
CORPORATE SOCIAL RESPONSIBILITY IN THAILAND; IS ENOUGH BEING DONE BY COMPANIES TO SOCIETY?

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Abstract: Corporate social responsibility is still in its infancy in Thailand, mainly because people are still unaware of CSR as an obligation from trading, manufacturing and banking companies, a result of globalization. The rationality of these organizations, are different, as they aim to adapt to society's demands through their approach towards Corporate Social Responsibility.

Many companies in Thailand are now aware of CSR, and are trying to initiate programs with the aim of bridging the societal inequality in the country, but are they doing enough to quell this income divide in the country?

CSR programs emanate from companies, which are compelled to give back to the society, from which it reaps rewards and profits, through the products or services, it offers.

Large organizations need to do more, which will certainly help in bridging the huge socio-economic divide between the rich and poor in Thailand, a country which has one of the highest income imbalances in the world; organizations need to show greater corporate social responsibility, to alleviate the living standards of those living in the North East, the forgotten part of Thailand!

The researcher aims to draw attention to some CSR initiatives by companies in Thailand, as well as those acts of charity by a few millionaires, which is wrongly construed as CSR; this is done merely as an act of merit making, called "Thamboon" in Thai.

Companies in Thailand will have to move from being charity minded to show greater social responsibility and focus on social and environmental concerns, which are interconnected; there is an urgent need to plan CSR strategies, with an intention to help society now.

Keywords: Corporate Social Responsibility, Thailand, Organizations, Initiatives, Challenges, Inequality.

Introduction: Thailand, the land of smiles, continues to grow

economically, fuelled by an increase in tourism and exports over the last few years, but CSR, is still considered to be more of an image building exercise as well as a public relations campaign, undertaken by organizations to familiarise both the company as well as its brand, mainly as an opportunity rather than as a requirement for companies to be engaged in.

More of their contribution towards society, will certainly help in bridging the huge socio-economic divide between the rich and poor in Thailand, a country which has one of the highest income imbalances in the world.

Corporate Social Responsibility has become a globally valuable and fancy concept whereby organizations consider the interests of society by taking responsibility for the impact of their actions on customers, employees, stakeholders, the society at large and the environment for all aspects of their operations. It is one of the most important global issues with serious threats and far-reaching challenges in almost all sectors.

Literature Review: The World Business Council for Sustainable Development in its publication "Making Good Business Sense" by Lord Holmes and Richard Watts, used the following definition. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"

The need for corporate social responsibility: David Wheeler and Maria Sillanpa in "The Stakeholder Corporation" state that by 1998, 51 out of the 100 largest economies were not nation states, but corporations. According to Wheeler & Sillanpa, in 1998, General Motors was bigger than Denmark; Toyota was bigger than South Africa. Yet, now in 2013, the gap between the world's rich and poor is wider than ever before.

In 1999, The United Nations reported that the world's then three richest people - Bill Gates

of Microsoft, the Sultan of Brunei and the Walton family from Wal-Mart retail were worth more than the combined gross domestic product of the world's 34 poorest nations. Thus, the modern day large corporations are often larger than nation states. Rich individuals own and command resources that are so large, often larger as compared to smaller/poorer nations. With greater power and size, comes great responsibility.

In many countries, national and local governments have taken a "hands off" approach in regulating business, Globalisation of trade & commerce

has created a lot of openness, transparency & accountability; in response to liberalisation, whereby the role of states are shrinking.

Most of the governments at the national and local levels are also experiencing shortage of funds and a shrinking resource base, which has made it essential for companies to involve themselves in the community actively. Over the past decades, a growing number of companies have recognised the business benefits of CSR policies and practices. Their experience has been strengthened by a growing body of empirical studies, which demonstrates that CSR has a positive impact on business and economic performance.

CSR is about creating a sustainable future; respect cultural differences and find the business opportunities in building the skills of employees, the community and the government" "CSR is about business giving back to society. Traditionally, CSR, has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes, then they donate a certain share of the profits to charitable causes.

Philip Kotler, says "Corporate Social Responsibility is: Doing the Most Good for your Company and Cause" Corporate social Responsibility is a concept where companies consider the interest of society and take responsibility for the impact of their activities on their employees, stakeholder and customers and also the environment. Organizations take steps to improve the quality of life for employees and their families as well as for the local community and the society at large.

The underlying theme of CSR is that business and society are inter woven and are not distinct entities. CSR needs to be seen and valued as a culture by Thai companies, which support the community by strengthening organizational values. CSR is not only the way to do but it is also good for business and supports growth.

Today, Thai companies have started initiatives primarily with the aim of giving the next generation a greener, cleaner world as well as making products which are eco-friendly, contributing to the society, from which they succeed and survive through value creation.

A Look At Thailand's Corporate Social Responsibility Now: CSR initiatives began in Thailand, two decades back, when leading companies were involved in corporate social responsibility programs in areas like children's education, creating health awareness, creating sustainable

work, and empowering weaker sections of the society. Notable efforts have come from the 2010 list of Forbes Asia's '48 Heroes of Philanthropy' list, which contains four Thais, shown here, which is a giant step!

A strategic approach to CSR can be made on the strong traditions in Thailand, but it needs to start with a proper assessment of how corporations impact people and natural resources. A strategic approach to CSR requires a company to understand how it is impacted by economic, environmental and social forces; and how the company can position itself to thrive in an uncertain future. Climate change, dwindling resources (including water), volatile economic conditions and a globally interconnected market system all provide both risks and opportunities for companies in Thailand.

Community development: Most large companies including SCG, SCB, True, Canon, Thai Namthip, J & J either have their own foundations or contribute to other initiatives that directly support community upliftment.

Companies must ensure that growth takes place, from developing social commitment by training and involving its people in other noble causes.

It is imminent and important for companies to look at the long term future and create a sustained approach, which is an imperative in Thailand, which is just waking up to the needs of CSR towards a fair and more equitable society.

In Thailand, both the Securities and Exchange Commission and the Stock Exchange of Thailand closely monitor publicly-listed companies and have annual awards for outstanding performance on corporate governance and corporate social responsibility. The Department of Industrial Works (DIW) supports and recognizes smaller players in the industry for their CSR efforts through the annual CSR-DIW awards.

Boonchai Benjarongkul 60, who is the founder of telecom major DTAC devotes himself to support education and culture since selling control of the company in 2005. He opened the Thai Contemporary Art Museum in Bangkok, an \$8.4 million showcase for his collection of modern Thai painting, sculpture and miniatures that will be the nation's largest privately funded museum.

Tan Passakornnatee 56, founder of Oishi green tea and Japanese restaurants and also sells under the Mai Tan brand, pledges half his net profit to his Tan Pan Foundation, which works to improve education, the environment and tourism; he gave \$67,000 from his TV appearances, with

a standup comic for new buildings at Bor Thong Kindergarten in Chonburi, his hometown. Contributed to Japanese earthquake relief and raised more money via his restaurants and Facebook fan page for a total of \$193,000.

Bilaibhan Sampatisiri 65, Chairs the Nai-Lert Park Hotel, which is privately held and is also president of the Siam Society, has helped in leading efforts to conserve the nation's fast-disappearing architectural heritage. She also serves as president of a Thai fund involved in protecting wild elephants. Runs the Lert Sin Foundation, which supports health care and education, which is funded from the legacy of her grandfather, who built real estate, retailing and transport businesses.

Thongma Vjittpongpan 58, heads the listed real estate developer, Pruksa, has donated some \$660,000 to hospitals, Buddhist organizations and schools in 2010 and 2011. A civil engineer by training, he's channeled most of his education-related giving into the engineering field.

Today, CSR globally is no longer about giving alms or money to the needy, it is done in a more planned manner which will have to be sustained and more awareness needs to be created; it has of course become an integral part of the corporate strategy and capitalism as more organizations follow suit in the footsteps of these illustrious donors, for fear of the fact that they may be left behind, as CSR is also an image and brand building tool.

CSR at Amway Amway Thailand, as part of its CSR has been in active cooperation with the UNICEF, the United Nations Children's Fund. Since it is a family company, it has been involved in improving the lives of children and those in need across the globe.

CSR at Thai Namthip Namthip bottled water began selling in eco-crush bottles last year. The packaging is thinner and 100-per cent recyclable. Each 550-millilitre bottle of Namthip now weighs just 10.7 grams, down from its previous weight of 16.5 grams. Once the bottle is empty, it can be easily crushed to reduce its size making it easier for garbage collection and disposal and has at its heart the save the world pledge for a better tomorrow.

"Consumers feel good about saving the environment," says their Manager Tanant, adding that a survey showed 63 per cent of respondents felt Namthip was different from other bottled-water products. According to the survey, up to 70 per cent of respondents thought of Namthip when the topic of bottled water came up. The survey was conducted shortly after the eco-crush bottle was launched. "We are now an innovator in the

field of bottled-water packaging," Tanant says.

Sunant Phutthasri, quality manager at the ThaiNamthip Plant (Rangsit), said the Thammasat University Excellence Centre of Eco-Energy had found that the eco-crush bottles also lowered electricity consumption and transportation costs. "When compared with the old manufacturing line, the electricity consumption is down by 6 per cent," he said, adding that the bottles' lighter weight also meant less fuel was needed for transportation.

"We can save more than 1.8 million litres of petrol each year," said Sunant. ThaiNamthip, a part of Coca-Cola Thailand, has spent more than Bt800 million on the eco-crush assembly line. Considered to be one of the worlds most efficient, it can produce 1,200 bottles in just one minute or 900 million bottles each year at the company's plant in Pathum Thani.

About 50 rai of land at the factory's compound - approximately one-fourth the total area - is being used for the treatment of wastewater from the factory.

CSR at Johnson and Johnson, Thailand; J & J has its first responsibility to the field of medicine, families and consumers; J&J has developed a Zero Defect program which primarily focuses on quality and process improvement. The main theme for the program is, never pass a mistake to customers. The first phase of this program was completed in end 2012 and received recognition from the regional management team for its success. J&J Thailand continues to improve itself by moving forward to the next phase in 2013.

Its second responsibility is for its employees. J&J Thailand has launched monthly Healthy People and Nurse Room Help Desk programs that promotes health awareness and wellbeing activities as well as EAP; Employee Assistant Programs which offers personal consultant to relieve stress to its employees.

J&J also enhances its responsibility to the communities by establishing charities and offering donations. Many campaigns and activities were launched along the years; fundraising programs for Thai handicapped foundation and child protection, environmental protection projects i.e. Mangrove forest planting including global fundraising campaigns for Hurricane Sandy Relief in the US, Typhoon Bopha (Pablo) in Philippines, Internal energy saving campaign and etc.

CSR at Canon; Canon Thailand supports The Traditional Thai Puppet Performance (Joe Louis show);Canon also actively pursues the

kyosei philosophy in other avenues. For example, it supports Thailand's cultural heritage --The Traditional Thai Puppet performance ("Joe Louis"). Since the beginning of 2010, Canon has been one of the supporters of the theatrical puppetry to help reviving and assuring the survival of the art of traditional Thai puppetry. This unusual performing art is also unique and exotic in that each puppet requires the synchronized efforts of three puppeteers in its manipulation, all of whom appear on stage with the puppet and each of whom is a dancer in his or her own right.

CSR at SCG The Siam Cement Group, SCG, one of the country's largest industrial houses, SCG is a holding company based in Thailand. Through its subsidiaries, the company is engaged in five core businesses including chemicals, paper, cement, building materials, and distribution. SCG is comprised of over 100 companies under five business groups, employing approximately 24,000 employees, and handling more than 64,000 product items. The products are marketed domestically and exported to all regions of the world. It has initiated a project to renovate Disabled Children's Training School in Ba Ria-Vung Tau province, Vietnam since 2009. In 2011, the company held International Children's Day activities along with providing scholarships and Internet connection for the school's computer room. The Children's Day activities was continuously held in 2012 and aims to make this a yearly event. SCG constructed "SCG Sharing "The Dream Playground" in Hoang Van Thu park, Tan Binh District, Ho Chi Minh City in 2011. The playground covers 820 square meters with total investment of 97,000USD. It is freely open to all local residents and serves as a safe outdoors space for parents and children to spend time together in an increasingly overcrowded urban environment. In 2012, the group held the International Children's day activities for more than 500 children from all districts of Ho Chi Minh City.

SCG is involved in social development and enhancement of capabilities in various areas such as environment, education, science & technology, sports and cultural activities, both in Thailand as well as in other countries where it has a business presence. This has allowed the company to experience sustainable social growth alongside the growth of the country. SCG has a policy for hiring employees and contractors from local communities where it operates; this is an opportunity for the locals to find gainful employment.

SCG also helps support the livelihood of the locals by purchasing local products and services such as food, beverages and raw materials. In

addition, SCG helps strengthen communities by providing knowledge regarding local products to give them more appeal such as how to enhance quality, design, marketing, as well as creating a cooperative that can help the communities to generate a sustainable income.

Research Framework: The researcher used a questionnaire consisting of eight questions to elicit responses from a total of 440 senior students, from an international university, but ensured that all respondents were Thai, who were both willing and had the time to participate in the survey; the following is the list of factors considered by senior university students, for CSR, based on a Likert scale rating of 1 to 5, where one was the least and five being the highest.

1 Organisational involvement in the society and community	4.55
2 Engaging in environmentally friendly products	4.38
2 Health and safety of Employees	4.25
3 Social and environmental reporting	3.88
4 Good HR and employee practices	3.77
5 Following strict international standards and guidelines	3.57
6 Partnerships with NGOs and other similar organisations	3.52
7 Ethical buying and selling policies free of corruption	3.11
8 Charity, donations and scholarships for education	3.01

The top three factors score higher than 4.0, indicating that the majority of respondents felt that these were vital or very important. These factors are in the order of the society and community at the top, followed by environmentally friendly products, health and Safety. These are three of the most important pillars of CSR in companies because success in these areas will reduce risks, improve competitiveness, and pave the way for innovative new products and services that reflect the challenges and opportunities of a changing world, as reasoned by a sample of 440 students.

The second set of three factors, were also viewed by the student respondents as important, but of secondary level, with a score of over 3.5. The last two factors were found to be eliciting the lowest relevance by the respondents, who feel that ethical policies related to buying and selling of products, was considered to be of minor significance.

Whereas, charity and donations by companies, to the researcher's surprise was rated to be the least of priorities; during the face to face interviews with a few respondents the researcher happened to question some of the respondents on this fact and why it was less relevant; the reason was that,

if all other factors were taken care of, then, there was no need for any charity!

The interviews could indicate that Thai companies do indeed see the importance of managing their environmental impacts effectively, but do not yet have the systems and performance data to report. Considering the high priority attached to environment by stakeholders and companies themselves, it seems this could be the issue to watch in the short term as companies put their commitments into practice.

CSR programmes in organizations has been able to bridge the high power distance in Thai corporate, to some extent; the culture which was in the past heavily hierarchy oriented, where communication was often one way and vested in the hands of the power mongers, with little voice for those down the corporate rungs, has started to ring bells of change, thanks to its CSR initiatives.

The advent of ASEAN integration will make it imperative for Thai companies to come out of the culture shell and learn to value employees' ideas in the work place in order to make it more competitive, capable, competent and professional; to be more focused in reaching professional goals and climbing the corporate ladder faster, by better managing success and responding to complex situations and redefining their roles in their companies.

In addition, as Thai companies have begun to play in a global market; they are also under global pressure to improve environmental sustainability and to act on climate change and also improve the human rights record.

Managing the environmental impact from its growth, given the phenomenal number of cars on the roads now, is a daunting prospect as it is increasingly under the spotlight to curb green house gas emissions too.

Following are some of the strategies used by modern organizations:

Research shows that most of Thailand's largest companies have recognized the importance of improved disclosure on CSR issues; the researcher expects this trend to continue, as well as to be supported by institutional encouragement within Thailand and driven by increased stakeholder scrutiny in the country. There is no doubt that Thai companies are beginning to realize that CSR is increasingly becoming an important element in their brands and reputations and that a strategic approach to CSR can deliver business benefits.

Current findings suggest that companies are primarily disclosing what is

mandated by law, resulting in transparency and accountability gaps in some key areas. It is expected that this will significantly improve in the coming years as experience in other regions shows that greater transparency has a positive effect on companies' CSR strategy, management and implementation and significantly improves reporting processes.

Considering the high priority attached to the environment by stakeholders and companies themselves, as well as political and scientific concerns about climate change and how it will adversely affect Thailand, it seems this could be the issue to watch in the short term. It is anticipated that companies will put their commitments into practice, manage risks associated with climate change and capitalize on opportunities in the area of new technologies and adaptation strategies.

Climate change has risen to the top of the scientific and political agendas globally, and businesses worldwide are actively engaged. Traditionally companies have played an important role in mitigating risks by reducing carbon emissions. But as we begin to understand with more certainty how climate change will impact our world, companies are in a position to help create a more stable future by innovating products and services that reduce risk and help bridge gaps caused by a shifting climate.

Conclusions: Thai companies will have to move from being charity minded to show responsibility and focus on social and environmental concerns which are interconnected; there is an imminent need to plan strategies in tandem with CSR; no organization or its executives in decision making, can shirk responsibility; they will have to identify areas, in which they will be willing to go that extra mile, which will make them more socially responsible as corporate.

Corporate Social Responsibility will in the future be a requirement of companies and some of their initiatives may serve the country's needs better than others; for organizations, their basic message and purposes will be the same, they need to be allocating a portion of their profits, for the cause of society, which in turn helps them reap the rewards.

CSR involves addressing the legal, ethical, commercial as well as other expectations, society has for business, then making decisions that fairly balance the claims of all parties involved in the process.

Effective CSR aims at "achieving commercial success in ways that honor ethical values and respect people and communities".

As Thailand's rapid rise as an economic powerhouse in Southeast Asia and

its ascent to being a middle income country status globally continues, the drive and ability to reduce or eliminate poverty in the country will grow. Companies can play an important role by strategically investing in communities in ways that utilize their corporate skills and talents, by experimenting with new business models such as social enterprises and public private partnerships, and by learning from what works well so these solutions can be deployed and scaled up in other communities across the country and region.

Educational institutions will play a major role in the future of CSR as we continue to produce graduates, who will get into the corporate sector, it will be imperative for institutions to ensure that every student learns the value and concept of CSR and also look at it as their responsibility to alleviate the lives of other, less privileged citizens

To, successfully implement Corporate Social Responsibility will still be a challenge In a fast growing Thailand, which like most other countries, also has its share of internal socio- economic and political problems, ; we as academicians need to instill the values of Corporate Social Responsibility among our students to make it work in Thailand; we also need to make sure that the new generation of learners, actively participate in making the country a greener, nicer and better place for generation Z to live in!

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