

UNIVERSITI TEKNOLOGI MARA

**BUSINESS ACCOUNTABILITY IN
CORPORATE SOCIAL
RESPONSIBILITY: CASE STUDIES
OF A MULTINATIONAL
CORPORATION AND A
GOVERNMENT LINKED COMPANY**

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ABSTRACT

Numerous studies have investigated corporate social responsibility (CSR) towards stakeholders, but little is known concerning the process of how corporations are accountable in their CSR initiatives. This study posits that accountability is an integral part of the business strategy. Hence, the study aims to gain a deeper understanding of corporate accountability from the perspective of CSR initiatives in Malaysia. As such, the research addressed three aims: i) to conceptualise the meaning of accountability; ii) to provide insightful understanding of institutionalised corporate accountability mechanisms; iii) to theorising the concept from a CSR business initiatives perspective. Qualitative research methodology was employed appropriate for eliciting the process of accountability from the CSR perspective. Specifically, this study comprised a multiple case study for which two telecommunications companies were selected. The telecommunications industry contributes to the country's economic development and has a different shareholding structure from other firms. The data were triangulated through interviews, observations and document analysis to gain a rich description. Ultimately, the in-depth data analysis suggests three processes of integration of the accountability concept in CSR related to strategy, people and structure. Most importantly, the study contributes to the literature, advancing knowledge with respect to process theory rather than variance theory. In addition, the study contributes to practice, as the findings could provide ways for corporations to implement accountability mechanisms, thus contributing to shareholder wealth, employee well-being, environmentalism and society more broadly. It is recommended that future research be undertaken to investigate further how corporations measure CSR performance and leadership. The 'how' question should be explored to gain an understanding of corporations' behaviours with respect to CSR. This indicates an opportunity to promote the accountability perspective of CSR initiatives.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This section introduces the background of the study where it emphasises on the research issue. Generally, this chapter provides, first, the background of the study. Second, is to address problems of the study. Third, the research questions and research objectives are depicted. Fourth, is the significant of the study and its limitation, finally, the chapter concludes with organization of the thesis.

1.2 BACKGROUND OF STUDY

Over more than five decades ago there was rapid growth in the Corporate Social Responsibility (henceforth, CSR) due to new demands brought from the advancement in information communication technology and concerns by the institutions on business social responsibility and environmental initiatives (Benn & Bolton, 2011; Momin & Parker, 2013). As a result from that, the interest and demand on CSR are on the high side and the concept has advanced with the introduction of its sister concepts such as Corporate Sustainability, Social Investment, Social Entrepreneurship, Social Innovation and Corporate Citizenship. Thus, the extension of the concept, has allows it to become a new business model that adds value to the business practice, enhances business reputations and becomes as an essential component for the country economic development (Melis, Carta, & Rio, 2009; Momin & Parker, 2013).

Additionally, in the 21st century the government and business are depending on each other and together they improved people standards of living and the countrys' socio-economic development (Jamali & Mirshak, 2007; Momin & Parker, 2013, WBCSD, 1993). Therefore, the business and world at large has acknowledged impact from business CSR initiatives to economic, social and environment. For instance the principles based framework by United Nations (UN) called United Nations Global Compact (UNGC), has recognised the impacts of business activities to the country socio-economic development