

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY PROGRAMS ON A COMPANY'S IMAGE AND REPUTATION: A CASE STUDY

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Abstract: *Of late, Corporate Social Responsibility, or CSR, has become a common practice among many businesses. Though there is no detailed measurement available on the impact of these practices on business performance, CSR is believed to have a positive relationship with a company's goodwill and also be a mean to a more profitable operation. This article presents some empirical evidence that aims to answer the following question: does CSR practice influence a company's image and reputation? Questionnaires were used and personal interviews conducted to survey 400 stakeholders of the case company – Siam Cement Group (SCG) Thailand, considered a CSR pioneer in the CSR movement. The author reports that CSR programs, which pertain to economic, legal, ethical, and philanthropic concerns, have been found to have a low to medium influence on SCG's image and reputation. It can be concluded that because of its prominent practice, SCG has built a good corporate image and reputation in the community. The author takes the view that SCG should further integrate CSR programs into its business strategies, broaden its CSR network to its various stakeholders, put more emphasis on environmental issues, and employ an efficient measurement mechanism for evaluating the impacts and benefits of its CSR programs.*

Key words: *Corporate Social Responsibility (CSR), Image, Reputation, Attitude, Behaviour, Stakeholders, Siam Cement Group (SCG).*

Introduction

Corporate Social Responsibility (CSR) has been receiving much attention lately from many organizations. Defined as “the continuing commitment by business to behave ethically and contribute to the 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” (Holme and Watts, 2000), it has been recognized as a source of sustainable development (Brammer and Pavellin, 2006) and has become an emerging imperative (Baladi, 2011). In short, CSR can no longer be something complementary or temporary (Yunus, 2007).

One factor that has made it necessary for companies to integrate CSR into their corporate strategies is the general public's growing interest in and better knowledge of social and environmental problems. With the emergence of public standards for social performance, society is putting companies under strong pressure to embrace social responsibility and embrace new approaches in their business strategies, such as, for example,

green innovation, social entrepreneurship and new models of philanthropy (Pirsch et al., 2007). Along with online social networks, which have been stamped as the formidable marketing tools of the future, CSR is thus becoming a powerful tool to hold companies accountable for their social and environmental impacts and stimulate corporate transparency.

With the success of a company highly dependent on its relationships with its key stakeholders and their satisfaction level (Elkington (1995), showing “good corporate governance” has become critical. Aware of and interested in companies' CSR efforts, consumers weigh them in their decision-making process (Arli and Lasmono, 2009). They are more likely to provide greater support to companies that engage in social and environmental causes and reward them by purchasing their products (Olsen and Hill, 2006). CSR is therefore most effective at improving consumers' attitude towards the company, enhancing consumer loyalty as well as downsizing the level of consumer skepticism, i.e., reducing consumers' concerns and doubts regarding the company's products and services (Pirsch et al., 2007).

Focusing on CSR and on its link with a corporation's image and reputation, this study examines one major corporation in Thailand, long engaged in CSR and at the forefront of the CSR momentum in the Kingdom today:

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the Siam Cement Group Thailand (SCG).

Although the CSR concept was first conceived in developed countries, its ethics is also fundamental to the Sufficiency Economy philosophy advocated in Thailand.¹ CSR was spearheaded by the Monarchy who has been a strong advocate of ethics and proponent of the Sufficiency Economy philosophy and instrumental in the advance of CSR in the country. As a result, CSR practice has developed widely among the governmental and private sectors. It is especially appreciated for its actions promoting education, protecting the environment, and contributing to the welfare of society.

CSR in Thailand has also gained much prominence thanks to the establishment of the Business Coalition for Sustainable Development whose emphasis has been on improving the impact industrial corporations have on the environment. Another important factor in the emergence of CSR in the Kingdom is the Population and Community Development Association (PCDA) which has created new ways to attract business support for community development. In addition, in 2001, the Kenan Institute Asia started to conduct training programs for corporate executives with the purpose of improving the sustainability, efficiency and effectiveness of CSR programs. Also of great import is the Stock Exchange of Thailand's (SET) establishment in 2006 of a CSR Institute to promote CSR amongst its members.

Still, as promising as this may sound, the future of CSR in Thailand remains sensitive to a number of factors, including the government's approach to CSR promotion, the evolution of CSR abroad and the public perception of the issues involved and response to them.

CSR models vary with the type of corporate activities. For example, while the likes of Microsoft and Intel tend to focus on education, companies such as Nike and Pepsi, whose products appeal to the youth, focalize on activities like music and sports (e.g. sponsoring events, supporting local teams, etc.). Firms with large factories, like Unocal, have been building good relationships with their local communities. Those with potential environmental impacts from their operations such as, for instance, Shell and Dow Chemical, often emphasize environmental projects. Organizations whose business depends on

travel like American Express oftentimes focus on preserving cultural or historical attractions. Realizing the benefits of CSR in terms of image, good will and community trust, Thai corporations have developed their CSR models along these patterns.

In today's business environment, competition is no longer solely limited to manufacturing better and higher quality goods. There are many other critical factors that will determine a company's success and make it stand out. One such factor is corporate image and reputation. As a number of academics have argued, maintaining and enhancing corporate reputation can have a strong impact on customer value and customer loyalty and create a differential competitive advantage (e.g. Jeremy Galbreath, 2008; Maohua Li, 2009).

A company reputation is closely tied up to the emotional belief of its various stakeholders (Chang, 2006). In the case of Thailand, as with most developing countries, CSR practice is most appreciated both for its social and environmental impacts, particularly programs promoting education, and as a tool designed to increase corporate transparency toward all the concerned stakeholders.

Take the case of SCG; it has been engaged in various CSR activities in its homeland, Thailand, and also in a number of ASEAN nations in which it conducts business. Due to this long engagement in various CSR activities, SCG's image has been visible in the region, causing SCG to be viewed by its various stakeholders as a caring, considerate, and generous corporation. In Thailand, SCG is also regarded as one of the CSR pioneers.

SCG is the largest cement company in Thailand and ranks as one the largest industrial conglomerates in the Kingdom. SCG is also operating overseas in Indonesia, Vietnam, Laos, Cambodia, and the Philippines. Its involvement in new industries came in response to new technologies and markets. At present, its business covers a variety of fields: chemicals, paper, cement, building materials and distribution.

This research seeks to analyze the perception of two of SCG's main stakeholders (SCG employees and Bangkok residents) regarding SCG's CSR activities and its image and reputation and determine the relationship between CSR activities and corporate image and reputation.

After considering the related literature,

conceptual framework and research methodology, this article discusses the findings and their implications, emphasizing in particular the merits of strategic SCR and opportunities it provides SCG. The possibilities which the new trends in communication and product recycling offer, enabling SCG's CSR to have an even bigger impact on society while also benefiting its image, will also be stressed.

1. Review of Related Literature

- Corporate Image and Reputation

Bromley (2001) defined corporate image as an “*immediate mental perception of the organization held by an individual, group or network.*” That mental picture of an organization that can be created quickly through communication programs (Gray and Balmer, 1998).

Corporate reputation, on the other hand, refers to a particular type of feed-back received by an organization from its stakeholders with regard to “the credibility of the organization’s identity claims” (Whetten and Mackey 2002). According to Logsdon and Wood (2002), reputation is an assessment by outsiders of how well a company meets its commitments and conforms to its stakeholders’ expectations. It also has to do with “how well its overall performance fits the socio-political environment” (Ibid). Fombrun and Shanley (1990) determined that a firm’s good reputation attracts investors and better qualified personnel, lowers the cost of capital and enhances its competitive ability. Herremans et al. (1993) found that companies with better CSR reputations outperform those with poorer reputations and provide investors with higher stock market returns. Firms with good reputation also command higher prices, generate more employee loyalty and greater productivity, have bargaining power with their suppliers, more stable revenues, and are less exposed to crises (Fombrun, 1996).

However, the differentiation between corporate reputation, image, and identity is not clear (Whetten and Mackey, 2002). Corporate image and reputation are oftentimes used interchangeably as if their meanings were hardly different. Therefore these concepts have been used either as if they were synonymous (e.g. Williams and Barrett, 2000), as though they related to one another (e.g. Balmer, 2001) or, as Bromley (2001) argued, as if they

represented distinct constructs.

Corporate image and reputation have been considered as intangible assets and valuable resources a firm can use in order to differentiate itself from its competitors. As Mahon (2002) pointed out, “*reputation is built over time as the result of complex interrelationships and exchanges between a company and its stakeholders.*” This complexity of interrelationships makes imitation difficult for competitors in the short term (Ibid).

Although, as argued by Wartick (1992), “*the grand aggregation approach to corporate reputation loses substantial informational content unless multiple list(s) of stakeholders can be surveyed,*” this research will be conducted taking into account the perspectives of only two stakeholders, SCG employees and Bangkok residents, due to a number of limitations, most notably time. One direct implication of this narrowed down perspective is that, for purposes of this research, corporate reputation as measured in terms of ‘stakeholders’ perspectives thus means only the perspectives of employees and Bangkok residents as to how the organization meet their demands and expectations.

- CSR Constituents

CSR is often described in terms of business ethics, corporate accountability or corporate governance. Even though the semantics used differ, all the definitions refer to the same basic concept, i.e., a company’s duties and obligations to its stakeholders. Holme’s and Watts’ (2000) definition cogently encapsulates the essence of CSR. They defined it as “*the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of the life of the workforce and the families as well as the local community and society at large.*” As Kotler & Lee (2005) argued, CSR is a commitment to improving the well-being of a community “*through discretionary business practice and contribution of corporate resources.*”

Carroll (1979) classified CSR obligations toward society into four main groups, which he built into a CSR pyramid comprising four layers of responsibilities: economic, legal, ethical, and philanthropic ones. Starting from the bottom, economic responsibilities encompass, as their name indicates, responsibilities that are economic in nature.

Companies have an economic responsibility to make profit in order to be able to continue to provide goods and services that society needs and wants at reasonable prices. They also need to pay their employees, increase value for their shareholders, and take care of the interests of their other stakeholders (Carroll, 1979).

The next layer involves legal responsibilities. Organizations are expected to perform in accordance with the legal system in which they operate and “society’s codification of acceptable and unacceptable behaviors” (Carroll, 1979). This includes, among others, abiding by consumer, product, environmental, and employment laws while also adhering to laws and regulations governing competition in the marketplace (Conchius, 2006).

Thirdly, ethical responsibilities pertain to activities that are not necessarily determined by legal regulations or laws but are nonetheless societal expectations. Companies need to recognize and respect ethical norms adopted by society in order to behave in a socially responsible manner. At its most fundamental level, ethical responsibility is the obligation to do what is right, just, and fair, and to avoid or minimized harm to stakeholders (e.g. employees, consumers, environment, and others) (Carroll, 1991).

Lastly, discretionary (philanthropic) responsibilities refer to the necessity of being good corporate citizens by responding to society’s expectations voluntarily. Philanthropic responsibilities provide companies with an opportunity to determine by themselves the boundaries of their CSR activities, whose programs should also increase employee loyalty and improve customer ties. Philanthropy means effectively engaging in CSR activities to promote human welfare and enhance quality of life for society (Carroll, 1991). Contributions to arts, education and the community, conducting training programs to fight against drug addictions are good examples of discretionary responsibilities benefiting society (Jamali and Mirshak, 2007).

Keeping Carroll’s pyramidal concept, Lantos (2001) divided CSR activities into three different types, namely, ethical, altruistic, and strategic CSR. “*Ethical CSR is morally mandatory and goes beyond fulfilling a firm’s economic and legal obligations, to its ethical responsibilities to avoid harm or social injuries, even if the business might not appear*

to benefit from this” (Ibid). From this perspective, CSR actions are taken because they are right regardless whether or not they are profitable. Since CSR activities are considered tradeoffs between a company’s profitability and ethical actions and are not mandated by laws and regulations, ethical CSR activities give the company an opportunity to build trust among its stakeholders and enhance its reputation (Ibid).

Altruistic CSR refers to a company’s contribution to the good of various stakeholders. In other words, altruistic CSR aims to enhance the quality of life and society’s welfare. From this perspective, altruistic thus means a company uses its resources and capabilities to give back to the community where it operates (Ibid). Dealing with drug and alcohol problems or providing sufficient funding for education are examples of altruistic CSR.

Strategic CSR refers to corporate-community activities that help to achieve strategic business goals. Corporations carry out CSR activities not only out of generosity and kindness but also because these activities can be beneficial to their organization one way or another. In other words, companies aim to identify some CSR activities which are believed to be good for their business as well as for society (Jamali and Mirshak, 2007).

Bhattacharya and Sen (2004) explored the relationship between CSR activities and customer outcomes. A company’s CSR activities can be categorized into six domains: employee support (e.g., concern for safety, job security, profit-sharing, and union relations); diversity (e.g., gender, race, family, sexual orientation, and disability); environment (e.g., environment friendly products, hazardous waste management, animal testing, pollution control, and recycling); community support (e.g., support of arts and health programs, educational and housing initiatives, and generous giving); non-domestic operations (e.g., overseas labor practices); and product (e.g., product safety, marketing controversies, and antitrust disputes).

The internal outcomes of a company’s CSR practices first translate into consumers’ and employees’ awareness of its activities. It then manifests itself through consumers and employees’ attributions, which refer to the extent to which they respond positively to a company’s CSR activities (Bhattacharya and

Sen, 2004). A company's evaluations can be positively influenced once its consumers review its CSR activities.

One of the core external-behavioral outcomes of CSR activities is purchase behavior which presupposes that several contingent conditions are satisfied. Other such outcomes include: customer loyalty, resilience to negative information about the company; willingness to talk positively about the company (e.g., to friends, family, and colleagues) or recommend such companies to others; and willingness to pay a price premium for the products of a socially responsible company, which is much stronger particularly among those companies at the center of CSR efforts (Bhattacharya and Sen, 2004).

What emerges from these various approaches is that CSR is concerned with societal obligations. And as Porter and Kramer (2003) stated, the more a company engage in social improvement, the more economic benefits it will create for itself or for society.

- Attitude towards CSR

In today's world, people tend to be more sensitive to companies that act responsibly than to those that act irresponsibly. In short, CSR is now a consumer purchase decision criterion (Arli and Lasmono, 2009). The result is that the negative effects a company's bad behavior may have on the community seem to be more substantial than the positive effects of its good behavior; which, in turn, relates to how a company's CSR initiatives impact stakeholders' perception of the quality of the company's products (Bhattacharya and Sen, 2004).

Yoon and Gurhan-Canly (2004) showed that if a company's CSR activities are perceived as positive by consumers, this company's products will be believed to be of superior quality. On the other hand, if CSR activities are perceived as negative, consumers will automatically believe that this company's products are of poor quality. Broad groups of constituencies, including customers, shareholders, employees, local communities, financial institutions, competitors, and the media are increasingly interested in the way corporations behave (Peter, 2001). If consumers feel they can make a difference through supporting companies that engage in socially responsible actions, this is likely to contribute to a long term positive attitude toward those companies.

- Stakeholders

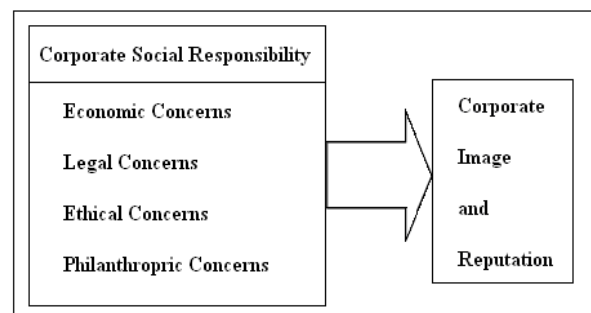
Business stakeholders are often defined as any group or individual who would affect or be affected by the achievement of the organization's objectives (Freeman, 1984). Stakeholders comprise shareholders and investors, employees, customers, suppliers, governments or other public organizations that set laws and govern economic commerce (Clarkson, 1995), and trade associations and environmental groups (Donaldson and Preston, 1995). Whether they are primary or secondary stakeholders depends on whether they are directly or indirectly engaged in the economic activities of a company.

Freeman (1984) suggested that managing and satisfying the interests of stakeholders lead to significant improvements in corporate performance and sustainability. Thus, some underlying motivations for a company to invest in CSR programs lie on its stakeholder management. In fact, many companies have conducted CSR programs as a way to promote socially responsible actions and effectively respond to their stakeholder demands (Maignan and Ferrell, 2004).

2. Conceptual Framework and Research hypotheses

The conceptual framework of this research has been adapted from Carroll's (1979/1991) Bhattacharya and Sen's (2004), and Oskamp's (1997) studies. The purpose of this study is to determine the influence of SCG's various CSR programs (economic, legal, ethical, and philanthropic) on its corporate image and reputation. It is based on the assumption that stakeholders will almost always favor a company that acts responsibly and has set up

Figure 1 – The Conceptual Framework



Source: Adapted from Carroll (1979) and Bhattacharya and Sen (2004) operational policies beneficial to the local

community and society at large. It also assumes that, as a result, these stakeholders will feel strongly and positively about the company which they will then voluntarily support in a number of ways such as eagerly buying its products, promoting it to others and favorably evaluating it. Based on the conceptual framework, four hypotheses were developed as follows:

Hypothesis 1

o/ There is no relationship between economic concerns and corporate image and reputation.

a/ There is a relationship between economic concerns and corporate image and reputation.

Hypothesis 2

o/ There is no relationship between legal concerns and corporate image and reputation.

a/ There is a relationship between legal concerns and corporate image and reputation.

Hypothesis 3

o/ There is no relationship between ethical concerns and corporate image and reputation.

a/ There is a relationship between ethical concerns and corporate image and reputation.

Hypothesis 4

o/ There is no relationship between philanthropic concerns and corporate image and reputation.

a/ There is a relationship between philanthropic concerns and corporate image and reputation.

3. Research Methodology

The author employed both qualitative and quantitative approaches to this research so as to provide answers to the “*who, what, when, where, and how*” questions (Zikmund 2003) and analyze the development of future trends (Kinnear and Taylor 1996). The study population is SCG’s employees working in the Bangsue district and Bangkok residents living in the Hua Mark and Bangkrapi districts. The sample size of this research was set at 400 respondents on the basis of previous studies, in particular those of Chatpol (2009), and Arendt and Brettel (2010).

Quota sampling, judgmental sampling, and snowball sampling were used to get the sample unit. As to the research instruments, they included a questionnaire and personal interview with one SCG employee familiar with SCR issues. The questionnaire consisted of three parts and a total of 24 questions concerning the respondents’ profile, perceptions of CSR programs, as well as the

image and reputation of SCG. They were rated on a five-point Likert scale (5-strongly agree, 4-agree, 3-neither agree nor disagree, 2-disagree, and 1-strongly disagree). A pre-test was conducted on a group of 30 respondents to check the validity and reliability of the questionnaire.

In addition to the primary data collected during March and April, 2011, secondary data was gathered from several sources (books, articles, on-line journals and previous studies). All the data was analyzed using the Statistical Package for the Social Sciences (SPSS). The statistical models involve a descriptive analysis to summarize and interpret the background, structure, and characteristics of the study population and an inferential one to define the relationships among the dependent and independent variables of the conceptual framework.

4. Summary of findings

This study involves an equal number of male and female respondents. A majority of them (39%) are 25 to 34 years old with only 3.3% of the whole group 55 years old or older. Most are single (60.8%). They outnumber those married (29.8%) or cohabiting (3.8%). Slightly more than half of them (52.3%) hold a bachelor degree and only 23.3% a master degree. A large portion of them work as employees (63.8%), few (8.5%) work as skilled workers. In terms of monthly income, the allocation among the various groups of earners is more even; 22.5% earned between THB20,001 and THB30,000, 20.5% less than THB10,000, 18.5% between THB30,001 and THB40,000, and 14.5% between THB10,001 to THB20,000. Only 6.8% earn more than THB40,000.

Each CSR component, economic, legal, ethical, and philanthropic, was tested against image and reputation. The Pearson Correlation Coefficients at .567**, .554**, .651**, and .550**, respectively, imply that there are positive correlations between economic, legal, ethical, and philanthropic concerns and corporate image and reputation (see Appendix one). What these numbers suggest is that a CSR program is likely to help a company enhance its image and reputation.

As to the qualitative approach, a personal interview with one SCG’s employee well-versed in CSR issues provided valuable insights about SCG’s CSR activities. SCG has

been engaged in CSR activities for years and has achieved remarkable success. Much of it may be due to the organization's efforts over the years to involve its employees and business partners and to its policy of joining hand with other organizations in executing CSR programs. Because of the uniqueness of this approach, it was difficult to make any comparison with CSR programs in other organizations. What this interview made clear though is that, as CSR practice is receiving more attention nationwide, it is bound to create a good image in customers' mind and enjoy ever more support from the community. For SCG, however, the objective is not its bottom line but the need to balance the demands and constraints of the economy, environment, and society so as to ensure sustainable development. As suggested during the interview, SCG, however, should have some systematic standards for measuring and evaluating the efficacy of its CSR program. This would help to make adjustments if necessary and maximize the programs.

Implications

Today, when it comes to CSR, the choice is no longer whether or not to engage in CSR activities, but simply what kind of CSR to engage in. Given the increasing level of complexity and competition in today's business environment, CSR managers therefore need to keep assessing which CSR elements are critical to the sustainable development of their organization.

The findings indicate that CSR is a significant contributor to SCG's corporate image and reputation and, as such, a crucial element of its sustainable development. This includes each of the four groups of CSR activities.

SCG's CSR practices have enhanced its good image and reputation among its stakeholders. They reinforce the positive perception which stakeholders already have of the company thanks to the quality of its products and services. Stakeholders who realize SCG is dedicated to giving something back to society are more prone to transact with the company. Conversely, no or little involvement in social activities would most likely tarnish its image and drive some of its customers or potential consumers away from the company because of its lack of concerns with, for example, pollution. In the worst case

scenario, short of projecting a positive image, CSR activities will insulate the company against a negative one.

Moreover, SCG acts as a role model for its business partners be they upstream suppliers or downstream distributors, turning its CSR practice into a CSR chain and bringing dividends to SCG in terms of greater brand awareness, bigger sales volume, and larger market share.

Recommendations

- It may be to SCG advantage to let its CSR stakeholders take a greater role in developing and implementing its strategic CSR programs

The findings suggest that SCG does not look at its CSR practice as a business strategy designed to enhance its image and reputation. For the company, it is part of giving back to society and a by-product, not something that had been planned as such and upon which the very existence of CSR activities was based. In short, it is a philanthropic gesture that needs not have direct business ramifications. While it may bring dividends to the company, SCG has not launched CSR activities for the sole purpose of gaining a competitive advantage.

It is the author's view that SCG should perhaps fully integrate its CSR initiatives into its corporate perspectives and operations. In other words, the company should openly engage in strategic CSR. SCG could work more collaboratively with the media with respect to its CSR activities in order to attract more public attention and gain visibility and support. While SCG's CSR efforts have not gone unnoticed, it seems that they have not received all the attention they deserve. As this study suggests, most people do know something about it but very few know the extent of SCG's philanthropy. Yet, they should. This kind of win-win strategy would be beneficial to SCG which would then enjoy more public recognition and at the same time continue to serve society. And of course this would enhance its corporate image and reputation among all its stakeholders at no additional expense.

Another positive aspect of strategic CSR is that SCG would enjoy more public support; that is more people would possibly volunteer their time to participate in SCG-sponsored CSR activities if they knew of their existence. This may require better coordination. Though

SCG has a well documented history of successfully-implemented CSR programs, stakeholders will contribute their concerns and ideas, which then, could be turned into new meaningful CSR projects. This would allow SCG not only to further diversify its CSR activities but also to increase societal awareness.

- SCG may further benefit from establishing broader CSR networks with its employees, customers, business partners and with non-profit organizations within ASEAN.

Another benefit of outright strategic SCR is that it would enable SCG to further involve its stakeholders. No CSR projects can be fully successful without employees' and other stakeholders' support. By thoroughly making CSR part of its overall strategy, SCG's CSR initiatives could be widely communicated and therefore generate additional support not only within the organization - its employees - but also, and perhaps even more importantly, among its other stakeholders and the public at large. In addition to employees, these various stakeholders - customers, business partners, and non-profit organizations - would become key actors in advancing, promoting and implementing CSR activities.

Moreover, while SCG has set up several programs on community development outside of Thailand, in particular in Vietnam, Cambodia, Indonesia, this network of CSR activities could be further expanded by developing broader partnerships with NGOs and other non-profit organizations within ASEAN. This would enable them to share ideas, exchange experiences, join hands and gain synergy. In short, it would enhance the effectiveness of CSR activities. In addition, SCG would be viewed as investing in the community rather than acting as a community philanthropist.

- Given the growing role of Online Social Networks in the way information is disseminated and corporations communicate, SCG should further focus on them.

One way for SCG to promote in-house involvement in CSR activities could be to give preferential treatment to qualified prospective employees who exhibit an interest in or have had prior experience in CSR. Indeed, greater eagerness and implication from within the organization is bound to spill over its outside stakeholders and create a momentum as today, with the fast development of online social

networks, it is much easier to reach out to a larger number of people. The heavy flow of comments, suggestions and value judgments that circulate on OSNs is likely to positively – and also incidentally negatively – affect stakeholder' perception of SCG's CSR activities. Clearly, OSNs can generate much interest in these philanthropic activities and thus get more people to participate either domestically or abroad.

The transparency which OSNs allow could clearly benefit the company which could learn about its stakeholders' perceptions and expectations and design its CSR programs accordingly. With social platforms enabling people to bring value to other people, SCG can greatly benefit from, for example, the like of Facebook, Twitter, MySpace, which are used by an increasingly larger pool its stakeholders. Indeed, though the extent to which SCG is currently monitoring these online social networking sites (SNSs) is not clear to the author, it is evident that SCG should keep abreast of what is going on in these sites. A lot of valuable information can no doubt be obtained from taking part in the chats.

- Given today's growing eco-awareness, SCG should further focus on environmental issues which may soon be a major determinant of consumer choices.

As its annual reports show, SCG has actively encouraged community involvement in environmental conservation and supported a number of environmental initiatives. Under the so-called "SCG eco-value" principle, SCG is also dedicated to minimizing the environmental impact of its operations at all stages. Such efforts can only re-enforce its image and reputation as a green corporation, which in turn, in a world increasingly turning to companies that act more responsibly toward the environment, can also help its image among eco-friendly consumers. By being environmentally responsible, SCG is bound to build trust and improve its image - therefore becoming more competitive. Obviously, this also contributes to SCG's sustainable development.

However, with public expectations growing, there may be more pressure on SCG to be even more involved and adopt more protective measures. Increasingly, for instance, manufacturers will be expected to take responsibility for their products from cradle to grave and thus plan for a final stage in the

product life cycle; the “post-mortem” stage (Deresky, 2008). In other words, product disposal and recycling will require corporate investment even after the product has ceased to create revenue.

Environmental concerns may also drive consumer preferences in the future, offering opportunities for environmentally correct companies (green technology, eco products, etc). In short, companies may face the repercussions of not meeting these expectations. One area at the present that needs attention is the nuisance created by plastic bags in the Bangkok area, most notably clogging the canals and forcing the local authorities to spend a lot of money to clean them so as to prevent flooding. One way to help to resolve this issue would be to educate people on the need to recycle those bags instead of throwing them away. SCG could join forces with local retailers and launch campaigns designed for this purpose. SCG, which has long been involved in successful water conservation projects and takes a particular interest in any program regarding water, air, and noise pollution, is in a good position to take the lead in such a plastic bag management project. Perhaps SCG could also get its employees involved in cleaning up the canals. Another way to address this issue - albeit one that involves competing interest - is to promote the use of reusable shopping plastic bags.

Regarding air pollution in Bangkok, an issue which the Thai capital shares with many large cities around the world, one mid-term solution could be for SCG to find incentives to encourage its employees to use public transportation to commute to work; all the more as there is a subway station conveniently located right in front of the corporation’s headquarter.

Another proposal - although a more radical and perhaps controversial one - would be for SCG to eventually run its own buses to pick up its employees. This solution, which would benefit the entire Bangkok community, would however require that SCG be given some tax advantages in return for spending money on caring for the environment – and for alleviating traffic. SCG could have big bill boards on its buses advertising its environment-friendly employee transportation policy and get a lot of dividends from such an initiative. This would also further establish

SCG as a pioneer (this time regarding employee commute), an image which its research and development on renewable energy, new-materials, waste-recycling and after-use resolution have already well established.

- *SCG would benefit from developing an efficient measurement mechanism for evaluating the impacts and benefits of its CSR programs.*

Based on the interview with SCG and on personal observations, it is the author’s sense that SCG is somehow uncertain as to whether its purpose in implementing CSR programs is accomplished. There also seems to be much uncertainty surrounding the extent to which these CSR programs benefit both the corporation itself and society.

The adage “what cannot be measured cannot be improved” finds its true application here and aptly encapsulates the need for a specific measuring tool. The author recommends that SCG comes up with an efficient way of evaluating the impacts and benefits of each CSR project in order to avoid overlapping and unnecessary waste and better coordinate co-programs with other corporations. In addition to improving its CSR practices, a well-defined process for accessing the impact of CSR activities on the company would also help SCG better allocate resources to these projects.

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Appendix One

Table 1 –Hypotheses Testing Results

Hypothesis	Correlation	Significance Level	Results
H1: There is no/a relationship between economic concerns and corporate image and reputation.	.000	.567**	Reject Ho Accept Ha
H1: There is no/a relationship between legal concerns and corporate image and reputation.	.000	.554**	Reject Ho Accept Ha
H3: There is no/a relationship between ethical concerns and corporate image and reputation.	.000	.651**	Reject Ho Accept Ha
H4: There is no/a relationship between philanthropic concerns and corporate image and reputation.	.000	.550**	Reject Ho Accept Ha

ⁱ (Source: <http://www.csr-asia.com/index.php?id=13520>, 21/02/2011).