

# Corporate social responsibility (csr)



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## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMPANY NAME: PETRODEC SDN

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..... 10 Executive Summary Corporate social responsibility which is also known as CSR is a form of corporate self-regulated that has been integrated into a business model. It was started to be popular in 1960s to 1970s after being implemented by many multinational company. The focus on CSR in Malaysia has increased in recent years, in line with international trends. Although several companies have CSR programs that go back many years, in some cases decades, it has in recent years been possible to identify an increased awareness of the issue.

The approach of CSR becomes widely accepted by community-based development approach. Today, more companies than ever before are recognizing the significance and value of integrating CSR into all aspects of their business operations and decision-making processes. Communities are seen as more than just a market for the roll-out of products and services.

The long-term growth and profitability of companies are inextricably linked to the sustainability and well-being of the community. Petrodec Sdn Bhd is one of the company in Malaysia that committed to their CSR program.

In year 2011, Petrodec had become more integrated in CSR where they had adopted SM (U) Al-Irsyad, Pulau Pinang and planned activities with Blind Associate in Kulim called Rumah Bakti. 1. 0Introduction This project starts with the importance of the CSR commitment to the company then followed by the background of the company, Petrodec Sdn Bhd. This will continue with the listed CSR activities done by Petrodec Sdn Bhd. Then it followed by the plan for next year and challenges faces by the company. Then it covers recommendation to conclude the whole program presented for year 2011. .

0Company Background-Petrodec Sdn Bhd Petrodec Sdn Bhd (formerly known as Focal 2000 Sdn Bhd ) was established on 21st April 2000 with a mission to provide a comprehensive range of engineering solutions and services in the construction industry. Petrodec Sdn Bhd has been registered with CIDB (G7) since year 2001 and PKK (Class A). Holding the paid up capital of RM1, 000, 000. 00, Petrodec Sdn Bhd is owned by two directors; En Mohd Zamri Bin Abdull Rahman and Tn Syed Lokman Bin Syed Idrus. Petrodec Sdn Bhd believes there is more to value than just the lowest price.

Value means providing our clients with the highest quality product for the most economical price. Petrodec Sdn Bhd has worked hard to earn a reputation for quality work and integrity in dealing with clients, local authorities, suppliers and subcontractors. It's believes in building value into relationships by using quality people and products. Their goal is to develop long lasting relationships based on trust, honesty and professionalism. The

organization had worked hard to earn satisfaction and respect from customer as they believe in continuous relationship with customers.

The basic philosophy of Petrodec Sdn Bhd is to offer outstanding services towards clients' goals and needs. The company provides a total package capability and solution to suit projects of any scale and magnitude. Its services will be characterized by a high standard of quality services. The company believes in the solidarity of its internal skills and knowledge in satisfying the needs of its clients (Petrodec Sdn Bhd, 2010).

3. 0Company values The values and principles are “ Experience, Effective, Efficiency and Excellence ” coupled with creative dynamism and vision will be the constant focus of the company ’ s work ethics. Petrodec Sdn Bhd, 2010)

4. 0Corporate Social Responsibility (CSR) CSR is a form of corporate self-regulation integrated into business model. It starts to be popular in 1960s and early 1970s after multinational company really putting an effort to emphasis on CSR. Basically, the most successful and accepted CSR is the community-based development approach. In this approach, organization works with local communities to better themselves. The organization that is committed to employee development normally already practicing some of the CSR components.

That organization that openly shares information with employees about a move toward downsizing, and then helps displaced employees find new jobs, is actively practicing CSR. Moreover, the organization that is committed to the production of safe, reliable, and innovative products or services in line with customer needs is strategically involved in CSR. CSR is, therefore, a management approach that takes into consideration an integrated set of

indicators that map the firm's impact within the its economic, society and environmental existence.

Most importantly, findings from scientific research shows that CSR is essential for the long-term sustainability of an organization (Waldman, Sully, Washburn, & House, 2006). Company that narrowly pursue the profit motive, without concern for the broad spectrum of Stakeholders that are relevant to the long run, are increasingly shown to lack sustainability. But it's not only important to realize the importance of these groups. Organizations must also be able to “ connect the dots” and understand how various Stakeholders, and the satisfaction of their needs, represent interrelated challenges.

To some multinational companies and large organizations, they might have an established CSR that brings a significant impact to the company and community surrounded area. However to a small company they might have a different ways to involve with CSR activities. For Petrodec Sdn Bhd commitment to engage with CSR activities is important to ensure business continuity. It is a social obligations to contribute some and to be part of the society. The company hopes to share some of community pain in the welfare activities.

On the other hand, Petrodec is a construction company that have to engage with the community throughout the duration of project completion. It is understood, whenever a constructions works involve, there always be uncomfortable situations to the involve society. Projects like earthwork clearing, building constructions, roads constructions and many more would always be unavoided disturbance to the people stay around the constructions area. Therefore, involvement with society will make them

understand the situation and understand why the work need to be done at that area. 5. 0CSR Activities 2011

Petrodec Sdn Bhd activities are divided into categories. First category is the adopted school and the second one is the welfare activities. Petrodec had chosen Sek Men (U) Al-Irsyad as the adopted school when they started the construction project to build new hostel. The welfare activities carried out at Rumah Bakti in Kulim town which is the only Muslim Blind Associate in Malaysia. 5. 1Adopted School- Sek Men (U) Al-Irsyad Sek Men (U) Al-Irsyad is located at Pokok Sena, Pulau Pinang. In 2009, Petrodec had been awarded to build hostel for the student that can occupied 200 students.

It is also included room for warden and activity rooms. The duration for this project carried out for two years. It is long enough for the company to support the school activities. The school had their planned a lot of good programs to develop their students. But to ensure all activities can be run successfully, they need certain budget. So Petrodec had put up the initiative to volunteer to contribute RM10, 000. 00 to ensure all their program smooth throughout the year. However, Petrodec only handover the RM10, 000. 00 and the school had full authorities to use the money to run all the program as their planned and presented earlier.

Petrodec had not engaged personally during the activities. Speech competition, motivation activities, outdoor activities, external speaker comes for motivation talks and graduation celebration are parts of the activities that had been carried out throughout the year. 5. 2Welfare Activites- Pusat Latihan Rumah Bakti Kulim (The Blind Association) Rumah Bakti Kulim (the blind association) is the only training center for muslim blind association in

Malaysia. It's accommodates around 20 people which is blinds that stayed in this Rumah Bakti.

All of them are teenagers who poor vision or blinds, and orphan. Petrodec had participate actively in their activites and involve personally in the activities. Total of RM20, 000. 00 was granted throughout the year but it was given when the program are planned. In 2011, there are three major activities had been carried out. Two activities had joined event with Malaysian Estima Owners Group (MEOG) to had more people involve. The first event was held a week before HariRaya Aidilfitri 2011 which is on 20th August 2011. The total budget for this event around RM6, 000. 00.

The MEOG team prepared the food for evening meal to break their fast, transportation (Estima) to bring the blinds to function house which is held at Kulim Golf Residents and Petrodec prepared cash donation, baju kurung and baju melayu for all the blinds. Total of 24 blinds received the cash donation and clothes on that day. Total 100 attendees participate in the event. It a very simple but a meaning full event. All the Petrodec staffs and MEOGians served the for the blinds, perform the maghrib prayers and then proceed with the clothes and cash donations sessions.

It was conclude to be one of the most successful event to MEOG and Petrodec Sdn Bhd this year. The second activity was activity korban on Aidil Adha. It was done on 9th November 2011 at Rumah Bakti Kulim. Total budget allocated was RM3, 600. 00. This activity also a joined effort with MEOG. Rumah Bakti staff cooked for lunch for invited guest which included all the blinds at Rumah Bakti, Petrodec Sdn Bhd Staff and MEOGians. Korban

meat was then distributed to poor people and included the residents of Rumah Bakti.

The meat for Rumah Bakti will be stored properly as that will be their food stock until year end and early of first quarter next year. This is due to normally it was the last contributions received from outside organizations for that year. Next year contribution will be received later in February. For day to day income, the blinds will continue living with their own income either from massage service and photostat service run inhouse. The third activity was to hire Tahfiz to teach the blind tahfiz Al-Quran. As they cannot read Al-Quran, therefore they have to hire Tahfiz for the purpose of learning Al-Quran.

This activity start in November and RM700. 00 was allocated for the Tahfiz monthly salary. 6. 0Next Year Plan To ensure CSR activities continuity, Petrodec Sdn Bhd already presented next year plan to the board. Eventhough the budget still under approval by board of directors, the team will continue to look forward for the benefits of the company and the involve community. There are two plans for next year, which are to build prayer room at Rumah Bakti. It is estimated around RM30, 000 needed. Petrodec also will continue to adopt school but it might change to another school.

The suggestion will be SK St Anne’s Convent, Kulim. Petrodec had suggested to do activities such as career week during activity week after UPSR 2012. The school will call professionals to give a talk about their career and share with the schools why is it their job is important to the society. Another activity will be participate in Hari Kantin where the Petrodec Sdn Bhd team will be coaching on the entrepreneurship to the students. 7. 0CSR Challenges



CSR activities need all the participants actively involve during the activities to ensure it is meaningful to the community.

This would be the biggest challenge to Petrodec Sdn Bhd as the company had a very limited headcount to perform their work and at the same time participate in the CSR activities. Thus, with limited resources such as small budget, time and material also had become the constrains to run CSR in more proper manner. Most of the activites had to be on adhoc basis rather than a well plan schedule. This is also can be constrains due to limited resources. However, the company had worked hard to close the gaps in ensuring the activities run smooth. 8. 0Conclusion and Recommendation

CSR is part of social commitment that company need to actively engage and participate. The company might have focus the CSR activities to the project area or to the community surrounded the organizations. Then only it will be meaningful to the people stay around the area. Reference Petrodec Sdn Bhd. (2010). Annual Report 2010. , (p. 10). Petrodec Sdn Bhd. (2010). Company Profile. Pulau Pinang, Malaysia. Waldman, D. , Sully, M. , Washburn, N. , & House, R. (2006). Cultural and Leadership predictors of Corporate Social Responsibility values of top management: A Globe Study of 15 Countries. Journal of International Business Studies , 823-837.