

**CORPORATE SOCIAL RESPONSIBILITY IN  
THE CONTEXT OF SARAWAK DIGITAL  
ECONOMY: AN ORGANISATIONAL  
SENSEMAKING ANALYSIS IN MALAYSIA**

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**2021**

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ECONOMY: AN ORGANISATIONAL  
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by

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**Thesis submitted in fulfilment of the requirements  
for the degree of  
Doctor of Philosophy**

**June 2021**

## ACKNOWLEDGEMENT

**In the name of the Almighty Allah S.W.T, the Most Gracious and Most Merciful**

First and foremost, I would like to thank Professor Dr. Jamilah Hj. Ahmad, under whose supervision and guidance has made the completion of this thesis possible. Your wisdom and support have so much helped me in producing this study. I appreciate the persistent dedication and effort that you have put into ensuring that I give only my best throughout this whole process. I am truly grateful and indebted. I wish to also express my appreciation to Dr. Suriati Saad for the time spent and support given to me while co-supervising the conduct of my research.

I dedicate this thesis to my parents, Allahyarham Hj. Abang Ahmad bin Abang Abdul Samad and Dayang Rokaiyah binti Hj. Abang Naim who have been an inspiration to me, pushing me to continuously achieve the highest level of education. Thank you for your love and doa.

To my beloved husband, Abang Zulfadzly bin Abang Zainal, whom I am forever grateful to, for your sacrifices and patience, endless support and encouragement, that have paved ways for me to accomplish my goals. To my dearest son, Abang Ahmad Naim, you are and always be my source of motivation. I hope I have made you proud.

This dedication would not be complete without my sisters. Ellyn, who inspired me in so many ways...Faira, who trusted me with my undertaking...and Tiara, whose loving support and patience have assisted me in my time of needs. My source of strength also comes from my parents in law Abang Zainal and Faizah Abdullah...and

from our family friend and companion Parida. I wish to thank all my family members, relatives and friends...with you all, I was not alone in my journey.

My heartfelt gratitude also extends out to Noratikah Mohamad Ashari, Shafina Tantiana Zulkipli and Karmilah Abdullah whose continuous support and encouragement have comforted me through my toughest times. Having pulled through this journey would have been impossible without you. Thank you for everything.

I wish to express my utmost appreciation to Sarawak Information Systems Sdn. Bhd. (SAINS), particularly the Management and Operations Team of the Rural ICT Guided Home-Based Technopreneur (RiGHT) Training Programme for your involvement in this research. Special thanks to Dr Anderson Tiong, Mr Roneo Bunchol, Madam Fallacia Sitam@Nurain Abdullah and Mr Desmond Yeo for the cooperation and assistance given to me throughout the conduct of this study.

Last but not least, I wish to thank Universiti Malaysia Sarawak and the Ministry of Higher Education, Malaysia for granting me the opportunity and scholarship to pursue my Doctoral Degree in Public Relations at the School of Communication, Universiti Sains Malaysia.

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## LIST OF ABBREVIATIONS

|         |  |
|---------|--|
| AI      | Artificial Intelligence  |
| CED     | Committee for Economic   |
| CENTEXS | Centre of Technical Excellence Sarawak   |
| CSP     | Corporate Social Performance   |
| CSR     | Corporate Social Responsibility  |
| DoA     | Department of Agriculture  |
| E-STEM  | English- Science, Techonology, Engineering and Mathematics                                     |
| FAMA    | Federal Agriculture Marketing Authority  |
| GLCs    | Government Linked-Companies  |
| IoT     | Internet of Things   |
| MAHB    | Malaysian Airport Holdings Berhad  |
| MANRED  | Ministry of Modernisation of Agriculture, Native Land and Regional Development                 |
| MINTRED | Ministry of International Trade and Industry, Industrial Terminal and Entrepreneur Development |
| MOA     | Memorandum of Agreement  |
| NGO     | Non-Governmental Organisations   |
| SAINS   | Sarawak Information Sdn. Bhd.  |
| SDE     | Sarawak Digital Economy  |
| SDEC    | Sarawak Digital Economy Corporation  |
| SMA     | Sarawak Multimedia Authority   |
| SR      | Social Responsibility  |
| STEM    | Science, Techonology, Engineering and Mathematics  |
| TBL     | Triple Bottom Line   |
| TM      | Telekom Malaysia   |
| UEM     | United Engineering Malaysia  |



**TANGGUNGJAWAB SOSIAL KORPORAT DALAM KONTEKS SARAWAK  
DIGITAL ECONOMY: ANALISIS SENSEMAKING DALAM ORGANISASI DI  
MALAYSIA**

**ABSTRAK**

Tanggungjawab Sosial Korporat (CSR) telah terbukti menjadi salah satu mekanisme inovatif yang telah digunakan secara meluas oleh pihak berkuasa dan organisasi di seluruh dunia dalam menangani dan menghadapi cabaran sosial dan ekonomi. Kajian ini adalah perintis dalam menganalisis ‘*CSR Sensemaking*’ dalam Organisasi dalam konteks *Sarawak Digital Economy* (SDE). Kajian ini mempunyai tiga objektif iaitu; 1) untuk menginterpretasikan CSR dalam Organisasi; 2) untuk menganalisis proses ‘*CSR sensemaking*’ dalam Organisasi berikutan pelaksanaan SDE; 3) untuk menginterpretasi CSR dalam konteks SDE. Bagi tujuan ini, satu pendekatan kajian kes digunakan dalam menganalisis program CSR Sarawak Information Systems Sdn. Bhd. (SAINS) yang terkenal dengan sumbangannya dalam mengisi jurang digital serta meningkatkan pembangunan sosioekonomi, terutamanya dalam kalangan komuniti luar bandar di Sarawak. Hasil temu bual mendalam, kumpulan fokus dan analisis dokumen telah menyumbang dalam pendekatan mendefinisikan semula empat komponen Piramid CSR Carroll (1991) berdasarkan keutamaan yang diamalkan oleh organisasi; iaitu kedermawanan sebagai komponen yang paling penting, dan diikuti dengan ekonomi, perundangan, dan etika. Hasil proses ‘*CSR Sensemaking*’ dalam Organisasi mendapati bahawa tujuh ‘*sensemaking properties*’ Weick (1995) adalah saling bergantung, tetapi berbeza mengikut tujuan dan pengaruhnya. Kajian ini mengenalpasti kepentingan dan inisiatif CSR oleh SAINS dalam persekitaran SDE. Dapatan utama ini ditafsirkan berdasarkan ‘*plausible*

*factors*' yang bakal diterapkan dalam penambahbaikan kandungan program RiGHT yang melibatkan Penggunaan Kecerdasan Buatan dan Internet Pelbagai Benda dalam kursus latihan di sektor utama SDE iaitu, Pelancongan, Pertanian, dan E-Dagang. Hasil kajian juga telah menyumbang kepada pembangunan rangka kerja konseptual '*Organisational CSR Sensemaking Process in the Context of Sarawak Digital Economy*'. Memandangkan kajian CSR masih berada pada peringkat awal di Sarawak, penerapan kerangka kerja yang dicadangkan ini berpotensi memberi wawasan baharu dalam proses 'CSR Sensemaking' yang berkaitan dengan konteks situasi ekonomi di Sarawak – '*SDE Strategy 2018 – 2022*'. Kajian ini juga menyumbang kepada perbincangan bermanfaat dalam badan pengetahuan CSR dalam konteks Malaysia.

**CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF  
SARAWAK DIGITAL ECONOMY: AN ORGANISATIONAL  
SENSEMAKING ANALYSIS IN MALAYSIA**

**ABSTRACT**

Corporate Social Responsibility (CSR) has proven to be one of the innovative mechanism that has been extensively used by authorities and organisations around the globe in tackling and coping with social challenges and economic pursuits. This research takes on the pioneering attempt in analysing the CSR sensemaking process of an organisation's adaptive and context-related approach to accommodating the emphasis and direction of the Sarawak Digital Economy (SDE) environment. The conduct of this study is developed upon three objectives; that is 1) to interpret the Organisation's CSR; 2) to analyse the Organisation's sensemaking process of CSR in response to the implementation of SDE; 3) to interpret the Organisation's CSR in the context of SDE. For this purpose, a single case study approach is applied in analysing the Sarawak Information Systems Sdn. Bhd. (SAINS) long-standing CSR programme; in which is prominently known for its contribution in bridging digital divide and improving the socioeconomic development gap between the rural and urban populace in Sarawak. Centred upon the use of Weick's (1995) Sensemaking properties and Carroll's (1991) CSR Pyramid; findings from the in-depth interview, focus groups and document analysis have contributed in redefining Carroll's four-part components and the placement of priorities based on the perceived importance assigned by the organisation understudy (i.e. 'philanthropic' being the most important, followed by economic, legal, and ethical). The organisation-specific meaning making process reveals that the seven sensemaking properties are interdependent, but varied in its

purpose and influence. This research reveals the significance and relevance of SAINS' CSR and the opportunities for its evolution in the SDE environment. This key finding was interpreted based on the plausible factors in the improvement of RiGHT programme content which involves incorporating emerging technologies (e.g Artificial Intelligence, Internet of Things) in training courses on Tourism, Agriculture, E-Commerce (i.e SDE anchor sectors). Based on these findings, this research develops the 'Organisational CSR Sensemaking Process in the Context of Sarawak Digital Economy' Conceptual Framework. Given the infantile stage of CSR studies in Sarawak, the application of this proposed framework could potentially provide new insights to the organisational CSR sensemaking process conducted within the particularities of Sarawak's current economic environment – SDE Strategy 2018 to 2022. This research also addresses fruitful avenues for future scholarships that could contribute in providing important advances to the current CSR literatures in Malaysia; as well CSR studies in the scope of emerging economies.

# CHAPTER 1

## INTRODUCTION

This chapter discusses the research issue along with the background of research (i.e. Organisational CSR Sensemaking in the context of Sarawak Digital Economy), problem statements, research objectives and research questions. Also, included in this chapter is a brief description of the main theoretical frameworks (i.e. Sensemaking Theory, Carroll Four-Part CSR Pyramid), other key concepts, and the case selected (that is the organisation understudy and its CSR Program) used in the conduct of this study. This chapter in addition presents the distinct areas covered and justification of the research which are specified as scope and significance of study; as well as its contribution on the body knowledge and practice of CSR and organisational sensemaking.

### 1.1 Introduction

An organisation's Corporate Social Responsibility (CSR) initiative prioritises many types of stakeholders' expectations and outcomes. Resultant to the globalised context of the economy, an organisation's CSR emphasis has shifted from being merely business driven to more context-related and also adaptive to its environmental and societal obligations (Albareda, 2008, McWilliams et. al., 2006). This new direction to CSR initiative is regarded necessary as a way for organisations to take greater account of their actions and their impact on society (Norman & MacDonald, 2004). In recent years, CSR initiatives undertaken by organisations are no longer strategised solely for financial benefit, but mostly with the intent to foster and maintain meaningful relationships with the stakeholders and the community. Hence, leads to the

broad consensus that most CSR today are frequently operationalised in connection with volunteer activities and community relations (Arevalo & Aravind, 2011). This trend of CSR practice seen in other parts of the world can be also be detected emerging in Sarawak.

In 2017, the Sarawak Government commenced the Sarawak Digital Economy (SDE) initiative with the vision of improving local income and economy by the year 2030. Taking into great value the impact of SDE on Sarawak and its people, this current research recognises the need to examine closely the ‘trigger’ effect of the initiative, including the implication SDE has on local organisation’s CSR goals and implementation. Organisations in Sarawak are no exception in having to adapt and adhere to the requirements of the contemporary approach of CSR which includes multi-sector collaboration (Arevalo & Aravind, 2011). The collaborative role assigned by the Sarawak Government on local organisations on the implementation of Sarawak Digital Economy (SDE), rationalises the need for this study to examine the meaning-making process of the organisation understudy. Herein refers to the organisation’s ‘internal search’ effort in making sense of SDE and as to how this new economic initiative affects the development and execution of the organisation’s CSR.

In light of Weick’s (1995) Sensemaking Theory and Carroll’s (1991) definitional construct of CSR, this study aims to supply new insights on the local organisation’s processual activities to determining its CSR development and implementation; without neglecting the priorities and expectations of the Sarawak Government’s vision of Digital Economy. For this research, the researcher seeks to analyse the CSR Sensemaking process that takes effect in Sarawak Information Systems Sdn. Bhd. (SAINS); a state-owned organisation that has been highly involved

in driving digital inclusivity in Sarawak and a prominent portfolio in the local CSR landscape.

## **1.2 Background of Research**

To ensure successful implementation of this economic strategy, the Sarawak Government has addressed the critical need for the government and local organisations to collaborate in creating and strengthening digital inclusivity amongst the local community. Since early 2000, CSR has been utilised by governments in various localities as an innovative mechanism to work with local organisations. The type of collaboration that governments and local organisations developed however differ depending on the countries' specific CSR focuses. Organisations in Sarawak are no exception in having to apply and continuously explore the benefit of the innovative mechanism of CSR.

Sarawak's vision for Digital Economy requires a collaborative effort between the Government and local organisations to pave ways for the local community to capitalise and optimise the economic opportunities that the digital sphere can offer (State Service Modernisation Unit, 2017). In this respect, this research considers the position that the Sarawak Government holds as one of the key stakeholders that local organisations need to take into value where its CSR orientations are concerned. This research anticipates the influence that the Sarawak Government has in shaping and determining the expectations of the local organisation's CSR environment. Where CSR is concerned, the expected involvement of local organisations in the implementation process of SDE certainly necessitates the local organisations to position their CSR within the confined focus of the Sarawak Government. Consequential to this expectation is the need for local organisations to revisit their

CSR goals and orientations through the conduct of an organisation internal search process on CSR. This process is what this research refers to as the organisational CSR sensemaking; while the implementation of Sarawak's initiative on Digital Economy as a trigger to the organisation's sensemaking process. This intricate process hereby requires the organisation to revisit its CSR development and implementation processes in the effort to ensure that the organisation's 'individual' meaning to CSR adheres to the Sarawak's interpretation and expectation of the initiative.

This study regards the digitalisation of Sarawak's economy as a new phenomenon in the local socio-economic setting. In face of a new phenomenon or a situation as novel and unfamiliar as SDE, individuals in organisations are prone to be exposed with changes and new adjustments. According to Weick's (1995), any form of change that triggers an organisation to make adjustments in its normal routine can be termed as an "organisational shock". In the case of the organisation's CSR, expectations and outcomes set by different stakeholders could potentially create various forms and degree of "shocks" to the organisation.

Using Weick's (1995) sensemaking theory, this current study seeks to analyse the organisational CSR sensemaking process by incorporating Carroll's CSR Pyramid as the underlying premise to analyse CSR in the confined focus of SDE emphasis and direction. This study regards the assigned collaborative effort with the Sarawak Government on the implementation of SDE as an obligation that local organisations need to adhere to in compliance with the expectations of their key stakeholders and in the environment the organisation operates. Although local organisations need to respond in line with the external expectations, it is also important for the local organisations to also adhere to their organisation-specific CSR goals and orientation (Porter & Kramer, 2006; Godfrey & Hatch, 2007; Basu & Palazzo, 2008). Cramer



(2005) regards this ‘organisational context’ to CSR as the process of translating the general idea of CSR into an internal process of creating and collectivising an organisation’s ‘individual’ meaning-making to CSR, including its interpretation to ‘shocks’.

In reference to Weick (1995), this study regards organisational shock(s) as any form of event(s) that could disrupt the existing organisational routines. When an organisation faces a ‘shock’, the organisation is confronted with a ‘new reality’ that can likely influence all processes that restrict it from relying on existing routines (Boudes & Laroche, 2009). Weick’s (1995) regards organisational shocks as sensemaking triggers that can interlock behaviour and structures among individuals in the organisation on making sense of the ideas and situations built upon the ‘interruption’. So, in the case of an organisation’s CSR, it is appropriate to anticipate governmental initiatives and/or policies as a potential ‘shock’ or ‘interruption’ that can likely expose an organisation to its CSR meaning construction processes; especially taking into account the local organisation’s connection with the Sarawak State Government in the capacity of SDE implementation.

### **1.3 Problem Statements**

#### **1.3.1 Establishment of SDE and its influence on Organisational CSR**

The contemporary view of CSR acknowledges the need for organisations to comply to the needs and requirements due to the organisation’s inherent connection with its external environment. Taking into great value of this commitment, therefore, it is reasonable for this research to believe that an organisation’s exposure to sudden and/or gradual changes are inevitable, especially when the implementation of SDE

progresses. The analysis of the practical experience of sensemaking process on the development and implementation of CSR in the organisation under study is central in this study. This research expects to yield descriptive knowledge with regards to the characterisation of the organisational CSR sensemaking process which includes the strategies utilised to engage and/or stimulate the CSR sensemaking process between individuals in the organisation.

The standpoint of CSR implementation as an organisational sensemaking process has been recognized as a new research perspective that is useful in strengthening a CSR analysis (Basu & Palazzo, 2008). For this analysis, this research regards the Sarawak Digital Economy (SDE) initiative as an ‘organisational shock’ that needs immediate interpretation. According to Weick (1995), this interpretation process requires the organisation to determine the content of the ‘shock’ that is constructed based on a subjective, meaning-making process. Upon the implementation of SDE, it is practical to assume that the local organisations are prone to be confronted with changes as the execution of SDE progresses. This research takes the important step to describe CSR as an organisational sensemaking process by analysing how the CSR sensemaking process is accomplished; notwithstanding the compromise that the organisation needs to undertake to comply with the expectations embedded within or those that come along with the State Government’s strategic actions on SDE.

Due to the inevitable change of an organisation’s external environment and subsequently the vulnerability to change; it is practical to consider that there is no single approach and scenario in the real-world practice of CSR. Hence, the need for a constant revisiting of the organisation’s internal search process to its CSR goals and practice, without neglecting the balance required between the organisation and its

obligation towards the economy, environment, and society. In response to the State Government's new directive for Sarawak's economic progress and societal development, it is therefore relevant for this research to perceive that there is a need and urgency for local organisations to revisit its current and prospective CSR development and implementation. Despite the increasing prominence of a more context-related and adaptive approach to CSR, there is still relatively insufficient attention given to explore and analyse the organisation's 'interpretive work' to this process. Using Weick's (1995) theory to organisational sensemaking, this research seeks to analyse the CSR implementation in the selected organisation under study (i.e. SAINS) with the focus of its organisational search process in effect to the uncertainties and/or ambiguities caused by the 'organisational shock' (i.e. Sarawak Digital Economy).

The need for the conduct of this study is not only limited to providing new insights on the organisation's processual activities on the development of CSR in SDE, but is expected to supply a new understanding as to how the organisation's obligations toward the demands shaped and determined by its internal and external environment influence the organisation's conception and direction of its existing and future CSR and action strategies.

### **1.3.2 Incorporation of Local Organisations in SDE Governance: The importance of an Adaptive and Context-Related Approach in CSR**

To develop and implement CSR that complies with the SDE priorities certainly calls for a more adaptive and context-related CSR approach. The adaptive and context-related approach has grown to be vital and more prominent in the current CSR practices (Visser, 2006, Porter & Kramer, 2006; Godfrey & Hatch, 2007; Jamali, 2007;

Basu & Palazzo; 2008, Scherer & Palazzo, 2011; Jamali & Karam, 2018). This approach puts more priority to the organisational-specific perspective and meaning of CSR instead of the generic methods and standardised schemes (Cramer & Loeber, 2004). Past research on the development of CSR in Europe reveals that the structuring or organizing of CSR remains to be a process that has no clear-cut method and determined based on a trial-and-error discovery (Cramer, 2005). Thus, regards CSR as a search process that requires the organisation to develop its own individual meaning of CSR without neglecting the importance of its obligations to the external environment and its broad set of stakeholders. As such, necessitates organisations to develop different CSR approaches fitting to the different scenarios faced.

The incorporation of local organisations particularly GLCs in the governance of SDE strongly implies GLCs important collaborative role in the implementation of SDE. Moving alongside the assigned authorities namely the Sarawak Multimedia Authority (SMA) and Sarawak Digital Economy Corporation (SDEC) indicates firmly the critical function of GLCs in ensuring successful execution of the strategic actions in the SDE's key focus areas (i.e. Digital Infrastructure, Cyber Security, Talent Development, e-Commerce, Research and Development in digital technology, Digital innovation entrepreneurship, Digital government) (State Service Modernisation Unit Chief Minister's Department, 2017; Ogilvy, 2017b; The Borneo Post, 2017). The established link between the vital function of GLCs in SDE and the increasing importance of CSR in the socio-economic growth of Sarawak certainly raises the critical need for a more adaptive and context-related approach to CSR development.

Given GLCs direct link and close involvement in SDE, it is crucial to also recognize the determining factor of government ownership. Being in a business where the government has major ownership, GLCs in Sarawak are expected to lead others

through good practices like CSR (Bidin, 2008; Esa et al. 2012). This research, therefore, considers GLCs commitment to fulfilling SDE objectives are driven by the ownership aspect of GLC, which in turn reinforces the crucial role of GLCs in SDE. Tilt (2016) research on the importance of context in CSR found that the economic development of a state or country is significant to determining the development of CSR practices among local organisations. Tilt's (2016) findings emphasised the need for CSR development to take into value the contextual considerations such as specific societal concerns and State-driven economic plans. Thus, reaffirms that the practical implication of SDE on GLCs is not only on its core business, but also in its organisation-specific initiatives such as CSR.

### **1.3.3 Making Sense of the Adaptive and Context-Related CSR Approach: The need to strengthen CSR Analysis**

Consistent with the significant role of CSR, this study anticipates that the strategic actions by the Sarawak Government on the digitalisation of Sarawak's economy could potentially expose the local organisations to changes. Hence, the need for the sensemaking process to take place. This study perceives the digitalisation of Sarawak's economy through the implementation of SDE as a new social phenomenon to the Sarawak people.

One could refer to a social phenomenon as the interaction between human beings, including their behaviour that influences this same interaction which may also include influences from historical or past behaviours (Cacciattolo, 2015). As such, 'social phenomena consist of behavioural processes that are carried out by human beings. These human processes include both behavioural and experiential aspects' (Mennell, 1990, as cited in Cacciattolo, 2015, p.1). Like any other new social

phenomenon, the implementation of SDE and the changes that it brings to local organisations would certainly present the organisations with ambiguities (i.e. confused by the too many interpretations) and uncertainties (i.e. ignorant of any interpretations). In this respect, this research is conducted based on the assumption that ambiguity and uncertainty are the common and prominent sensemaking occasion in organisations. Regardless of the degree and magnitude, Weick (1995) considers uncertainties and ambiguities as strong sensemaking triggers for individuals in the organisation.

Weick's (1995) sensemaking theory is established upon the notion that people can only interpret a new phenomenon when they have determined its content through a subjective, meaning-making (thinking) process. Individuals in an organisation can interpret the same phenomenon in different ways due to their set of experiences. Individuals' interpretation of the new phenomenon is done through a continuous process of placing current experiences in a frame of reference. Apart from current experiences, this frame of reference is also determined by their past experiences. The continuous process of constructing a frame of reference is performed through social interaction (e.g. communication and execution of activities) between the individuals in the organisation by way of sharing the meaning of their experiences with each other.

The organisational sensemaking process is expected to establish the support required by the individuals to develop a collective frame of reference towards the new phenomenon. This collective frame of reference could in turn reduce the equivocality (i.e. uncertainties and ambiguities) and subsequently narrow the range of possibilities of organizational responses and change effort towards the scenario faced. By analysing CSR from the Sensemaking perspective (Weick, 1995), this research shifts the attention from the typical viewpoint of examining the organisation's structure of CSR (Czarniawska, 2003, as cited in Van der Heijden, Driessen, & Cramer, 2010), to

examining the meaning-making process underlying the organisation's CSR development. Sensemaking has been regarded as a novel way to create new insights on organisational processes (Carmin, 2002; Marshall & Rollinson, 2004; Pye, 2005; Basu & Palazzo, 2008).

### **1.3.4 Ensuring the Success of SDE: The role of CSR in Driving Digital**

#### **Inclusivity**

The significant role of local organisations particularly GLCs in the SDE governance certainly requires the local organisations to incorporate SDE goals and strategic actions in their CSR objectives and orientations. Hence, the need for organisations to develop CSR approaches that can comply and accommodate the needs and requirements shaped by the SDE environment; at the same time, necessitates organisations to maintain their organisational-specific values and meaning of CSR.

The specific meaning-making process of CSR is what makes every CSR strategy of an organisation to be distinctly different from another. Notwithstanding, the different CSR scenarios and contextual factors that one organisation needs to encounter and adapt in order to adhere to the expectations determined by and within the environment the organisation operates; that is the SDE (Abdulsalam & Akinboboye, 2013; Chelliah, Jaganathan, & Chelliah, 2017).

For Sarawak, embracing Digital Economy would also mean encouraging creative and innovative thinking particularly among the young local talents (Ogilvy, 2018). Exposure to new knowledge and development of skills in technologies is vital to equip the local workforce for the world of Digital Economy. To ensure inclusivity of the rural communities in Digital Economy, the State Government has taken

aggressive measures to solve the connectivity issues that surfaced in the rural areas of Sarawak. For instance, the provision of basic infrastructure like the ICT towers as part of the State's long-term plan to reduce the development gap between the urban and rural areas of Sarawak (Department of Statistics Malaysia, 2017, p.35). The digitalisation of Sarawak's economy is expected to pave ways for the State to achieve high-income status and a developed State by the year 2030 (Department of Statistics Malaysia, 2017). In moving towards this vision, the State Government has taken multipronged approaches and proactive measures in preparing Sarawak and its people through various digital initiatives.

The Sarawak Government's persistent emphasis in optimising the use of ICT for Sarawak's progress was put to highlight with the establishment of GLCs that were assigned to assist the State Government in the implementation and deployment of ICT related projects throughout Sarawak (Palan & Putit, 2010). The formation of SAINS for instance has played a vital role in developing ICT infrastructure and providing ICT solutions for the government and local populace.

Projects like the 'Development Project – State Monitoring System (DPMS)' has played a significant role in the monitoring process of government projects throughout Sarawak by providing the efficient means of reporting critical and timely matters (e.g. physical progress of development and geospatial related information for analysis) (Sarawak Information Systems Sdn. Bhd., 2018). Despite the success of these initiatives, the development of ICT particularly in the rural areas is still considered inadequate.

Due to the geographical landscape of Sarawak, the ability and capacity to bridge the connectivity between the urban and rural populace have imposed a great



challenge for the State Government, despite its consistent and progressive effort to improve the socio-economic condition in both areas (Palan & Putit, 2010; Department of Statistics, 2017; Sarawak Information Systems Sdn. Bhd., 2018). The connectivity issues like the infrastructure and linkages in most remote areas in Sarawak is still limited to land-based and water-based transportation, even in this current state (Sarawak Government, 2018). Hence the priority put into bridging the digital divide between the urban and rural populace.

Consequential to the constraints faced by the rural population, establishing efficient means of connectivity is critical for the development of Sarawak and its people. This brings attention to strengthening the State's initiatives in reducing the development gap between the urban and rural populace by way of establishing digital connectivity.

Persistent measures toward the aforementioned effort can be seen in the strategic actions outlined in the roadmap to SDE including the specific approaches to achieving digital inclusivity throughout Sarawak. Another firm step taken by the Sarawak Government to ensure the strategies of SDE are efficiently developed, implemented, and monitored was through the incorporation of SMA, SDEC and State's GLCs in the SDE governance. This move is expected to assist in the State Government's effort to achieve a digital-ready community by the year 2030 (State Service Modernisation Unit Chief Minister's Department, 2017).

It is also important to note that the function of GLCs has taken effect even since the preliminary execution of SDE through the launching of the Sarawak Pay initiative (Ling, 2017). The assigned responsibility to SAINS in developing the operating system for Sarawak Pay exemplifies the close involvement of GLCs in the entire

implementation process of SDE. The Sarawak Pay highlights SDE's strategic action on 'Digital Inclusivity' through the provision of digital payment (Markus, 2018).

The incorporation of GLCs in SDE governance, in turn, reinforces the crucial role of GLCs in the implementation of SDE and achieving the State's goals on digital inclusivity among the local community. In this respect, understanding of GLCs position and function in the context it operates (i.e. SDE) is key to establishing the scope and focus of this current CSR analysis. The practical implication of SDE on GLCs brings this research attention to analyzing the GLCs' organisational sensemaking process to developing a CSR initiative that is adaptive and context-related to the confined focus of the new SDE environment.

Analysing CSR implementation as an organisational sensemaking process has been recognized as a new research perspective that strengthens CSR analysis (Basu and Palazzo, 2008) as it is useful in providing new insights into organisational processes to CSR development (Carmin, 2002; Marshall & Rollinson, 2004; Pye, 2005; Basu & Palazzo, 2008) especially in the local context (Nasir et al., 2015; Jamilah Ahmad, 2018). Furthermore, this analysis takes into account contextual factors (Visser, 2006; Porter & Kramer, 2006; Godfrey & Hatch, 2007; Jamali, 2007; Basu & Palazzo, 2008; Scherer & Palazzo, 2011; Jamali & Karam, 2018) surrounding the SDE environment. This may come in form of specific demands and requirements from largely key external stakeholders like the State Government and its long term socioeconomic concerns and development agenda embedded within the SDE goals and strategic actions (Van der Heijden, Driessen, & Cramer, 2010; Tilt, 2016).

The incorporation of local organisations particularly GLCs in the SDE governance (State Service Modernisation Unit, 2017) certainly calls for a proactive

effort to developing a CSR initiative that is best suited for and in compliance to the contextual requirements shaped by the SDE elements and emphasis (e.g incorporation of emerging technologies in Sarawak's key economic sectors).

Taking into account the inevitable change in the organisational external environment and vulnerability to 'shock', it is practical to suggest that there is no single scenario and approach in CSR practice. Hence, the critical need for a sensemaking analysis (Carmin, 2002; Marshall & Rollinson, 2004; Pye, 2005; Basu & Palazzo, 2008) to examining the adaptive and context-related CSR approach developed by the local organisation in responding to the CSR needs and requirements shaped by the SDE environment.

#### **1.4 Research Objectives**

The conduct of this study in its attempt to analyse the organisational CSR sensemaking process, as well as the organisation's CSR in SDE built upon the following research objectives:

RO1: To interpret the Organisation's Corporate Social Responsibility

RO2: To analyse the Organisation's sensemaking process of its Corporate Social Responsibility in its response to the implementation of Sarawak Digital Economy initiative

RO3: To interpret the Organisation's Corporate Social Responsibility in the context of Sarawak Digital Economy

## **1.5 Research Questions**

The conduct of this study in its attempt to analyse the organisational CSR sensemaking process, as well as the organisation's CSR in SDE addressed through the following research questions:

RQ1: What is the Organisation's interpretation of its Corporate Social Responsibility?

RQ2: How does the Organisation make sense of its Corporate Social Responsibility in the context of Sarawak Digital Economy?

RQ3: What is the Organisation's interpretation of its Corporate Social Responsibility in the context of Sarawak Digital Economy?

## **1.6 Significance of Study**

This research is significant due to the following reasons:

### **1.6.1 Interpret Organisational CSR in the context of Sarawak Digital Economy**

In recent years, the government has emerged to be a vital part in driving CSR (Moon, 2004) and adopting public sector roles in strengthening CSR (Fox et al. 2002). For instance, through mechanisms like multi-stakeholders collaborative partnerships with the corporate and non-governmental organisation (NGO) organisations on projects like CyberCare, the Malaysian Government has shown rigorous effort in reinforcing the importance of CSR as a platform to serving the community's needs and interests (Muda, 2018). Although the emphasis of CSR varies across regions, the

ministries' intervention on an organisation's CSR orientation is sufficient to suggest the influential role of the government (Albareda et.al., 2008). On this note, this research is significant as it acknowledges the prominent role that governments play in the positioning of an organisation's CSR initiative and in determining the extent of its significance to the economic, social and environmental well-being of the surrounding system and community.

On the other hand, this research brings to highlight the similar nature of involvement and connection between the State Government and the advancement of CSR practices in Sarawak, particularly among the GLCs. Herein, emphasizes the collaboration between the Sarawak Government and local organisations like GLCs as key to ensuring the successful implementation of SDE (State Service Modernisation Unit, 2017). This research is important as it takes into value the changes required of GLCs in their CSR routines that are likely to surface from the newly established SDE environment.

### **1.6.2 Analyse Organisational CSR in the context of Sarawak Digital Economy from the Sensemaking Perspective**

It is practical to assume that the local organisations are prone to be confronted with uncertainties and ambiguities as to the execution of SDE progresses. Regardless of the degree and magnitude, Weick (1995) sensemaking theory recognized uncertainties and ambiguities as strong sensemaking triggers for individuals in the organisation; even in the process of developing and implementing CSR initiatives that are relevant and beneficial to the SDE environment. CSR is a broad concept that has been evolving alongside the changing landscape of CSR practices, especially within the scope of emerging economies like Sarawak. Hence no settled definition nor

context-specific framework are yet established in reflect to describing the CSR scenario in locality understudy.

Although Weick (1995) considers sensemaking as a generally applicable or universal process, this research is significant as it takes into account the different approaches applied to the respective CSR meaning-making process. Hence for this study, the CSR meaning-making process is treated and analysed as organisation-specific. By conducting CSR analysis within the confined focus of SDE, this research examines CSR from a standpoint that views CSR as a new and comprehensive concept. This standpoint puts to highlight the point of reference developed by the individuals in the organisation understudy and the meaning they construct on CSR, particularly in the context of SDE.

### **1.6.3 Develop a Conceptual Framework on the Organisational CSR**

#### **Sensemaking Process in the context of Sarawak Digital Economy**

This research takes the important step to develop a conceptual framework on the Organisational CSR Sensemaking Process in the context of Sarawak Digital Economy based on the findings gathered from the analysis conducted on the organisation understudy. This conceptual view integrates Carroll's (1991, 2016) Four-Part CSR Pyramid and Weick's (1995) sensemaking theory.

In analyzing the organisation's CSR development and implementation in the context of SDE, this research recognised the need to position Carroll's pyramid as a construct that is built upon the four distinct categories of responsibilities that organisations need to comply with and fulfil, either gradually or simultaneously. Establishing the categories postulated in the Pyramid as conceptually independent is

essential in allowing this research to analyse and incorporate new contextual factors and/or categories that may emerge from the analysis conducted on the adaptive and context-related CSR approach applied by the local organisation under study. In respect to this priority, this research takes the pioneering move in providing a conceptual and illustrative description as to how the thinking and interpreting work is performed in the organisation's process to make sense of its CSR development in the SDE context of which the organisation currently operates.

### **1.7 Scope of Research**

This research is focused on analysing a Sarawak-based organisation that is experienced and highly visible in its CSR implementation. Basis to this requirement is the interactive process of CSR sensemaking that is deemed necessary for this study to obtain insights into the characteristics of sensemaking. Hence, the importance for this study to be conducted on an organisation that has years of experience in organizing CSR activities. Following the implementation of Sarawak Digital Economy (SDE), this research values that the CSR activities are somewhat link or relevant to the government's strategic plan in promoting Digital Economy. Based on this rationale, this study has chosen the Sarawak Information Systems Sdn. Bhd. (SAINS) due to its profile as one of the local organisations that have been actively organizing and participating in CSR initiatives in Sarawak. Parallel to its core business, CSR programmes by SAINS is dedicated to driving digital inclusivity by promoting and facilitating the utilisation of ICT among the local community (Sarawak Information Systems Sdn. Bhd., 2018).

## **1.8 Conceptual Definition(s)**

### **1.8.1 Sarawak Digital Economy (SDE) Initiative**

Sarawak Digital Economy (SDE) initiative for the purpose and scope of this current research refers to the Sarawak Digital Economy Strategy 2018 – 2022. Sarawak’s roadmap to its Digital Economy initiative is built upon the State’s aims of reducing socio-economic divide, developing more business and employment opportunities through its key economic sectors and enablers. (see Figure 2.3). Figure 2.3 in Chapter 2 of this research illustrates SDE’s vision, mission, and benefits of the initiative to the people of Sarawak (State Service Modernisation Unit Chief Minister's Department, 2017).

### **1.8.2 Sarawak Digital Economy (SDE) Governance**

The Sarawak Digital Economy (SDE) Governance for the purpose and scope of this research refers to the incorporation of GLCs in the governance of SDE which has strongly positioned the important collaborative role that GLCs hold in the implementation of SDE (see Figure 2.4). Moving alongside the assigned authorities - SMA and SDEC indicate firmly the critical function of GLCs in ensuring successful execution of the strategic actions in the SDE’s key focus areas (i.e. Digital Infrastructure, Cyber Security, Talent Development, e-Commerce, Research and Development in digital technology, Digital innovation entrepreneurship, Digital government) (State Service Modernisation Unit Chief Minister's Department, 2017) The function of GLCs has taken effect even since the preliminary execution of SDE through the launching of the Sarawak Pay initiative (Ling, 2017). The assigned responsibility to Sarawak Information Sdn. Bhd. (SAINS) in developing the operating



system for Sarawak Pay exemplifies the close involvement of GLCs in the entire implementation process of SDE.

### **1.8.3 Stakeholder**

This present research conceptualises stakeholder as ‘any group or individual who can affect or is affected by the achievement of the organisation’s objectives (Freeman, 1984, p.26, as cited in Morsing & Schultz, 2006). This perspective suggests that stakeholders have a ‘stake’ in the organisation; thus, offers rationalises for organisations to consider their relationship with and responsibility towards their stakeholders other than merely the investors. The usage of the stakeholder concept in this study is to establish the direct link between the organisation under study with the Sarawak Government and its SDE initiative. Hence, reaffirms the need to comply with the SDE’s requirements and expectations set by the State Government which includes developing CSR programmes that are in line with the SDE focus. From the stakeholder perspective, this link is also reinforced by the government’s ownership and the incorporation of the organisation under study in the SDE governance.

### **1.8.4 Carroll’s Four-part CSR Pyramid**

For this current study, the researcher has chosen Carroll’s definitional construct (1979, 1991, 2016) to conceptualise and operationalise CSR (See Figure 2.1). As illustrated in Figure 2.1, Carroll’s view of CSR is built upon the economic component as the base and developed upward through legal, ethical, and philanthropic categories (Carroll, 1991, 2016). For the purpose of the analysis, this current research considers the four-part responsibilities as the basis that structures the details on CSR, thus providing some sort of frame or characterisation of responsibilities that the

organisation understudy needs to comply with the broad set of stakeholders. Carroll's prior research (Aupperle, Carroll, & Hatfield, 1985) have empirically validated the relevance of the four components in CSR implementation and its correlation. The findings also indicated that the four components can also stand individually as independent concepts. On this note, this research regards that it is not necessary for the Pyramid to be developed in a consecutive order as postulated in Carroll (1991).

### **1.8.5 Sensemaking Properties**

The conceptual definition of sensemaking in this research is based on the study of sensemaking by Weick (1995). The seven properties of sensemaking as postulated by Weick (1995) is used as a theoretical perspective to explore how the CSR processes occur at the organisational level particularly in response to the implementation of SDE (see Figure 2.6).

The organisational sensemaking necessitates a collective interpretation of CSR by having the individuals share meanings through the process of social interaction. The varied meaning created by these individuals towards the same event is a result of their sensemaking processes, each of which is influenced by what Weick (1995) identified as the seven interrelated properties of sensemaking in addition to the ongoing nature of sensemaking. - 1) grounded in identity construction; 2) retrospective; 3) enactive of sensible environments; 4) social; 5) ongoing; 6) based on cues; 7) driven by plausibility rather than accuracy.

The seven interrelated properties of sensemaking in this research is described based on the understanding that sensemaking is not a linear process (Weick *et al.*, 2005; Mills *et al.*, 2010). As such, the conceptual view presented in this research is

developed based on the assumption that the prominence or visibility of the properties in terms of their application may change along with its degree of importance as the organisational sensemaking process unfolds. Taking this into consideration, sensemaking therefore can be treated as a process that requires effort after effort (i.e. further sensemaking) until an individual or group in the organisation can establish a meaningful understanding of the event(s).

## **1.9 Structure of Thesis**

This thesis encompassed five chapters. Chapter One, that is the introductory chapter serves to explain the overall idea and direction of this study. The subtopics presented in this chapter comprised of the background of study, problem statement, research objectives, research questions, conceptual definitions, summary and structure of this thesis.

Chapter Two reviews past literature that are relevant to the current study. Among the subtopics discussed are the evolvement of Corporate Social Responsibility studies and practice, Carroll's (1991) CSR Pyramid, Weick's (1995) Sensemaking Theory, Sarawak Digital Economy; as well as the conceptual construct to analysing Organisational CSR Sensemaking process in the context of Sarawak Digital Economy.

Chapter Three explains the research approach and methods applied in the conduct of this current research. This chapter also details out the flow and procedural guideline used to fulfil the objectives and requirement of the study; as well as the sampling and data analysis strategies involved.

Chapter Four presents in detail the research findings obtained from the interviews and documents analysis conducted for this study. The findings are

organised aligned to the research questions developed in addressing the organisation's interpretation of its CSR; the sensemaking properties involved in the organisation's meaning-making process of its CSR in SDE; as well as the organisation's interpretation of its CSR in the context of SDE.

Chapter Five discusses and concludes the research findings; each of which is presented based on the respective research objectives. The chapter also elucidates the limitation of study; as well as highlights discussion and recommendation on theoretical aspects and practical implications on organisational CSR and Sensemaking as a prospective approach for future studies. The discussion and recommendation also include the application of the proposed conceptual framework on Organisational CSR Sensemaking Process in the Context of Sarawak Digital Economy; in which is developed upon the findings in this current research.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter reviews past literature on the theoretical foundation underpinning the main theories (i.e Weick's (1995) Sensemaking Theory; and Carroll's (1991) Four-Part CSR Pyramid) and relevant concepts used, as well as the supportive streams that can provide more insights on this current study. This chapter also attempts to significantly consolidate the understanding of the contextual considerations of the organisation's CSR with emphasis on the consequential need for an adaptive and context-related CSR approach, following the implementation of SDE. The review and synthesis of the relevant literature is key to establishing the context and direction of this current study.

#### **2.1 Introduction**

The contemporary view of Corporate Social Responsibility (CSR) highlights the need for social/ethical and environmental performance in determining the success of a corporate organisation (Norman & MacDonald, 2004). Parallel to this expectation, CSR initiatives undertaken by organisations in recent years are mostly strategized with the intent to create and maintain meaningful relationships with the stakeholders and the community. In this respect, CSR today is frequently operationalised in connection with community relations, multi-sector collaboration, and even volunteer activities (Arevalo & Aravind, 2011). Like any other corporate organisations in the world, organisations in Sarawak are no exception in having to adapt and adhere to the requirements of this new perspective on CSR pursuits.