CSR and PRESOR have positive relationship with employees' organisational commitment. Therefore, both H₂ and H₃ were supported. In addition, H₂ has the highest beta ($\beta = 0.877$) which indicates that internal CSR is an important variable to affect employees' organisational commitment.

5.1.1 Findings on the Hypotheses

Relationship between PRESOR and internal CSR

H₁: There is a positive relationship between PRESOR and Internal CSR.

The results ($\beta = 0.000$, $p\text{-value} = 0.267 > 0.050$) show that there is no significant relationship between PRESOR and internal CSR. H₁ was not supported as the p-value was higher than 0.050.

By examining the relationship between PRESOR and internal CSR, this research reveals that, for employees in the service industry, the influence of PRESOR on internal CSR might not be as robust as previous research suggests. One possible explanation for this discrepancy is that the context of employees in the service industry represents a unique setting where perceptions of PRESOR have a minimal effect on internal CSR.

Organisations which practices role of ethics can accomplish a higher level of achievement and prompt the expanded profitability (Assudani, Chinta, Manolis, & Burns, 2011). Thus, it is important for organisations to be accountable, ethical and transparent. This would enhance the level of employees' commitment when they believed that the organisations are leading the business dependably.

Relationship between internal CSR and employees' organisational commitment

H₂: There is a positive relationship between Internal CSR and employees' Organisational Commitment.

Based on the results of this study ($\beta = 0.877$, $p\text{-value} = 0.000 < 0.050$), it indicates that internal CSR has a positive relationship with employees' organisational commitment. H₂ was supported as the p-value was below 0.050.

Through this research, it has been discovered that the existence of internal CSR leads to higher level of employees' organisational commitment. This result is congruent with the findings of Al-bdour et al. (2010), Carson (2015) and Mazur (2015) which proposed that employees with good working environment, sufficient training and development and higher work-life balances tend to exert full commitment to the organisation.

Besides that, internal CSR is found to be the strongest indicator of employees' engagement. Conducive working environments, fair treatments and equal opportunities influenced the employees' attitudes and commitment towards the organisations (Azeem & Akhtar, 2014). Hence, Kaliannan, Perumal and Dorasamy (2016) stated that greater commitment is expressed by the employees towards their organisations when they perceived organisations that care for their welfare.

Relationship between PRESOR and employees' organisational commitment

H₃: There is a positive relationship between PRESOR and employees' Organisational Commitment.

The results of this study ($\beta = 0.132$, $p\text{-value} = 0.011 < 0.050$) denote that PRESOR has a positive relationship with employees' organisational commitment. H₃ was supported as the p-value was below 0.050.

Previous research has shown that these two important concepts are linked such that an organisation which practices role of ethics relates positively and directly to employees' organisational commitment (Choi, Ullah, & Kwak, 2015). Etheredge (1999) also stated that employees would perform positive affective organisational commitment when firms are socially responsible.

In addition, this research found out that the level of PRESOR made a difference in the employees' organisational commitment. As such, it can be expressed that organisations who act ethically increased the job satisfaction of employees which enhance their overall organisational commitment.

5.2 Implications on the Study

There are several implications derived from this study that may be useful for organisations.

Organisations that are ethical and socially responsible could lead to a greater employees' organisational commitment. Employees may increase their level of loyalty on account of the organisation's socially responsible business practices. This would also enhance the organisation's reputation and profitability. Organisations which practice role of ethics stimulate fair competition among employees and this helps in keeping a good team spirit in the working environment (Assudani, Chinta, Manolis, & Burns, 2011). Employees are one of the most important assets and foundation to successful businesses.

In addition, it is important for organisations to embed CSR values among employees. According to Hameed, Riaz, Arain and Farooq (2016), organisation communication on CSR activities is essential to increase employees' engagement and form organisation identification. In consistent with the relationship that arises in this study between the five core dimension of internal CSR and organisational commitment, it proved that employees that feel cared and valued by the organisation are more likely to be committed to the organisation in long-term.

Besides that, the findings suggest that the top management shall pay greater attention on the five core dimension of internal CSR. Organisation could treat the employees fairly, provide safe working environment, offer sufficient amount of training, take care of their welfare and arrange team building activities of diverse workforce in the

organisation. All these internal CSR practices boost the level of employees' commitment towards the firms (Ebeid, 2010).

In accordance to the results of this study, there is a positive relationship between both PRESOR and internal CSR towards organisational commitment. Hence, instead of viewing PRESOR and internal CSR as a mere add-on, they should be installed at the core of an organisation's ethos. Employees shall have the empowerment to be involved in the relevant initiatives. For instance, this may regularly include providing chances of career advancement, financial assistance for further study or giving employee time off work for them to support a charity event.

5.3 Limitations of the Study

Throughout this research, the researcher identified a few limitations. Each of these limitations is illustrated as below.

First, the research was conducted in a short period of time. Time is significantly an important element. To ensure that meaningful and valid results could be gained, the researcher had to scale down the target population. Although this study met the objectives, it might be better if the researcher is provided with a longer time frame. This research could then be conducted with a bigger population, such as studying the various service industry in Malaysia.

Second, a cross-sectional analysis is used to investigate the relationship among PRESOR, internal CSR and employees' organisational commitment at one particular point of time. Cross-sectional study design is easy and quick to perform where a questionnaire is often used in collecting information. However, the sample or respondents do not represent the whole population as only 250 questionnaires were delivered to the target population (i.e. employees who work as customer service representatives in the service based organisations in Klang Valley).

Third, due to time constraint, the researcher could only conduct the study in Klang Valley of Malaysia. Questionnaires were only distributed to the targeted respondents. Therefore, the results are limit to the scope of the research (i.e. customer service representative) which does not represent the population in Malaysia. Moreover, the results also act as a limiting factor to the other industries as the target respondents are from service based organisations.

Fourth, the sample size for this study is relatively small due to insufficient funds and time constraint. 250 sets of questionnaires were distributed but only 223 sets were collected back to be used. A sample size that is small leads to higher margin of error and might render the study meaningless. Sampling errors could affect the interpretation and precision of the results.

Lastly, the structural model of this research focused only on PRESOR and internal CSR. The researcher has difficulty to accomplish a comprehensive study as there are many other factors that might affect the organisational commitment of employees. This means that other factors might also affect the employees' organisational commitment.

5.4 Recommendations for Future Research

In view of the limitations mentioned above, there is possible improvement and recommended solutions to overcome the limitations are composed as below.

First, to identify changes in the characteristics of the target population, it is recommended to replace cross-sectional study with longitudinal study. Similar to cross-sectional, a longitudinal study is observational where the researcher shall conduct a few observations of the same subjects over a period of time. Sometimes, this might takes up a few years. The advantage of a longitudinal analysis is that researcher can determine the changes or developments over time and yield to more accurate findings.

Second, future studies are recommended to target respondents from diverse range (i.e. other sectors in Malaysia) and locations (i.e. other states in Malaysia) when conducting research. A sufficiently large sample size could limit the influence of outliers and is more representative of the population (Lenth, 2001). In addition, it is important to create results among significantly different variables. According to Lenth (2001), *“an under-sized study can be a waste of resources for not having the capability to produce useful results, while an over-sized one uses more resources than are necessary”*.

Third, to improve the accuracy of findings, it is strongly recommended to have a larger sample size. Although it requires greater time commitments and sufficient funds, larger sample size helps in identifying better results. It also allows the researcher to determine the outliers more easily as the researcher is substantially studying more subjects. Hence, if outlier is shown in the sample, increasing in sample size could avoid misleading results.

Lastly, to obtain a more in-depth and clearer future research about organisational commitment, the variable (i.e. organisational commitment) could be replaced by different measures, for instance, organisational citizenship behaviour, job satisfaction, organisational financial performance, organisational sustainability and others. This might lead the researchers to determine more accurate findings on this field.

5.5 Conclusion

After conducting this study, it revealed that internal CSR and PRESOR are positively related towards employees' organisational commitment in the service industry of Klang Valley, Malaysia. Nevertheless, there is no significant relationship between PRESOR and internal CSR. It is interesting to find out that PRESOR is not significantly related to internal CSR. The result of H_1 indicates organisations that put additional focus on PRESOR would not be expected to have an effect on the internal CSR. In other words, both PRESOR and internal CSR can aid in building higher level

of employees' organisational commitment. However, there is not much connection between these two variables.

In such globalization, the limitation of traditional business thought has been pushed off as internal social or values (i.e. PRESOR and internal CSR) are gradually becoming the norm. Ethical values and behaviour are as important as the strategic approach of the organisations. When firms are socially responsible, such values and practices are within the firms; it indirectly creates a positive culture of social responsibility which builds a strong bond between the firms and the employees.

Based on the discussions above, it is crucial for organisations to conduct ethical business practices and be responsible for the needs of the employees. Nowadays, employees tend to look for meaning in their job and are not just worried about their pay check. Hence, organisational commitment among employees could be cultivated when business is ethical and there is involvement in CSR activities.

Besides that, based on the results of this study, one of the five core dimensions of internal CSR (i.e. Human Rights) has the highest beta value (0.290). This means that employees tend to behave in a favourable manner and develop positive attitudes in the organisation once they feel they are treated fairly and being valued. This finding is supported by Hutchinson (2010)'s study that there is a positive relationship between trust and organisational commitment.

Furthermore, employees are better identified with an ethical and socially responsible firm. Social Identity Theory (SIT) stated that, "*people tend to describe their self-descriptions in a social context, and classify themselves and others into different social categories*" (Hogg, 2016). Therefore, once the employees are identified with the organisation, they have greater job satisfaction and lead to a higher feeling of organisational commitment.

Last but not least, the present study only focuses and explores on the relationship among PRESOR, internal CSR and employees' organisational commitment. It is difficult for the researcher to achieve a comprehensive research on employees' organisational commitment as there are other different variables that might affect the employees' organisational commitment proposed by other researchers.

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APPENDIX A

QUESTIONNAIRE



UNIVERSITI TUNKU ABDUL RAHMAN

Relationships among Perceived Role of Ethics and Social Responsibility, Internal Corporate Social Responsibilities and Organisational Commitment in the Service Industry

Dear Respondent,

The questionnaire below is conducted as part of course requirements of my Master of Business Administration (Corporate Governance) programme in Universiti Tunku Abdul Rahman (UTAR). The main purpose of this primary research being conducted is to gain better understanding in conjunction to complete my Dissertation. Thus, it would be much appreciated if you could spare a few minutes of your time to help filling up the questionnaire.

At this point, I am conducting a research on the Relationships among Perceived Role of Ethics and Social Responsibility, Internal Corporate Social Responsibilities and Organisational Commitment in the Service Industry in Klang Valley, Malaysia.

Please do not hesitate to contact me for more inquiries and for any doubts seem to happen regarding this survey. Data collected are strictly for research purposes and only aggregated data will be published and your responds towards this questionnaire will be strictly kept PRIVATE and CONFIDENTIAL.

My contacts are listed below and I can be reached at any time to answer your questions or concerns about your rights as a research subject.

Phone: 0102085712 (Tan Leng)

Email: alisonatan93@hotmail.com

Section A: Demographic Profile

INSTRUCTION: Please **CHOOSE** the most appropriate answer for the following questions.

1. Gender

1	Male
2	Female

2. Age

1	21 – 25
2	26 – 30
3	31 – 35
4	36 – 40
5	Above 40

3. Race

1	Malay
2	Chinese
3	Indian
4	Others

4. Marital Status

1	Single
2	Married
3	Divorced
4	Widowed

5. Highest Education Level

1	SPM
2	Advanced Diploma
3	Bachelor Degree
4	Master Degree
5	Doctorate Degree
6	Other Professional Studies

6. Tenure in Current Job (Year/s)

1	Less than 1 year
2	1 – 3 years
3	3 – 5 years
4	5 – 10 years
5	More than 10 years

7. Which of the following mostly matches your job position?

1	Lower Level Management
2	Middle Level Management
3	Senior Level Management
4	Executive Level
5	Others

Section B: Perceived Roles of Ethics and Social Responsibilities (PRESOR)

INSTRUCTION: Please indicate the level of opinion with each of the following statements by **CHOOSING** the most appropriate statement in describing your personal view.

- Strongly Disagree (SD) : 1
Disagree (D) : 2
Neither Agree Nor Disagree (N) : 3
Agree (A) : 4
Strongly Agree (SA) : 5

		SD	D	N	A	SA
1	Being ethical and socially responsible is the most important thing an organisation can do.	1	2	3	4	5
2	The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.	1	2	3	4	5
3	The ethics and social responsibility of an organisation is essential to its long-term profitability.	1	2	3	4	5
4	An organisation's first priority should be employee morale.	1	2	3	4	5
5	To remain competitive in a global environment, business organisation will have to disregard ethics and social responsibility.	1	2	3	4	5
6	The most important concern for an organisation is making profit, even if it means bending or breaking the rules.	1	2	3	4	5

Section C: Internal Corporate Social Responsibility (CSR)

INSTRUCTION: Please indicate the level of opinion with each of the following statements by **CHOOSING** the most appropriate statement in describing your personal view.

- Strongly Disagree (SD) : 1
Disagree (D) : 2
Neither Agree Nor Disagree (N) : 3
Agree (A) : 4
Strongly Agree (SA) : 5

Health and Safety		SD	D	N	A	SA
1	My organisation provides employees free private medical insurance.	1	2	3	4	5
2	My organisation provides a comfortable working environment.	1	2	3	4	5
3	My organisation provides health and safety training for all employees.	1	2	3	4	5
4	My organisation encourages employees and their dependants to take proactive and responsible approach to their health and wellness.	1	2	3	4	5

Human Rights		SD	D	N	A	SA
1	My organisation avoids firing employees without causes.	1	2	3	4	5
2	My organisation provides equal opportunities to all employees.	1	2	3	4	5
3	My organisation does not force employees to carry out tasks beyond their job description.	1	2	3	4	5
4	My organisation avoids discrimination in termination based on gender, race and religion.	1	2	3	4	5

Training and Development		SD	D	N	A	SA
1	My organisation trains employees on skills that prepare them for future jobs and career development.	1	2	3	4	5
2	My organisation allows employees to have time to learn new skills that prepare them for future jobs.	1	2	3	4	5
3	My organisation provides financial assistance or time off for study to all employees.	1	2	3	4	5

Work-life Balance		SD	D	N	A	SA
1	My organisation provides emergency leave to all employees.	1	2	3	4	5
2	My organisation provides several facilities such as cafeteria and games facilities.	1	2	3	4	5
3	My organisation provides paid maternity leave to all employees.	1	2	3	4	5

Workplace Diversity		SD	D	N	A	SA
1	My organisation treats all job applicants fairly without regards to gender, age, race and religion.	1	2	3	4	5
2	My organisation conducts diversity training programs with compulsory participation for all employees.	1	2	3	4	5

Section D: Organisational Commitment

INSTRUCTION: Please indicate the level of opinion with each of the following statements by CHOOSING the most appropriate statement in describing your personal view.

- Strongly Disagree (SD) : 1
Disagree (D) : 2
Neither Agree Nor Disagree (N) : 3
Agree (A) : 4
Strongly Agree (SA) : 5

		SD	D	N	A	SA
1	I am willing to put in a great deal of effort beyond that normally expected in order to help this organisation to be successful.	1	2	3	4	5
2	This organisation really inspires the very best in me in the way of job performance.	1	2	3	4	5
3	I talk up this organisation to my friends as a great organisation to work for.	1	2	3	4	5
4	I am proud to tell others that I am part of this organisation.	1	2	3	4	5
5	I am extremely glad that I chose this organisation to work over others I was considering at the time I joined.	1	2	3	4	5
6	For me, this is the best of all possible organisations for which to work.	1	2	3	4	5

Thank you for completing this survey. Your effort is extremely appreciated. Have a nice day ahead.