

# The need of Corporate Social Responsibility (CSR) Implementation in Energy Industry: Proposition Development

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**Abstract:** *Paper Corporate Social Responsibility (CSR) or namely corporate sustainability program is an activity involving organization with the community, environment, workplace and marketplace. In mean time, CSR is supporting the organization to enhance the business performance. In addition, CSR as an internal organizational policy and as a business strategy which conjunction with various industries in word wide. Some organization considered CSR as form of corporate self-regulation. CSR could be as a self-regulating business model that helps a company be socially accountable by looking at several perspectives such to the organization itself, organization stakeholders, and the public. In other hand, the organization practicing CSR also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society including economic, social, and environmental. CSR is titled to aid an organization's mission as well as serve as a guide to what the company represents for its consumers. However, different industries have different strategy on enhancing the CSR program to suit the organization purposes. However, CSR at energy industry extends beyond its core mission. It believes in empowering the community, greening the Nation, nurturing a vibrant workplace as well as setting standards in the marketplace. Due to that, this research paper to examine the impact of CSR implementation in energy industry throughout qualitative approach in power generation industry located in Malaysia.*

**Index Terms:** *Corporate Social Responsibility (CSR), Energy Industry, Sustainability.*

## I. INTRODUCTION

Nowadays, the needy of CSR program in organization is extend to various industry around the world. Commonly, the CSR program is the contribution of the organization to the society and it involves with both parties during the implementation phase. CSR also called corporate sustainability, sustainable business, corporate conscience, corporate citizenship or namely as responsible business and it was form as corporate self-regulation. In addition, it was possible to describe CSR as an internal organizational policy or a business strategy, that time has passed as various international laws have been developed and various organizations have used their authority to push it beyond individual or even industry-wide initiatives. Inspire from CSR benefits and advantages, the organization around the world start develop the CSR program.

The CSR program adopt and adapt from various industry

**Revised Manuscript Received on June 7, 2019.**

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such as manufacturing industry, heavy industry, automobile industry, electrical and electronic industry and energy industry. Without further argue, energy industry supporting the national need. In facts, the energy industry has continuously recognized the importance of a secure energy supply, as an essential element for national economic development and ensuring the continued growth of a sustainable trade and industry. In Malaysia, the energy sector manages and control by the Energy Commission (EC). The Energy Commission was established under the Energy Commission Act 2001 purposely to enhance supply security as well as improve efficiency and quality in the energy sector. According to Datuk Ir. Ahmad Fauzi Hasan who is EC Chief Executive Officer (CEO), the Energy Commission is honored to play a role in guiding the sector in Malaysia as we steer it towards world class standards.

In light of the current state of the global energy sector, it would be opportunistic for policy makers, regulators and industry players to come together and strategies how to reach out for a win-win resolution for all. The industry key players must continue to exert all efforts towards balancing the needs of the economy, people and the environment in forging ahead towards a sustainable and secure energy industry. It is also desirous that manage risks well, taking all necessary action to preserve our resources for the future endurance and sustainability of our economic development. In solving this issues and challenges, CSR is the tools in establishing and medium to meet the industry expectation. CSR program involves with all parties including society, industry key players, regulatory, society and stockholder. According to Tai and Chuang (2014), corporate governance, corporate commitment, social contribution and environment are the main elements implementation the CSR program. Critically, throughout CSR program, it develops long-term sustainability for corporate success by meeting various need such as stockholder, environment, workers and suppliers. However, there is need to highlight the priority and the impacts of CSR program implemented in energy industry. Therefore, this paper will evaluate and measure where there are critical elements could impact the CSR program implementation in energy industry.

TNB JanamanjungSdnBhd (TNBJ), through the deployment of the most modern clean coal technologies, meets the stringent environmental standards set by the World Bank and Malaysia's Department of Environment. Before its construction, a thorough environmental impact assessment was carried out to protect and conserve the surrounding flora and fauna of the mangrove.



The plant uses low NOx burners, desulphurization facility and electrostatic precipitators to keep NOx and Sox emission low. Further, in line with its motto “Technology in Harmony with Nature”, the power plant is further equipped with a smart weather-based coal dust suppression system for the coal stock yard, management representing the first of its kind in the country. Being a responsible corporate organization, TNBJ has carried out a lot of Corporate Social Responsibility (CSR) Programs especially involving the local community, the Manjung District as well as the Perak State. This in a way is a major factor in the good relationship that TNBJ has been enjoying with the community and the stakeholders. In August 2013, TNBJ won two categories in ASEAN Coal Awards – i) Corporate Social Responsibility (CSR): “TNBJ’s CSR – Station in Harmony with Community” and ii) Special Project: “TNBJ Quality Journey to PAS55 Certification”. In April 2014, March 2015 and April 2016, TNBJ also won awards in Global CSR Summit and Awards in Indonesia namely Product Excellence Award, Best Environmental Excellence Award and CSR Leadership Award and Best Workplace Practices. Due to that, there is need to investigate the sustainability and impacts of CSR program implemented by the energy sector.

## II. LITERATURE REVIEW

Recently there is huge topic represent the sustainability energy philosophy and concepts. In such areas, the sustainability in energy covers in many areas as well (Kamil, 2016). Besides, technologies promote sustainable energy including renewable energy sources, such as hydroelectricity, solar energy, wind energy, wave power, geothermal energy, bioenergy, tidal power and also technologies designed to improve energy efficiency. In total, energy industry supports the national growth of the country (Akma, 2016, Maran, 2015). Besides, due to economy wave and demand, it would be a challenger ensuring the organization competitive and sustain enough. In achieving the organization and community need, the sustainability wording frequently applied in describe the phenomena specifically. Sustainability is the process of maintaining change in a balanced fashion, in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations (Kates, 2001). In such line, the sustainability is defining the relationship between economic, social, environment and culture. Facing with the global market challenge, most of the organization establish their mechanism and methodology in order to maintain relevant and competitive.

According to Kuhlman and Farrington (2010), sustainability as a policy concept has its origin in the Brundtland Report of 1987. The report described the aspirations of mankind towards a better life on the one hand and the limitations imposed by nature on the other hand. In the course of time, the concept has been re-interpreted as encompassing three dimensions, namely social, economic and environmental. Meanwhile, Matthew (2017), define the sustainability environment describe a state in which the demands placed on the environment can be met without reducing its capacity to allow all people to live well, now and

in the future. Therefore, sustainability in CSR program at energy industry is defining as process on maintaining supply energy demand to the country meanwhile the organization implement support activities in ensuring positive outcome to the surrounding; community, employees, environment, consumer and stockholder. As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employee and corporation; they can boost morale; and can help both employees and employers feel more connected with the world around them. Due to that, CSR become worldwide issues with demand by the community (Harjoto, Laksmana& Lee, 2015). Therefore, there is need of sustainable development in supporting the CSR program to ensure the activities is fulfilling the environment need. In addition, the organization start developing the sustainability program and comprise with sustainability development.

As supported by the most researchers, the key feature of sustainable development is that it comprises three elements: Environment, Society, Economy. Otherwise, the three elements described as Ps: Planet, People, Profit. All three, in no particular order, are balanced so that one doesn’t destroy another (Singh & Kaur, 2016; Tai & Chuang, 2014; Porter & Kramer, 2006). Meanwhile, some of the researcher agreed that the sustainable development is a dynamic process which enables people to realize their potential and improve their quality of life in a way which simultaneously protects and enhances the earth’s life support systems (Lozano, Carpenter & Huisin, 2015; Hansen & Wethal, 2014; Widok, 2009). Sustainability development become crucial part because this process become an indicator to the successful of the sustainability program. Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own need. In basis, the concept of sustainable development can be interpreted in many different ways, but at its core is an approach to development that looks to balance different, and often competing, needs against an awareness of the environmental, social and economic limitations we face as a society. In addition, development is driven by one particular need, without fully considering the wider or future impacts. In other view, already seeing the damage this kind of approach can cause, from large-scale financial crises caused by irresponsible banking, to changes in global climate resulting from our dependence on fossil fuel-based energy sources. The longer unsustainable development, the more frequent and severe its consequences are likely to become, which is why we need to take action now.

Definitely, CSR is a process with the aim to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered stakeholders (Singh & Kaur, 2016). However, some investor interoperated CSR as organization investment strategy to strengthen the financial performance. Investor claimed that, CSR is a broad concept that can take many forms depending on the company and industry (Du, Bhattacharya & Sen, 2010; Mele, 2008; McWilliams,



Siegel & Wright, 2006). Through CSR programs, philanthropy, and volunteer efforts businesses can benefit society while boosting their own brands. Looking at the energy industry, the top management for the organization also implement the CSR program. The organization realize, the energy industry is the importance of a secure energy supply, as an essential element for national economic development and ensuring the continued growth of a sustainable trade and industry.

In facts, the social responsibility is a responsibility and obligation to protect, foster, increase and enhance the benefit of stakeholders and social people. CSR also was called corporate citizenship. Most corporations establish code of ethics, Johnson-Johnson is one of them and it is a norm model According to Chen (2011), accountability, transparency, competitiveness, and responsibility are the core component for the CSR and throughout this core, companies taking accountability and transparency as priority would strengthen their competitiveness and generate responsibility and in turn lead to CSR. Esen (2013) explained the organization brand increase through CSR activities which is more comparative and attractive. Theoretically, the conceptual overview of CRS is to boost up the understanding of CSR within the context of international business and confirmed to the necessity that arises from the effects of CSR actions in international business as well as suggested it could be used as a tool for the teaching courses on either international business or corporate social responsibility Gonzalez-Perez (2013).

Malaysia is quite well endowed with conventional and renewable energy resources. As at 2014, Malaysia's oil reserves stood at 5.79 billion barrels, 40.4% of which is found in Peninsular Malaysia. Natural gas reserves of the country are estimated to be at 100.6 trillion standard cubic feet with more than 50.0% located in the Sarawak basin. Coal reserves of about 1,938 million tonnes are mostly located in Sarawak and Sabah. Malaysia has quite a vast hydropower potential resources with total capacity of about 29,000 megawatts, most of which is found in Sarawak. Palm oil, wood and agro-industrial wastes are the main sources for biomass. Malaysia's total primary energy supply was about 90,730 kilo tonnes of oil equivalent (ktoe) in 2013. Natural gas contributed the largest share at 44.1% (39,973 ktoe), followed by oil at 36.4% (33,003 ktoe) and coal at 16.6% (15,067 ktoe). Meanwhile, other resources including hydro provided a minimal share of 3.0% (2,688 ktoe) to the primary energy supply. Malaysia also exports energy products, mainly crude oil and petroleum products, LNG and natural gas totalling 51,899 ktoe in 2013. Malaysia is the second-largest exporter of LNG in the world, and the second-largest producer of crude oil and natural gas in Southeast Asia. In the same year, energy imports stood at 50,968 ktoe.

TNB JanamanjungSdn. Bhd. (TNBJ), a wholly-owned subsidiary of Tenaga Nasional Berhad (TNB) was incorporated in 1996. Located on a man-made island in Manjung District, Perak, the total land area of 325 hectares comprises of plant facilities, coal yard, 25-year ash pond and reserve land. The design of TNBJ is suitable for base-load operation with high availability, reliability and ability to participate in system frequency regulation in compliance

with the Malaysian and approved international standards to operate safely and economically whilst conserving the surrounding nature. Out of the 21,628MW installed capacity-of which 11,363MW is contributed by TNB – Perak state is the largest electricity power producer in Peninsular Malaysia. In future, Perak will continue to be the largest electric power producer with 30% of power generation capacity in Peninsular Malaysia. TNB Janamanjung generates 3,100MW of electricity from its three units of 700MW and one unit of 1,000MW coal-fired power plant. The three units of 700MW are known as Generating Facility 1 (GF 1) and the 1,000MW unit is known as Generating Facility 2 (GF 2) or Manjung 4. GF 1 project was started in 1999 and launched by the Sultan of Perak in 2005. On the other hand, Manjung 4 began its commercial operations on 14th April 2015.

Realizing the criticality of TNBJ to the nation growth, the CSR program was planned and implemented for many years. As discussed, the CSR program is essential to the energy sector which is give significant impact to the country economic growth, there are need to carry deep research in this industry. Sustainability of CSR program is critically important to ensure the continuity of CSR factors in Corporate Governance, Corporate Commitment and Social Contribution. The essential factors must be determining and evaluate in deep scrutinize to ensure the CSR program is effective and give big contribution to the organization.

### III. RESEARCH DESIGN AND METHODOLOGY

As described by Berg (2001), the chosen of qualitative method and quantitative method on doing research by the researcher depends on the research purpose. Mark (2015) and Berg (2001) agreed that the qualitative research subjected to the process of understanding the meanings, conceptions, meanings, characteristics, descriptions, signs and codes and explanations of things. Supported by Snape and Spencer (2003), qualitative method research is more specified where the research is more representational, realistic and extremely extra to life approach by anxious with understanding the community phenomena and social life meaningfully. Therefore, this research conducted in qualitative method which is intent to explore and understand the environment in total. Figure 3.1 represent the research design for this research. This research design identifies how the researcher will conduct the research for this case study. The processes of research design slightly offer the solution to cater the research problem (Babbie & Mouton, 2002; Bryman & Bell, 2007; Burns & Grove, 1993; Leedy, 2001; Ritchie, 2001)

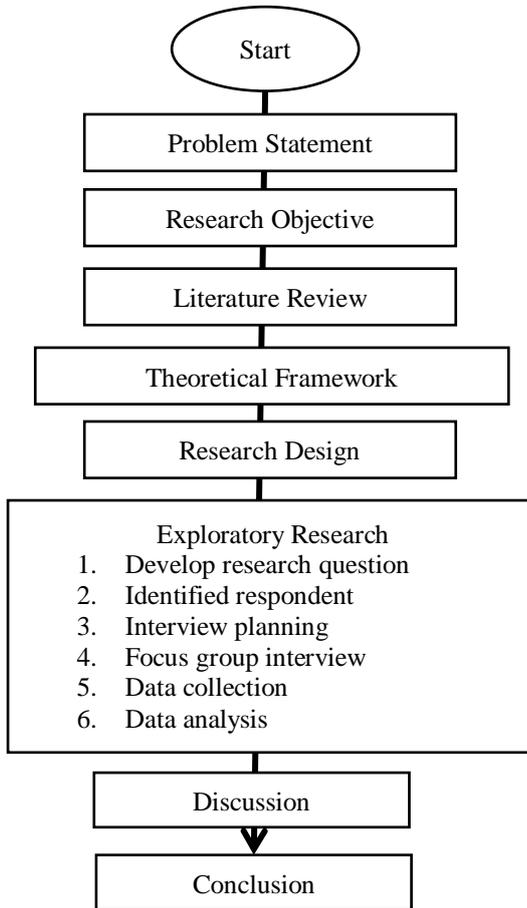


Fig. 1: Research design

As mentioned before, this research conducted in qualitative approach. The data has been collected through the structured question in examine the factors influence the implementing CSR in energy industry. Refer to previous literature, there is four major elements evaluating the CSR performance which are Corporate Governance, Corporate Commitment and Social Contribution. Therefore, highlighted factors will be applied to measure the successful of CSR implementation which gives significant impact to the business performance in the context of energy industry. The research hypothesis was developed purposely to explain the correlation stated in the research objective which consist of concepts. The research hypotheses purposely develop to carry out the deep research which is explaining below:

- Proposition Development 1: The Corporate Governance influence the CSR activities which affect the business performance.
- Proposition Development 2: The Corporate Commitment contribution for the CSR activities not gives the significant impact to the business performance.
- Proposition Development 3: The Social Contribution through CSR activities not give significant affects to the business performance.

The research was developed the structured question by referring, adapting, and adopting from the previous literature. The variables for this study is Corporate Governance, Corporate Commitment, Social Contribution and Environment Factors. Research question and research objective was established to ensure this study meet the objective and goals. Figure 3.2 represent the theoretical framework which consist

with proposition for this research.

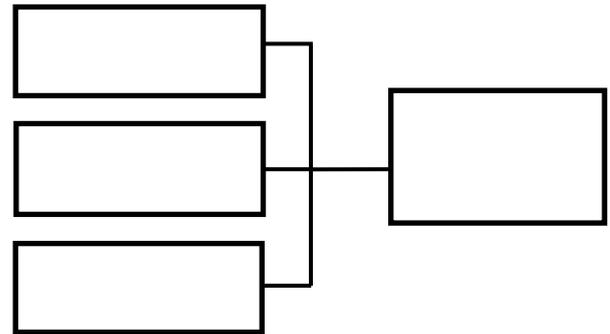


Fig. 2: Propositions Development for this study

This research was carried out at one of the Independence Power Producer (IPP) located in Peninsular Malaysia. Recorded that, this power plant supply about 25 percent of the total demand to the grid system. As the largest power plant, 600 employees were attached at several field such as operation, maintenance, human resources, support service and security. For the pilot study, the question was distributed to the selected person in managerial level attached to the organization and aware on organization CSR program. The set of question was distributed through email to selected person. It takes about 30 to 45 minutes to answer all the structured questions. End of the day is about 6 employees at managerial post was return the question script. The data was kept as confidential and the tools for data analysis was selected accordingly.

The data linkage objectively elaborates the relationship between the research question, interviewee and the justification of the research question. Babbie and Mouton (2001), suggested the qualitative study consistency can be negotiated and compromised during the session. Reliability includes with the spectator prejudice related on the asking difficult questions and misunderstandings of the respondents. Besides that, researcher must consider on the way of asking questions to which respondent no idea to answers the questionnaire or statement. Babbie and Moutan (2001), also guide the researcher on misinterpreting information from participants under observation. Besides, the additional question was issued for supporting the research question. in line with that, the additional research question scrutinizes deeply proposition Table 3.3 represent the linked between research question and justification.

Table 3.3: The linked between research question and justification

| Research Question                                    | Justification  |
|--|--|
| Why do you believe CSR should be implemented in TNBJ | Provide an understanding of the managerial management agree that CSR are beneficial and should be implemented. This question will also trigger what the benefit of CSR towards the organization are and what their roles are in ensuring that CSR program is established |



The researchers try to be understanding the important of CSR implementation to the company growth and profit. Besides, the researcher emphasizing the need of sustaining the power generation and the effect to the business performance.

What is the role of top management in ensuring the success of CSR  
This is a question where managerial CSR coordinator since the managerial management might believe that their role is only in providing the necessary resource not in the morale support and the leadership to follow

What are the contributing factors that lead to the progress in the implementation of CSR  
The management strategy on initiating the CSR to the staff and to find out the management expected outcome thru the program.  
CSR team fully aware on the problems they faced in executing CSR activities.  
The factor that affects the realization and requirement of the TNB staff from the top management, community and bottom line. Identify the lacking factors in the CSR implementation process.  
The researcher to find and list the critical factors during the initial start of the CSR implementation. The researcher interest to explore the difficulties on handling the TPM program.

What are the challenges in the implementation of CSR  
The challenges and issues for the executives and technician will be able to provide a realistic insight on their problems  
The adaption and adoption of CSR initiative among staff and the issues on breaking the TNB existing practice and culture.

How can CSR be improved, the future of the CSR?  
Ideally improvement should be asked to all interviewee since their view on what should be improved will vary depending on their understanding and vision of CSR.  
Ideally to gets the participant recommendation on expanding the CSR initiative to other power generation industry in total.

Furthermore, the researcher must pre-establish and strengthen a set of questions to know more information comprehensively. The question to be asked must focus on the specific issues and occasionally identify new issues that were not originally part of the interview and structured question.

#### IV. RESULTS & DISCUSSION

The results from the interview session presented in Table 4.1 below. The silent point was mentioned as coding process for qualitative measurement.

| Corporate Governance | Respondent 1 | Respondent 2 | Respondent 3 | Respondent 4 | Respondent 5 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
|----------------------|--------------|--------------|--------------|--------------|--------------|

Q1. CSRs program implemented in my organization advocates and acts upon the principles of operational transparency

- Benefit of societies
- Respond to the society need
- Perform good to the people and environment.
- Transparency is a powerful tool. Honest appraisal of a situation, Sharing the organization info
- Soliciting to postulate a future state.
- Campaign for the organization
- Deliver good message

Q2. CSRs program implemented in my organization respects for shareholder rights.

- Policies and directions from the Board
- Corporate standards and always act within the law
- Responsible to shareholders
- Part of organization responsibilities
- Policies and government support

Q3. CSRs program implemented in my organization bring the effective view of Directors as one basis for successful corporate governance.

- Impact on business performance
- Create a brand friendly to the consumers.
- Good impression to the society and government
- Reflect the image of BOD
- Good image
- Inspiring society
- Develop culture
- Establish engagement with society

| Corporate Commitment   | Respondent 1  | Respondent 2   | Respondent 3  | Respondent 4   | Respondent 5   |
|--|---|--|---|--|--|
| Q4. CSRs program implemented in my organization provides the best service to customers | <ul style="list-style-type: none"> <li>• To deliver service to our customers/users.</li> <li>• Comply with the requirements from our stakeholders.</li> </ul> | <ul style="list-style-type: none"> <li>• Promote social contribution to the customers</li> <li>• Encourage community development.</li> </ul> | <ul style="list-style-type: none"> <li>• Best service to customers and society</li> </ul> | <ul style="list-style-type: none"> <li>• Organization responsibilities</li> <li>• Commitment to society</li> </ul> | <ul style="list-style-type: none"> <li>• Reduce complaint</li> <li>• Increase corporate image</li> </ul> |

|   |  |  |   |  |  |  |   |   |   |  |   |
|---|--|--|---|--|--|--|---|---|---|--|---|
| <p>Q5. CSRs program implemented in my organization builds a “green supply chain.”</p>                     | <ul style="list-style-type: none"> <li>• No feedback</li> </ul>  | <ul style="list-style-type: none"> <li>• Continuously working closely with suppliers, distributors and customers</li> </ul>  | <ul style="list-style-type: none"> <li>• Organization theme</li> <li>• Focusing on an environmental issue with considering to an economic result</li> </ul> | <ul style="list-style-type: none"> <li>• Deliver good connection</li> <li>• Establish communication between organization and society</li> </ul>          | <ul style="list-style-type: none"> <li>• Establish engagement</li> <li>• Good connection</li> </ul>  | <p>activities.</p>   | <ul style="list-style-type: none"> <li>• Mangrove planting</li> <li>• BaitiJannati</li> <li>• Program LamborKanan</li> <li>• Involvement of surrounding villages (eg: adding infrastructures at their jetty)</li> <li>• Involvement of locals’ companies/enterprises through participation in tenders.</li> </ul> | <ul style="list-style-type: none"> <li>• Recruiting; local based employment.</li> </ul> | <ul style="list-style-type: none"> <li>• Obviously CSR is done for long term concern as social issues has been there all the time.</li> </ul> | <ul style="list-style-type: none"> <li>• Benchmarking and sustain the CSR program</li> <li>• Improve and improve the existing CSR program</li> </ul> | <ul style="list-style-type: none"> <li>• All CSR project engage with society</li> </ul>       |
| <p>Q6. CSRs program implemented in my organization takes care employee, builds safe, health workplace</p> | <ul style="list-style-type: none"> <li>• Total Wellnes is a CSR from the company to its employees.</li> </ul>                  | <ul style="list-style-type: none"> <li>• Support the staff for awareness on work-life balance among TNBJ employe</li> <li>• BBS is another CSR activity that boost awareness.</li> </ul> | <ul style="list-style-type: none"> <li>• Implementation of BBS program is one of the best examples.</li> </ul>  | <ul style="list-style-type: none"> <li>• Good care of the welfare of the employees</li> <li>• Best benefits and conducive working environment</li> </ul> | <ul style="list-style-type: none"> <li>• Welfare are enlarge to society</li> <li>• Develop relationship</li> <li>• CSR which is fulfill the society need and want</li> </ul> | <p>Q8. CSRs program implemented in my organization for Long-term concern in social issues.</p>             | <ul style="list-style-type: none"> <li>• It is more on “have-to-do” program, rather than volunteer</li> <li>• Getting better and becomes a culture to TNBJ</li> </ul>   | <ul style="list-style-type: none"> <li>• Agreed</li> </ul>                              | <ul style="list-style-type: none"> <li>• Better life being</li> <li>• The needy and society</li> </ul>  | <ul style="list-style-type: none"> <li>• Enlarge the program to others</li> <li>• Staff awareness</li> </ul>   | <ul style="list-style-type: none"> <li>• Inspiring employe and society to do good.</li> </ul> |
| <p>Q7. CSRs program implemented in my organization thru sponsorship to support</p>                        | <ul style="list-style-type: none"> <li>• JMFR events is the best example of using sponsorship to implement the CSR.</li> </ul> | <ul style="list-style-type: none"> <li>• JMFR covers everything.</li> </ul>  | <ul style="list-style-type: none"> <li>• Financial budget for CSR program</li> <li>• Support on moral</li> </ul>  | <ul style="list-style-type: none"> <li>• Budget for CSR</li> <li>• Facilitate employee for part time study</li> </ul>                                    | <ul style="list-style-type: none"> <li>• All CSR project engage with society</li> </ul>  | <p>Q9. CSRs program implemented in my organization purpose to helps society through Volunteer Program.</p> | <ul style="list-style-type: none"> <li>• It is more on “have-to-do” program, rather than volunteer</li> <li>• Getting better and becomes a culture to TNBJ</li> </ul>   | <ul style="list-style-type: none"> <li>• Agreed</li> </ul>                              | <ul style="list-style-type: none"> <li>• Better life being</li> <li>• The needy and society</li> </ul>  | <ul style="list-style-type: none"> <li>• Enlarge the program to others</li> <li>• Staff awareness</li> </ul>   | <ul style="list-style-type: none"> <li>• Inspiring employe and society to do good.</li> </ul> |

V. CONCLUSION

Sustainability is a comprehensive approach to management of organizations which is focused on creating and maximizing long-term economic, social and environmental value. It is a response to the challenges of the modern world facing organizations from the public and private sectors. Sustainability is responsibility for the impact that the organization exerts on its surroundings, in business, environmental and social terms. Conscious management of the impact translates into lower costs, improved external relations and better managed risks. In addition, sustainability is skilled positioning of the organization in the economic reality, taking account of the social and economic challenges, environmental opportunities and threats. The awareness that the organization functions within a broader framework, amid complex



interrelations with many stakeholder groups, allows it to get ready and make use of the opportunities linked with sustainability.

Besides, sustainability is awareness that each entity is surrounded by stakeholders. Building and cultivating good relations with stakeholders based on engagement and dialogue is crucial, because it not only affects the possibilities to manage risks, but also supports development and gives the organization a competitive edge. Sustainability is transformation and development of the organization as well as creation of its long-term value based on innovation as well as intellectual and relation capital. Some companies and economists rejected the idea of CSR because it implied an obligation to society and future generations beyond those contained in the binding legal requirements of business. However, most companies now embrace some notion of CSR. Approaches to CSR vary. Some companies invest in CSR as reputation management or to sustain the profitability of a company, and some invest in CSR out of a sense of moral obligation to society. These resources focus on sustainability and CSR primarily in terms of moral obligation and offer insight into ethics concepts relevant to economic sustainability, environmental sustainability, and social equity.

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