

Transformational Leadership, Motivation, and Organizational Commitment towards Corporate Social Responsibility in Banking Service Industry, Sarawak

Wong Winnie Poh Ming *

School of Business and Management, University College of Technology Sarawak

Email: winniewong@ucts.edu.my

Ngian Ek Tee

School of Business and Management, University College of Technology Sarawak

Chin Chee Hua

Faculty of Economics and Business, Universiti Malaysia Sarawak

** Corresponding Author*

Abstract

Purpose: Corporate social responsibility (CSR) is increasingly being adopted on a global scale and its importance is rising on multi discipline industry. The main purpose of this study is to investigate the key determinants that drive to CSR in its banking service industry.

Design/methodology/approach: This study posits that CSR is mainly influenced by transformational leadership, motivation, and organizational commitment. The data presented in this study were collected from several banks in Sibu Sarawak using quantitative survey questionnaire. A total of 149 respondents from 12 different banks were voluntarily participated in this survey. The SmartPLS (version 3.2.6) was used to assess the model developed based on path modelling and followed by bootstrapping.

Findings: Interestingly, the results indicated that transformational leadership and organizational commitment provided statistically significant contributions to the prediction of CSR in banking service industry. Surprisingly, motivation was found no significant relationship with CSR.

Research limitations/implications: Several implications of the findings and potential limitations of the study were highlighted.

Practical implications: The findings provide substantial body of knowledge that enables the board, CEO, and Chairman of the bank to understand and address the key factors of CSR, and to create a healthy working environment to reach sustainable working environment.

Originality/value: This study is one of very few studies which have investigated the managers' understanding towards their employees in perceiving the effects of CSR on employee motivation in the Malaysian, specifically the context of Sarawak.

Keywords: Transformational Leadership, Motivation, Organizational Commitment, Corporate Social Responsibility, PLS-SEM, Sarawak