AN EMPIRICAL ANALYSIS ON THE DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY MODEL AND PROFITS OF COMPANIES IN MALAYSIAN BUSINESS SOFTWARE INDUSTRY

Ben Delos Chie[1]

Abstract: *This paper provides an extensive critical analysis on whether Corporate Social Responsibility (CSR) model based on legal responsibility, economic responsibility, ethical responsibility and philanthropic responsibility dimensions can increase the profits of companies in the Malaysian business software industry. This dimension is widely tested in the literature and most of them are examined from the western countries' perspectives. Despite the extensiveness of empirical research on CSR in the West, past research investigating CSR dimensions in Malaysian perspective remains scarce. Therefore, this study provides empirical evidence from a Malaysian perspective on CSR dimension. The study surveys a sample of 200 respondents (20.0% usable response rate), were duly completed and returned to the study. The results showed significant relationships between all of the variables used in measuring CSR dimension. Overall, it can be concluded that CSR can increase the profits of companies in the Malaysian business software industry with several important constructs.*

Keywords: *corporate social responsibility model, profit, business software industry, Malaysia*

1. Introduction

1.1. Pyramid Structure of Four Corporate Social Responsibility (CSR) Dimensions

To date, the concept of Corporate Social Responsibility (CSR) has grown to be an unconscious practice not entirely under the regulations of any official laws or legal bodies but more as a custom that an organization should practice and obedience. However, for many organisations, it remains remarkably unfamiliar. In Malaysia, quite a number of publicly listed companies tend to view CSR as a strategic issue. Malaysian firms incorporate CSR into their corporate governance agenda to become good corporate citizens in the Malaysian capital market (Saleh, 2009).

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[1] DBA Candidate, Victoria University, Switzerland Tel: +60198999898 E-mail: bendeloschie@gmail.com

By engaging in CSR activities, corporations will gain better recognition as responsible corporate citizens from the perspective of international and local investors. The traditional view of business is essential to maximize profits. However, the traditional views are no longer accepted in today's business environment, where, as a result, corporations have adopted the concept of CSR, which is concerned with economic, environmental, and social performance. Of late, the broader concept of CSR has been introduced, where the corporation's concern is seen to be shifting to broader components of CSR, which includes stakeholders as one of the most important components while not forgetting effects on the environment or society.

CSR is known as an indicator for contribution to the competitiveness of business by reducing operational risks associated with environmental and social issues. It can also be a driver for product and service innovations that respond to the challenges of today's rapidly changing political, economic, social, and environmental spheres. Attaining sustainable success, a business corporation must be able to respond to the expectations that the society has placed upon it. That is the reason why CSR is a key issue of concern for the business sector. Businesses progressively take responsibility for the impact of their activities on the environment, consumers, employees, communities, and other relevant stakeholders. General components of CSR like human rights, labor standards, the environment and good governance (including anti-corruption) are areas of common interest to government and business sector. Many Malaysian business software companies also see advantages in engaging in CSR activities, because they foster trust and nurture goodwill. This will positively influence the reputation of these companies (Pareena Prayukvong & Matt Olsen, 2009).

The proposed general accepted definition of CSR is illustrated in a pyramid of four CSR dimensions. Carroll (1991) suggested that the social responsibility of a business encompasses four levels: economic, legal, ethical and philanthropic responsibilities. Economic responsibility refers to the profitability of the organization, while legal responsibility is complying with laws and regulation. As for the ethical perspective, the organization's operation should go beyond the laws to do the right thing in a fair and just ways. Philanthropic responsibility refers to voluntary giving and service to the society.

The society expects all of these responsibilities from a company after its establishment. The pyramid is constructed in a way that each dimension from the bottom needs to be achieved consequently before the upper dimension can be achieved. Figure 1 illustrates the four dimensions in a pyramid of CSR which consist of economic responsibilities as a base, followed by legal responsibilities, ethical responsibilities and philanthropic responsibilities on top. The basic dimensions become foundation to support the advanced dimensions (Zulkifli & Amran, 2006).
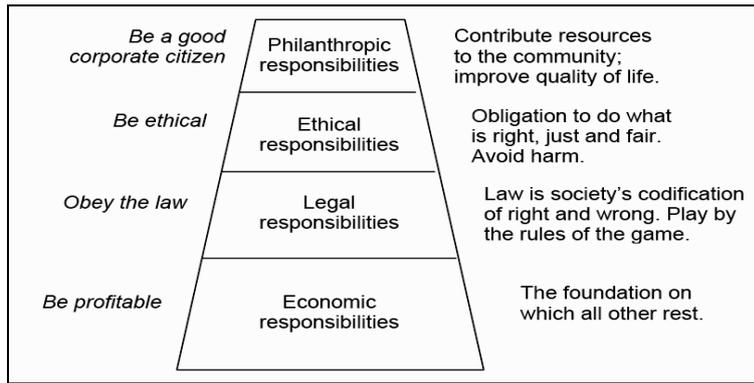
Figure 1. Pyramidal Structure of Corporate Social Responsibility

Source: Bakhsheshy (2007)

Economic dimension is the most basic of social responsibility for companies. It focuses on the production of goods and services and the process of selling them to get profit. Most businesses have become a basic societal, economic unit (Carroll, 1979) by providing job opportunities, a return on investment to owners and shareholders; creating jobs and pay for workers; discovering new resources; promoting technological advancement, innovation and the creation of new products and services (Jamali, 2008).

The second dimension which is the legal dimension refers to fulfilling the economic responsibility according to legal requirements, laws and regulations set out by the federal, state and local government, such as environmental standards, health and safety standards, labor act and taxation act (Abdul & Ibrahim, 2002). From this perspective, society expects companies to fulfil their economic mission within the framework of legal requirements that has been set out by the societal, legal system (Carroll, 1991) that has been regulated by the federal, state and local government. Therefore, a good company needs to bear the law and assimilate it into its operation and management (Carroll, 1998). Another dimension is ethical responsibilities which lists down all activities and practices according to the society's preference and ethical acceptance, although they are not stated in the law. Companies are responsible to be good which extend beyond obedience to the law or beyond the level of acceptable behavior (Carroll, 1999). For example, companies should not sell products that do not meet the production specification which could cause negative effects on consumers' health. Among the four dimensions, ethical dimension is the most difficult dimension for companies to comply, since different societies may have different references and different sets of ethical rules (Carroll 1979, 1991; Dusuki, Maimunah & Yusof, 2008). This means that companies need to consider ethical aspect, in compliance with the law and economic success to be regarded as good corporate citizens.

Philanthropic responsibilities are the upper dimension that covers voluntary corporate actions of the society and of consequence improve their general quality of life (Carroll 1979, 1991, 1998). For example, companies donate to help natural disaster victims, participate in sponsorship programs for the society, provide scholarship for excellent students of low

family income, initiate awareness campaigns; for example, the danger of consuming too much sugar in food and beverage, or set up common facilities such as a general hall or free cybercafés for the benefits of the community.

Generally, it can be concluded that CSR focuses beyond profit making motives which require the companies to consider other aspects such as protecting the environment, caring for employees, being ethical in daily business activities and also improving the society's quality of life. The involvement of companies in CSR has increased over the years, especially when corporations are certain that they will benefit from the CSR activities. Among the benefits that corporations can gain are in terms of better performance, enhanced brand image and reputation of the company, increase in profit, increased ability to attract and retain existing employees which finally lead to distinguish the companies from their competitors (Deegan, 2002).

Hence, execution of CSR would increase the acceptance, value and sustainability of a company and grants 'license to operate'. Society will purchase products or services offered by the company. However, if the company fails to assure its social and environmental responsibility, it will tarnish the company's reputation, where consumers will boycott its products, hijack its operation and eventually will affect the whole system and lead to the closure of the company. This shows that the company loses its 'license to operate'. Notwithstanding the many studies on Carroll's model of CSR, the dimensions, however, have not yet been tested in Malaysia. As CSR is becoming a global trend, there is a need to know whether the Corporate Social Responsibility (CSR) based on legal responsibility, economic responsibility, ethical responsibility and philanthropic responsibility dimensions can increase the profits of companies in Malaysia, specifically for businesses in the software industry. The results of this study will also be useful for business organizations in understanding the CSR activities that they should be engaging in, and it will contribute to the existing literature.

The remainder of the paper proceeds as follows. The next section expounds the research methodology and analysis tools adopted in this study. Research findings and analysis are enumerated in section 3, whilst the final section contains the concluding remarks.

2. Methodology and Analysis Tools

2.1. Research Design

This research uses the Statistical Package for Social Sciences Version 22 in order to study the relationships proposed by the research model and to test the hypotheses. The basis for data collection and analysis is a field study in which respondents answered all items on a five point Likert-scales ranging from 1 (strongly disagree) to 5 (strongly agree). Furthermore, the dimensions used to consider each of the constructs were primarily obtained from prior research. These dimensions provided a valued source for data gathering and measurement as their reliability and validity have been verified through previous research and peer reviews.

2.2. Sample and Respondent

The total number of questionnaires returned was 200 and were considered usable for the data analysis stage. The study aimed to investigate whether the Corporate Social Responsibility (CSR) based on legal responsibility, economic responsibility, ethical responsibility and philanthropic responsibility dimensions can increase the profits of companies in Malaysia, specifically of businesses in the software industry. The study chose employees as its sample to represent respondents. There are several reasons on why the employees are chosen as a proxy to respondents. Employees are considered a valid sample under two conditions, namely the study is exploratory in nature and the items in questionnaires are pertinent to the respondents who answer it. This study met both conditions.

2.3. Survey Instrument and Measurement

This study adopted a questionnaire survey method to investigate whether the Corporate Social Responsibility (CSR) based on legal responsibility, economic responsibility, ethical responsibility and philanthropic responsibility dimensions can increase the profits of companies in Malaysia, specifically for businesses in the software industry. As for the questionnaire development, the instrument is important in order to measure the tested variable that is aligned with the objective of the study. The study adapted the questionnaire which used the forced-choice format and was widely adopted in the literature specifically for testing the Carroll conceptualization of CSR (Ibrahim & Angelidis, 1995; Pinkston & Carroll, 1996; Edmondson & Carroll, 1999; Smith et al., 2001; Ibrahim et al., 2003; Marz et al., 2003; Smith et al., 2004; Angelidis & Ibrahim, 2004; Ibrahim & Parsa, 2005). The questions to test the dimensions of CSR which have been used successfully numerous times in the literature and found to be valid (Edmondson & Carroll, 1999; Angelidis & Ibrahim, 2004) because support the existence and related the four dimensions of CSR. The design of the questionnaire covers all CSR dimensions in the CSR Pyramid structure. Prior to the distribution of questionnaires, a pilot test was conducted to see whether the questions were clear and the language was understandable and as well as to record the time taken by the respondents to answer the questionnaires.

2.4. Research Model and Hypotheses

The major dimensions of this research are established based on previous literature. Figure 2 represents a model for the study that shows the independent variables (legal responsibility, economic responsibility, ethical responsibility and philanthropic responsibility) within the construct of corporate social responsibility and the dependent variable (profits of companies in Malaysian business software industry), and the proposed relationship between them. In order to test the relationship between corporate social responsibility and profits of companies in Malaysian business software industry, the following hypotheses are developed.
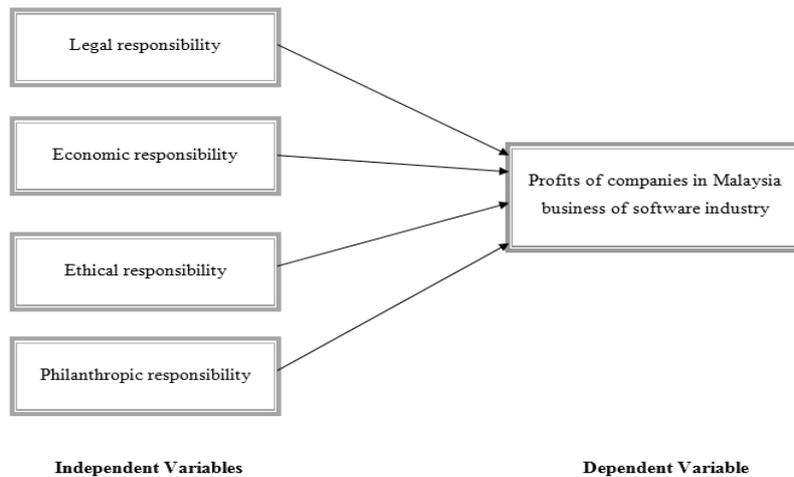
Research Model

Figure 2. Research Model

Source: Adapted from King et al. (2014) & Cheng et al. (2014)

Independent Variables:

The next 4 dimensions of responsibility are referring to Carroll's pyramid of CSR Theory.

Economic Responsibility:

Organizations were created as economic objects intended to provide goods and services to society members. The profit motive was established as the primary incentive for entrepreneurship to make a suitable profit.

Legal Responsibility:

Partly as a fulfilment of the "social contract" between business and society, organizations are expected to chase their economic missions surrounded by the basis of the law, which means all the process and activities need to obey the law.

Ethical Responsibility:

As pointed out by Carroll's pyramid, it is important that good business citizenship be defined as doing what is expected morally or ethically. It is important to identify and respect new or developing ethical, moral norms adopted by society.

Philanthropic Responsibility:

Philanthropy involves those business actions that are in reply to society's expectancy that businesses be good corporate citizens. This includes vigorously engaging in performances or programs to support human well-being or benevolence.

Dependent Variable:

Profit of companies in the Malaysian business software industry is the dependent variable that affected by those 4 independent variables such as economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility. Figure 2 shows the theoretical framework of this study.

Based on Figure 2, four hypotheses are formulated as follows:

H1: There is a significant relationship between legal responsibility and profits of companies in Malaysian business software industry.
H2: There is a significant relationship between economic responsibility and profits of companies in Malaysian business software industry.
H3: There is a significant relationship between ethical responsibility and profits of companies in Malaysian business software industry.
H4: There is a significant relationship between philanthropic responsibility and profits of companies in Malaysian business software industry.

2.5. Summary of Measurement

The key terms of literature reviews related to whether the CSR increase profitability of Malaysian business software companies is summarized as in Table 1.

Table 1. Summary of Measurement for Questionnaire Formulation

No	Variables	Key Terms	Sources	Scale
1	Profits of companies in Malaysian business software industry	Profitability ratios, financial performance, solvency, financial sustainability, net profit, financial statements, economic profit, future profit objectives, efficiency ratios and market value	Ismail & King (2014).	Likert scale
2	Legal responsibility	Legal consciousness, civics education, legal literacy, legal right, Public legal education, law-related education, litigation, litigious culture, legal solution and legal system	Akanbi & Ofoegbu (2012).	Likert scale
3	Economic responsibility	Economic performance, economic growth, systemic stability, stable inflation, output growth, financial performance, long-term financial interests, financial performance indicators, non-financial performance indicators and economic welfare	Okwemba, Chitiavi, Egessa, Douglas, & Musiega (2014).	Likert scale

| 4 | Ethical responsibility | Business ethics, cultural norms, values of a society, societal norms, ethics, organizational ethics, ethical education, ethical standards, public relations and ethical behaviour | Hassan, Nawaz, Shaukat, & Hassan (2014) | Likert scale |
| 5 | Philanthropic responsibility | Donations, charity, accountable behavior, affinity group, asset allocation, fundraising campaigns, governance, fund development, charitable annuity gift and endowment | Siddiq & Javed (2014). | Likert scale |

Source: Adapted from Kearse et al. (2012) & Ting (2016)

3. Result and Discussion

3.1. Descriptive Statistics of Respondents' Profile

This section presents the background of the survey respondents. The summary of the background is laid down in Table 2.

Table 2. Frequency Analysis of Demographic Data

Category	Frequency	Valid Percent %	Mean	Standard Deviation	Min	Max
Gender	200		1.53	0.501	1	2
Male	95	47.5				
Female	105	52.5				
Age (years old)	200		2.68	1.125	1	4
Below 21	41	20.5				
22 – 25	46	23.0				
26 -29	50	25.0				
Above 30	63	31.5				
Citizenship	200		1.49	0.501	1	2
Malaysian	103	51.5				
Non-Malaysian	97	48.5				
Education Qualification	200		3.111	1.383	1	5
Secondary and below	34	17.0				
A-levels	37	18.5				
Professional	45	22.5				
University Degree	42	21.0				
Post Graduate	42	21.0				
Working experience	200		2.54	1.046	1	4
Less than 2 years	38	19.0				
3 - 5 years	62	31.0				
6 - 9 years	54	27.0				
10 years and above	46	23.0				
Monthly Income (Ringgit Malaysia RM)	200		3.52	1.802	1	6
Below RM2,000	39	19.5				
RM2,001 - RM3,000	31	15.5				
RM3,001 - RM4,000	28	14.0				

RM4,001 - RM5,000	30	15.0				
RM5,001 - RM6,000	33	16.5				
Above RM6,001	39	19.5				

Source: SPSS Output

In total, females represent 52.5% of the respondents, whereas males represent 47.5%. Respondents were divided into four age categories: below 20, 22 to 25 years old, 26 to 29 years old and above 30. The majority of the respondents (31.5%) were above 30 years old during the survey period, whereas those respondents who were below 21 years old were the minority. Malaysian represents the highest percentage of the total respondents, followed by Non-Malaysian. As for the academic qualification of the respondents, they ranged from Sijil Pelajaran Malaysia (SPM) / O-level to degree and above and the majority of the respondents (22.5%) held at least a professional qualification, which indicates that the majority of the respondents should have some idea about CSR. For working experience, about 31% working experience of employees in Malaysia business software industry majority are 3-5 years, minority of 19.0 % are less than 2 years' experience, and this means that most of the people who filled the questionnaires of this study have experience of around 3-5 years. Malaysia business software industry requires skills and IT experts. It is therefore vital for employees to have experience in both engineering software and hardware. Most of 19.5 % monthly income of employees in Malaysian business software industry is above RM6,001, minority of 14.0 % are RM3,001 - RM4,000, this means that the majority of the chosen employees earns more than RM6,001. There are more well paid IT employees as compared to lesser paid IT employees. The std. error of mean for 6 demographic questions of gender, age, citizenship, education qualification, working experience and monthly income are all lower than 0.1 which means the questionnaires are able to trust and use.

3.2. CSR Dimensions of Pyramid Structure in Malaysian Business Software Industry

Below is the mean score of the four dimensions under Corporate Social Responsibility of pyramid structure in the Malaysian business software industry.

Table 3. Mean Score of the Four Dimensions

Dimension	Mean Score	Rank
Legal responsibility	4.1705	3
Economic responsibility	4.1845	2
Ethical responsibility	4.2055	1
Philanthropic responsibility	3.9365	4

Source: SPSS Output

This study intends to identify the ranking of CSR dimensions of Pyramid Structure in Malaysian perspective, specifically business software industry as a whole on the concept proposed by Carroll (1979, 1991). The concept has proposed that the economic responsibility dimension is the most important and followed by legal responsibility, ethical responsibility and philanthropic responsibility. Aupperle (1984 as quoted in Smith et al., 2001) has assigned a value of importance to each dimension where the economic responsibility dimension with 4 points, legal responsibility dimension with 3 points, ethical responsibility dimension with 2

points and philanthropic responsibility dimension with 1 point and the accumulated points of all dimension is 10. However, so far, none of the current studies have reached this optimum ranking of dimension (please refer Table 3). The mean score of each dimension was calculated by averaging the total points given by the respondents on each statement that represents the CSR dimension. It shows that the ethical responsibility is considered as the most important dimension, followed by the economic responsibility, legal responsibility and philanthropic responsibility dimension.

3.3. Reliability Test

The reliability test result for CSR dimensions and profits of companies in Malaysian business software industry is summarized in Table 4.

Table 4. Reliability Test

Variable	Cronbach's Alpha	N of Items
Dependent variable: Profits of companies in Malaysian business software industry	0.865	10
Legal responsibility	0.888	10
Economic responsibility	0.843	10
Ethical responsibility	0.764	10
Philanthropic responsibility	0.723	10

Source: SPSS Output

Table 4 analyses the Cronbach's Alpha value of the profits of companies in Malaysian business software industry is 0.865, this means the terms to measure profits of companies in Malaysia business software industry are reliable; the Cronbach's Alpha value for legal responsibility is 0.888, this means the terms to measure legal responsibility are reliable; the Cronbach's Alpha value of economic responsibility is 0.843, this means the terms to measure economic responsibility are reliable; the Cronbach's Alpha value of Ethical responsibility is 0.764, this means the terms to measure Ethical responsibility are reliable; the Cronbach's Alpha value of philanthropic responsibility is 0.723, this means the terms to measure philanthropic responsibility are reliable. Terms similar to past researchers when measuring legal responsibility are concerned as lawful obligations or the authorization commitments (Cheng et al., 2014); economic responsibility is determined as the financial or monetary requirements as well as the obligations of the company (Chin et al., 2013); ethical responsibility is studied and analyzed with regard to the moral standards of the company (De-Bakker, 2016); philanthropic responsibility are considered as the charitable strategies or commitments of the business (Dagiliene, 2015); and profits of companies in Malaysian business software industry are addressed in terms of business success and development (Deng et al., 2013).

3.4. Pearson Correlation

According to Bates et al. (2014), Pearson Correlation studied on the determinants of profits of companies in Malaysian business software industry by interpreting the variables using statistical data and findings; an actual, the results ensured the existence of a positive relationship between all the variables investigated in the study.

Table 5. Pearson Correlation
Correlation Coefficients of Variables

		Profit of companies	Legal responsibility	Economic responsibility	Ethical responsibility	Philanthrophic responsibility
Profit of companies	Pearson Correlation	1	.891**	.854**	.850**	.828**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	200	200	200	200	200
Legal responsibility	Pearson Correlation	.891**	1	.916**	.914**	.885**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	200	200	200	200	200
Economic responsibility	Pearson Correlation	.854**	.916**	1	.945**	.886**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	200	200	200	200	200
Ethical responsibility	Pearson Correlation	.850**	.914**	.945**	1	.890**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	200	200	200	200	200
Philanthrophic responsbility	Pearson Correlation	.828**	.885**	.886**	.890**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS Output

Summaries of analysis were shown in Table 5. At first, multicollinearity would be considered in order to ensure that the independent variables used in this study did not have a high correlation among one another. Large variance inflation factor (VIF) values (a usual threshold is 10.0) indicate a high degree of multicollinearity among the independent variables (Dielman, 2005). Table 5 illustrates the correlation coefficients among the variables. In correlations Table 5, the higher the correlation the independent variable to the dependent variable, the higher influence it is. In other word, the proportion of the Pearson correlation coefficients is the proportion of the comparative prognostic influence of the independent variables. In Table 5, legal responsibility has the highest correlation 0.761, followed by economic responsibility 0.740, ethical responsibility 0.679 and finally philanthropic responsibility 0.652. Legal responsibility characteristic has the most important influence on profit of companies, because it gets the highest correlation coefficient to profit of companies in Malaysian software business industry. Overall, the profit of companies had a positive linear relationship with the legal, economic, ethical and philanthropic ethical responsibilities.

3.5. Multiple Linear Regression

With regard to multiple regression analysis, the results are shown in Table 6.

Table 6. Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898[a]	.806	.802	.34240

a. Predictors: (Constant), philanthrophicresponsbility, legalresponsibility, economicresponsibility, ethicalresponsibility

b. Dependent Variable: Profitofcompanies

Source: SPSS Output

According to Table 6, the multiple *R* was equal to 0.898 which was close to 1. It was indicated that there was a positive linear relationship between profit of companies and dimensions of CSR as legal, economic, ethical and philanthropic responsibilities. The multiple coefficient of determination R square is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. It found that the value of R square is equal to 0.806 or 80.6%. The adjusted R square, also called the coefficient of multiple determinations, is the percent of the variance in the dependent variable explained uniquely by the independent variables. The adjusted R square is equal to 0.802 or 80.2%. This indicated that profit of companies could be explained by four dimensions of CSR, about 80.6%. It also depicts that a positive and strong relationship between variables legal responsibility, economic responsibility, ethical responsibility, philanthropic responsibility and profits of companies in Malaysian business software industry. This result is aligned with the Pearson correlation test as stated in Table 6, affirming the significant relationship between proposed variables. The *R* square (coefficient of determination) is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. According to the model summary, *R* square is equal to 0.806, which is less than 1. This indicates that there is a weak linear relationship between variables legal responsibility, economic responsibility, ethical responsibility, philanthropic responsibility and profits of companies in Malaysian business software industry. Approximately 80.6% of variance in all the CSR dimensions can significantly explain profits of companies in Malaysian business software industry. The finding suggests that aside from CSR dimensions, there are many other factors that might also influence the profits of companies in Malaysian business software industry such as product characteristics, pricing strategy, marketing and promotions and the availability of substitutes. You (2015) supported this result is caused by the fact that companies fulfilling their responsibilities are able to maintain an effective brand image and reputation in the market. Somo (2013) supported this result is caused by the reason that companies are striving hard to meet their responsibilities and obligations as it can help in maximizing the profit. Borzaga & Depedri (2014) supported this result is caused by the fact that the fulfillment of the responsibilities in a company can play a major role in improving the perception of stakeholders.

ANOVA table for regression is shown as in Table 7.

Table 7. ANOVA

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95.092	4	23.773	202.781	.000a
	Residual	22.861	195	.117		
	Total	117.953	199			

a. Predictors: (Constant), philanthrophicresponsbility, legalresponsibility, economicresponsibility, ethicalresponsibility

b. Dependent Variable: Profitofcompanies

Source: SPSS Output

An analysis of variance (ANOVA) is used to test whether there is a significant linear relationship between the combination of the four CSR dimensions and profits of companies in Malaysian business software industry. According to Table 7, In connection with the F-statistic (F-Value = 202.781**), the overall model could account for the dimensions CSR that had the effect on profit of the companies. In other word, the *p*-value is .000, indicating that the four CSR dimensions such as legal responsibility, economic responsibility, ethical responsibility, philanthropic responsibility significantly influence the profits of companies in Malaysian business software industry. This shows that the overall model was significant.

The coefficients table for a regression model is shown as in Table 8.

Table 8. Coefficient

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	.120	.143		.836	.000		
legalresponsibility	.583	.086	.605	6.802	.000	.842	9.961
economicresponsibility	.131	.105	.132	1.245	.000	.528	6.386
ethicalresponsibility	.078	.107	.078	.731	.000	.312	5.819
philanthrophicresponsbility	.119	.086	.106	1.386	.000	.424	6.113

a. Dependent Variable: Profitofcompanies

Source: SPSS Output

The beta coefficients give the rate of a standard deviation change in the dependent variable (profit of companies) that was produced by a change of the independent variables (CSR dimensions). A coefficient table is another important table to explain the relationship between the four CSR dimensions and profits of companies in Malaysian business software industry. Based on the significance (Sig.) column in Table 8, the *p*-value for each CSR dimension is less than 0.05, which indicates that all the CSR dimensions have a significant relationship with profits of companies in Malaysian business software industry. In Table 8, the unstandardized beta coefficient is used for the values of the numbers in the linear regression equation. Theory explains that a higher beta value indicates a greater impact of the

independent variable on the dependent variable. The independent variable (CSR dimensions) can be ranked according to the magnitude of the beta coefficient to determine which dimension has the most significant impact on profits of companies in Malaysian business software industry. These figures of the unstandardized beta coefficient are also used to formulate the multiple linear regression equation. The multiple regression equation takes the form of $Y = \beta_0 + \beta_1 (X_1) + \beta_2 (X_2) + \beta_3 (X_3) + \beta_4 (X_4) + \varepsilon$. The β represents the regression coefficients, representing the amount that dependent variable Y changes when the corresponding independent variable changes by 1 unit. The β_0 is the constant, where the regression line intercepts the y axis, representing the amount of the dependent y when all of the independent variables are 0. The ratio of the beta coefficients is the ratio of the relative predictive power of the independent variables.

Therefore, the multiple regression equation of this study is:

Profits of companies = 0.12 + 0.583 Legal Responsibility + 0.131 Economic Responsibility + 0.078 Ethical Responsibility + 0.119 Philanthropic Responsibility.

Based on the result obtained, the legal responsibility attributes has the most significant impact on profits of companies in Malaysian business software industry, as it has the highest beta value, followed by economic responsibility, philanthropic responsibility and, finally, ethical responsibility. This variable of legal responsibility with largest standardized beta coefficient at a value of 0.583 has the highest impact towards the profits of companies in Malaysian business software industry, as a change in variable legal responsibility by 10% will cause profits of companies in Malaysian business software industry to change by 58.3 % (Brief et al., 2016; Carmichael & Graham, 2012; Galvin & Liao, 2014). The priority on CSR dimensions in Malaysia was different from Carroll's pyramid. Carroll (1979) suggested that for business institutions, economic responsibility is their most basic responsibility, followed by legal responsibility, ethical responsibility and philanthropic responsibility. However, this finding is in line with the study by Maignan (2001), who found legal concerns to be the most important responsibility of corporations. Malaysians seem to view CSR priority differently from other nations. Legal responsibility was still the basic utmost priority preferred. However, they ranked economic responsibility as the second most important responsibility compared with legal responsibility as suggested by Carroll, and legal responsibility was ranked last, as opposed to philanthropic responsibility, as in Carroll's pyramid. It can be concluded that the dimension of CSR, legal responsibility, contained the most positive influence on profit of companies (B = 0.583**) which led to the approval of hypothesis 1, followed by the economic responsibility (B = 0.131**) which led to the approval of hypothesis 2, followed by the economic responsibility (B = 0.131**) which led to the approval of hypothesis 3, and lastly followed by the ethical responsibility (B = 0.078**) which led to the approval of hypothesis 4. Involving the VIF, it was found that the values were 9.961, 6.386, 5.819 and 6.113 respectively, which were under 10. Thus, multicollinearity problem was not being quiet serious.

3.6. Assessing Assumptions of Multiple Linear Regression (MLR) Model for Profits of Companies in Malaysia Business Software Industry

Assumptions of MLR model for profits of companies in Malaysian business software industry are assessed by the residual values along with the R-square value as it can measure the strength of association with which two or more than two variables are related to each other; however, it has been further noted that variables can relate with each other with the end goal of explaining the factors of CSR accountable of business profit and success specifically with regard to the case of Malaysian business software.

Multicollinearity is the statistical test that facilitates in measuring the high correlation between two or more than two predictor variables through carrying out the model regression. Tolerance and variance inflation factor (VIF) statistics access multicollinearity by evaluating the regression findings that are obtained in terms of model summary table, ANOVA table and coefficient table.

Collinearity in Table 8 analyses that out of all four independent variables, none of them have a tolerance value less than 0.10 which means that no serious multicollinearity problem is related to the research variables including all independent and dependent variable. It has been further noted that predictor variables can relate to the estimated model which is fit. Methods to check assumptions of definition of profits of companies in Malaysian business software industry is by tabulating P-P plot and Q-Q plot, as it helps in determining whether the dots indicating data distribution fall on normality line and whether these dots are in line with the threshold of a range.

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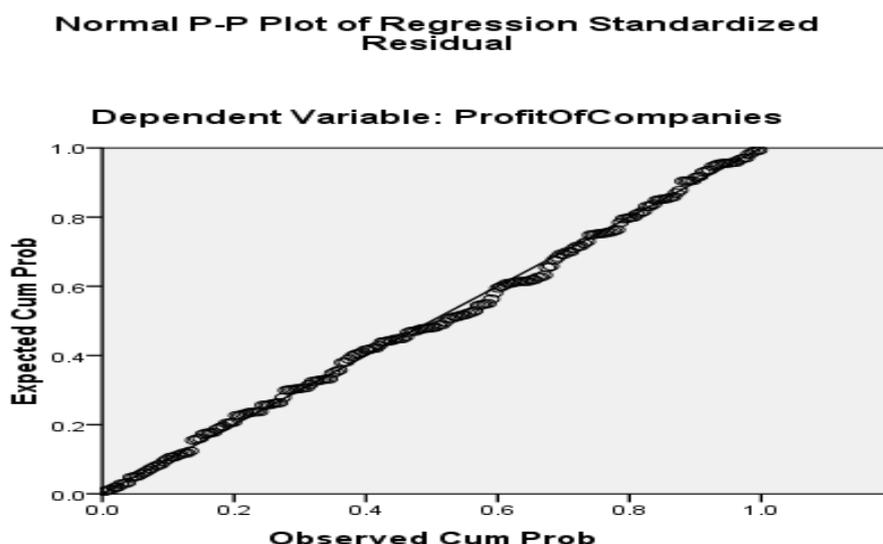

Figure 3. P-P Plot Normality Test
Source: SPSS Output

Most of the points fall on the theoretical normality line as shown in Figure 4 plot means that data collected for this study through circulating questionnaires among chosen respondents has no multicollinearity problems specifically between the predictors and the final model, reasonably explained that in the existing study estimated multiple regression model is fairly a good and has assumptions of normality, equality of variance and linearity aligned indicating the effective and linear distribution of the responses recorded throughout the questionnaire survey (Goss & Roberts, 2011).
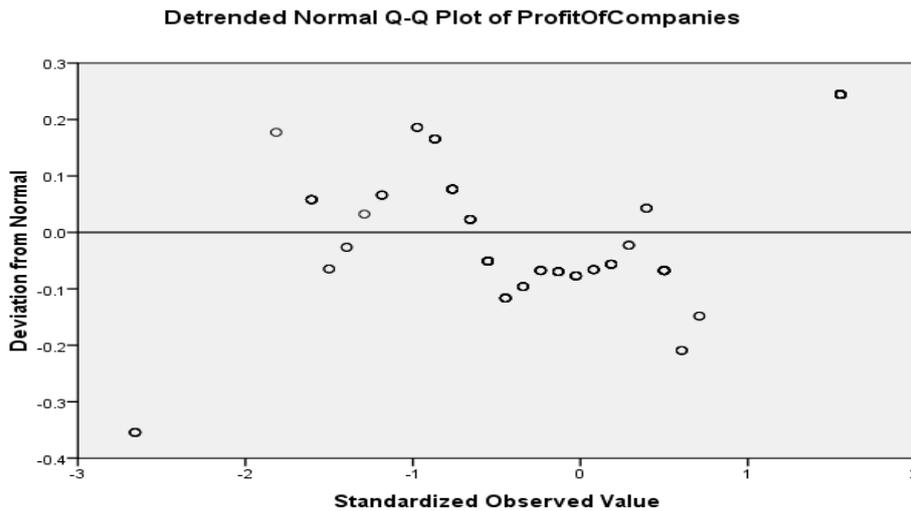
Figure 4. Q-Q Plot Linearity Test
Source: SPSS Output

Figure 4 Scatterplots (Q-Q plot) on profits of companies in Malaysian business software industry means that the information extracted through surveying the chosen participants notified that almost all the points or observations obtained in terms of responses are found to fall within the ± 0.4 threshold value showing no error or missing value, the residual error in the accumulated data is negligible, which shows the existence of strong data distribution and error division specifically among the responses of the participants who took part in this study (Khan et al., 2013).

4. Conclusion

This paper provides evidence that CSR is seen as important and relevant from the view of Malaysian perspective. Therefore, the researcher intends to highlight on the impact of corporate social responsibility on the profits of companies in Malaysian business software industry. Based on a 200 sample, the study tested their perception on the CSR element by Carroll (1979). This element which is famously known as the pyramid of CSR is basically presented by four dimensions, namely, economic, legal, ethical and philanthropic dimensions in their respective order of importance. However, the ranking of dimensions was slightly different from the ranking in the Pyramid of CSR. Despite increasing economic development, Malaysia has a strong uphold of traditions and respect for customs and social values and this may have contributed to the differences of CSR dimension ranking. While Malaysian stakeholders do not deny the importance of good ethical responsibility besides economic achievement for a company, they also perceived that a company must respect the

sensitivity of the society and take part in social contributions. CSR also can be seen as one of the business opportunities as to maintain successful business operation. For academicians, this research makes a contribution to understanding the underlying dynamics of the vitality of corporate social responsibility dimensions towards the profits of companies in Malaysian business software industry. The result of this study indicates that all of the CSR dimensions have a significant relationship with the profits of companies in the Malaysian business software industry. However, the limitations of this study must also be considered. The major limitation relates to the sample. With only 200 usable respondents, this sample size might limit the external validity of the findings. The number of respondents should be extended for future research to improve the validity of the findings. Managers should also note that Malaysian consumers have clearly indicated their ranking on the most preferred CSR activities that need to be engaged by the corporations, and the ranking seems to be quite different from the findings in other nations. Based on the finding of this study, managers could use the information to develop effective marketing communications that provides details about how their companies have engaged in corporate social responsibility activities. The type of CSR activities that should be engaged by the corporations should preferably be based on the priority indicated in the finding of this study, where the legal responsibility attributes has the most significant impact on profits of companies in Malaysian business software industry followed by economic responsibility, philanthropic responsibility and, finally, ethical responsibility. However, companies that promote themselves as socially responsible need to be prepared to deal with criticisms of any irresponsible behavior they are seen as committing, as information travels within seconds in this information technology era. In addition, for public policy makers, this study suggests an important opportunity to encourage the engagement and disclosure of CSR activities among all types of business holdings, as the findings suggest that CSR dimensions have a significant relationship with the profits of companies in the Malaysian business software industry. Although it has been made mandatory for the public listed companies in Malaysia to disclose at least a statement on their CSR activities, not much has been done to address the CSR activities' disclosure on other types of business holdings. Policy makers could use the findings from this research to set minimum standards for CSR compliance by corporations, whether regulated or voluntary. Corporations in turn could benefit from the consumer support, which has the reciprocal effect of an increase in reputation and brand image and an increase in the ability to attract institutional investors. All of these effects will definitely produce short-term and long-term corporate performance, as desired by all corporations. Empirical evidence on CSR dimensions, profits and CSR policy for Malaysian business software industries can be advanced by scholars; from the findings of this study. This is so because a good CSR strategy can contribute to profitability and sustainable competitive advantage. It is essential to adopt longitudinal approaches. Longitudinal approaches should be adopted in order to analyze the effect of CSR dimensions on firm profitability performance over several rounds.

5. Acknowledgements

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