Perception of Employees of industries in Malaysia on Corporate Sustainability in Affecting Customer Confidence and Loyalty: A Case Study

Kartina Johan¹, Faiz Mohd Turan¹ and Wan Nurul Syahirah Wan Lanang¹
¹Faculty of Manufacturing Engineering, Universiti Malaysia Pahang, 26600 Pekan, Pahang, Malaysia

E-mail: kartina@ump.edu.my

Abstract. This paper aims to study the perception of the employees of industries in Malaysia on their companies in applying corporate sustainability as a concept in creating an ethical brand that strengthen consumer confidence and loyalty. A structure survey instrument is developed to study the employees’ perception on the company’s sustainable business practices in their companies. The targeted respondents are employees from various companies in Malaysia. The data obtained are analyzed and commented using spreadsheet analysis on the frequency and relative importance value. The results show good perception on their company’s sustainable business practices in becoming an ethical brand with the shared values’ of Malaysia being a country which supports Sustainable Development Goal initiatives (SDGs). The study also shows employees’ perception on reasons for businesses to incorporate sustainability concepts in their operations are in line with the Triple Bottom Line (TBL) principles with profitability as the strongest perceived reason. The findings indeed support future research in transforming Malaysia’s own domestic economy to a more sustainable direction.

1. Introduction

Corporate sustainability is becoming a mainstream concept globally, including in new and unexpected ways in the emerging, developing and post-centralized economies. Businesses that integrate sustainability into their operations are expected to be in positions of long term strength in terms of consumer confidence and loyalty. This is based on the perspectives from United Nations [1] that a new paradigm in development thinking can be shifted by fully recognizing the central role of business. In this 21st century companies are expected to be engaged in global development agenda such as Sustainable Development Goals (SDGs) through business model and practices as more Governments now advance corporate sustainability as a complementary solution to world problems. It is expected that businesses that integrate sustainability into their operations will gain customer confidence and strengthen the loyalty. This kind of gain in brand equity comes with the assumption that the consumers has an ethical view of the world or has the same ‘shared global values’ in which society aims for economic, social and environmental goals.

For developing countries such as Malaysia, often people adopted the conventional view where there are important trade-offs in pursuing economic, social and environmental goals. For example, it is conventionally believed that a society can aim to be rich, or it can aim to be equal but aims for more equality, it will end up less rich. It is feared that in such developing countries, the idea of an ethical