THE INFLUENCE OF STAKEHOLDER SALIENCE AND ENGAGEMENT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE OF COMPANIES LISTED ON THE STOCK EXCHANGE OF THAILAND

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DOCTOR OF PHILOSOPHY
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THE INFLUENCE OF STAKEHOLDER SALIENCE AND ENGAGEMENT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE OF COMPANIES LISTED ON THE STOCK EXCHANGE OF THAILAND

By

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ABSTRACT

This study aims to examine the association between stakeholder attributes and salience, stakeholder engagement, and corporate social responsibility (CSR) disclosure. As corporate responsibility towards stakeholders has been prominent in CSR literature and practice, this study attempts to provide insight into how companies accord salience and response to different stakeholders. The associations between variables were examined through each of the six different stakeholder groups: customers, suppliers, employees, shareholders, environment, and communities. Data for stakeholder attributes, salience and engagement were collected through a questionnaire survey from 123 listed companies in Thailand, while data for CSR disclosure were obtained by content analysis of those companies’ annual reports. The results of multiple regressions reveal the association between salience and engagement for all of six stakeholder groups. However, the associations of salience or engagement on CSR disclosure are found for only some stakeholder groups. Suggestively, the companies, despite the engagement in line with salience, do not disclose all information. The results show that the association between engagement and CSR disclosure is found only for environment, communities, and employees. The groups also reveal the association between legitimacy and salience, indicating the connection between the association of legitimacy on salience and of engagement on disclosure. Moreover, it is found that only environment and communities demonstrate the association between salience and CSR disclosure and mediation of engagement on that association. This study deepens the understanding of how attributes and salience of stakeholders matter for companies’ actions to engage with and disclose information regarding stakeholders. The findings are useful for regulators or policy makers to promote the stakeholder engagement and CSR disclosure in Thailand. Moreover, they are useful for disclosure users and researchers to determine the companies’ responsibility towards stakeholders through the content of disclosure.

Keyword: Stakeholder Attributes, Stakeholder Salience, Stakeholder Engagement, CSR Disclosure, Thailand
ABSTRAK


Katakunci: Atribut pihak berkepentingan, salience pihak berkepentingan, Penglibatan pihak berkepentingan, Pendedahan CSR, Thailand
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The last few decades have witnessed a growing awareness of the issues around “Corporate Social Responsibility” (CSR). The growth of CSR is the result of pressure that companies must commit to social and environmental issues beyond legal compliance (Sastararuji & Wottrich, 2007). However, perception of CSR has varied over time and led to a variety of definitions and practices (Clarkson, 1995; O’Riordan & Fairbrass, 2008; Sweeney & Coughlan, 2008). Among the variety of definitions, focus on companies’ responsibility towards their stakeholders has become prominent in recent years. According to Dahlsrud (2008)’s study, stakeholder is the most referred dimension in defining CSR. It was found that the most frequently used CSR definition is determined by Commission of European Communities (2001, p.6, as cited in Dahlsrud, 2008) as “a concept whereby companies integrate social and environment concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

The quality of relationship between companies and their stakeholders is essential for companies’ sustainability. To create sustainable wealth, known as long-term value, it is apparent that companies’ social responsibility needs to be achieved by focusing on various stakeholders with the consideration to finest outcome or the smallest amount of stakeholders’ detriment (Perrini & Tencati, 2006; Sahay, 2004; Sweeney & Coughlan, 2008). In general, companies should attempt to ensure that they are capable to satisfy the demands of various stakeholders and to change their corporate decision making to incorporate such demands. If they can maintain the
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