

Examining the Impact of Corporate Social Responsibility Towards Employee Engagement

(A case study: Telekom Malaysia Berhad in Kedah)

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Abstract—Employee engagement has appeared as the most discussed topic among management across the world in this decade, since it is an essential component for business success and sustainability. However, CSR is believed as an instrumental variable that have multidimensional view of responsibilities that may or may not increase employee performance in the managerialist sense of term. The main objective of the study is to determine which among of four dimensions of CSR will have influence towards employee engagement in Telekom Malaysia Berhad, Kedah. To achieve the objectives, the quantitative method was used and data were collected through questionnaires. A total of 250 questionnaires were given to Human Capital business Operation department to be distributed to the employees. The data were analyzed using Statistic Package for Social Science version 16.0. The findings exhibited through multiple regression analysis, the finding revealed that only one dimensions of corporate social responsibility have positive significance influence towards employee engagement. Furthermore, the regression analysis between corporate social responsibility and employee engagement indicated that only 21.7% of total variance of work engagement was explained by corporate social responsibility dimensions. The finding suggests management in TM Kedah should improve the conduct of ethical manner within the workplace to improve emotional impact of the level of a worker interest in his or her job. Lastly, this study give contribute in both theoretical and managerial implication to achieve greater employee engagement through the give emphasis on CSR strategies.

Keywords—*corporate social responsibility; employee engagement; telecommunication job engagement*

I. INTRODUCTION

Employees are an important asset of companies. Employee engagement define as the full participation and pleasure by employees to giving passion in their job [1]. Employee engagement is thus a basically a perception of an employee which characterizes the full response of an individual performance towards to the job within the workplace [2]. Employee engagement gap in Malaysia is quite alarming. Towers Watson made survey between February and May 2012 towards 1,000 employees from middle to large sized companies in Malaysia and found that only (36 %) feels highly engaged. The rest feels unsupported (22 %), detached (17 %) and disengaged (26 %). This survey presented that sustainable

for employee to engage in their work was low and feel that movement from certain firms is the one tactic to attain career development and sometimes the work agreement was not made clear to them [3]. Another surveyed by Gallup from 2011 to 2012 showed the engagement level in Malaysia is very low. It presented the rate of engaged employee only 11%, not engaged by 81% and actively disengaged by 8% that is spent the highest proportions of not engage employees in Southeast Asian nation [4]. As a top communication service provider, Telekom Malaysia (TM) must be able to manage and engage all its employees throughout the country, as the business operation reaches out to almost every corner in Malaysia. An extensive network and many branches within the country does not indicate that TM has no issues. The distribution gap which exists between the decision making at headquarter (HQ) level and its implementation in the various regions has delayed the development process of some areas [5]. The main issue raised by the interviewed result with Mr. Mohd Ghazali Abu Sari as manager of the Human Capital management division in Kedah State said the problem often occurred is the absenteeism of young employees and the lack of productivity of the senior employees. This may happen because the employees do not feel engaged to their work. Employee engagement not only achieved by the human resource practice conduct in TM Kedah such as training and education but also the other factors.

There are several studies has been carried that concern on the connection CSR with the employee engagement issue. First of all, study on the impact employee's perception of CSR activities on employee attachment and company performance [6]. The result suggests that CSR capability and perceived cultural fit induce positive CSR perception that improves performance. The quality of the stakeholder and company relationship resulting from a CSR initiative depends on the type of benefits stakeholders obtain from it [7]. Much of the previous study conceptualizes CSR as covering four dimensions such as, economic, legal, ethical and philanthropic dimensions [8]. For instance, one of the study revealed that employees ranked economic component as most important in CSR [9]. It is reasonable to be concerned about firm ability to generate profit. Economic citizenship influence team performance through the mediation of team efficacy and self-esteem [9]. Legal citizenship influence team performance via team efficacy. Whereas ethical citizenship influence team

performance via self-esteem [10]. Another study on the perspective of service employee in South Korea found that only ethical dimension of CSR has significant influence on job satisfaction [11]. Furthermore, it also found positive relationship concerned with ethical environment and work engagement [12]. Another study found that internal CSR dimensions (human right, workplace diversity, health and safety) are significantly related to affective normative commitment [13]. Whereas impact of internal CSR practices on organization engagement was greater as compared with job engagement [14]. The study in hotel industry across U.S.A found the corporate philanthropic program has a huge impact to bring several benefits to employees [15]. Many benefits as boost employee satisfaction such as, training program and individual development, maintain positive relations with the local societies. Thus, improved in philanthropic activities will lead to an enhance in the levels of engagement [16].

However, not much information on how the corporate social responsibility can lead to influence employee engagement among employees in telecommunication industry. Most investigations of CSR focus on external stakeholders, however increasing stream of research which attempts to find out the internal effect of various types of business ethic initiatives [17]. To narrow this gap, this research is an effort to examine the different perspective of CSR dimensions (economic, legal, ethical and philanthropic) in influencing employee engagement. The pyramid of CSR chooses on this research aims to discover the different perspective of CSR in creating and sustaining a positive connection with employees in Telekom Malaysia Berhad Kedah [18]. In this study is try to examine carefully with inserted the CSR variable as influence factor of employee engagement in TM Kedah is still yet to be clarified. Besides the acceptance of employees towards certain TM CSR initiative also yet has to be examined and CSR is not only restricted to charity works or donation, but involves a responsibility towards the workplace, the environment, the community and the marketplace. As shown in the Fig 1, the research framework is developed on the basis of the conceptual and theoretical discussion.

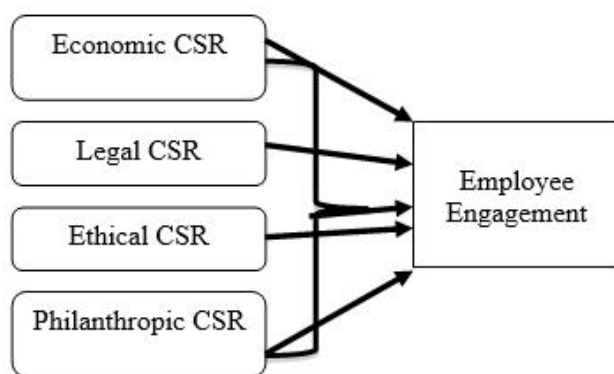


Fig. 1. Research framework.

Drawing upon the research framework from Figure 1, five hypotheses have been formulated, which are to be tested in this study. The five hypotheses are developed in order to clarify the

nature of different connections or the impartiality of four factors in a situation as follow:

H1: There is significant influence of economic CSR towards employee engagement in TM Kedah.

H2: There is significant influence of legal CSR towards employee engagement in TM Kedah.

H3: There is significant influence of ethical CSR towards employee engagement in TM Kedah.

H4: There is significant influence of philanthropic CSR towards employee engagement in TM Kedah.

H5: Independent variables simultaneously has significant influence towards employee engagement in TM Kedah.

II. METHOD

Research design places the main issues in the studies concerning location and type of study, time spent and the unit to study [19]. Quantitative study used in this study by using hypothesis testing (predictive) design of studies that engage to explain the nature of certain relationship or independence of two or more factors in a situation. Questionnaire is the main tool used to collect data from respondents. This study used Likert scale to examine how strongly subjects agree or disagree with statements in a point a five-point scale. Simple random sampling techniques were used in this study because every element in the population has a known and equal chance of being selected as a subject. The advantage of using this is that it permits the generalizability of the findings to the whole population and also helps in simplifying the analysis of the results [19]. There are about 679 employees in TM Kedah region and based on the sample size decision guidelines on sample size calculator given by the research advisors which the sample size calculators [20].

Therefore, for population of 679, the sample size is 246. Hence, the 246 employees in TM Kedah were selected for this study. The questionnaire was distributed among the workers in the company through Manpower operation staff under Human Capital Business Operation department. The respondents include manager, assistant manager, executive and non-executive staff of all departments at the TM Kedah. Approximately 250 sets of questionnaires were distributed. The questionnaires were also translated in English and Bahasa Melayu for better understanding of the respondents. The data in this study was analyzed using Statistical Package for the Social Science (SPSS) version 16.0 to measure relationship and difference between variables in this research.

A. Validity

The pilot test began with reliability test through Cronbach's Alpha. Reliability is the extent to which measures are error free. Hence, consistent and similar results can be obtained across circumstances and in excess of time [21]. 30 samples of questionnaires were gathered to test whether the respondents were able to understand the content and the language use in the questionnaires. Cronbach Alpha coefficient would be an indication tool to check for the consistency. If the result closer to 1.00, the alpha coefficient is considered better [19]. If the

result is less than 0.60 it is considered poor and those in the range of over 0.80 are considered acceptable. The purpose of pilot test is to check the reliability and validity of the questions among respondents.

TABLE I. RELIABILITY ANALYSIS

Variables	No. of items	Cronbach's Alpha
Employee engagement	13	0.895
Economic CSR	7	0.889
Legal CSR	7	0.914
Ethical CSR	7	0.916
Philanthropic CSR	8	0.949

By taking 30 employees from northern regional network operation departments at TM Alor Setar for pilot study, a questionnaire is said to reliable if respondent's answers on the questions are consistent or stable over time. Table 1. provides a summary of Cronbach Alpha for the five variables. The results show that the Cronbach alpha for employee engagement is 0.895 and economic CSR is 0.889 and considered good. Legal CSR is 0.914, ethical CSR is 0.916 and philanthropic CSR is 0.949 which considered better because is close than 0.10. Thus, this questionnaire is considered reliable and consistent for this study.

B. Measurement of Variables

Questionnaire is the main tool used to collect data from respondents. This study used Likert scale to examine how strongly subjects agree or disagree with statements in a point a five-point scale. Likert scales are generally treated as ordinal scales [19]. All respondents have to select their choice of answer according to their perception in answering. Employee engagement was measured with 13-items selected which were adapted from chartered Institute of personnel and Development (CIPD) as the adapted questions have also been used in several studies to measure employee engagement [22-24]. The distribution of variable for employee engagement as shown in Table 2:

TABLE II. MEASUREMENT ITEMS FOR EMPLOYEE ENGAGEMENT

EMPLOYEE ENGAGEMENT ITEMS
A) Cognitive Engagement statements: 1. Time passes quickly when I perform my job 2. I often think about other things when performing my job 3. I am rarely distracted when performing my job 4. Performing my job is so absorbing that I forget about everything else B) Emotional Engagement statements: 1. My own feelings are affected by how well I perform my job 2. I really put my heart into my job 3. I get excited when I perform well in my job 4. I often feel emotionally detached from my job C) Physical Engagement statements: 1. I stay until the job is done 2. I exert a lot energy while performing my job 3. I take work home to do 4. I avoid working overtime whenever possible 5. I avoid working too hard

The CSR items were adopted from the previous studies by [11]. The construct of CSR was measured using multidimensional variables that consist of economic, legal,

ethical, and philanthropic. The distribution of variable for corporate social responsibility as shown in Table 3-6:

TABLE III. MEASUREMENT ITEMS FOR ECONOMIC CSR

ECONOMIC CSR ITEMS
1. TM has a quick procedure to respond all consumer complaint 2. TM continuously improve product quality 3. TM use customer satisfaction as an indicator of business performance improvements 4. TM have been successful at maximizing profits 5. TM struggle to lower operating costs 6. TM closely monitor employee's productivity 7. Top management establishes long-term strategies for the business.

TABLE IV. MEASUREMENT ITEMS FOR LEGAL CSR

LEGAL CSR ITEMS
1. Managers are informed about relevant environmental laws 2. All of TM products meet legal standards 3. TM contractual obligations are always honored 4. The managers in TM try to comply with the law 5. TM seeks to obey with all laws regulating hiring and employee benefits 6. TM have programs that encourage the diversity of our workplace (in terms of age, gender, or race) 7. Internal policies prevent discrimination in employees' compensation and promotion

TABLE V. MEASUREMENT ITEMS FOR ETHICAL CSR

ETHICAL CSR ITEMS
1. TM has a comprehensive code of conduct 2. Members of TM follow professional standards 3. Top managers monitor the potential negative impacts of our activities on our community 4. TM recognized as a trustworthy company 5. Fairness toward co-workers and business partners is an integral part of our employee evaluation process 6. A confidential procedure is in place for employees to report any misconduct at work (such as stealing or sexual harassment) 7. TM salespersons and employees are required to provide full and accurate information to all customers

TABLE VI. MEASUREMENT ITEMS FOR PHILANTHROPIC CSR

PHILANTHROPIC CSR ITEMS
1. TM tries to improve the image of its product 2. TM tries to improve perception of its business conduct 3. TM tries to improve its corporate image 4. TM tries to help the poor 5. TM tries to contribute toward bettering the local community 6. TM tries to fulfill its social responsibility 7. TM tries to accommodate governmental request 8. TM tries to accommodate requests for NGOs

III. RESULTS AND DISCUSSION

Research hypotheses in this study are tested using multiple regression analysis with the objective of measuring the amount and the connection between dependent and independent variables. The regression coefficients point out the position of each of the independent variables in the estimate to the dependent variables [19]. As presented in Table 7 five hypotheses were tested using multiple regressions analysis to examine the impact of the independent variable on the dependent variable.

TABLE VII. RESULT OF MULTIPLE REGRESSION ANALYSIS

Model	Unstandardize d Coefficients	Standardized Coefficients	t	Sig.
	B	Beta		
(Constant)	1.599			0.000
Economic CSR	0.142	0.146	1.689	0.092
Legal CSR	0.078	0.077	0.903	0.367
Ethical CSR	0.310	0.267	2.891	0.004
Philanthropic CSR	0.031	0.037	0.444	0.658
F Value = 16.680 Sig. = .000 ^a R = .466 R Square = .217				

The results from table 7 show that the multiple linear regression equation (1) in this study is

$$Y = 1.599 + 0.142 X_1 + 0.078 X_2 + 0.310 X_3 + 0.031 X_4 \quad (1)$$

Y = Dependent Variable
X₁, X₂, X₃, X₄ = Regression coefficients

Based on the equation (1), it was discovered that the regression coefficient of X₁ (economic CSR) is positive (0.142) which means that economic CSR variable is in the same direction as employee engagement in TM Kedah. In other words, economic CSR has positive influence on the employee engagement TM Kedah. Therefore, if TM Kedah increases the number of economic CSR program then the level of employee engagement would increase; conversely the decrease of economic CSR program would reduce the employee engagement. The regression coefficient of X₂ (legal CSR) is positive (0.078), meaning that legal CSR is in the same direction as employee engagement level in TM Kedah. In other words, legal CSR had positive influence on the employee engagement in TM Kedah. It shows that if the TM Kedah increases the number of legal CSR program then the employee will be more engaged, conversely if the legal CSR is decreased then the employee will disengage.

The regression coefficient of X₃ (ethical CSR) is positive (0.310) meaning that ethical CSR is in the same direction as employee engagement. In other words, ethical CSR had positive influence on the employee engagement in TM Kedah. It shows that if TM Kedah increases the number of ethical CSR program, then employee will tend to be more engaged, conversely the decrease in the number of ethical CSR program will lower the employee engagement level in TM Kedah. The regression coefficient of X₄ (philanthropic CSR) is positive (0.031) meaning that philanthropic CSR is in the same direction as employee engagement. In other words, philanthropic CSR had positive influence on the employee engagement in TM Kedah. It shows that if TM Kedah increases the number of philanthropic CSR program, then the level of employee engagement will increase, conversely the decrease in number of philanthropic CSR program will decrease the level of employee engagement in TM Kedah.

Based on Table 7 presented that standardized coefficient variable of economic CSR is T-value is 1.689 > T-table 1.645 and significant value is 0.092. It means that economic CSR has

influence on employee engagement in TM Kedah but not significant at confidence level 95%. Therefore, H₁ was not accepted, therefore it was concluded that there was influence of economic CSR on employee engagement in TM Kedah but not significant. Further, using multiple regression to test the hypothesis, it was discovered that legal CSR T-value is 0.903 < T-table 1.645 and significant value is 0.367, and this implies that legal CSR is not significant influence towards employee engagement in TM Kedah at confidence level 95%. Therefore, H₂ was not accepted, so it was concluded that legal CSR is not significant influence towards employee engagement in TM Kedah.

Next, based on table 7 it is presented that the ethical CSR t-value is 2.891 > t-table 1.645 and the significant value is 0.004, meaning that ethical CSR have significant influence towards employee engagement in TM Kedah at confidence level of 95%. Therefore, H₃ was accepted and it was concluded that there was a significant influence of ethical CSR on employee engagement in TM Kedah. Another hypothesis showed that the philanthropic t-value is 0.444 < t-table 1.645 and the significant value is 0.658, meaning that philanthropic CSR is not significant influence towards employee engagement in TM Kedah at confidence level of 95%. Therefore, H₄ was not accepted and it was concluded that philanthropic CSR is not significant influence towards employee engagement in TM Kedah. Furthermore, it is also presented that by performing alpha test with confidence level 95% (0.05) F-value is 16,680 > F-table 2.21 and Sig. (significant value) is 0,000. It was discovered that the all independent variables have simultaneous influence towards employee engagement in TM Kedah at confidence level of 95%. Therefore, H₅ was accepted and it was concluded that there was a significant influence of economic CSR, legal CSR, ethical CSR and philanthropic CSR simultaneously towards employee engagement in TM Kedah.

The "R" represented coefficient correlation among all independent variables simultaneously on dependent variables. Based on the table 4.6 the R= 0.466 showed the positive correlation among all independent variables towards employee engagement. The Multiple r or R square showed the amount of variance which explained the dependent variable by the predictors. In this study, R square is 0.217. This means that approximately 21.7% of variance in the employee engagement is explained by variance in economic CSR, legal CSR, ethical CSR and philanthropic CSR. Besides, some other factors need to be considered in the dependent variables. The Standardized coefficients or beta value for ethical CSR is 0.267; it means that ethical CSR is the most significant independent variables to influence towards employee engagement. The second highest beta value is economic CSR = 0.146, the third is legal CSR by 0.77 and fourth is philanthropic CSR by 0.37.

A. Economic CSR on Employee Engagement in TM Kedah

The first research objective is to examine whether economic CSR has a significant influence towards employee engagement in TM Kedah. Based on the hypothesis testing, the result indicated that economic CSR has influence on employee engagement in TM Kedah but not significant at confidence level of 95%. One plausible explanation from this result indicated that employee engagements are related by fulfilling

the needs and desires of employees, and in this case the economic CSR does not have an affect towards employee needs. Economic CSR is a strategy for companies to achieve their goal of profit maximization, earning per share, remain highly competitive in the market and sustain the operating efficiency. Economic CSR is the bottom line process in the business for making profit to sustain their business in the future.

This result is contrasting with the study that found employees recognized the company involvement in economic CSR activities, they tend to be engaged with their work since they will notice increased profitability, customer satisfaction and productivity which will have an effect towards employee's workplace environment [25]. This study also conflicts with the findings of most studies which indicated that economic factor is the most important among other dimensions [26-29]. Due to the organization that is based on government linked companies the employees typically do not see the economic CSR initiatives perform by the companies as one factor that can influence their engagement in workplace. Basically, the Telekom Malaysia is already profitable and well established company that also engage in CSR activities within the countries, so merely employees' perception of economic CSR is not the important factor for their engagement in their workplace. Another factor such as rewards and recognition, career development or employee communication though are possible factors that will directly help in the enhancement of employee engagement.

B. Legal CSR on Employee Engagement in TM Kedah

The second research objective is to examine whether legal CSR have a significant influence towards employee engagement in TM Kedah. Based on the hypothesis test it was found that legal CSR is not significant influence towards employee engagement in TM Kedah. The analysis shows that a second hypothesis is not acceptable. This study found that complying with legal standards does not necessarily support the company to boost employee engagement in the workplace. It seems that employees' perception of the company compliance in legal aspect is compulsory. This can occur due to employee engagement associated with fulfilling the needs and desires of employees, and in this case the legal dimension of CSR does not have a relationship with the employee needs. Because employees are more concerned with the needs which they must return and responsibilities to be performed well in their job. In the implementation of legal CSR, employees merely work to achieve the object of the business. It appears that an impression is created the rights and interests of the employees are decided by the companies and government that bound in the law. When prominence is made on the legal environment of CSR, it is likely emphasizing on the fact that legal CSR effort is not proposed merely to increase employee's benefits. Rather, it is planned to pursue for the rights of the employees as an independent principal. In other words, the legal CSR only lies in the achievement of the employees' rights during the company operational process and do not give direct influence in enhancing their engagement in the workplace.

The result of this study is contrasted with the study that stated that employees who have higher perceptions of

procedural justice (administration of justice and legal proceedings) are more likely to respond with greater organization engagement [30]. Employees seem to perceive the legal aspects as fundamental phase after being successfully achieved in economic responsibilities. Because as legal responsibility occurs, it will involve how to instruct and control the internal company procedures. It will also comprise the several rules and regulate the numerous activities that are targeted towards the employees in a company. In these rules made by companies, sometimes the terms of working conditions are regularly very weak, although the terms of employment and disciplines are very strict. Therefore, employees on their individual part are in no position to violate or modify these rules. This situation makes they are just follow the law as they not get much advantage to boost their employee engagement.

C. Ethical CSR on Employee Engagement in TM Kedah

The third research objective is to test whether ethical CSR have a significant influence towards employee engagement in TM Kedah. Based on the hypothesis testing, this research found that ethical CSR have significant influence towards employee engagement in TM Kedah. The analyses show that a third hypothesis is acceptable. The possible explanation for this result is that the ethical CSR is more directly associated to the workplace situation for employees than another dimension of CSR. For instance, TM ethical standards policy at work will directly affect the excellence of the working place. This result agrees with the findings of previous research that indicates that the satisfaction of the employee is positively influenced by ethical practices and its determination to encourage an ethical environment in the company [11]. However, it also found positive relationship concerning ethical environment and work engagement [12]. Ethical responsibility environment has greater effect on work engagement than rules and professional codes.

The result also found that ethical CSR have the value beta coefficient by 0.267 that is greater than the other variables. This finding indicated that one of the ways to improve employee engagement is through corporate practices of ethical behaviors within the TM Kedah. The study is supported with research findings by Ethic Resource Center and Hay Group revealed that high levels of engagement are associated with positive awareness with company ethical culture. In addition, engaged employees do not want commit misbehavior [31]. By maintaining high level of employee engagement, it will make employees feel appreciated and valued with their role in workplace. An engaged employee will tend to make decision in ethical manner on their work. Ethical behavior in workplace is one indicator of citizenship behaviors, for example cooperating, helping, and performing other acts of altruism at work [32]. Employees views ethical conduct and social responsibility by the company is play an important role in engaging employees. Furthermore, employees recognize their business practices in accordance with moral principle and code of ethics beyond the foundation of law obligation are encouraged to have a positive connection between ethical responsibility and work engagement [33].

D. Philanthropic CSR on Employee Engagement in TM Kedah

The fourth research objective is to examine whether philanthropic CSR has a significant influence towards employee engagement in TM Kedah. From the hypothesis testing, result indicated that philanthropic CSR is not significant influence towards employee engagement in TM Kedah. The analysis shows that a fourth hypothesis is not acceptable. One plausible explanation is that not all employees in TM Kedah would feel engaged if they viewed that the corporation does charities activities, because employee engagement is more than that. It must be about taking part or contributing in the operation of the program and being involved in the core actions. Because mostly in TM Kedah employees are just being consulted and listened to what happened in the program. Hence, philanthropy CSR is acceptable, but it sorts of misses the point here in the involving the employees.

The result in this study is contrasted with result from study that found a higher level of engagement for employees is caused by an increasing in corporate citizenship activities [16]. It means that this finding related to philanthropic CSR done by TM Kedah is that the activity undertaken by the company on philanthropic activities does not really give a direct impact on the fulfillment of employee engagement in TM Kedah on satisfy the employee needs. Because Philanthropic CSR in TM Kedah just being represented as an activity of charitable by the company. The result also contrasts with the findings that the companies that deal with corporate citizenship programs do certainly advantage from significantly more engaged employees [34].

E. Economic, Legal, Ethical, Philanthropic CSR on Employee Engagement in TM Kedah

The fifth research objective is to examine whether the four independent variables can simultaneously have significant influence on employee engagement in TM Kedah. Based on the multiple regression analysis, it was found that the four independent variables simultaneously have significance influence on employee engagement in TM Kedah. The study found that the R square result is 0.204, indicating that 20.4% variation of employee engagement can be explained by the four independent variables which are economic, legal, ethical and philanthropic CSR. If these four variables be simultaneously together they will influence employee engagement in TM Kedah. Therefore, from analyses show that hypothesis fifth is accepted. The independent variables are the combination of multidimensional responsibilities to explain the CSR as the wide concept. Generally, CSR is assumed to be the way corporations participate in economic, social, legal and environmental concerns into their standards, culture, value, operations, strategy and decision making. Finished in an accountable and transparent way, the CSR creates better performance within a company to create prosperity and advance society. Successfully dealing with CSR practices will lead to high level of enthusiasm in doing business to help companies to achieve financial success and sustainability.

The result also supports the findings by Hewitt Associates that study the factor that contribute between perception of

employees on CSR effort in their companies with their engagement and other factors in work-environment [35]. The finding showed that when company is proactively involved in environmental and social programs, the employees will be more engaged with their job. Furthermore, this result is confident that the CSR is one of the important things in the radar screen for employees. Because it matters to employee, it is still not the major driver to boost employee engagement. CSR practices can increase the higher level of employee engagement in TM Kedah and employees with better engagement could be pioneer in CSR practices since the employees will give attention about their employment objectives. Therefore, CSR is seeing as emergent importance of this element to improve employee engagement.

IV. CONCLUSION

The most important idea in this study is that there is no "one size fits all" solution to enhance employee engagement by a single dimension of CSR, such as performing economic CSR. TM Kedah management must understand that employee engagement formation is a complex process owing to underlying nature of the influence factors of CSR variables. It is important to keep in mind that employee engagement is not just purely driven by employees' personal needs but also accomplished by social needs as achieved by TM Kedah. Employees who engaged with their corporate social responsibility are likely to be more positive, more engaged, and more productive than those working for less responsible organizations. This research found that economic CSR does have influence towards employee engagement in TM Kedah but not significant. This can occur because employee engagement is associated with fulfilling the needs and desires of employees and economic CSR is merely an action to improve profitability, productivity and operational efficiency that would not have a direct influence towards the level of employee engagement in TM Kedah. In addition, legal CSR does not have significant influence towards employee engagement in TM Kedah. Its indicated that complying with the legal standards does not necessarily support the company to improved employee engagement. It seems that employees' perception to the company compliance in legal aspect is compulsory and more likely emphasizing on the legal CSR effort is not proposed merely to increase employee's benefits. Rather, it is planned to pursue for the rights of the employees as an independent principal.

Another finding is that ethical CSR does have significant influence towards employee engagement in TM Kedah. One plausible explanation for this result is that the ethical CSR is more directly associated to the workplace situation for employees than another dimension of CSR. For instance, TM ethical standards policy at work will directly affect the excellence of the working place. Furthermore, this study also found that philanthropic CSR does not have significant influence towards employee engagement in TM Kedah. Not all employees would feel engaged if they viewed the corporation does charities because employee engagement is more than that. Thus, employees in TM Kedah consider that the activities undertaken by the company on philanthropic activities does not really give a direct impact on the fulfillment of employee needs

by company. In this study also found that all the variables simultaneously have significant influence towards employee engagement. It indicated that 20.4% of variation of employee engagement can be explained by the four independent variables which economic, legal, ethical and philanthropic CSR and the remaining 79.6% are explaining by other factors. Ethical CSR has the most significant influence towards employee engagement in TM Kedah. This finding suggests that one of the ways to improve employee engagement is through corporate practices of ethical behaviors within the TM Kedah. Not all the four dimensions of CSR have the same result on employee engagement. The results support the hypothesis that views of CSR are multidimensional and each dimension has a different role in defining employee engagement.

In summary, corporate social responsibility and business success can hardly be separated. Ethical CSR is now an instrument for increased employee engagement in TM Kedah which cannot be separated from the competitive perspective. However, by having ethical CSR mindset and programs, TM Kedah will create greater engagement for their employees. By being socially responsible in workplace, which is based on strong values and ethics, open communications, attention to employee wellbeing, and equal chances for employees improve their potential and involvement as serving the communities are the core ingredients to enhancing employee engagement.

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