The Use of Corporate Social Responsibility: The Study of Corporation In Thailand

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ABSTRACT

In this study, the researchers would explore how the input factors of CSR influence the company’s CSR activities; how the CSR activities and input factors affect the corporation. The findings found that there was no relationship established between input factors and CSR patterns. When analyzing how the CSR patterns accounted for the effect of input factors to the CSR finding, there was no relationship and mediation established as far as CSR findings (benefitting community) which was concerned because responses on CSR patterns were constant. Also, CSR budget and number of years performing CSR related to CSR findings (benefitting environment).

Keywords: Corporate social responsibility, CSR patterns, input factors
INTRODUCTION

Corporate social responsibility is one of the concepts which have helped to maintain a good relationship with stakeholders. Using CSR activities improved company image and thereby encourage customer patronage and increased sales. David, Kline, and Dai (2005) evaluated the relationships among corporate social responsibility practices, corporate identity, and purchase intention. Results of their study indicated that discretionary CSR practices and moral/ethical CSR practices emerged as significant predictors of the corporate social values dimension of corporate identity while relational CSR practices contributed mainly to the expertise dimension of corporate identity. The familiarity with CSR practices of a corporation had a significant effect on corporate identity, which in turn affected purchase intention. Chernev & Blair (2015) emphasize that using CSR help to enhance company reputations and goodwill among customers, especially can be negative related with the way customers’ evaluation of companies’ products.

On the downside, some consumers had doubts on the intention of companies in their corporate social responsibility activities (Owazuaka & Obinna, 2014). Scholder, Webb, and Mohr (2006) studied consumers’ attributions for corporate socially responsible programs. Results of their study indicated that most consumers attributed CSR to self-centered motives, such as tax write-offs or a suggested “pocketing” of donations, others perceived companies to be truly caring while others perceived CSR as expected business practice, such as building
customer loyalty, getting more customers and sales, and improving a company’s image. As well as Chernev and Blair (2015) found using CSR the impact of CSR could extend beyond public relations and customer goodwill which mean doing good could help to perceived doing well in operation.

In this study, the researchers will explore how the input factors influence the company’s CSR activities; how the CSR activities affect their stakeholders; and how input factors affect the stakeholders. Therefore, in this study, the researchers’ objectives were

1. Analyze how input factors related to CSR patterns;
2. Analyze how the CSR patterns accounted for the effect of input factors to the CSR findings; and,
3. Identify which among the input factors relates to the CSR findings.

BACKGROUND CONCEPTS OF CSR

Concept of corporate social responsibility (CSR)

Corporate social responsibility (CSR) indicates a wide range of factors that are related with CSR such as shareholders, investors, especially community. Many research studies have been conducted under this topic which indicated the need for helping community and people (Carroll, 1999; Chapple & Moon, 2005; Chernev & Blair, 2015). According to Canlas, Magpayo, Miranda, and Caingcoy (2010), their findings found the positive outcomes to shareholders. There are some differences were on the corporate social responsibility such as
the companies against the report of the community. This particular program inhibited a pattern as low, moderate and extensive as well as the patterns of CSR programs account for the relationship between the firm’s profile and CSR’ findings. According to Assistant Prof. Dr. Phipatana, who wrote the book called, “Corporate Social Responsibility Management: Building the competitive advantage for sustainability,” he states the four reasons for doing the CSR; first, moral obligation, second, sustainability, third, license to operate, and lastly to build reputation. In doing CSR, there are many people we must concern such as employees, customers, suppliers, shareholders, communities, investors, and so on. Therefore, we can divide the group of people the company need to aware for doing CSR as the following groups: External group of people can be communities, general publics, and competitors. Internal group can be customers, employees, executive, and suppliers. Furthermore, Owazuaka and Obinna (2014: 221) state from their findings that “corporate social responsibility cannot be discussed without a purview on community relations which is an area of public relations.” From this point of view, we can also focus on community relations who have influenced the firms as the image of corporation.

Mediating variable

According to Carroll (1979) indicates a three-dimentional conceptual model of corporate performance and in Baron and Kenny’s (1986) research, a variable may function as a mediator when it accounts for the relation between the independent variable (predictor) and
the dependent variable (outcome). Mediating variables explain how or why effects on the dependent variable occur. Below is a path diagram as a model for depicting a causal chain to clarify the meaning of mediation.

![Path Diagram showing the basic causal chain involved in mediation](image)

Path Diagram showing the basic causal chain involved in mediation

Source: Journal of Personality and Social Psychology Copyright 1986 by the American Psychological Association, Inc. 1986, Vol. 51, No. 6, 1173-1182

This model assumes a three-variable system such that there are two causal paths feeding into the outcome variable: the direct impact of the independent variable (Path c) and the impact of the mediator (Path b). There is also a path from the independent variable to the mediator (Path a). Baron and Kenny (1986) stated that for a variable to function as a mediator, it must meet the following conditions: (a) variations in levels of the independent variable significantly account for variations in the presumed mediator, (b) variations in the mediator significantly account for variations in the dependent variable, and (c) when a and b are controlled, a previously significant relation between the independent and dependent variables is no longer significant. According to Baron and Kenny (1986), with regards to the last condition we may envisage a continuum. When Path c is reduced to zero, we have strong evidence for a single, dominant mediator. If the residual Path c is not zero, this indicates the
operation of multiple mediating factors. Because most areas of psychology, including social,
treat phenomena that have multiple causes, a more realistic goal may be to seek mediators that
significantly decrease Path c rather than eliminating the relation between the independent and
dependent variables altogether. From a theoretical perspective, a significant reduction
demonstrates that a given mediator is indeed potent, albeit not both a necessary and a
sufficient condition for an effect to occur.

**Patterns of CSR activities as mediating variable**

Previous studies showed that CSR has mediating effects on the input factors
(independent variable) and stakeholders’ effects (outcome or dependent variable). For
example, employees of a utility company said that corporate responsibility programs make
them feel better about where they work resulting in higher output and improved interaction
with customers and clients (Higginbottom, 2005). CSR activities improved company image
and thereby encourage customer patronage and increased sales. David, et. al., (2005)
evaluated the relationships among corporate social responsibility practices, corporate identity,
and purchase intention. Results of their study indicated that discretionary CSR practices and
moral/ethical CSR practices emerged as significant predictors of the corporate social values
dimension of corporate identity while relational CSR practices contributed mainly to the
expertise dimension of corporate identity. The study also showed that familiarity with CSR
practices of a corporation had a significant effect on corporate identity, which in turn affected
purchase intention.

On the downside, some consumers had doubts on the intention of companies in their CSR activities. Scholder, Webb, and Mohr (2006) studied consumers’ attributions for corporate socially responsible programs. Results of their study indicated that most consumers attributed CSR to self-centered motives, such as tax write-offs or a suggested “pocketing” of donations, others perceived companies to be truly caring while others perceived CSR as expected business practice, such as building customer loyalty, getting more customers and sales, and improving a company’s image.

Dependent Variable (CSR findings)

One research group, KLD Research & Analytics, a Boston-based social research firm, uses a combination of surveys, financial statements, articles in popular press and academic journals (especially law journals), and government reports to assess social performance along eleven dimensions: military contracting, nuclear power, gambling, tobacco, alcohol, community relations, diversity, employee relations, environment, and product quality (innovation/R&D), and non-U.S. operations (usually environment and labor relations. They use these data to assess “strengths” and “concerns” regarding these dimensions of social performance, in order to determine if a company is worthy of being judged socially responsible. (Retrieved from http://mba.tuck.dartmouth.edu/mechanisms/pages/Papers/CSRSiegelVitaliano101105.pdf.
On the other hand, the Business Ethics Magazine, the only US-based business magazine focusing on ethics and corporate social responsibility in a media landscape ranks companies using eight categories namely total return to stockholders, community, governance, diversity, employees, environment, human rights and product to come up with The 100 Best Corporate Citizens. Although their survey is based on a database maintained by KLD Research & Analytics and considers all companies listed on the Russell 1000 Index – the 1000 largest publicly-traded companies in the United States. The KLD data is then statistically analyzed by Waddock and Graves (1996) of Boston College, and companies receive rankings in eight categories mentioned above. Each company then receives an overall score based on their scores in the eight different issue areas.

Another company, MHC International Ltd (MHCI), based in Geneva and London which offers advisory and auditing services to businesses and multinational organizations in the field of Corporate Social Responsibility utilizes the measures and indicators shown below.
## CSR Measurement - Elements, Indicators, and Measures Outcomes of Social Responsibility

<table>
<thead>
<tr>
<th>Stakeholder Groups (assumed)</th>
<th>Indicator</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Stakeholders</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| - Owners                    | - Profitability/value  
- Corporate Irresponsibility or illegal activity  
- Community welfare  
- Corporate philanthropy  
- Code of Ethics | - Share value, Return on Investment, etc.  
- Fines, number of product recalls, pollution performance measured against some industry standard  
- Amount of giving, programme as % of earnings  
- Amount of pre-tax giving as % of earnings  
- Published, distributed, trained |
| - Managers                  | - Code of Ethics | - Trained in code of ethics and apply in demonstrable and measurable ways  
- Rank of manager responsible for applying code |
| - Employees                 | - Union/staff relations  
- Safety issues  
- Pay, Pensions and benefits  
- Layoffs  
- Employee ownership  
- Women & minorities policies | - Evidence of controversy, good relations  
- Litigation, fines  
- Relative ranking to similar firms (measuring % spent on employee benefits, programme, etc)  
- Percentage, frequency, individuals chosen  
- Amount by per cent  
- Existence, rank with similar firms, litigation and fines |
| **External Stakeholders**   |           |         |
| - Customers/Consumers       | - Code of Ethics  
- Product Recalls  
- Litigation  
- Public product or service controversy  
- False advertising | - Evidence of application to products or services  
- Absolute number, seriousness demonstrated by litigation or fines, percentage of total production  
- Amount of fraud, price fixing, antitrust suits  
- Seriousness, frequency  
- Litigation, fines |
| Natural Environment         | - Pollution  
- Toxic waste  
- Recycling and use of recycled products  
- Use of eco-label on products? | - Performance against index, litigation, fines  
- Performance against index, litigation, fines  
- Percentages  
- Yes/No? |
| Community                   | - Corporate giving to community programmes  
- Direct involvement in community programmes  
- Community controversy or litigation | - Amount, percentage  
- Number, outcomes, costs, benefits  
- Number, seriousness, outcomes |
| Suppliers                   | - Firm's Code of Ethics  
- Supplier's Code of Ethics  
- Litigation/fines  
- Public controversy | - Applied to all suppliers  
- Applied  
- Number, amount, outcomes  
- Amount, outcome |

Source: http://www.mhcinternational.com/measurement.htm
The studied conducted survey and document analyses utilizing some of the indicators and measurements mentioned above to examine the outcome of CSR activities. The research focused on the company’s community, natural environment, and their managers and employees. The outcomes or effects were measured.

*External effects on community*

Corporate social responsibility (CSR) occurs when firms engaged in activity that benefits the society beyond that which is required by law, without anticipating benefits in return. Some mainstream approaches to corporate social responsibility underestimate the importance of power in the relationship between corporations and the communities in which they invest. There are numerous cases when communities have attempted to hold corporations to account for their social and environmental responsibilities (Garvey, 2005). The giant drinks maker, Coke, sets the example. It has been criticized for obstinacy in the past for taking too long to accept responsibility for several social issues thrown their way. Boycott of Coke movements on university campuses throughout North America and parts of Europe and the barrage of negative headlines that threatened to tarnish its brand put pressure on the company to adopt a proactive approach to social issues (Ward, 2006).

As demonstrated in the Coke case, various advocacy organizations, otherwise known as non-government organizations (NGOs) have an influence on consumers’ attitudes. Research by a global communications consultancy found that NGOs are significantly more
trusted overall than business. CEOs and corporate managers may approve or disapprove of the growing role of activist NGOs, but it is perilous to ignore their growing influence and ability to shape public perceptions of a company (Deri, 2003). It is therefore imperative on companies to balance their shareholders’ expectations of profits and growth and the demands of these activist organizations. This phenomenon is also true in the Philippines.

Non-government organizations in our country play important intermediary and bridging functions crucial for the success of multi-stakeholder partnerships. NGOs in the Philippines are well-equipped for this because of their middle-class and professional nature and because of various characteristics like autonomy, flexibility, and the ability to mobilize resources (Aldaba, 2002).

Another case in point is the JPEPA issue. Concerned citizens made this an issue during the 2007 Senatorial Election. At the start of the campaign period, Greenpeace Asia Pacific and Eco Waste Coalition circulated questionnaires, which aims to know the 'greenness' of senatorial candidates through their position on key environmental issues. The campaign encourages voters to cast their vote for a green future by choosing candidates who are committed to protect the environment once elected to office. In celebration of Earth Day, the Philippine Daily Inquirer in its weekly Talk of the Town section tackled the issue on Japan-Philippines Economic Partnership Agreement (JPEPA) among other environmental related issues (Sun Star Iloilo, April 2007). With the prodding of concerned citizens and the
watchful eyes of NGOs, hopefully every corporation will do their business responsibly, earning profit without harm to any of their stakeholders.

*External effects on environment*

One of the advocacies of NGOs is the preservation of the natural environment. Concerned individuals are always on the look-out for companies that pollute the environment. There are a number of companies that have ingrained the social responsibility in their businesses and are quite successful in it. One of them is Interface, a leading carpet company. Ray Anderson, its founder and chairman, claimed in 2004 that the company’s sales and profits double since it dedicated its business to sustainability in 1994. Their goal is zero footprints by 2020. In the study, we will focus on the environmental impact of the manufacturing operations of companies, particularly their effluents. The different fabrication processes of the companies generate a wide variety of wastewater compositions. These are acid and alkaline waste; metals-bearing wastes and organic wastes.

Environmental concerns and wastewater management have been a perennial problem in the country. The government is moving in the right direction with the enactment of Republic Act 9275. It is an act providing for a comprehensive water quality management and for other purposes, also known as the “Philippine Clean Water Act of 2004”. This defines effluent standards for industries and its manner of disposal. However, effective implementation of the Clean Water Act of 2004 would require at least P25 billion a year for the first ten years of
implementation according to a World Bank study. The study doubted whether the law would be fully implemented due to budget constraints (Retrieved from http://www.manilatimes.net/national/2005/aug/04/yehey/top_stories/20050804top9.html).

The Clean Water Act of 2004 is only the first step. The government has laid down the standards; but the government on its own cannot monitor the activities of each and every company. We have to rely on the sense of social responsibility of the corporations. A study of the websites of these selected companies indicate the presence of CSR at different levels. For example, Beta was awarded Excellence in Ecology and Economy (E3) by the Philippine president in 2005 besting Toyota Motors Philippines, San Miguel Corporation and Republic Asahi Glass in the large enterprise category.

**Internal effects on employees**

Another possible benefit of being recognized as a socially responsible company is the ability to attract qualified applicants. A study showed that prospective employees would be drawn to companies with good corporate social performance (Turban and Greening, 1997). It is also argued that CSR would lead to higher productivity. In a study conducted in a utility company, employees said that corporate responsibility programs make them feel better about where they work (Higginbottom, 2005). This might translate to higher output and improved interaction with clients. Coco-Mat, a mattress-maker with a factory in Greece produces almost no waste which it attributes to the company’s commitment to social responsibility. The
company places great emphasis on employee involvement, which it couples with an incentive program. As a result, the company’s sales have grown 300% and their profitability increase in 2001 by a massive 754% from 1995 figures (Mudd, 2002).

**Internal effects on managers**

Barnea and Rubin (2005) theorized that the increase in CSR expenditure in the recent years may be due to insiders (managers and large block holders who are affiliated with the firm) who may want to improve their reputation as being good global citizens. They tested this hypothesis by investigating the relation between firms’ CSR ratings and their ownership and capital structure of the largest 3,000 US corporations categorized as being either socially responsible or socially irresponsible. They found that insiders’ ownership and leverage are negatively related to the social rating of firms, while institutional ownership is uncorrelated with it. These results support the hypothesis that CSR is a source of a conflict between different owners. Finally, the Input factors as independent variable include Number of years in service, Equity, Asset size, Country of origin, and Net income.

**METHODOLOGY**

Research design

The following research designs were employed in this study. We used descriptive research. The study described the input factors; CSR activities; patterns of CSR activities; and outcomes
of CSR activities of companies and causal/explanatory research in order to analyze the effects
of the input factors and patterns of CSR activities to CSR findings. It further identified which
among the factors greatly influenced the outcomes. The study employed both quantitative and
qualitative methods in explaining the effects of the factor to the CSR findings. Also,
triangulation method which described the combining of several qualitative methods or
combining qualitative with quantitative methods. This is to increase the quality of research
especially when a quantitative study follows a qualitative one and provides validation for the
qualitative findings. Finally, we used correlational research which would determine how the
factors/variables are associated with each other in affecting the CSR findings.

Testing mediation

According to Baron and Kenney (1986), an analysis using ANOVA provides a limited
test of a mediational hypothesis as extensively discussed in Fiske, Kenny, and Taylor (1982).
Rather, as recommended by Judd and Kenny (1981 b), a series of regression models should be
estimated. To test for mediation, one should estimate the three following regression equations:
first, regressing the mediator on the independent variable; second, regressing the dependent
variable on the independent variable; and third, regressing the dependent variable on both the
independent variable and on the mediator. Separate coefficients for each equation should be
estimated and tested. There is no need for hierarchical or stepwise regression or the
computation of any partial or semi partial correlations. These three regression equations
provide the tests of the linkages of the mediational model. To establish mediation, the
following conditions must hold: First, the independent variable must affect the mediator in the
first equation; second, the independent variable must be shown to affect the dependent
variable in the second equation; and third, the mediator must affect the dependent variable in
the third equation. If these conditions all hold in the predicted direction, then the effect of the
independent variable on the dependent variable must be less in the third equation than in the
second. Perfect mediation holds if the independent variable has no effect when the mediator is
controlled. Because the independent variable is assumed to cause the mediator, these two
variables should be correlated. The presence of such a correlation results in multi-collinearity
when the effects of independent variable and mediator on the dependent variable are
estimated. This results in reduced power in the test of the coefficients in the third equation. It
is then critical that the investigator examine not only the significance of the coefficients but
also their absolute size. For instance, it is possible for the independent variable to have a
smaller coefficient when it alone predicts the dependent variable than when it and the
mediator are in the equation but the larger coefficient is not significant and the smaller one is.

Population and respondents

The research was conducted in the community where the selected companies (branch)
are located. The study required two (2) sets of respondents: Internal (managers/employees
of the companies) and external (community). Sample size of the community respondents was
determined using the formula utilized by the Social Science Council Survey Series

(Publication Number 2), shown below:

\[ n = \frac{NZ_{a/2}^2 \times p(1-p)}{NE^2 + Z_{a/2}^2 \times p(1-p)} \]

where:  
- \( N \) = population size  
- \( Z_{a/2} \) = 1.65 at 90% confidence level  
- \( p \) = 0.5 assumed proportion  
- \( E \) = 0.10 sampling error  
- \( n \) = sample size

Internal respondents were designated by the companies.

**Sampling design**

There were two sets of respondents in the study, namely: (1) Internal sources. These consisted of the company’s managers / employees as respondents. The objective was to measure both internal and external effects of CSR. Purposive sampling technique was employed. Internal source were managers occupying positions in the following departments: Human Resource, Facilities, Production and External Affairs. (2) External sources. These comprised the community where the companies are located as respondents. The objective was to measure the external effects of CSR. Quota sampling was employed. External source met the following criteria: (a) Must be at least 19 years old; and, (b) resident or working in the specified locality.

**Measurement and instrumentation**

The instrument used in this research is composed of four (4) parts, namely:

Introduction – This part of the instrument identifies the researchers, the educational institution
where they are connected, a brief explanation of the research objective, a request for cooperation, assurance of confidentiality, and a note of gratitude. Direction - This part of the questionnaire explains what the respondents are expected to do with the questionnaire.

Classification Information – This part pertains to the demographic profile of the respondent.

And Information Sought – This is the body of the questionnaire. The instrument was finalized following the procedures as follows: (1) Initial Draft of the Instrument. Based on the related literature on outcome measurement of CSR activities, the research team constructed the instrument to be used in this study. (2) Selection of Panel to Review the Instrument. A panel of thirty (30) academicians and practitioners were selected to perform qualitative review and quantitative assessment of the instrument. (3) Qualitative Review. This aimed to give feedback regarding the directions, instrument items, and overall instrument. Initial changes were made on the instrument. (4) Quantitative Assessment. The panel independently assessed each item in the instrument as essential; useful but not essential; and not necessary (Cooper & Schindler. 2003). (5) Content Validity. The instrument was tested for content validity using the content validity ratio (CVR) formula given below. Minimum CVR value of 0.75 was considered statistically significant. The researchers’ objective was to determine the ability of the research instrument to measure what it is purported to measure.

\[
\text{CVR} = \frac{(n_e - N/2)}{(N/2)}
\]

where: 
\( n_e \) = number of essential 
\( N \) = total number of panel

The responses of the panels and the CVR values, only items with CVR of not less than
0.75 were retained in the instrument. In addition, (6) In this study, pretest was conducted to thirty (30) respondents who are employed in companies which are not part of this study. A pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample. It should, therefore, draw subjects from the target population and simulate the procedures and protocols that have been designated for data collection. The size of the pilot group may range from 25 to 100 subjects, depending on the method to be tested, but the respondents do not have to be statistically selected (Cooper & Schindler. 2003). The objective of this pre-test was to test the reliability of the construct and the scaling used in the instrument. (7) Reliability Test was tested using Cronbach’s alpha to measure the degree to which the instrument items are homogenous and therefore, assure the researchers that the items in the instrument reflect the same underlying construct. (Cooper & Schindler. 2003). The significant alpha values must be equal or greater than 0.70. The test showed the summary of the Cronbach’s alpha values for each construct which showed that all the items included in the instrument were reliable. (8) Test of the Likert scale. Item Analysis was conducted to test the reliability of the use of the Likert Scale used in the instrument. The responses were analyzed per construct by computing the significant differences between the 25% high scores and the 25% low scores. In item analysis, after administering the test, a total score was calculated for each scale. Individual items (a scale or part of a scale) were then analyzed to determine which best discriminate between persons with total scores and low
total scores (Cooper & Schindler. 2003). The paired samples test results. All items were reliable since the t-values were significant. Each of the questions that passed the validity and reliability tests were translated in Thai to make it more understandable to the intended respondents. There were 15 retained items and 14 were culled out.

Research procedures

Following were the research procedures employed in this study: Pretest of the instrument for content validity and reliability tests. In-depth interviews (IDI) using structured questions were conducted to internal source. This was done by panel interviews to arrive at the consensus answers. The results were called employees’ assessment. Researchers’ Assessment was obtained by reviewing the public communications such as the companies’ websites, brochures, and journals. Pertinent data were also gathered from related government agencies. Community Assessment was gathered from survey/questionnaires.

RESEARCH FINDINGS

The following are the statistical treatment and analytical methods employed in this study: Frequency Distribution. This was used to summarize the results of the survey concerning internal and external respondents. Followed by percentages, this method determined the portion of the population responding to specific areas under consideration. Also, weighted mean, which this was used to measure central tendencies of the responses
obtained using the five-point scale as well as Five-point Scale. The response on the questionnaires was measured by the degree of seriousness CSR activities are done by selected companies. The responses are categorized as follows: Strongly Agree, Agree, Neither, Disagree, and Strongly Disagree. The mean values were be interpreted as:

<table>
<thead>
<tr>
<th>SCALE</th>
<th>MEAN VALUE</th>
<th>INTERPRETATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00 - 1.50</td>
<td>Did Not Reported Positive Outcome</td>
</tr>
<tr>
<td>2</td>
<td>1.51 - 2.50</td>
<td>Did Not Reported Positive Outcome</td>
</tr>
<tr>
<td>3</td>
<td>2.51 - 3.50</td>
<td>Did Not Reported Positive Outcome</td>
</tr>
<tr>
<td>4</td>
<td>3.51 - 4.50</td>
<td>Reported Positive Outcome</td>
</tr>
<tr>
<td>5</td>
<td>4.51 - 5.00</td>
<td>Reported Positive Outcome</td>
</tr>
</tbody>
</table>

Finally, Multiple Regression was used in determining the relationships such as: (a) input factors with patterns of CSR programs; (b) input factors and patterns of CSR programs with CSR findings; and, (c) input factors with CSR findings. This study examined how the criterion variable (independent variable) accounts for the predicted criterion variable (dependent variable). The relationships were determined by Pearson’s Correlation “r.” The interpretations were as follows:

<table>
<thead>
<tr>
<th>CORRELATION VALUE</th>
<th>INTERPRETATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>below 0.20</td>
<td>Extremely Low Relationship</td>
</tr>
<tr>
<td>0.20 - 0.39</td>
<td>Low Relationship</td>
</tr>
<tr>
<td>0.40 - 0.59</td>
<td>Moderate Relationship</td>
</tr>
<tr>
<td>0.60 - 0.79</td>
<td>High Relationship</td>
</tr>
<tr>
<td>0.80 - 1.0</td>
<td>Very High Relationship</td>
</tr>
</tbody>
</table>

Input factors

Company profiles include Thai Companies, number of years in business in Thailand, Number of years performing CSR, Asset size and Average annual budget for CSR.
Most of the selected companies have the CSR drivers as ethical considerations, economic considerations, reputation or brand, innovation and learning, risk management or risk reduction, strengthened supplier relationship, access to capital or increased shareholder value, market positioning and improved relationships with governmental authorities.

CSR programs

There were two major beneficiaries considered in this study namely: Natural Environment and Community. The gathered data were classified in order to get the summary of CSR programs. The said activities were categorized with the main types and number of activities for each type shown in the table below such Cause promotion, Cause related marketing, Corporate social marketing, Corporate philanthropy, Community volunteering, Socially responsible business practices, and Developing and delivering affordable products and services.

Patterns of CSR programs

The reported CSR projects were categorized based on beneficiaries as internal, natural environment and community. Then the patterns were established according to the manner of performance and as observed by the community as follows:

3 - Extensive – on-going, regular, w/ most number of CSR projects, have enough resources (manpower, materials, machine, money), always with partner (NGOs or any organization), follow government law, conduct
evaluation for every program, have a defined structure (company organization)

2 - Moderate – CSR project performed more than once but not regular, occasional or as the needs arise, limited resources, sometimes with partner, sometimes follow laws, conduct evaluation for some program, form the structure when needed

1 - Low – CSR project done once (0-1 projects), lack resources, no partner, never mind the law, conduct evaluation when needed, never mind of the structure

The patterns of CSR programs will be categorized based on the benefits whether: (a) benefitting the environment; and, (b) benefitting the community. The activities stated above were categorized according to beneficiaries and then the mean values were determined. The table below shows the patterns of CSR activities. Scores of 1-1.5 were considered low; 1.51-2.5 were considered moderate; and, 2.51-3 were considered extensive.

**Patterns of CSR Programs - COMPANY A**

<table>
<thead>
<tr>
<th>CSR PROGRAMS</th>
<th>PATTERNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BENEFITING ENVIRONMENT</td>
<td></td>
</tr>
<tr>
<td>1.1 community safety with Compay</td>
<td>2</td>
</tr>
<tr>
<td>1.2 PEA with grown, cared, and reserved</td>
<td>2</td>
</tr>
<tr>
<td>1.3 PEA with caring all life</td>
<td>2</td>
</tr>
<tr>
<td>2. BENEFITING COMMUNITY</td>
<td></td>
</tr>
<tr>
<td>2.1 PEA with medical mission</td>
<td>2</td>
</tr>
<tr>
<td>2.2 community safety with Company</td>
<td>2</td>
</tr>
<tr>
<td>2.3 Company reserve water and build dike</td>
<td>3</td>
</tr>
<tr>
<td>2.4 Company with school electricity improvement</td>
<td>3</td>
</tr>
</tbody>
</table>
Patterns of CSR Programs - COMPANY B

<table>
<thead>
<tr>
<th>CSR PROGRAM/ ACTIVITIES</th>
<th>PATTERNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BENEFITTING ENVIRONMENT</td>
<td></td>
</tr>
<tr>
<td>1.1. Tree Planting Program</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Back to the Mangroves Program</td>
<td>3</td>
</tr>
<tr>
<td>1.3 Zero waste campaign</td>
<td>2</td>
</tr>
<tr>
<td>2. BENEFITTING COMMUNITY</td>
<td></td>
</tr>
<tr>
<td>2.1 Gas tank check-up</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Repairing local road</td>
<td>2</td>
</tr>
<tr>
<td>2.3 Seminar/Training</td>
<td>3</td>
</tr>
<tr>
<td>2.4 Company with medical mission</td>
<td>2</td>
</tr>
<tr>
<td>2.5 Zero Waste campaign</td>
<td>3</td>
</tr>
</tbody>
</table>

Patterns of CSR Programs - COMPANY C

<table>
<thead>
<tr>
<th>CSR PROGRAM/ ACTIVITIES</th>
<th>PATTERNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BENEFITTING ENVIRONMENT</td>
<td></td>
</tr>
<tr>
<td>1.1. Tree Planting Program</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Protecting tree from the natural fire</td>
<td>2</td>
</tr>
<tr>
<td>2. BENEFITTING COMMUNITY</td>
<td></td>
</tr>
<tr>
<td>2.1. Protecting tree from the natural fire</td>
<td>3</td>
</tr>
<tr>
<td>2.2. Seminars/Trainings</td>
<td>3</td>
</tr>
<tr>
<td>2.3. Scholarship</td>
<td>3</td>
</tr>
<tr>
<td>2.4. Livelihood/Business Opportunities Program</td>
<td>2</td>
</tr>
<tr>
<td>2.5. Supporting OTOP product for community</td>
<td>2</td>
</tr>
<tr>
<td>2.6. Supporting supplier program</td>
<td>2</td>
</tr>
</tbody>
</table>

CSR findings

There were two assessments done such as: (a) employee’s assessment; and, (b) community assessment. The responses were interpreted as:
Reported Positive Outcome – for those who responded strongly agree and agree (mean value of above 3.51). As well as Did Not Report Positive Outcome – for those who responded neither agree nor disagree, disagree and strongly disagree (mean value of 3.51 or lower).

Employees’ Assessment

The table below showed the means of the responses of employees. The responses were based on the Likert scale. These responses were further defined and interpreted in the succeeding discussions.

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Benefitting Environment</th>
<th>Benefitting Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>3.8</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

The summary of the CSR outcomes to various stakeholders. The responses of the employees were interpreted as all three companies reported positive outcome to the stakeholders.

Community assessment

The table below showed the means of the responses of the community. The responses were based on the Likert scale. These responses were further defined and interpreted in the succeeding discussions.
Summaries of Means Based on Community Assessment

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Benefitting Environment</th>
<th>Benefitting Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3.54</td>
<td>3.99</td>
</tr>
<tr>
<td>B</td>
<td>4.42</td>
<td>4.61</td>
</tr>
<tr>
<td>C</td>
<td>4.17</td>
<td>4.68</td>
</tr>
</tbody>
</table>

Based on the community assessment, three companies (E, F and G) reported positive outcome to the environment and community.

Triangulation method of analysis

The triangulation method was done to validate the employees’ assessment. The employees’ assessment was compared with community assessment of the outcomes to external stakeholders. Following were the categories used: Consistent Evidence – if the means of the community assessment was equal or greater than the means of employees that reported positive outcome or equal or lower than the means of employees that did not report positive outcome. And, Uncorroborated Evidence – if the condition in the consistent evidence was not satisfied.

CSR outcome to external stakeholders

*Findings on natural environment*: The table below showed the CSR outcomes to the natural environment. Only Company B was validated to have consistent evidence. The rest of the companies were validated to have uncorroborated evidence in reporting positive outcome. The community had lower means than the employees’ assessment. These companies were tranquil in looking at standards. The community observed the CSR programs of the
company but not the same extent as how the company claimed. Possibilities were:

companies adopted stricter standards; and, communities were never aware of the CSR

programs performed benefiting the environment.

<table>
<thead>
<tr>
<th>COMPANIES</th>
<th>EMPLOYEES</th>
<th>OUTCOMES</th>
<th>COMMUNITY</th>
<th>VALIDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>Reported Positive Outcome</td>
<td>3.54</td>
<td>Report ed Positive Outcome</td>
</tr>
<tr>
<td>B</td>
<td>3.8</td>
<td>Reported Positive Outcome</td>
<td>4.42</td>
<td>Reported Positive Outcome</td>
</tr>
<tr>
<td>C</td>
<td>5</td>
<td>Reported Positive Outcome</td>
<td>4.17</td>
<td>Reported Positive Outcome</td>
</tr>
</tbody>
</table>

Findings on the community

The table below showed the CSR findings to the community. All companies were validated as having uncorroborated evidence in reporting positive outcome. The community hardly observed the CSR programs done benefiting the community.
Factors relating to the CSR findings: The factors relating CSR Findings were determined using Linear Regression. As part of the objectives, it was intended to determine if there is mediation by the Patterns of CSR on the relationship between the Input Factors and the CSR Findings. The following were the analysis done: (1) Two separate mediation analysis was done considering independent variables such as CSR findings benefitting community and benefitting environment one at a time. (2) Each mediation analysis involved three regression to test mediation such as: a. Regressing the mediator on the independent variable - The first step in testing mediation was regressing the Patterns of CSR for change on the Input Factors. b. Regressing the dependent variable on the independent variable - The second step in testing mediation was regressing the Findings of CSR for change on the Input Factors. c. Regressing the dependent variable on both the independent variable and on the mediator - The third step in testing mediation was regressing the Findings of CSR for change on the Input Factors and Patterns of CSR.

<table>
<thead>
<tr>
<th>COMPANIES</th>
<th>EMPLOYEES</th>
<th>OUTCOMES</th>
<th>COMMUNITY</th>
<th>COMMUNITY</th>
<th>VALIDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>Reported Positive Outcome</td>
<td>3.99</td>
<td>Reported Positive Outcome</td>
<td>UNCORROBORATED EVIDENCE</td>
</tr>
<tr>
<td>B</td>
<td>5</td>
<td>Reported Positive Outcome</td>
<td>4.61</td>
<td>Reported Positive Outcome</td>
<td>UNCORROBORATED EVIDENCE</td>
</tr>
<tr>
<td>C</td>
<td>5</td>
<td>Reported Positive Outcome</td>
<td>4.68</td>
<td>Reported Positive Outcome</td>
<td>UNCORROBORATED EVIDENCE</td>
</tr>
</tbody>
</table>
Mediation Paradigm to be tested

The variables included in the analysis were shown. The input factors were number of years operating in Thailand, asset size, number of years performing CSR and CSR budget.

Factors relating to the CSR findings (Benefitting community)

Regressing the mediator on the independent variable: The first step in testing mediation was regressing the Patterns of CSR for change on the Input Factors. The Patterns of CSR (benefitting community) was the dependent variable while the Input Factors was the independent variable. There was no relationship established between the factors considered in this analysis because the values on the Patterns of CSR (benefitting community) was constant. Statistical analysis is done to check variations in responses thus no processing result output when responses are constant.
Factors of the Input Factors Greatly Influence the CSR Findings (Benefitting Community):

The second step in testing mediation was regressing the CSR Findings (benefitting community) for change on the Input Factors. Table 1 indicates the results of the analysis. The CSR Findings (benefitting community) was the dependent variable while the Input Factors was the independent variable.

Regressing the Dependent Variable on the Independent Variable: There were two variables that turned to have an influencing effect on the dependent variable. In regressing the CSR Findings (benefitting community) on the Input Factors, considering 0.05 as the level of significance, the significant factors influencing the CSR Findings (benefitting community) on with positive relationship were: (a) Number of years doing CSR; and, (b) Budget for CSR.

Regression of the CSR Findings (Benefitting community) for change on the Input Factors

<table>
<thead>
<tr>
<th>MODEL</th>
<th>STANDARDIZED COEFFICIENTS</th>
<th>T</th>
<th>SIG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CONSTANT)</td>
<td></td>
<td>31.320</td>
<td>.000</td>
</tr>
<tr>
<td>NUMBER OF YEARS DOING CSR</td>
<td>.288</td>
<td>3.831</td>
<td>.000</td>
</tr>
<tr>
<td>BUDGET FOR CSR</td>
<td>.261</td>
<td>3.478</td>
<td>.001</td>
</tr>
</tbody>
</table>

Adjusted R-square = .108  F Value = 11.023  Significance = .000

The positive relationship established simply implies that the CSR Findings (benefitting community) is most likely reported by companies that: (a) have higher CSR budget; (b) have more than number of years performing CSR projects. These indicators explain the CSR Findings (benefitting community) as indicated by the adjusted R square of 10.8% with F-value
of 11.023 at .000 significance. Effect of Patterns of CSR and Input Factors on CSR Findings (benefitting community). Regressing the Dependent Variable on Both the Independent Variable and on the Mediator.

The third step in testing mediation was regressing the CSR Findings (benefitting community) for change on the Patterns of CSR (benefitting community) and Input Factors. There is no established relationship nor mediation because responses on the Patterns of CSR (benefitting community) were constant.

Factors relating to CSR findings (Benefitting the environment)

Regressing the Mediator on the Independent Variable: The first step in testing mediation was regressing the Patterns of CSR for change on the Input Factors. Table 2 indicates the results of the analysis. The Patterns of CSR (benefitting environment) was the dependent variable while the Input Factors was the independent variable.

Regression of Patterns of CSR (Benefitting the environment) for change on the Input Factors

<table>
<thead>
<tr>
<th>MODEL</th>
<th>STANDARDIZED COEFFICIENTS</th>
<th>T</th>
<th>SIG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CONSTANT)</td>
<td></td>
<td>3.807E8</td>
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<tr>
<td>NUMBER OF YEARS DOING CSR</td>
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<td>7.491E7</td>
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<tr>
<td>BUDGET FOR CSR</td>
<td>.947</td>
<td>1.210E8</td>
<td>.000</td>
</tr>
</tbody>
</table>

Adjusted R-square = 1.00  F Value = 8.567E15  Significance = .000

Of the total four variables, two are significant. In regressing the Patterns of CSR (benefitting environment) on the Input Factors, considering 0.05 as the level of significance, the
significant indicators of Patterns of CSR (benefitting environment) with positive relationship were: (a) Number of years doing CSR; and, (b) Budget for CSR. The positive relationship established simply implies that the CSR program is most likely extensive when companies spend more number of years performing CSR and when CSR budget is increased. These indicators explain the Patterns of CSR (benefitting environment) as indicated by the adjusted R square of 100.00% with F-value of 8.567 at .000 significance.

Factors of the input factors greatly influence the CSR findings (Benefitting environment)

The second step in testing mediation was regressing the CSR Findings (benefitting environment) for change on the Input Factors. Table indicates the results of the analysis. The CSR Findings (benefitting environment) was the dependent variable while the Input Factors was the independent variable.

Regressing the Dependent Variable on the Independent Variable

There were two variables that turned to have an influencing effect on the dependent variable. In regressing the CSR Findings (benefitting environment) on the Input Factors, considering 0.05 as the level of significance, the significant factors influencing the CSR Findings (benefitting environment) on with positive relationship were: (a) Number of years doing CSR; and, (b) Budget for CSR.
Regression of the CSR Findings (Benefitting the environment) for change on the Input Factors

<table>
<thead>
<tr>
<th>MODEL</th>
<th>STANDARDIZED COEFFICIENTS</th>
<th>T</th>
<th>SIG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CONSTANT)</td>
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<td>.000</td>
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<tr>
<td>NUMBER OF YEARS DOING CSR</td>
<td>.274</td>
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<td>.000</td>
</tr>
<tr>
<td>BUDGET FOR CSR</td>
<td>.460</td>
<td>6.568</td>
<td>.000</td>
</tr>
</tbody>
</table>

Adjusted R-square= 22.3  F Value  = 24.831  Significance = .000

The positive relationship established simply implies that the CSR Findings (benefitting environment) is most likely reported by companies that: (a) have higher CSR budget; (b) have more than number of years performing CSR projects. These indicators explain the CSR Findings (benefitting environment) as indicated by the adjusted R square of 22.3% with F-value of 24.831 at .000 significance. Effect of Patterns of CSR and Input Factors on CSR Findings (benefitting environment) Regressing the Dependent Variable on Both the Independent Variable and on the Mediator.

The third step in testing mediation was regressing the CSR Findings (benefitting environment) for change on the Patterns of CSR (benefitting environment) and Input Factors. Table 4 indicates the results of the analysis. The CSR Findings (benefitting environment) was the dependent variable while the Input Factors and CSR Patterns (benefitting environment) were the independent variable.

There was one variable that turned to have an influencing effect on the dependent variable. In regressing the CSR Findings on the Patterns of CSR and Input Factors,
considering 0.05 as the level of significance, the significant determinants of CSR Findings, with positive relationship, was number of years operating in Thailand. The Patterns of CSR (benefitting the environment) was not significant.

Regression of CSR Findings (Benefitting the environment) for Change on the Patterns of CSR and Input Factors

<table>
<thead>
<tr>
<th>MODEL</th>
<th>STANDARDIZED COEFFICIENTS</th>
<th>T</th>
<th>SIG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CONSTANT)</td>
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<td>-.684</td>
<td>.495</td>
</tr>
<tr>
<td>NUMBER OF YEARS IN THAILAND</td>
<td></td>
<td>.010</td>
<td>3.097</td>
</tr>
</tbody>
</table>

Adjusted R-square= 22.3  F Value  = 24.831  Significance = .000

The positive relationship established simply implies that the CSR Findings (benefitting environment) is most likely reported by companies that have greater number of years operating in Thailand. This determinant explain the CSR Findings as indicated by the adjusted R square of 22.3% with F-value of 24.831 at .000 significance.

Mediation of the Patterns of CSR

With Patterns of CSR (benefitting environment) not a significant variable, there is no mediation. Therefore, going over the three models, there is only the existence or relationship between two factors: the independent and dependent variables. The significant variables were Number of years performing CSR and CSR budget.
CONCLUSION

In this study, the researchers had analyzed how input factors related to CSR patterns. The finding found that there was no relationship established between input factors and CSR patterns (benefitting community) because responses are constant. CSR Budget and number of years performing CSR relates to the CSR findings (benefitting environment).

In addition, when analyzing how the CSR patterns accounted for the effect of input factors to the CSR finding, there was no relationship and mediation established as far as CSR findings (benefitting community) was concerned because responses on CSR patterns (benefitting community) were constant. Number of years rating in Thailand related significantly to the CSR findings (benefitting environment). CSR patterns (benefitting environment) was significant. Therefore, there is no mediation. The final model involved only two factors namely: independent and dependent variable. Finally, identifying which among the input factors relates to the CSR findings. The research found that number of years performing CSR and CSR budget were the significant factors that relates to CSR findings both benefitting community and environment.
REFERENCES


