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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

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DOCTOR OF PHILOSOPHY
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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

Kajian ini bertujuan untuk mengkaji hubungan berturutan antara atribut dan *salience* pihak berkepentingan, penglibatan pihak berkepentingan, dengan pendedahan tanggungjawab sosial korporat (CSR). Oleh kerana tanggungjawab korporat terhadap pihak yang berkepentingan begitu menonjol dalam karya CSR dan amalan, kajian ini merupakan satu usaha untuk memberikan gambaran tentang *saliene* dan tindak balas korporat terhadap pelbagai pihak berkepentingan yang berbeza. Hubung kait antara pemboleh ubah dikaji melalui setiap enam kumpulan pihak berkepentingan yang berbeza: pelanggan, pembekal, pekerja, pemegang saham, persekitaran, dan masyarakat. Data atribut, *salience*, dan penglibatan pihak berkepentingan dikutip melalui tinjauan soal selidik daripada 123 syarikat tersenarai di Thailand, manakala data pendedahan CSR diperoleh melalui analisis kandungan terhadap laporan tahunan syarikat. Dapatan daripada analisis regresi berganda menunjukkan wujud hubung kait di antara *salience* dengan penglibatan bagi keenam-enam kumpulan pihak berkepentingan. Walau bagaimanapun, hubung kait antara *salience* atau penglibatan dan pendedahan CSR hanya wujud bagi beberapa kumpulan sahaja. Seperti yang ditunjukkan, walaupun penglibatan seiring dengan *salience*, syarikat tidak mendedahkan semua maklumat. Hubung kait antara penglibatan dan pendedahan CSR didapati hanya wujud bagi persekitaran, masyarakat, dan pekerja sahaja. Kumpulan ini juga menunjukkan hubungan antara legitimasi dan *salience*, yang menandakan kaitan antara legitimasi dengan *salience*, dan penglibatan dengan pendedahan. Selain itu, dapatan juga menggambarkan bahawa persekitaran dan masyarakat menunjukkan kaitan antara *salience* dengan pendedahan CSR, dan peranan pengantara oleh penglibatan dalam hubungan berkenaan. Kajian ini meningkatkan kefahaman tentang bagaimana pentingnya atribut dan *salience* pihak berkepentingan bagi syarikat untuk melibatkan diri dan mendedahkan maklumat tentang pihak berkepentingan. Dapatan ini berguna bagi pengawal selia atau pembuat dasar menggalakkan penglibatan pihak berkepentingan dan pendedahan CSR di Thailand. Tambahan pula, dapatan ini bermanfaat bagi pengguna dan penyelidik pendedahan menentukan tanggungjawab syarikat terhadap pihak berkepentingan melalui kandungan pendedahan.

Katakunci: Atribut pihak berkepentingan, *salience* pihak berkepentingan, Penglibatan pihak berkepentingan, Pendedahan CSR , Thailand

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LIST OF ABBREVIATION/ NOTATIONS

AA1000	International accountability assurance reporting standard
AA1000SES	AA1000 Stakeholder Engagement Standard
Adj. R^2	Adjusted of coefficient of determination
AGRO	Agro and Food Industry
CEO	Chief Executive Officer
CONSUMP	Consumer Products
CSR	Corporate Social Responsibility
CSRI	Corporate Social Responsibility Institute
D/A	Debts to Total Assets Ratio
FINCIAL	Financials
GRI	Global Reporting Initiative
INDUS	Industrials
ISEA	Institution for Social and Ethical Accountability
IV	Independent Variable
LGTA	Logarithm of Total Assets
MD	Managing Director
PROPCON	Property and Construction
R^2	Coefficient of determination
RESOURC	Resources
SEAAR	Social and Ethical Accounting, Auditing and Reporting
SEC	Securities and Exchange Commission
SERVICE	Services
SET	Stock Exchange of Thailand
SRI	Socially Responsible Investment
β	Standardized coefficients

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 overtime 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 ability to address the demand of their stakeholders and foster strong and enduring company-stakeholder relationship, they will accomplish their aim of long-term survival and development (Elkington, 1997; Johansson, 2008; Post et al., 2002; Simon & Jane, 2006; Waddock & Smith, 2000).

As pressure on business to respond the challenge of CSR activities has been increased, requirement for companies to disclose their CSR information has been accelerated (McPeak & Tooley, 2008; O'Riordan & Fairbrass, 2008; Reynolds & Yuthas, 2008; Sweeney & Coughlan, 2008). A greater focus upon stakeholders also has become more prevalent in CSR report and disclosure literature. Companies are required to go beyond the interest of shareholders and creditors by extending their report and disclosure beyond the financial information to respond to a diversity of interests of others stakeholder groups (Gray, Kouhy, & Lavers, 1995a; Guthrie & Mathews, 1985; Ratanajongkol, Davey, & Low, 2006; Sahay, 2004; Sparkes & Cowton, 2004; Williams, 2008). Publicly available report and disclosure of CSR information can be a superior communication tool to inform stakeholders about companies' CSR concerns. (Adams & Frost, 2006; Adams & Kuasirikun, 2000; Boesso & Kumar, 2009a; Hockerts & Moir, 2004; O'dwyer, 2005a).

However, merely one-way communication through CSR disclosure is not sufficient to strengthen sustainable relationship with stakeholders (Burchell & Cook, 2006; O'Riordan & Fairbrass, 2008;). Companies are required to extend their information dissemination through more interactive form of communication called 'stakeholder engagement' (Burchell & Cook, 2006, 2008). As the essence of stakeholder engagement is co-operation between companies and stakeholders to enhance mutual understanding. It enables companies to evaluate, address and balance the demands of their various stakeholders (Morsing & Schultz, 2006; O'Riordan &

Fairbrass, 2008; Simon & Jane, 2006; Tencati & Zsolnai, 2009). In the context of information dissemination, stakeholder engagement is considered as necessary for companies to develop their disclosed CSR information fulfilling the needs of stakeholders. The importance of stakeholder engagement is evidenced by the fact that several reporting guidelines place major emphasis on meaningful engagement between companies and their several stakeholder groups as a fundamental part of reporting and disclosure practices. Specifically, those guidelines are Global Reporting Initiative (GRI) and International accountability assurance reporting standard (AA1000) viewed as the most comprehensive in scope of extant guidelines (Cumming, 2001; Owen, Swift, & Hunt, 2001; Reynolds & Yuthas, 2008).

The increased trend of focus on company-stakeholder relationship has created the concept of stakeholder engagement and gained attention in CSR disclosure practices with the notion that companies have to pay attention to a wide range of stakeholders (GRI, 2002; Owen et al., 2001). Implementation of stakeholder engagement and CSR disclosure is viewed as the tool carried out by companies to convey their accountability. By this view, companies have responsibility to inform and engage with all relevant stakeholder groups whose well being is affected by companies' activities (Bebbington et al., 1999; Gray, 2001; Gray et al., 1997; O'Dwyer, 2001; O'Dwyer et al., 2005; Owen et al., 1997, 2001; Unerman & Bennett, 2004).

Nevertheless, it is virtually impossible for companies to produce every kind of valuable relationships with all groups of stakeholder equally (Owen et al., 2001). Companies are confronted with the constraint from their limited resources and conflict of interests among stakeholder groups (Boesso & Kumar, 2009b; Jamali, 2008; Van der Laan Smith, Adhikari, & Tondkar, 2005). By the other point of view, it is believed that stakeholder engagement and CSR disclosure are driven by strategic reason or desire for reputation management (Georgakopoulos & Thomson, 2008; Hess, 2007; Robertson & Nicholson, 1996). Companies are expected to prioritize the key stakeholder groups being salient enough to develop strong relationships with (Kipley & Lewis, 2008; Unerman & Bennett, 2004) and, consequently, change their strategic choices in a manner that is most consistent with the prioritization (Perrini & Tencati, 2006). This point of view assumes that the difference of salience between stakeholder groups has influence on the decision to perform stakeholder engagement activities and CSR disclosure practices (Boesso & Kumar, 2009b).

There have been a number of studies pointing to the links between stakeholder salience, engagement and CSR disclosure. The association between stakeholder salience and engagement was found out in the studies by O'Higgins and Morgan (2006) and Hibbitt (2004). Their findings demonstrated that stakeholders with more salience receive higher levels of engagement than those considered less salient. Simultaneously, several studies revealed the link between salience attached by companies to stakeholder groups and response of those companies through CSR disclosure (see for example, Boesso & Kumar, 2009a, b; Cormier, Gordon, & Magnan, 2004; Hibbitt, 2004; Neu, Warsame, & Pedwell, 1998; Unerman & Bennett, 2004). It was found that companies tend to disclose CSR information about each stakeholder group depend on the salience they accord to the group (Boesso & Kumar, 2009a; Cormier et al., 2004; Neu et al., 1998). This implies that the degree of stakeholder salience affects not only engagement but also disclosed CSR information. In addition, stakeholder engagement itself was found linked to CSR disclosure because it provides opportunity for companies to see the actual interests of their stakeholders and bring those interests to bear on CSR disclosure process (Hess, 2007; Simon & Jane, 2006). The findings from a number of studies indicated that the differences in the nature of stakeholder engagement can affect CSR disclosure practices (Boesso & Kumar, 2007; Black & Hartel, 2004; Georgakopoulos & Thomson, 2008; Munoz, Rivera, & Moneva, 2008; Marshall, Brown, & Plumlee, 2007; Van der Laan Smith et al., 2005).

In line with the evidence shown in previous studies, it can be deduced for the existence of the consecutive associations among the stakeholder salience, stakeholder engagement and CSR disclosure. Presumably, the degree of salience attached to stakeholders influences the extent of stakeholder engagement, which in turn, affects companies' decision to disclose CSR information. At the same time, the degree of stakeholder salience also influences the extent of disclosed CSR information. However, the previous studies only investigated the association between each pair of variables: salience and engagement, engagement and CSR disclosure, together with salience and CSR disclosure. There has been lack of comprehensive studies on the consecutive associations between them. Investigating such associations could provide better understanding on the connection between what companies perceive, act and disclose towards their stakeholders. Therefore, this study aims to address the gap on the association among salience attached to stakeholders and engagement and CSR disclosure intensity directed to them.

In addition, it is argued that differences in attributes of stakeholders lead to difference in their salience and can explain companies' determinations to respond to them (Boesso & Kumar, 2009a, b; Mitchell Agle, & Wood, 1997). In 1997, Mitchell et al. developed a theory of stakeholder identification and salience in order to identify which stakeholders are salient. They proposed that stakeholders are possibly perceived as salient based on one or more of three relationship attributes: power, legitimacy and urgency. Power is stakeholders' abilities to bring about outcomes of desire and control resources (Magness, 2008; Mitchell et al., 1997; Pfeffer, 1981). Legitimacy is processed by stakeholders when their behaviors are perceived as proper, desirable or appropriate (Magness, 2008; Suchman, 1995). Urgency is "the degree to which stakeholders' claim calls for immediate attention" (Mitchell et al., 1997, p. 867).

The theory has been supported by a number of studies showing the positive association between these three attributes and stakeholder salience. However, the findings of those studies demonstrated that each attribute differently plays influential role, depending on the group of stakeholders (Agle, Mitchell, & Sonnenfeld, 1999; Boesso & Kumar, 2009a, b; Gago & Antolín, 2004). The theory argues that the differences in each attribute leading to the difference in salience can provide understanding to differences in companies' responses to different stakeholder groups. Therefore, this study also aims to investigate the association between these three attributes and salience. The findings demonstrating the connection between different influences of each attribute on salience of different stakeholder groups could provide the better understanding of companies' determination on salience as to design engagement and disclosure according to that salience.

The global momentum of CSR has brought CSR practices to Thailand. The development of CSR has been driven by many organizations, particularly by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). Both regulators have played a leading role in stimulating CSR awareness among Thai companies (Virakul, Koonmee, and McLean, 2009). The considerable encouragement by the regulators has begun since 2006. In that year, the SET proclaimed the CSR awards given to listed companies with outstanding CSR projects. These awards have been offered annually since then. In 2007, the SET established a Corporate Social Responsibility Institute (CSRI) as a center to strengthen CSR networks among companies. Concurrently, the SEC accredited the working committee intentionally to stimulate and guide CSR for Thai listed companies. In early 2008, SET launched a CSR handbook to improve and disseminate knowledge on CSR as well as to encourage Thai companies to initiate and implement CSR. In 2009, twenty-seven listed companies established the CSR Club with support from the SEC and the SET. This club aims to enhance networking between listed companies to create corporations in disseminating and implementing CSR concepts at the social scale. Thereafter, the club has played leading role in launching activities and programs to strengthen CSR among listed companies. Currently, the SET is clinching to create the socially responsible investment (SRI) to help mutual funds in investing in companies on a clarification of CSR policies.

The regulators also encourage listed companies to engage with and wide range stakeholders and disclose CSR information to them. It was argued that the encouragement of CSR in Thailand is the derivative of the promotion of good governance (Prayukvong & Olsen, 2009; Virakul et al., 2009; Wedel, 2007). As the role of stakeholder together with the disclosure and transparency are the key principles of good governance, they are still instrumental in promoting CSR. In the Principles of Good Corporate Governance for Listed Companies (SET, 2006), companies are actuated to create and enhance the cooperation with wide range of stakeholders in order to create their sustainability. Hence, when CSR is promoted, the SET also gives precedence to cooperation between companies and stakeholders in the form of stakeholder engagement. In April 2009, it worked together with the NETWORK NGO-Business Partnership of Thailand to organize the seminar on stakeholder engagement to enhance practical knowledge on improving CSR practice through stakeholder engagement.

In addition to stakeholder engagement, the SET also encourages companies to disclose CSR information in their annual reports as well as separate reports. In promoting corporate governance, companies are urged to transparently disclose all important information to all relevant stakeholders (SET, 2006). Therefore, based on the significant role of disclosure in corporate governance practices, the SET also places importance on disclosure of CSR information as the one of the essential aspects of CSR practices. It puts CSR reporting and disclosure as one of the key sections in its CSR handbook launched as the guidelines for Thai companies to implement CSR. In 2010, the CSR club worked together with the SET, the SEC, the Government Pension Fund and the United Nations-backed Principles for Responsible Investment Initiative (UN PRI) in order to organize the seminar on CSR reporting and its use in investment. Their aim was to enhance the understanding about preparation of high quality CSR report and the use of CSR information in making investment decision. In early 2012, CSRI worked together with Thaipat institute to launch guidelines for CSR reports. The main aim of launching the guidelines is to encourage companies to develop their CSR reports to stakeholders more effectively. The SET also conducted workshops to train companies on how to use the guidelines as their working standards.

All efforts by the SET and the SEC have encouraged and initiated listed companies in Thailand to have awareness of the importance of CSR and to improve their stakeholder engagement and CSR disclosure practices. The ascent of stakeholder engagement and CSR disclosure of Thai listed companies was revealed in the comparison between studies conducted before and after the period of substantial encouragement by the regulators. Whilst the studies performed before 2006 found that stakeholder engagement (Krisornsuthasinee & Swierczek, 2006) and CSR disclosure (Kuasirikun & Sherer, 2004; Ratanajongkol et al., 2006) of Thai companies were in the minimal level and in infancy stage, the studies conducted after that time found that companies extended their stakeholder engagement (Prayukvong & Olsen, 2009; Virakul et al., 2009) and increased their disclosed CSR information (CSR Asia, 2008; 2009; 2010).

However, those studies obtained data from the top largest or outstanding companies in CSR. The attempts of regulators in order to indoctrinate the notions of CSR have not limited into large companies, but of course also into all listed companies. There have been many middle and small companies expressing their interest in implementing CSR. This can be seen from the members of CSR club which is comprised of small to large Thai listed companies in several industries. Thus, the prior studies may not provide the overall view of all Thai listed companies. Extending the scope of sampling seems to be needed for more accurate and comprehensive understanding of the extent of stakeholder engagement and CSR disclosure of listed companies in Thailand. Hence, this study intends to fill the gap in a comprehensive range of Thai listed companies to provide more insightful evidence about the stakeholder engagement and CSR disclosure than data obtained from only large companies. In addition, as mentioned earlier, this study aims to address the gap in the extant literature by investigating the association between stakeholder attributes and salience, stakeholder engagement and CSR disclosure. The findings could reveal the influence of attributes and salience of stakeholders on companies' actions to engage with them or disclose information about them. This would provide more insight into Thai listed companies' behaviors in responding to their stakeholders.

1.2 Statement of Problem

Prominence of stakeholder approach makes stakeholder engagement and CSR disclosure as fundamental parts for companies to strengthen relationship with stakeholders. However, companies are challenged by the difficulties in making decisions because of a diverse range of interests and conflicting expectations among stakeholders. Considering the constraints of resources, companies tend to determine salience of stakeholders and consequently design stakeholder engagement and CSR disclosure according to their salience. There have been a number of studies demonstrating the links of stakeholder salience to stakeholder engagement (O'Higgins & Morgan, 2006; Hibbitt, 2004) as well as to CSR disclosure (Boesso & Kumar, 2009a, b; Cormier, Gordon, & Magnan, 2004; Hibbitt, 2004; Neu, Warsame, & Pedwell, 1998; Unerman & Bennett, 2004).

In addition, stakeholder engagement is viewed as an important tool for companies to improve their CSR disclosure. It opens opportunity for companies to see actual interests of stakeholders and take into account those interests in their disclosure process. In literature, the link was also found between stakeholder engagement and CSR disclosure. Prior studies demonstrated that the differences in the nature of stakeholder engagement can affect CSR disclosure practices (Boesso & Kumar, 2007; Black & Hartel, 2004; Georgakopoulos & Thomson, 2008; Munoz, Rivera, & Moneva, 2008; Marshall, Brown, & Plumlee, 2007; Van der Laan Smith et al., 2005).

Based on the evidences from previous studies, it can be deduced for the existence of the association among stakeholder salience, stakeholder engagement and CSR disclosure. It is premised on the assumption that companies accord unequal salience to different stakeholder groups and respond to each group by adopting different engagement and CSR disclosure practices depend on the degree of salience of each group. Simultaneously, engagement intensity directed at that group also influences disclosed CSR information regarding the group. Nevertheless, there has been a distinct lack of comprehensive studies based on the association among these variables. So far, previous studies have only been carried out on the association between each couple of variables. To address this gap, the main problem of this study is, therefore, the comprehensive associations among the salience attached by companies to each of various stakeholder groups, engagement intensity directed at that group, and CSR disclosure towards the group.

Furthermore, it seems reasonable to assume the mediating role of stakeholder engagement in considering the association between stakeholder salience and CSR disclosure. This is because of the sequential assumptions that the degree of stakeholder salience would influence stakeholder engagement, which in turn influences CSR disclosure. At the same time, the salience itself potentially influences CSR disclosure. According to Baron and Kenney (1986), a mediator is a variable in a chain between independent variable and dependent variable that explain the indirect association between them. As stakeholder engagement is situated between and associated with stakeholder salience and CSR disclosure, it is assumed to function as a mediator intervening the association between them. Thus, this study further aims to examine the mediating role of stakeholder engagement on the association between stakeholder salience and CSR disclosure.

Moreover, the prior studies found that the degree of salience attached by companies to different stakeholder groups is based on their perception on stakeholder attributes of power, legitimacy and urgency (Agle et al., 1999; Boesso & Kumar, 2009a, b; Gago & Antolín, 2004). The different combination of these three attributes indicates the extent of attention and responses made by companies to stakeholders. Thus, this study also aims to examine the association of these attributes on salience of stakeholders. Such association could provide more understanding of different salience assigned to different stakeholder groups and in turn lead to better explanation of different engagement and disclosure according to that salience.

This study conducted on listed companies in Thailand as there have been the signs of the improvement of their stakeholder engagement and CSR disclosure practices. The development of CSR in Thailand has been grounded on the promotion of good governance (Prayukvong & Olsen, 2009; Virakul et al., 2009; Wedel, 2007) accentuating the role of stakeholder and the disclosure as the key principles. Therefore, the stakeholder engagement and disclosed CSR information have been highlighted as the key elements of CSR implementation. It is believed that Thai listed companies tend to extend their stakeholder engagement practices and disclose more CSR information. There have been the prior studies revealing the advancement of stakeholder engagement (Prayukvong & Olsen, 2009; Virakul et al., 2009) and CSR disclosure (CSR Asia, 2008; 2009; 2010) of top Thai listed companies. However, there has been a lack of studies exploring the overall view of such practices of all Thai listed companies. The notions of CSR have been implanted in all companies, not limited in only large companies. Therefore, this study intends to expand the scope of sampling in order to provide more accurate and comprehensive understanding of the extent of stakeholder engagement and CSR disclosure of listed companies in Thailand.

1.3 Research Questions

Having in mind the background and the problem statement outlined above, the research questions are defined in order to figure out the research area as following:

1. What is the extent of attributes of power, legitimacy and urgency as well as salience attached by companies to their various stakeholder groups?
2. What is the extent of stakeholder engagement employed by companies with their various stakeholder groups?
3. What is the extent of CSR information disclosed by companies towards their various stakeholder groups?
4. Does association exist between the attributes of power, legitimacy and urgency possessed by a stakeholder group and the salience attached to that group?
5. Does association exist between the salience attached to a stakeholder group and the stakeholder engagement effort directed at that group?
6. Does association exist between the stakeholder engagement effort with a stakeholder group and the CSR disclosure effort directed at that group?
7. Does association exist between the salience attached to a stakeholder group and the CSR disclosure effort directed at that group?
8. Does mediating effect of stakeholder engagement exist on association between stakeholder salience and CSR disclosure?

1.4 Research Objectives

The research objectives of the study are as follows:

1. To determine the extent of attributes of power, legitimacy and urgency as well as salience attached by companies to their various stakeholder groups.

2. To determine the extent of stakeholder engagement employed by companies with their various stakeholder groups.
3. To determine the extent of CSR information disclosed by companies towards their various stakeholder groups.
4. To examine the association between the attributes of power, legitimacy and urgency possessed by a stakeholder group and the salience attached to that group.
5. To examine the association between the salience attached to a stakeholder group and the stakeholder engagement effort directed at that group.
6. To examine the association between the stakeholder engagement effort with a stakeholder group and the CSR disclosure effort directed at that group.
7. To examine the association between the salience attached to a stakeholder group and the CSR disclosure effort directed at that group.
8. To examine the mediating effect of stakeholder engagement on association between stakeholder salience and CSR disclosure.

1.5 Scope of the Study

This study focuses on the association among stakeholder attributes and salience, stakeholder engagement, and CSR disclosure with a scope limited to listed companies in the Stock Exchange of Thailand. Those companies were selected as population of the study because they are expected to increase stakeholder engagement and CSR disclosure after substantial encouragement from the regulators. To specify scope of stakeholders used for measurement of variables, six groups of stakeholders were stipulated i.e. customers, suppliers, employees, shareholders, environment and communities. Data on stakeholder salience and stakeholder engagement were confined to the perception on each of six stakeholder groups collected from questionnaires given to companies' executives. Data on CSR disclosure were confined to CSR information regarding the issues related to perspective of each of six stakeholder groups disclosed in corporate annual reports.

1.6 Significance of the Study

The contribution of this study is significant for several reasons as following:

1. This study helps to fill the gap in the existing literature by examining consecutive association between stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Filling this gap could to help improve the understanding of influence of stakeholders on the corporate decision to engage with stakeholders and disclosed CSR information. This provides a theorized base, at least to expand the pool of knowledge, for future research and development in the area of CSR disclosure in term of stakeholder approach.

2. The findings of this study reveal underlying assumptions of stakeholder theory together with legitimacy theory in term of corporate motivation to engage with stakeholders and disclosed CSR information. Unlike any prior study, broadening the scope of study by examining the association between stakeholder salience, stakeholder engagement and CSR disclosure offers a more comprehensive understanding of stakeholder theory and legitimacy theory than that available from studying CSR disclosure alone.

3. For policy makers or regulators, particularly the SET and the SEC, this study can be used to provide a broad picture on extent of stakeholder engagement and CSR disclosure that allow them to determine the current stakeholder engagement and CSR disclosure practices. Furthermore, this study provides further understanding of the influence of attributes on salience and influence of salience on stakeholder

engagement and CSR disclosure. This can assist them for better comprehending how to encourage listed companies in Thailand to improve their stakeholder engagement and CSR disclosure.

4. For CSR disclosure users, the findings of this study are beneficial in determining or assessing Thai listed companies' concerns and actions towards different stakeholder groups through corporate annual reports. The findings regarding the association of salience and engagement on CSR disclosure reveal whether listed companies in Thailand disclose information in annual reports in accordance with salience or engagement attached to stakeholders.

1.7 Organization of the Thesis

This thesis is divided into five chapters. Chapter One outlines the introduction of the study providing justification for the study, its objectives, scope, and contributions. Chapter Two reviews literatures on a broad range of topics related to the research problem that this study attempts to address. Chapter Three describes how research framework and hence hypotheses were developed based on the literature review and with respect to the purpose of the study. The chapter also presents methodological procedures including overall research design, population and sample, measures of variables, data collection, data analysis and pilot study. Chapter Four reports and discusses the preliminary findings from the data analysis. Lastly, Chapter Five provides summary and discussion of the important empirical findings along with theoretical and practical implications. It also discusses limitations of the study and proposes directions for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This review explores a broad range of topics related to the research gap that the study wishes to address, mainly concerned with the associations among three subjects: stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Hence, the purpose of this literature review is to provide a summarized overview of the issues, viewpoints, researches and theories covering substantive dimensions of those associations.

The rest of this review is segmented into seven sections. Before reviewing the relationship among the topical subjects, this literature begins with an examining of each subject purposely to understand the overriding issues around the subjects. Section 2.2 reviews CSR disclosure in two main areas: the emergence and definition which help reader to understand the origination of CSR disclosures concept; and the methodology issues providing the understanding of the choice of method used to capture empirical data on CSR disclosure. Section 2.3 constitutes the discussion and research about stakeholders. This section aims to look at how stakeholders are categorized and what stakeholders are identified in CSR disclosure literature as well as to focuses on the attributes and salience of stakeholders. In section 2.4, the literature mainly focuses on stakeholder engagement practices. This section also includes the characteristics and the measurement used to analyze stakeholder engagement quality.

After reviewing of each topical subject in the first three sections, section 2.5 focuses on the links among the topical subjects comprising of three pairs of variables: stakeholder salience and stakeholder engagement, stakeholder engagement and CSR disclosures, and stakeholder salience and CSR disclosures. Section 2.6 focuses on background details on CSR movement leading to the encouragement of stakeholder engagement and CSR disclosure practices in Thailand. Section 2.7 looks at two theories, stakeholder and legitimacy theory in order to support the assumption of the association among the topical subjects. Finally, this review is concluded in the section 2.8, the last section. The sequence of topics is arranged to enhance understanding of the research problem.

2.2 CSR disclosure

2.2.1 Emergence and Definition of CSR Disclosure

Owning to an increasing public awareness of CSR concept that the corporation has a social contact and owes a duty to the society, there have been significant changes in the role and nature of disclosure (Branco & Rodrigues, 2007; Ratanajongkol et al., 2006; Reynolds & Yuthas, 2008). As part of the decision criteria, companies are required to extend their disclosure beyond the regulated financial information in order to combine various type of disclosure, particularly social and environmental information, in context of existing financial data (Guthrie & Mathews, 1985; Ratanajongkol et al., 2006; Sahay, 2004; Sparkes & Cowton, 2004; Williams, 2008). Existing literatures in CSR consider these changes of disclosures as necessary components communicating the organization's value and providing companies' opportunity to explore signal of organizational transparency and trust (Reynolds & Yuthas, 2008; Williams, 2008).

CSR disclosure has emerged since the beginning of the twentieth century. However, it was the significant subject in the early 1970's when social and environmental disclosure research initially became established as a considerable discipline in their own right (Branco & Rodrigues, 2007; Mathews, 1997; Owen, 2008). Initial forays into the area were of conservative with little attempt to investigate motivation behind disclosures. Generally, researches in the area featured descriptive empirical study along with normative attempts by designing framework to improve disclosure practices in the view of corporate transparency and accountability. However, most of studies were theoretically under-developed (Owen, 2008).

By 1980s, studies became more sophisticated theoretical concepts and critical approaches that provided more detailed and precise technical analysis. A large number of the disclosure literatures in this period, however, were diverting the focus on social aspect to development on environmental aspect. A resurgence of CSR disclosures displaced the social accounting resulted from demand to promote disclosure practices whereby the environmental aspect that easily captured in the interests of supporting economic efficiency (Branco & Rodrigues, 2007; Owen, 2008).

According to the literatures developed further in 1990s, CSR disclosure seems to be related to sustainability issues (O'Dwyer, 2001; Owen, 2008) or triple bottom line reporting proposed by Elkington (1997). This writing contains the social and economic dimension apart from the environment. In addition, number of studies were developed, based on the other discipline literatures allowing scholars to focus on how social, economic and political factors from the external environment could be applied to explain the phenomenon of social and environmental information disclosure (Parsa & Kouhy, 2001; Owen, 2008). Moreover, along with the heightened expectations of stakeholders asking companies to 'account' about their operations (Smith, 2004), a further key transformation in CSR disclosure researches was issues related to the quality of disclosure. This quality was arisen in the form of what is commonly known as 'social auditing', which emphasizes the voice of stakeholders to examines corporate interactions with and impacts on society (Parsa & Kouhy, 2001; Owen, 2008; Zadek, 1995; Zadek & Evans, 1993).

More recently, there has been the greater attention regarding the methodological issues that became more apparently theoretically informed (Owen, 2008), particularly in employing content analysis as an analytical tool to both describe disclosure practices in terms of the degree of attention towards corporate responsibility issues and endeavor to establish determinant of disclosures in term of companies' factors such as size, industry type, profitability and nationality (see, for example, Ahmad, Sulaiman, & Siswantoro, 2003; Boesso & Kumar, 2007; Hackston & Milne, 1996; Holder-Webb et al., 2009; Thompson & Zakaria, 2004; Tsang, 1998; Tschopp, 2005).

CSR disclosure has seemingly been significantly advanced (Milne & Gray, 2008) and the expanding literature has provided more clearer understanding (Branco & Rodrigues, 2007). However, it has been still practical and definitional confusion surrounding CSR per se (Dahlsrud, 2008; Hackston & Milne, 1996). The development of CSR disclosure still has been inconsistent approaches (Hackston and Milne, 1996; Ratanajongkol et al., 2006) as well as lacking a precise and commonly accepted definition and terminology (Gray, 2001; Gray et al., 1995a; Guthrie and Mathews, 1985; Hackston & Milne, 1996; Rodríguez & LeMaster, 2007).

Nevertheless, as Gray (2001) argued that many scholars have also learnt that there has been a considerable diversity in CSR disclosure issues and almost no definition can ever be totally complete, "the terminological confusions can undermine the field" (Gray, 2007, p.171). Therefore this study shall follow the suggestion by Gray (2007) by seeking to "avoid issues of terminology" with using term of "CSR disclosure" as generic term. CSR disclosure was defined in this study as whole domain of the provision of financial and non-financial information reflecting social and environmental aspects upon which companies' interactions with and impacts on stakeholders (Branco & Rodrigues, 2007; Gray, 2001; Guthrie & Mathews, 1985; Tsang, 1998).

2.2.2 Methodological Issues

2.2.2.1 Source of Data Capture

The first important methodological issue of CSR disclosure related to deciding which documents should be analyzed. Despite it is virtually impossible to collect or monitor all the CSR information disclosed by companies, some scholars support for analyzing through multi-source of information, particularly annual report, separated reports and web pages (see, for example, Branco & Rodrigues, 2008; Frost et al., 2005; Holder-Webb et al., 2009; Maignan and Ralston, 2002; Patten, 2002; Raar, 2002; Welford, 2008). This may be because of the argument that there is greater potential for more completeness on social and environmental issues than focusing on only single source of information (Holder-Webb et al., 2009).

As Gray et al. (1995b) note that all sources of information disseminated to the public are considered as part of corporate accountability, and thus provide avenues for CSR information. There are reasons for supporting selection of each source. For example, web pages has often been chosen in CSR disclosure studies because they have become an important communicating tool to stakeholders from the substantial possibility to release more information with its interactive nature that more timely fashion while less expensive cost (Branco & Rodrigues, 2007, 2008). Separated reports, likewise, have been considered in CSR disclosure studies because they are produced with voluntary basis representing corporate willingness to disclose that can be considered to contain more valuable signals about CSR information (Branco & Rodrigues, 2007).

Since a wide range of corporate documents released, the use of the only source of information, particularly annual reports, can be blamed that it ignored other forms of communication. As Unerman (2000) concluded form investigating Shell's various corporate reports that "studies focusing exclusively on annual reports risk capturing an incomplete picture of the amount of corporate social reporting in which companies are engaging, and thus an incomplete picture of the practices they are studying" (p. 677). However, most studies of CSR disclosure use annual reports as the only source to measure social and environmental information (Branco & Rodrigues, 2007; Hughes, Andersen, & Golden, 2002; Kuasirikun & Sherer, 2004; Quaak, Aalbers, & Goedee, 2007; Van der Laan Smith et al., 2005) due (arguably) to several reasons. First, since annual reports are more accessible and provided on a regular basis (Ahmed & Sualiman, 2004), it is considered that annual reports are probably the most important documents for communication representing a company and is used widely in terms of the way to constructs social imagery to all stakeholders (Deegan & Rankin, 1997). Second, annual reports are statutory documents required to be consistent with information provided in the financial statements. Auditors must ensure the information presented in the annual reports are not fallacious that may be able to damage the 'true and fair' view of the accounts (Sweeney & Coughlan, 2008). Moreover, annual reports are required to be produced on an annual basis by all companies, therefore allowing comparisons to be made

(Branco & Rodrigues, 2007). This view of creditability are supported by Guthrie and Parker (1989) stating that ''the annual report is the one communication medium to outside parties over which corporate management has complete editorial control. It is therefore not subject to the risk of journalistic interpretations and distortions possible through press reporting'' (p. 344). As a consequence, it is widely considered that the annual reports possess a high degree of credibility that is not associated with other data sources (Ahmed & Sualiman, 2004; Neu at al., 1998; Tilt, 1994; Unerman, 2000). Furthermore, likewise, the reason for sampling selection based on size of company, the examination CSR disclosure through an analysis of annual reports is supported by previous studies (see, for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Beattie, McInnes, & Fearnley, 2004; Boesso & Kumar, 2009a; Cunningham & Gadenne, 2003; Epstein and Birchard, 2000; Kuasirikun & Sherer, 2004; Magness, 2008; Parsa & Kouhy, 2001; Sweeney & Coughlan, 2008; Thompson & Zakaria; 2004; Tsang, 1998; Van der Laan Smith et al., 2005; Yusoff et al., 2006). Therefore, using annual reports as the main source of disclosure data seems to be greater potential for comparability of results with previous studies.

2.2.2.2 Method of Data Capture

The other issue related to data capture is deciding what methodology of data collection should be used. In CSR disclosure literatures, it is considered that "content analysis" of corporate reports has been the dominant method and mobilized widely in CSR disclosure literature (see, for example, Adams et al., 1998; Ahmad et al., 2003; Ahmed & Sualiman, 2004; Boesso & Kumar, 2007, 2009b; Branco & Rodrigues, 2007, 2008; Cunningham & Gadenne, 2003; Gray et al, 1995a, b; Guthrie & Parker, 1990; Kuasirikun & Sherer, 2004; Magness, 2008; Mirfazli, 2008; Parsa & Kouhy, 2001; ; Raar, 2002; Ratanajongkol et al., 2006; Thompson & Zakaria, 2004; Van der Laan Smith et al., 2005; Weyzig, 2006). Content analysis is possibly defined as "a technique that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity" (Abbott & Monsen, 1979, p.504). Typically, content analyses have sought to analyze corporate reports in terms of what companies inform (or do not inform), in other words, or what openness they bring (or what silences they maintain) in respect of social and environmental issues regarding to the impact of corporate activities. Such method is useful in that it can provide the understanding into actual and potential practices contributing to the development of disclosure practices (Kuasirikun & Sherer, 2004). It grounds on the assumption that the extent of disclosure, such as, the frequency of disclosed item, or the amount or proportion of space devoted to disclosure, provides some indication of the importance of each issue and could predicts meanings, intentions and motivations of the companies (Branco & Rodrigues, 2007).

In codifying qualitative information into quantitative scale, disclosure themes can be commonly used as unit of analysis by indicating information on the number of different items of CSR disclosure presented on the corporate reports, or the number of times each item is disclosed (Branco & Rodrigues, 2007; Ratanajongkol et al., 2006). Holder-Webb et al. (2009) suggested that the disclosure categories should reflect the tradeoff between the desire to capture as complete as possible for the set of categories and the need to data condensation. Disclosure categories are provided from what relates to different criterion such as stakeholders groups (see, for example, Boesso & Kumar, 2009b; Sweeney & Coughlan, 2008; Van der Laan Smith et al., 2005), reporting guidelines (see, for example, Holder-Webb et al., 2009), or prior studies (see, for example, Guthrie & Parker, 1990; Kuasirikun & Sherer, 2004; McPeak & Tooley, 2008; Thompson & Zakaria, 2004; Tsang, 1998). Themes were generally categorized according to human resources, community involvement, products and consumers, environment, energy, and general (see, for example, Ahmad et al., 2003; Hackston & Milne, 1996; Mirfazli, 2008; Parsa & Kouhy, 2001; Ratanajongkol et al., 2006). Most studies found that disclosures on human resources, environment and community involvement themes received significant attention from reporting entities (see, for example, Ahmad et al., 2003; Guthrie & Parker, 1990; Hackston & Milne, 1996; Kuasirikun & Sherer, 2004; Mirfazli, 2008; Tsang, 1998).

The simplest form of content analysis, which seems to be the most reliable coded data, was performed by Ernst and Ernst (1978). Information is detected by its presence or absence, where at least one information item required to be disclosed under each theme or category (Branco & Rodrigues, 2007; Milne and Adler, 1999; Parsa & Kouhy, 2001). A serious weakness of this form of content analysis is to incapacity to measure the extent of information disclosure and reflect of the emphasis that companies attach to each item or category (Gray et al., 1995a; Parsa & Kouhy, 2001). However, it is recognized that the analysis of the frequency and changes in disclosures over a period is sufficient to provide the reflection of the importance of a disclosure (see, for example, Branco & Rodrigues, 2007; O'Dwyer, 2001; Ratanajongkol et al., 2006; Stanwick & Stanwici. 2006). Stanwick and Stanwici (2006) stated that the use of a longitudinal study has allowed the tracking of disclosure evaluation. Therefore, choosing this technique is suitable for the studies, which are not intending to identify the importance companies' make on each item but needing to reliability of data coding (Milne & Adler, 1999; Parsa & Kouhy, 2001; Patten, 2002b).

There are two disclosure indexes based on two weighting schemes: equal and unequal weights (Branco & Rodrigues, 2007). If data coding derives from the assumption that each item or category of disclosure is equally important, an unweighted scoring approach that assign equal weight to each item is used. This approach only affirms that companies have provided some information on the relevant issue of each item but it does not conduce to analysis of the information quality (Parsa & Kouhy, 2001). However, Freedman and Jaggi (2005) believed this method is simple and avoids controversies.

To measure volume of CSR disclosures several methods are implemented by number of words (see, for example, Brown & Deegan, 1998; Campbell, Craven, & Shrives, 2003; Cunningham & Gadenne, 2003; Deegan & Rankin, 1996; Haniffa & Cooke, 2005; Holder-Webb et al., 2009; Ratanajongkol et al., 2006), sentences (see, for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Buhr, 1998; Hackston & Milne,1996; Milne & Adler, 1999; Thompson & Zakaria, 2004; Tsang, 1998; Raar, 2002), pages or proportion of pages (see, for example, Gray et al., 1995a, 1995b; Guthrie & Parker, 1989, 1990; Kuasirikun & Sherer, 2004; Patten, 1991, 1992; Thompson & Zakaria, 2004), and lines (Belal, 2001, 2002). The number of words, very precisely counted, was used in order to measure the level of CSR disclosure because words lend themselves to more exclusive analysis (Gray et al., 1995b) and provides more detail than measuring pages or proportion of pages (Deegan & Gordon, 1996). However, it can be problematic due to different styles of writing; individual words do not express any meaning to provide the context without a sentence (Milne & Adler, 1999). Counting the number of sentences is claimed for being done with less used of judgment (Unerman, 2000) and associates with fewer errors compared to counting individual words (Milne & Adler, 1999). In addition, many researchers favor of using the number of sentences, as is also the case with words, to avoid the problems regarding word standardizing to obtain more reliable inter-rater coding because of different font, margin or page size (Branco & Rodrigues, 2007; Hackston & Milne, 1996). Using number of lines is also claimed for less using of judgment. However, it is also criticized as problem related to different front and margin size (Branco & Rodrigues, 2007). Regardless of number or proportion of pages has been criticized due to adding the subjectivity into the measurement process (Ahmed & Sualiman, 2004); it permits the measurement of graphical diagrams, photographs and captions to photographs of CSR-related activities which is precluded in using number of words, sentences or lines (Branco & Rodrigues, 2007; Unerman, 2000).

As each method used to measure volume or amount of disclosure has both strong and weak points, many studies use a combination of words, sentences or pages as the unit of analysis (see, for example, Hackston & Milne, 1996; Thompson & Zakaria, 2004; Van der Laan Smith et al., 2005). The using of multiple methods enables comparisons with prior studies that used different methods and allows comparative analysis to assess the importance of the choice of measurement.

One of the main problems associated with content analysis method is the degree of subjectivity toward the quantification process performed on each burst of information. Using of this method is questionable regarding the reliability of the coded data produced (Tilt, 1998), especially when each information category has a number of sub-categories (Parsa & Kouhy, 2001). However, the overall reliability of coded data could increases as a consequence of which the information categories are well defined with little ambiguity (Milne & Adler, 1999), the coders are well trained and conduct data coding process with high level of agreement (Parsa & Kouhy, 2001).

2.2.2.3 Analysis of Disclosure Quality

While content analysis has been used widely in CSR disclosure literature, it has been criticized because the measures seem to consider quantity, not quality, of disclosure (Branco & Rodrigues, 2007). As Freedman and Stagliano (1992) stated: ''the critical attribute is the meaning of the words'' (p.115), measuring volume of disclosure by using the number of words, sentences or pages does not provide a comprehension of the type, meaning and importance of information being communicated (Branco & Rodrigues, 2007; Van der Laan Smith et al., 2005). Even with evaluation of quality for CSR disclosure is subjective and, to date, there is no universal accepted disclosure quality index (Van der Laan Smith et al., 2005), some scholars believe that distinguishing type of information could provide some indication of the disclosure quality (Branco & Rodrigues, 2007).

A number of studies employed distinction between the types of news, as good, bad or neutral, to provide some indication of the quality of disclosures (see, for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Belal,2001; Ratanajongkol et al., 2006; Thompson & Zakaria, 2004; Tsang ,1998). However, Bewley and Li (2000) suggested that such distinction should be avoided due to its subjectivity regarding to information receiver. For example, information about pollution control expenditures may be good news for stakeholders who concerned on corporate environmental impacts in investors' perspective, this may represent bad news from expenditures with no expected economic benefit.

In addition to type of news, it is believed that distinguishing between qualitative and quantitative information can provides some indication of the quality of disclosures (Branco & Rodrigues, 2007). Many scholars argued for the presence of numerical information as a proxy to assess the quality of disclosure as that numeric data is believed to be more useful than descriptive information on a company's social and environmental impact. Therefore, they classified disclosure based on whether there is quantitative information in disclosure and whether such information was monetary or non-monetary in nature (see, for example, Ahmed & Sualiman, 2004; Guthrie & Parker, 1990; Kuasirikun & Sherer, 2004; Patten, 1995; Ratanajongkol et al., 2006; Thompson & Zakaria, 2004) and placed a heavy weighting on quantified information (see, for example, Bewley & Li, 2000; Cormier & Magnan, 2003; Cormier, Gordon, & Magnan, 2004; Freedman & Jaggi, 2005). However, some researchers argued that such weighting systems may be intimate some kind of bias towards financial information (Branco & Rodrigues, 2007).

To avoid potential bias in disclosures quality assessment, some studies implemented a multi-method approach. For example: Freedman and Stagliano (1992) developed an index consisting of four elements of quality: time frame, effect, monetary versus non-monetary, and reference to a specific action, event, or person. Van der Laan Smith et al. (2005) classified disclosures as to whether they contained information as proactive or reactive, discussing future events or past events, and informational or promotional. They argued that proactive, discussed future events and informational disclosures were considered as higher quality than disclosures as reactive, historical, or promotional in nature. Beattie et al. (2004) proposed three type attributes of narrative disclosure to capture its quality. These attributes include time orientation (historical/forward-looking), financial orientation (financial/non-financial) and quantitative orientation (quantitative/ non-quantitative). Using of these three attributes to capture the quality of disclosure is supported by Boesso and Kumar (2007). In their study, they also examined quality of disclosures in terms of type of information as qualitative or quantitative, nature of information as financial or non-financial, and information on outlook as forward looking or historical.

While, as mentioned above, a number of prior studies examined CSR disclosures in different methodologies to provide fertile territory for research into reflection of companies' intention to CSR. However, CSR disclosure is only one part of an ongoing discourse between a corporation and its stakeholders (Reynolds & Yuthas, 2008). Moreover, in their analysis, Quaak et al. (2007) concluded that CSR disclosures do not improve CSR practices and are not relevant for demonstrating companies' transparency. Therefore, this study argues for further focus on the salience companies attach to different groups of stakeholder and engagement mechanisms that may lead to more potential understanding as to whether companies' motivation derive from corporate accountability or reputation management.

2.3 Stakeholders and Their Salience

2.3.1 Definition of Stakeholders

Early research in accounting field identified the users of corporate report and disclosure as the financial stakeholders, particularly the investors and creditors, regarding to their interests on corporate assets at risk by a contractual relationship with companies. Moreover, the early research focused on shareholder wealth and corporate financial performance omitted any ethical commitment toward the society and environment. This opinion may cause people feeling uncomfortable and criticizing (Magness, 2008). Hence, the term 'stakeholder' was introduced to allay these criticisms (Magness, 2008; Mitchell et al., 1997). Afterward, a large number of scholars and practitioners in business fields have adopted stakeholder concept in their work (Roberts & Mahoney, 2004).

Stakeholders are essential to the successful operation of an organization (Post, Preston, & Sachs, 2002) owning to ability to "provide resources (by, e.g., customers, investors, and employees), form the industry structure (e.g., supply chain associates and strategic alliances), and make up the sociopolitical arena (e.g., communities and governments)" (Van der Laan Smith et al., 2005, p259). Companies' relationship with critical stakeholders provides the indication of their capacity to generate sustainable wealth over time and long-term value (Post et al., 2002). In the event of ability to build and maintain durable relationships with their stakeholders, companies can go on lastingly because these relationships are the essential assets and the ultimate sources of their wealth (Perrini & Tencati, 2006). Moreover, stakeholder relationships may become the most critical or problematic issue on a particular circumstance and a particular time that companies has to be in charge of (Post et al., 2002). For example, companies changed their strategic decisions under the pressure of the protesting and boycotting campaigns carried out by some specific stakeholder groups. In some cases, the lack of an early recognition of such requirements brought harmfulness to company reputation (Perrini & Tencati, 2006).

A definition of the term is initiated by Freeman's (1984) as ''any group or individual who can affect, or is affected by, the achievement of the organization's objectives" (p.46). From this point of view the term 'stakeholder' leaves the notion that the scope of possible stakeholders open to include virtually everyone (Sweeney & Coughlan, 2008) and opens to the challenge that corporate actors have to keep a 'critical eye' on all those groups and individuals (O'Riordan & Fairbrass., 2008). This definition is popular on citing in the literature and allowing scholars define stakeholder in the similar way. For example, Post et al. (2002) defined stakeholder as "individuals and constituencies that contribute, either voluntarily or involuntarily, to [the corporation's] wealth-creating capacity and activities, and who are therefore its potential beneficiaries and/or risk bearers" (p. 8). Hummels (1998) defined stakeholders in the same way as "individuals and groups who have a legitimate claim on the organisation to participate in the decision making process simply because they are affected by the organization's practices, policies and actions" (p. 1408).

These definitions are supported by Clarkson (1995) who states that the stakeholder identification should be grounded on whether stakeholders bear risk from an firm's activities. Similarly, Hill and Jones (1992) argued that a organisation-stakeholder relationship is founded by the existence of an exchange relationship. However, it is argued that this concept is meaningless because this definition is very broad. Its further clarification is absence, which invite an arbitrary of management jurisdiction (Orts & Strudler, 2002). This opposed the fact that it is virtually impossible that companies be able to address all stakeholders' needs with limited resources. In order to provide more clarity of scope, a number of scholars have classified stakeholder in various classifications (Hess, 2007).

2.3.2 Stakeholder Classification

Discretion of the stakeholder classification and identification have been widely mobilized in the analysis of CSR through a company's relationships with inside and (particularly) outside environment as a key element of corporate success. However, the critics on the uncontrolled scope and application of such classification and identification have been still challenged by a number of researchers. Therefore, many studies in the area of CSR disclosures and stakeholder engagement have shown an increased interest in the stakeholder classification and identification.

Clarkson (1995) and Waddock (2001) distinguished between primary and secondary stakeholders based on company's relationships with other entities. They defined the primary stakeholder as those groups whose continuing participation was necessary for business survival, without their participation the companies cannot survive as a going concern. As start from the legal/economic perspective, Clarkson defined primary stakeholders as a bearer of some degree of legal/ economic risk in the companies with contractual responsibilities. This group generally includes shareholders, employees, long-time suppliers and customers (Clarkson 1995; Waddock 2001a, b; Magness, 2008). On the other hand, secondary stakeholders are defined as those who influence or affect, either are influenced or affected by the corporations, but they are not directly engaged in transactions with the companies and are not essential for business survival. Although these stakeholders are less influential, they have significant power to gather support affect the companies (Frooman, 1999). According to Clarkson's framework, secondary stakeholders include the media, trade associations, non-governmental organizations, and other interest groups.

Although Clarkson (1995) and Waddock (2001a, b) similarily classified stakeholders as primary and secondary and defined it in the same manner, there is disagreement in classifying the public stakeholders including governments and communities into the groups. While Clarkson classified these stakeholder groups as primary stakeholders, Waddock considered these groups are (critical) secondary stakeholders. Clarkson argued that although their relationships with companies are non-contractual, these public stakeholders are able to provide the infrastructure and markets for companies' operation. Moreover, Clarkson claimed that some of the interests captured in these relationships based on involuntary basis. This kind of stakeholders may disregard their relationship with the companies until some specific circumstance result of company operations, such as economic or environmental harm, attract their attention. In contrast, although these stakeholders significant influence on companies' operation by providing essential infrastructure or establish the rules of companies' society, Waddock classified these stakeholders as secondary stakeholders because they are not directly related to companies' primary missions and purposes. However, she suggested that companies should pay significant attention to address the demand of these stakeholders because they can impact the companies.

In addition to classifying between primary and secondary stakeholders, Wheeler and Sillanpaa (1998) also distinguished between 'social' and 'nonsocial' stakeholders. Hence, in their classification, there are four groups of stakeholder: primary social, secondary social, primary nonsocial, and secondary nonsocial stakeholders. Primary social stakeholders are define as those who effect directly on relationships and involve human entities, while stakeholders that have less direct impacts are categorized as secondary social stakeholders, representing business at large, civil society, and several interest groups. However, sometimes these stakeholders may have extreme influence on the business. On the other hand, the nonsocial stakeholders are those who do not involve human relationships. They are also further distinguished between primary and secondary categories depend on whether they have direct or indirect impacts. This category include the future generations, nonhuman species, natural environment, and their protectors in pressure groups.

Boesso and Kumar (2009a) followed the framework suggested by Clarkson (1995) by categorizing stakeholders into two broad categories. They differentiated between voluntary and involuntary stakeholders. Voluntary stakeholders are those who bear risk as a result of having invested something of value in a firm, such as capital, human or financial. This group includes financial community, labor unions and customers. On the other hand, involuntary stakeholders are placed at risk as a result of firm's activities, but without the element of risk. The latter group includes environmental advocacy and professional industry.

As Post et al. (2002) stated that stakeholders are the companies' potential beneficiaries and/or risk bearers. Sachs, Maurer, Ruhli, and Hoffmann (2006) distinguished four types of stakeholders as benefit providers/receivers and/or risk providers/ bearers. However, these attributes were not useful to place stakeholders into each type. An example is that employees able to be labeled as all four-stakeholder type because they perform as benefit providers/receivers and risk providers/bearers.

Henriques and Sadorsky (1999) classified four critical stakeholder groups: regulatory stakeholders, organizational stakeholders, community stakeholders, and the media. The first, regulatory stakeholders, includes governments and other stakeholders who may have the ability to convince governments to standardize the industry practices or technology, such as, informal network, trade associations, and a given firm's competitors. Organizational stakeholders, are those who have direct relationship with companies to impact their bottom line directly. This stakeholder group includes customers, suppliers, shareholders, and employees. Community stakeholders are who have ability to mobilize public opinion of corporate performance. This group includes community groups, environmental organizations, and other potential lobbies. The fourth stakeholder group is the media which can influence society's perception. The influence of the media depends on the companies' information they convey.

From Georgakopoulos and Thomson (2008)'s study, they applied the arena concept to explain the interaction as communication and decision-making process between the participants in the arena. It was structured as six groups of actor categorized into, namely, political institutions, rule enforcers, issue amplifiers, the public, supportive stakeholders and reforming stakeholders. There was assumption that different participants use social resources including money, power, social influence and evidence to pursue their objectives and endeavor to influence the outcome of decision process according to their values and beliefs. Characteristics of each arena depend on interactions between participants and the role of rule enforcers and issue amplifiers. Rule enforcers have powers delegated to them by political institutions via legislation to ensure that participants comply with formal rules and may coordinate informal interactions and negotiations. Issue amplifiers can mobilize public support for particular factions and play a role to observe actions in the arena, communicate with the participants, interpret their findings and report to others.

Konrad, Steurer, Langer, and Martinuzzi (2006) classified 22 individual types of stakeholders into five categories. The first category was providers of capital including owners, shareholders/free floats, major shareholders, fund managers/ analysts and bank/lenders. The second category was internal stakeholders including employees, and management. The external stakeholders were the third category, which included private consumers, consumer organizations, major customers, and suppliers. Media/public, local media, local communities, and scientists fell into the fourth category called disorganized civil society. The last group was organized civil society including governments/regulators, environmental NGOs, social NGOs, economic NGOs, educational organizations and religious organization. Moreover, Konrad et al. found that providers of capital were the most important, while disorganized civil society were the least important stakeholders.

However, above-mentioned classifications have been unable to provide the clarification of stakeholder identification leaving practitioners unsure that which groups of stakeholders should be analyzed and make relationship with. It is more workable in analyzing relationship between companies and their stakeholder if stakeholders are exactly identified. Therefore, many researchers have specified stakeholder groups in their study. For example:

Mishra and Suar (2010) used six stakeholder groups including employees, customers, investors, community, natural environmental, and suppliers in their study to assess and examine the relationship between stakeholder management strategy, salience, and CSR towards these groups. Cormier et al. (2004) proposed six stakeholder groups: investors, lenders, suppliers, customers, governments and public as those most likely to be concerned by companies. Perrini and Tencati (2006) identified seven stakeholder groups: employees, members/shareholders, financial community, clients/customers, suppliers, financial partners, state, local authorities and public administration, community, and environment. Hess (2007) used factor analysis method to seek-which stakeholder groups are factors reflecting the business responsibilities. They found that the first factor included society, natural environment, future generations, and NGOs and the others are employees, customers and government.

However, it seems to challenge the researchers to identify the appropriate set of stakeholder groups in their studies. This is because of a wide scope of stakeholders and various approaches of stakeholder identification and categorization. It can be seen that the different sets of stakeholder groups have been used in prior studies. In addition, it is obvious that such studies have not explained how they select each stakeholder group or how they indentify the set of stakeholder groups in their studies (Pedersen, 2004). At most, they have just described how each stakeholder group influence companies' decisions and how companies should response to the groups. The lack of explanation in prior studies may lead to ambivalence in decision to use the similar stakeholder groups in other studies. Therefore, it seems to be necessary to provide explanation or justification for the selection of stakeholder groups in order to assess the appropriateness of that selection.

2.3.3 Stakeholder Attributes and Salience

Finding themselves constrained with limitation of resources, it is virtually impossible for companies to produce every kind of valuable relationships for the entire stakeholders (Owen et al., 2001). Therefore, the main challenge for companies is the decision that whom they should interact and cultivate relationships with and how far the extend of that interaction and relationship. The salient differentials and dynamics between stakeholders have influence on such decision. Generally, in order to benefit themselves, companies tend to satisfy stakeholders depend on the salience they accord to stakeholders (Jamali, 2008).

Agle et al. (1999) defined stakeholder salience as "the degree, to which managers give priority to competing stakeholder claims" (p.507). Mattingly (2003) stated that "stakeholder salience indicates the extent to which a particular stakeholder group commands the attention of a firm's managers" (p.53). In 1997, Mitchell et al. developed a theory of stakeholder identification and salience arguing that stakeholders are possibly perceived as salient by a function of stakeholders possessing one or more relationship attributes (situational factors): the power, legitimacy and urgency. These attributes, associated with stakeholder groups, provide indication of the amount of management attention awarded to a given stakeholder (Sweeney & Coughlan, 2008).

Stakeholder power has been mentioned as a key attribute dominating the relationship between companies and their stakeholders (Mitchell et al., 1997; Ullmann, 1985). In its utilitarian sense, power relates to the ability of one actor in enforcing another actors to do something that they would not otherwise have done (Mitchell et al., 1997). Power not only refers to the ability to bring about outcomes of desire (Mitchell et al., 1997), but also refers to the ability to control resources (Magness, 2008; Mitchell et al., 1997; Pfeffer, 1981). The power differential among stakeholders results from power accruing to those parties who control resources required by the companies (Pfeffer, 1981). Thus, the more critical the resource controlled by a stakeholder group, the greater responsive the companies are in meeting the expectations of that stakeholder group (Boesso & Kumar, 2009b; Van der Laan Smith et al., 2005). As Belal and Owen (2007) found from interviewing senior managements that they have not directly addressed the requirements of less, particularly economically, powerful stakeholders even though there have been the pressures from externally driven change to empower these stakeholders. However, power by itself does not guarantee high salience to the stakeholders without the awareness of their own power and willingness to exercise it (Van der Laan Smith et al., 2005).

Legitimacy relates to socially expected and accepted behaviors of stakeholders (Magness, 2008). Suchman (1995) defined it as a ''generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions'' (p.574). Stakeholders whose legitimate standing in a society (Van der Laan Smith et al., 2005) and claims are perceived as proper desirable or appropriate by the managers are likely to receive greater attention (Boesso & Kumar, 2009b). However, merely stakeholder legitimacy is not enough without power to enforce the claims or perception on urgent of claims (Mitchell et al., 1997; Van der Laan Smith et al., 2005).

Urgency can also be a factor in defining stakeholder salience. It refers to "the degree to which stakeholders' claim calls for immediate attention" (Mitchell et al., 1997, p. 867) based on two notions; time sensitivity and criticality (Mitchell et al., 1997). The term 'time sensitivity' related to the pressing needs on stakeholder concerns or claims which given immediate attention (Van der Laan Smith et al., 2005). Hence, the managerial delay in attending to stakeholder is unacceptable in this point of view (Mitchell et al., 1997). Criticality relates to the importance of the claim to stakeholder (Magness, 2008; Mitchell et al., 1997). It exists when there is critical and highly important to stakeholders' claims (Van der Laan Smith et al., 2005). The combinations of high time sensitivity and criticality indicate immediacy of attending to the needs of a stakeholder group that when combined with either power or legitimacy may increase the importance of the affected stakeholders or put them high in the prioritization process (Boesso & Kumar, 2009b).

According to Agle et al. (1999), these three attributes are rooted socially at least partially in perception. Therefore, whenever potential concern issues arise, all three aspects must, or at least believed to, be presented before managements recognize any particular issues as a prominent call for attention (Magness, 2008). For example, in managers' perception, stakeholders will rank low in priority, if they do not make their power known that, they are prepared to use it.

In their theory, Mitchell et al. (1997) further proposed that these three attributes create less salience in their individual presence than in combinational form. In other words, the more cumulative number of these attributes a stakeholder has, the higher salient the stakeholder is. For example, unless high level of legitimacy or urgency, the overall saliency will remain less consequential in eliciting reaction from the companies, regardless to stakeholders possesses the power to impose their need upon a firm. Conversely, when there is combination between power and legitimacy, the stakeholders have ability to form the coalitions to make higher influence on the companies in more way. In addition, combination between power and urgency can provides ability to use coercive means to gain attention from management (Boesso & Kumar, 2009b).

As shown in Figure 2.1, Mitchell et al. (1997) developed a typology of stakeholders according to difference combinations of three attributes with in three classes: latent, expectant, and highly salient stakeholders. The first group, called latent stakeholders, is the low salience classes. These stakeholders are those who have only one attribute of salience (areas 1, 2, and 3). Stakeholders possessing only power are called Dormant stakeholders (area 1). Stakeholders having only legitimacy are called Discretionary stakeholders (area 2), and stakeholders having only legitimacy called Demanding stakeholders (area 3). The second group of stakeholders called Expectant stakeholders is those who are classified as moderately salient stakeholders by processing two attributes (areas 4, 5, and 6). Those processing power and legitimacy are called Dominant stakeholders (area 4); those processing legitimacy and urgency are called Dependent stakeholders (area 5) and those processing power and urgency are called Dangerous stakeholders (area 6). The last group classified as highly salient stakeholders is those who exhibit all of the three attributes (area 7). These stakeholders are called Definitive stakeholders, usually coming from dominant stakeholders" who suddenly have an urgent claim.

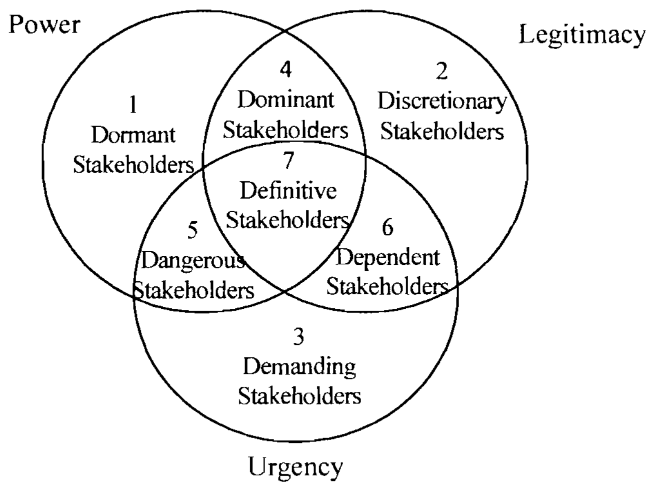

Figure 2.1
Stakeholder Typology: One, Two or Three Attributes Present (Mitchell et al., 1997, p.874)

To discover the reason behind the degree of salient manager attach to various groups of stakeholder, Mitchell et al. (1997)'s framework has been challenged by a number of researchers. In their empirical test, Agle et al. (1999) found evidence showing that power, legitimacy, and urgency act as attributes to increase (or decrease) stakeholder salience. Their finding was in an agreement with studies by Boesso and Kumar (2009a, b), Hargen (2005), Parent and Deephouse (2007), and Gago and Antolín (2004). Their obvious findings indicated that managers do not accord all stakeholders the same level of salience. They concluded that managerial perception of the significant differences in the power, urgency and legitimacy associated with the relative salience attached to each groups of stakeholder and explained the process of stakeholder prioritization (Boesso & Kumar, 2009a, b). However, there was contrast regarding the degrees of influence on the salient between the attributes. While Boesso and Kumar (2009b) argued that the power and legitimacy were more important than urgency in determining on how managers prioritize stakeholders' claims; Parent and Deephouse (2007) found that the most important effect on salience is power, followed by urgency and legitimacy. Nevertheless, in Agle et al. (1999)'s study, each attribute differently plays influential role depending on the group of stakeholders. For example, legitimacy is the most important attribute for salience of customers and communities. However, it is the least important attribute for government. In respect of urgency, it seems to be the most influential on salience of shareholders and government, while it seems to least influence on salience of employee, customer, and community.

In contrast to above-mentioned studies, O'Higgins & Morgan (2006)'s finding do not support the Mitchell et al. (1997)'s framework. O'Higgins & Morgan (2006) asked officials and activists in Irish political parties to nominate the most important stakeholders and rate these stakeholders on salience as represented by power, legitimacy and urgency. They conclude that these three attributes do not seem to explain entirely the salience of stakeholders to all organizations. For example, party members/representatives did not receive high salience, even though, this group was the only stakeholders who to attain all three attributes. At the same time, stakeholders in electoral groups who possessed only two attributes, legitimacy and urgency, were assigned as the highest salience. This could be indicative that political parties consider that other attributes are more important to assigning salience than the three proposed by Mitchell et al. (1997). However, political parties are non-business organizations. Their prospective on their stakeholders was different from business organizations. Hence, O'Higgins & Morgan (2006)'s findings seem to be limited to apply with other prior finding in business field.

In addition to explaining the relationship between combination of attributes and salience of stakeholders, Mitchell et al. also suggested that stakeholder status or priority was transitory in nature because none of the attributes was fixed in time. Stakeholders may be in a position of power at one moment in time, but not at another. Similarly, their claim may be legitimate at one time, but not at other times. The combination of attributes are dynamic in which stakeholders who possess only one or two of them and whose concerns are not high priority, may be able to up their status to higher priority by if they can acquire the missing attributes.

In her study, Magness (2008) employed Mitchell et al.'s framework to examine the reaction of two stakeholder groups' decision-making from two environmental accidents: managers and investors. She considered that the repercussions of the first accident built the legitimacy of environmental integrity in managers' perception. At the same time, the power of the governments to restrict firm operations, and the power of the financial providers to restrict funding arose. The legitimacy and power were combined with urgency and result to an unavoidable call for attention. She found that the two decision-makers reacted at different times. While managers responded to the first accident, through not the second; investors responded the second accident alone. She concluded that her findings confirm Mitchell et al.'s framework regarding to transitory and impermanent status of stakeholders.

In addition to the three attributes proposed by Mitchell et al., a number of scholars have endeavored to explain the association between the stakeholder salience and the other factors. Henriques and Sadorsky (1999) categorized Canadian firms into four categories: proactive, reactive, accommodative and defensive based on degree of proactivity regarding to corporate environmental commitment. They obviously found that the perception on the importance of stakeholders form more proactive firms significantly differed from the perception of their less proactive counterparts.

Jamali (2008) adopted the Ethical Performance Scorecard (EPS) framework proposed by Spiller (2000) to examine stakeholder approach of Lebanese and Syrian firms. EPS provided the indicator of key business practices derived from six groups of stakeholder. He found that multinational companies have attention to a wider range of stakeholders than their local counterparts did. Moreover, he found that stakeholder prioritization reflected in the higher EPS scores of organizational and economic stakeholders, such as, employees, customers and shareholders.

Knox, Maklan, and French (2005) examined the nature of stakeholder management in leading FTSE companies. Their findings show that even though most companies did not actively identify and set priorities between a sufficiently large range of stakeholders, the largest companies, particularly extraction companies and telecoms, tend to build stronger stakeholder relationships in adapting the more systematic stakeholder identification and prioritization.

Furthermore, many scholars argued for considering industrial firms when examining the perceived salience of stakeholders. Sweeney and Coughlan, (2008) found that there was an industry effected in perception of stakeholder salient which was reflected in CSR disclosures. For example, the firms in the telecommunications, retail, and health and beauty pharmaceutical industry primarily focused on customers, while the firms in medical pharmaceutical focused on communities and employees. Their finding is in agreement with Robertson and Nicholson (1996)'s which indicated that there are differences in emphasis from industry to industry toward various groups of stakeholders. Moreover, there have been some 'single industry' studies in area of stakeholder salient. For example, Sachs et al. (2006) found that a Swiss mobile telecommunication provider primarily focused on employees. Harvey and Schaefer (2001) examined the relationship of UK water and electrical utilities with their stakeholders in strategic planning. They stated that government and regulators were found to be the most influential groups, moreover, customers and the general public were also considered interesting, while economic stakeholders were considered less important in the strategic planning. These findings regarding significantly different attention the companies devoted to various stakeholder groups providing evidence, needed by companies, to analysis and identify a limited set of stakeholders which whom they are responsible and prioritizing stakeholders to determine how far that responsibility extends (Knox et al., 2005; O'Riordan & Fairbrass., 2008).

Although there have been the attempts from a number of scholars to provide the framework for stakeholder identification and prioritization, in practice, their rational and methodology have made more difficulties due to the fact that stakeholders as individual persons interact and are the member with more than one group (Gao & Zhang, 2001). For this reason, as a complex network, the stakeholders need to understand that their relationships influence interactively between/within diverse groups. Moreover, Stakeholders in the network may have potential to demand transparence and accountable actions of companies (Waddock, 2001).

Therefore, companies need to make such network, which they embedded their strategies and activities in, for becoming meaningful to stakeholders. Consequently, stakeholder engagement approach was initiated from the needs of companies to identify and differentiate "stake or interests" of each stakeholder and to balance such interests, involving to demonstrate their transparency and accountability.

2.4 Stakeholder Engagement

2.4.1 Definition and Concept of Stakeholder Engagement

In recent years, since there has been an increasing recognition that companies need to be accountable for their social and environmental performance, there has been academic, professional and corporate interest about what the best practice of companies to demonstrate their CSR (Cumming, 2001; Jackson & Bundgard, 2002). As Waddock and Smith (2000) indicated that CSR initiatives can become successful, depending on the extent that companies strongly fostering and enduring relationships with their stakeholders. Such interest, therefore, has led to a remarkable resurrection in the area of social and ethical accounting, auditing and reporting (SEAAR) (Backstrand, 2006; Zadek, Pruzan, & Evans, 1997) towards the concern of addressing the information needs of companies' various stakeholders.

A greater focus upon various stakeholder groups or a multi-stakeholder approach brought about the promotion of a wider range of stakeholder engagement extended and developed from increased disclosure of information through the more interactive forms of company-stakeholder relationship (Backstrand, 2006; Burchell & Cook, 2006, 2008). Payne and Calton (2002) described that the transition of relationship between companies and stakeholders affects the shift from "the need for unilateral managerial cognition and control" to "a perceived need by some for reciprocal engagement and new dialogic forms of collective cognition" (p.121).

Getting along with an ambiguity in the nature and framework for CSR practices, the term 'Stakeholder engagement', which can be seen as a supporting part of CSR, are also understood in different ways and perspectives (Burchell & Cook, 2006; Greenwood, 2007). However, stakeholder engagement is generally defined as "the process of seeking stakeholder views on their relationship with an organisation in a way that may realistically be expected to elicit them" (ISEA, 1999, p.91). This definition suggests a two-way relationship between the companies and their stakeholders that reflects the interdependence of organizations and stakeholders. In addition, Greenwood (2007) defined stakeholder engagement as "practices that the organisation undertakes to involve stakeholders in a positive manner in organisational activities" (p.318). From this manner, it justifies the necessity of stakeholder engagement to be involved in many areas of companies' activities (Greenwood, 2007) and decision-making processes (Simon & Jane, 2006).

The term 'stakeholder engagement' is fequencely used in different words. Mostly, it is used interchangeably in form of 'stakeholder dialogue' (Cumming, 2001) which commonly known as a more progressive from of engagement to transcend the conflictual precesses of communication between the firms and stakeholders (Burchell & Cook, 2006). Moreover, some practioners do not even use the terms stakeholder, engagement or dialogue, but prefer using the terms such as partners instead of stakeholders and consultation. This may be resulted from the different consideration within the different context of practitioners focusing on the desired characteristics of the specific process (Cumming, 2001). Whatever terms are used, stakeholder engagement appears to fulfill CSR obligation of companies by contacting with their stakeholders to identify and debate what the appropriate business behavior should be (O'Riordan & Fairbrass., 2008). According to the various mentioned definitions, it is believed that stakeholder engagement are deriving form the purpose of providing the better processes of communication that aims to improve the corporate accountability and performance and increase trust of any companies (Burchell & Cook, 2006; ISEA, 1999).

Companies have been called for stakeholder engagement by business academics (Strand, 2008). Freeman (1984) argued that companies are required to develop their skill in understanding their stakeholders regarding stakeholders' perception and their influences to increase opportunity and reduce risks. Despite engagement with stakeholders, companies would face risks of increased protectionism, nationalism or anti-modernism (Gable & Shireman, 2005). Elkington (1997) placed emphasis upon the concept of stakeholder engagement with link to the sustainability as he stated that "it is difficult to overstate the importance of stakeholders in driving-or stalling-the sustainability transition" (p.166). Similarly, Beckett and Jonker (2002) placed stakeholder approach at the heart of the corporate sustainability. They argued that stakeholder engagement offers the possibility to create a more dynamic concept of corporate sustainability and more balanced conception of human relationships and competencies beyond the territories of companies. These sentiments were supported by many scholars who argued that effective stakeholder engagement processes enabled companies to, for example, reach a general agreement among different stakeholders towards the ''license to operate'' for companies (Tencati & Zsolnai, 2009), generate a competitive advantage through corporate reputation and trust-based relationships (Freeman, Martin &

Pramar, 2007), and produce more socially integrative and environmentally friendly outcomes (Post et al., 2002).

2.4.2 Stakeholder Engagement in Business Practice

In practice, there have been the various set of stakeholders engagement practices in different areas of companies' activities, such as, public relations, customer service, human resource management, and management accounting. Stakeholder engagement approach may be employed as a mechanism for consent, control, co-operation, corporate governance, and accountability and sometime used to represent companies' attempt to enhance fairness and trust (Greenwood, 2007). Consequently, managers have confronted the difficulties of choosing which engagement practices to adopt and what intended effect from such practices. The difficulties due to the complicated taks of managing the relationship with stakeholders regarding: divergent expectations and conflict between stakeholders and various interpretations resulted from contextual complexities of different geographical regions and cultures (O'Riordan & Fairbrass., 2008).

Although there have been the difficulties in adopting stakeholder engagement approach, managers employ different engagement practices to allow their stakeholders participate with companies' activities (Backstrand, 2006). Stakeholder engagement is a key channel for CSR (Burchell & Cook, 2006) regarding its potential to strengthen the relationship between companies and their stakeholders. It allows stakeholders to constructively open their view and provide a debate about the responsibilities to society and environment to be undertaken by the companies (O'Riordan & Fairbrass, 2008).

While there has been much discussion about what companies should do to engage with stakeholders in the literature (see for example, Bhattacharya, Korschun, & Sen, 2009; Burchell & Cook, 2008; Gable & Shireman, 2005; Greenwood, 2007; Heugens, Van Den Bosch, & Van Riel, 2002; Johansson, 2008; Jackson & Bundgard, 2002; Morsing & Schultz, 2006; O'Riordan & Fairbrass, 2008; Strand, 2008; Strong, Ringer, & Taylor, 2001; Swift, 2001; Weisenfeld, 2003; Woodward, Edwards, & Birkin, 1996; Zambon & Del Bello, 2005), there have been few studies of what companies are actually doing in practice (see for example; Burchell & Cook, 2006; Cumming, 2001; O'Riordan & Fairbrass, 2008). In their analysis, some researchers found that a variety of engagement mechanisms had been commonly used encompassing, questionnaires (Jackson & Bundgard, 200; Swift, 2001), focus groups, open forums /workshops, meetings, interviews, inhouse magazines, web /phone hotlines ,briefing sessions (Swift, 2001), working meetings (or summits) (Powley et al., 2004) and internet 'web forums' (Unerman & Bennett, 2004). In addition, Cumming (2001) found that managers choose mix-and-match approaches to stakeholder engagement depending on which stakeholder groups concerned as well as where their physical locations and other contextually relevant issues. She categorized the stakeholder engagement techniques used by interviewees into three groups: Firstly, small group techniques included focus groups, small breakout groups from large-scale meetings, round table discussions, community forums and workshops. Secondly, Questionnaire surveys used typically as tool to track products, processes or satisfaction of customers and monitor their complaints and enquiries. Questionnaire surveys may be conducted over several channels including postal, telephone, and Internet. Lastly, consultation techniques used as tool to elicit stakeholder input encompassing telephone hotlines and face to face individual or paired interviews. Moreover, a few companies appointed the advisory boards and panels to response to specific concerns.

To describe the reason behind the adoption of stakeholder engagement approach, Zadek et al. (1997) idicated the managers have initiated engaging with stakeholders in three reasons: 'mangerialist orientation', 'the public interest', and 'value shift'. 'Mangerialist orientation' refers to the understanding of stakeholder perceptions and requirements sought by companies' decisionmakers to preempt the the possible effects from these perceptions and requirements that may have on the companies' future activities. 'The Public Interest' is described that companies may pursued stakeholder engagement due to the public and legislative pressure on social and ethical issues which is expedient for them to respond. Finally, 'value shift' is described as undergoing of companies to a culture shilf that can affect and is affected by companies' role and responsibility.

In addition, Greenwood (2007) stated that adopting stakeholder engagement depends on the different perspectives it derived from. From accountability and responsibility perspective, engagement of stakeholders is a mechanism used to express organisational accountability and responsibility towards stakeholders (Gray, 2002) through the involvement of stakeholders in companies' decision-making process. In the other hand, from managerialism perspective, stakeholder engagement is a mechanism used by companies to manage risks or glean contributions (Deegan, 2002) derive from potentially influential stakeholders.

A number of scholars argued that, in practice, most of stakeholder engagement practices arising from the latter perspective (Cumming, 2001; Hess, 2007; Konrad et al., 2006; Swift, 2001). At best, engagement practices are designed and used as informing or consulting tool. This form of engagement practice typically involves one-way communication which information flows from stakeholders to companies with no obligation of the companies to obey or no stakeholder power to influence on any decision-making processes (Cumming, 2001). It is considered that this is a form of "soft accountability" which does not promote transparency (Hess, 2007; Swift, 2001), because the companies always select whom it chooses to hear form (Parker, 2002). At worst, the intention to use stakeholder engagement mechanism is manipulation of stakeholders (Konrad et al., 2006; Owen et al., 2000, 2001; Swift 2001). There has been increasing consensus that stakeholder engagement practices have being turned into a process for reputation building rather than opening up to democratic accountability. This is because the current engagement practices seem to be used by companies to analyze their stakeholders perspectives to decide the practices companies should do to manage the risk that might harm them (Parker, 2002).

This sentiment was supported by Heugens et al. (2002) who argued that there are three main integration strategies often used by most companies to handle stakeholder needs and demands. Firstly, there was dealing with a small number of stakholders that can be controlled, rather than a large number of stakeholders that may be influencial, but uncontrollable. Secondly, there was dealing with most powerful stakeholders to gain the support and co-operation of these stakeholders. Thirdly, there was meta-problem solving which is used when companies face ill-defined and complex problems that need the collaboration with stakeholders on a network level to solve.

2.4.3 Quality of Stakeholder Engagement

It is obvious that stakeholder engagement may be morally positive or negative practices (Greenwood, 2007). It may be used in a moral way when companies aim to co-operate with stakholders in the context of a mutually benefiting relationship. In the other hand, it may also be used in a morally negative or immoral way as deceptive control in disguised to express the corporate responsibility. However, unless stakeholder engagement is about morally positive practices, it seem to miss its primarly essence as to the co-creation of shared understanding by companies and stakeholders. The emphasis should move from a focus on managing stakeholders to a focus on the responsive and accountable interaction based on a relational and process-oriented view (Morsing & Schultz, 2006). To support this notion, a number of scholars have proposed the key attributes as the ideal for quality stakeholder engagement.

2.4.3.1 Democratic characteristic

Since stakeholder engagement approach was sometimes used in active corporate governance, the issues on its key democratic features have been raised. Backstrand and Saward (2004) argued that the democratic characteristics of stakeholder engagement can be assessed by considering the representativeness and influence of stakeholders. 'Representativeness' is central to the democratic character of stakeholder engagement. It refers to the extent of stakeholder participation allowing a wide range of stakeholder groups involved in business making decision processes and represent their interests and requirements. The representative participation also need companies to the fully inform stakeholders regarding issues/events/ impacts that can affect or are affected by them. Moreover, the participation should be educative in term of improving skills to argue, understand in mutual learning processes and develop compromises. The other democratic character of stakeholder engagement is 'influence'. It refers to influence of stakeholders over the deliberations on mechanisms and decisions to ensure that their concerns and/or interests are addressed. Moreover, Powley, Fry, Barrett, and Bright (2004) claimed that democrative engagement have to formally feed the results emanating from the deliberations into organisational decision-making processes.

However, many studies find that the degree of democratization of stakeholder engagement in practice have been still low. Thomson and Bebbington (2005) found that the representativeness and influence of stakeholders in the engagement practices are limited. In term of representativeness, they proposed that there were barriers to full participation derived from selection procedures that companies have to legitimate their stakeholders. This selection confuses companies because selected stakeholders may not possess any expertise or represent any group of stakeholder. Moreover, it is found that stakeholder influence is also limited during engagement processes because many companies are failed to commit their actions or policies of engagement mechanisms. In addition, they control the engagement agenda and information primarily flowed one-way from the selected stakeholders to them. This leads to the anxieties of stakeholders regarding the retained power of companies on the engagement processes and how critical stakeholders could be without risking exclusion in the future.

O'Dwyer (2005) used an in-depth case study to investigate stakeholder engagement processes in an Irish overseas aid agency. Similarly, he found that representativeness and influence of stakeholders were absence due to the deliberate exclusion of the key stakeholder group in engagement processes, power of companies in controlling the engagement scope, and one-way information flown from stakeholders to companies with no interaction between stakeholder groups. Moreover, he illustrated that an absence of stakeholder feedback in post-engagement and extremely uneven power relations between the companies and their key stakeholders caused the failed attempt at the forming or embedding core democratic characteristics in engagement processes. O'Dwyer (2005) suggested that the key to provide influence of stakeholders was the introduction of a formal mechanism to make stakeholder ensure that their voice would influence decision-making processes. Nevertheless, he was pessimistic about potentially democratic stakeholder enganement due to the evidence that companies resisted in releasing their power in the processes.

As with Thomson and Bebbington (2005) and O'Dwyer (2005), in their assessment of democratic characteristics in stakeholder engagement practices, Owen et al. (2000, 2001) found that democratic characteristics are limited. They argued that the absence of criticism about best practice in order to push stakeholder engagement concept into the mainstream of current business thinking may endanger the democratic ideals. Moreover, they claimed that standardisation of stakeholder engagement processes was rhetorical because it was developed outside the normal democratic framework. However, they found that there was a little meaningful intention in empowering stakeholders by leading practitioners who regretted for the absence of scope for conflict resolution and the inadequate minority-viewpoint expressions in engagement processes. In addition, they suggested that stakeholder engagement needed to attend much more on the necessity of democratic ideals and values to in order to be substantive in business thinking.

Furthermore, Unerman and Bennett (2004) explained the significant difficulties to ensure representativeness and influence of stakeholder in initiating of engagement practices. Since it was difficult to reach or identify a wide range of stakeholders, their expectations have often been mutually exclusive and far from homogeneous. Thus reaching meaningful participation with representativeness in stakeholder engagement agenda is problematic. Moreover, if engagement processes seem to be stakeholder managerial prioritising, influence of stakeholders over the processes will be limited or absent.

While it was found that representativeness and influence of stakholders in current stakeholder engagement practices were absenct or, at best, low. Gray, Dey, Owen, Evans, and Zadek (1997) and Thomson and Bebbington (2005) optimistically believed that democratic characteristics could be enhanced in stakeholder engagement agenda by proposing a concept of polyvocal citizenship that privilege stakeholder voices in engagement processes. They promoted the representativeness and influence of stakeholders as central of this concept as to allow stakeholders to control the agenda for discussion. Moreover, they emphasised the desirability of these processes that needed to seek out and to expose conflict between organisational legitimacy and stakeholder views in order to ensure the meaningfulness of democratic participation.

2.4.3.2 The AA1000 Stakeholder Engagement Standard (AA1000SES)

In 2005, the Institute for Social and Ethical Accountability (ISEA) published the AA1000 Stakeholder Engagement Standard (AA1000SES) to provide guidance for quality stakeholder engagement. Being effective practice, stakeholder engagement requires two principal characteristics (p.51). The first characteristic is 'Application of the Accountability Commitment' requiring company to embrace and apply the Accountability commitment which consists of three principles: 'materiality', 'completeness', and 'responsiveness'. 'Materiality' refers to the ability of engagement in knowing stakeholders' and companies' material concerns. 'Completeness' requires engagement practice to provide understanding about stakehoder concerns including their needs, expectations and perceptions which associates the material issues. 'Responsiveness' refers to consideration and coherent response to stakeholders' and companies' material concerns. The second principal characteristic is 'involvement' referring to the involvement of stakeholders in engagement processes including design, implementation and improvement of engagement.

According to characteristics of stakeholder engagement's quality, the standard classifies the level of achievement of engagement into three levels: the emergent organization, the strategic organization, and the civil organization. 'Emergent organization' refers to organization that is at an early stage of employing stakeholder engagement. This organization can make commitment to accountability, but not all of three principles and do not allow stakeholders to involve in design, implement and assessment of engagement. 'Strategic organization' is organization that fully commits all principles of accountability. It allows stakeholders to involve in engagement practice, but full consensus between the organization and stakeholders may not be reached on all processes of engagement. 'Civil organization' is highest level of engagement. It refers to organization that fully apples all principal of accountability commitment and links engagement into societal debate. Moreover, civil organization can reach full consensus with stakeholders in all processes of engagement.

It is suggestive that there are similarities between requirement for quality stakeholder engagement in AA1000SES and democratic characteristics. The first of democratic characteristics –representativeness- requires committing three principles of accountability. To reach the representative characteristic, companies need to commit accountability by informatively and educatively participating with stakeholders to know that what are stakeholders and companies' material concerns and understand and coherently respond to such concerns. The second of democratic characteristics refers to influence of stakeholder over decision-making process that is similar to involvement of stakeholder in engagement practice required by AA1000SAS.

2.4.3.2 Arnstein's Ladder of Citizen Participation

In addition to democratic characteristics and AA1000SAS, there have been studies arguing for influence or involvement of stakeholder in quality stakeholder engagement by adapting a model call "Arnstein (1969)'s Ladder of Citizen Participation" in assessing quality of engagement. This model showed different levels of participation between companies and stakeholder categorized by the degree of empowerment to stakeholders in decision-making process.

In 2001, Cumming used this model to investigated contemporary processes in organisations known to be associated with social and environmental accounting. She briefly categorized eight rungs of stakeholder engagement into three categories: The first two rungs, 'manipulation' and 'therapy', were classified as first category called 'non-participation'. It refers to actions of companies or 'power holders' to cure and educate their stakeholders through public relations. The second category, called 'degree of tokenism', includes three rungs, 'informing', 'consultation' and 'placation' which refers to actions of power holders to maintain the right of decision and veto by using either one-way flow of information or two-way communication with no attempt to allow the participants act on the views they received. The third category, called 'degree of citizen power', includes 'partnership', 'delegated power', and 'citizen control'. 'Partnership' involves sharing responsibilities of planning and decision-making between companies ans stakehodlers. 'Delegated power' refers to sufficient authority of stakeholders in decision making to ensure companies' accountability. The key element of 'citizen control' is tranferring the authority from power holders to powerless stakeholders to take over the entire planning and decision-making processes.

She argued that although using this categorization to evaluate level of companies' engagement practices seemed to be simplistic processes, this ladder was useful in indicating the status of current stakeholder engagement and answering the question that whether stakeholder participation achieved companies' accountability. She applied the model to evaluate stakeholder-organisation relationships and, consequently, found that companies were in third to sixth level: informing to partnership. Most of the stakeholder engagement practices were on third and fourth level of the ladder that seeked only to inform or consult with stakeholders. The interestingly discovery was that while stakeholder engagement is widely perceived as a two-way process of interaction and exchange and NGO aspired companies to move to the highest level: delegated power and citizen control, the aspiration of a few leading conpanies fell into the rungs of consultation and partnership. Thus, this can be generally interpreted that companies do not intend to give stakeholders control or even delegated power. However, she suggested that companies should start by identifying the status and roles of stakeholders. Beside, the ladder is used in order to evaluate the current status of their stakeholder engagement and then understand future attainment they aspire to achieve.

Similar to Cumming, in their study, O'Higgins and Morgan (2006) adapted Arnstein's ladder of citizen participation purposely to ask the respondents to choose which level of stakholder engagement practices were most accurately describing their relationship with different groups of stakeholder. They categorized stakeholder engagement practices into five levels according to the degree of empowerment to stakeholders, ranging from 'operating on stakeholders' to 'control by stakeholders'. Five levels of engagement included none, taking some account, consulting on relevant matters, making joint decisions and delegating decision. Although their study differs from Cumming's study on the assessment method because respondents assess the level of engagement by themselves, their finding is consistent with Cumming's as to most organizations fell into the second and third level - take some account and consult on relevant matters. Moreover, majority of firms also felt that their level of engagement was still deficient and had to be improved.

2.4.3.4 Companies' Strategies

Assessing quality of stakeholder engagement by using Arnstein's Ladder of Citizen Participation is consistent with a model called 'three CSR communication strategies' proposed by Morsing and Schultz (2006). They argued that the degree of stakeholder influence depends on different communication strategies used by companies. They distinguished companies' strategies for communicate their CSR actions to stakeholders into three types: information strategy, response strategy, and involvement strategy. The first strategy is stakeholder 'information strategy' refering to company's strategy in adopting one-way communication that information always flow from the companies to their stakeholders in order to inform them about companies' favourable decisions and actions. In this strategy, most companies identify the important causes to the stakeholders and then focus on the relevant issues before disseminating information to stakeholders (Wanderley, Lucian, Farache, & Filho, 2008). The second stragegy, called 'response strategy', adopts two-way asymmetric communication with imbalance from the effects of public relations. Because companies need the endorsement from stakeholders in order to continue their operation, they have to make decisions and actions relevant to stakeholders and inform their improvement or ability to improve their CSR efforts. Finally, the stakeholer involvement strategy, in contrast, adopts two-way symmetric communication as information flown from stakeholders as well as from the companies themselve. Involvement strategy differs from response strategy in term of stakeholders' roles in companies' decisions and actions. With response strategy, stakeholders only respond to corporate actions, while with involvement strategy, they involved or participate in corporate decisions and actions.

The classification of strategies proposed by Morsing and Schultz is supported by Herremans and Nazari (2011). They distinguished companies's communication precesses into three approaches including transactional, transitional, and thansformational approach. Transactional approach is that company engage with stakeholders by one-way information flow. The main aim of engagement is for instrumental reasons, particulary, cost reduction. Transitinal approach is that companies engage with stakeholders by two way asymmethical communication. Stakeholder engagement in this approach is driven by society pressures rather than companies own desire. Mostly, companies designed the communicatin process to mananage relationship with stakeholders to add their bussiness value. The last is thansformational approach. Companies employ stakeholder engagement based on two way symmetrical communication. They wish to lean from their stakeholders and allow them to involved in decision –making process to improve their performance.

In addition, Gao and Zhang (2001) proposed a simple link between the quality of engagement and strategy reflected by the number of stakeholder participating in the process. They also argued that engagement practices should be two-way communication with sharing views between the stakeholders and companies' managers that allowed stakeholders to be consulted and responded to. Hence, they devided stakeholder engagement practices into four levels: passive, listening, two-way process and proactive. The first, passive stragegy, was that companies merely informed mass stakeholders and wide society via, such as, public media, publish reports ,and policy and product documents. The second, listening strategy, was that selected stakeholders were consulted or listened to by companies through, such as, questionnaires, interviews, formal meetings ,and suggestion boxes. The third, two-way process stragegy, was that limited number of key stakeholders engage in dialogue with companies as to provide feedback to them. Meaningfulness of such dialogue could be represented when companies used stakeholder-driven performance measures and reports. The last, proactive strategy, was that very limited number of key stakeholders significantly influenced companies' management. Ideally, in this level, a stakeholder council was set up and their representatives were allowed in management decision-making processes.

Thus, it can be seen that researchers have shown an increased interest in stakeholder engagement in CSR agenda. However, far too little attention has been paid on the association between actual stakeholder engagement and CSR disclosure, as another significant current discussion. Moreover, there is still insufficient data for the association between engagement towards stakeholder groups and salience accorded to each group. Nevertheless, it is believed that revealed association between such issues can answer the main questions in this study that whether companies intend to adapt CSR agenda to present their accountability or to manipulate the perception and/or expectation of public. The following section shows the evidence from small number of prior studies that there is relationship among stakeholder salience, stakeholder engagement, and content in CSR disclosure.

2.5 The Links between Stakeholder Salience, Stakeholder Engagement, and CSR Disclosure

2.5.1 Stakeholder Salience and Stakeholder Engagement

Since a broad set of scholars and practitioners in the fields of CSR became increasingly interested in multi-stakeholder approach, there has been much discussion about existing literature on managers' perceptions of salience of different stakeholder groups and engaging stakeholders into business decision making. Boesso and Kumar (2009b) stated that managers are not only responsible for making decision about stakeholder salience, but are also responsible for making strategic decisions for allocating companies' resources in order to address demands of stakeholder groups according to the stakeholder prioritization made. The challenges to manage the relationship with stakeholders are a diverse range of their interests and conflicting expectations between them (O'Riordan & Fairbrass, 2008). Therefore, managers employ varieties of stakeholder engagement mechanisms purposely to manage these challenges for more understanding of stakeholder interests (Boesso & Kumar, 2009b; Morsing & Schultz, 2006).

However, there have been only a few studies showing the evidence for a link between salience companies attached to each of stakeholder groups and engagement intensity of that group. Preliminary work on the link was undertaken by Hibbitt (2004) who had asked the Chairman of the Executive Broad of Directors in European companies to score the salience of twelve stakeholder groups involving the extent of engagement directed with each group. His study provided the evidence that stakeholder salience extensively correlating to the extent of direct stakeholder engagement. Moreover, he found those stakeholder groups, ranked as the most important, were the groups provided by the companies the most extent of direct stakeholder engagement.

Hibbitt's findings were supported by O'Higgins and Morgan (2006) whose investigation of the relationship between stakeholder salience and intensity of stakeholder engagement as well. Asking officials and activists in five major Irish political parties to identify their most important stakeholders, they prioritized these listed stakeholder groups by rating them on their salience. Afterward, participants were asked to rate nominated stakeholder groups again on salience attributes counting power, legitimacy, and urgency as well as the effort of their organizations in engaging with each of these stakeholder groups. In their study, it was found stakeholders who perceived as more salient tend to receive higher levels of engagement than less salient stakeholders. Moreover, it was found that internal stakeholders had received both high level of salience and engagement. The result additionally supported the advantage of engagement mechanisms because the political parties with higher levels of stakeholder engagement tended to yield higher electoral results. Nevertheless, their pronouncement is seemingly limited to apply into this study as the political parties are non-business organizations which may possibly have different prospective when compared with business organizations on stakeholders and attitude on stakeholder engagement. Therefore, it may not be appropriate to presume the similar result in explaining the occurrence in business arena.

While, to date, there is the lack of empirical study on the association between stakeholder salience and engagement mechanisms, there is an interesting model purposed by Greenwood (2007) used as supporting the aim of this study, to examine such association in order to answer the question whether companies employ stakeholder engagement mechanisms conveying corporate accountability or reflect reputation management. Greenwood disagrees with the assumption that the more companies engage and manage its relations with stakeholders, the greater companies' responsiveness (Norris & O'Dwyer, 2004). In order to dispel that assumption, she proposed a model reflecting the relationship between two constructs: stakeholder engagement and stakeholder agency.

According to Greenwood's model, "stakeholder engagement is a process or processes of consultation communication, dialogue and exchange" (p. 321). She viewed that high engagement occurs when companies managed numerous engagement activities with high quality. Stakeholder agency is defined as "a proxy for the responsible treatment of stakeholders" reflected by "the number and breadth of stakeholder groups in whose interest the company acts" (p. 322). High stakeholder agency is what companies identify a broader range and/or a larger number stakeholder. High stakeholder agency can also be considered as the equivalent responsibilities for both shareholder and non-shareholders. In this study, the term 'stakeholder agency' can be applied with the salience companies attach to a broader range and/or a larger number stakeholder, particularly non-shareholders.

From the model shown in Figure 2.2, the relationship between stakeholder engagement and stakeholder agency is capable to be divided into four categories. The first category composing of high stakeholder engagement and agency is labeled as real corporate 'responsibility'. The second category is labeled as 'paternalism', consisting of low stakeholder engagement but high stakeholder agency. Greenwood suggested that this was traditional version of social responsibility because companies perceived the interests of board range of stakeholders with no or limited attempt to engage with them. The third is 'neoclassical' category, consisting of low stakeholder engagement and agency. She offered that little attention companies pay to engagement with a small number of stakeholders could represent an economically based view of companies in doing business. The last category is labeled as 'strategic' composing of high stakeholder engagement but low stakeholder agency. If companies respond to the needs of stakeholders in order to achieve their goals rather than to fulfill stakeholder interests, they tend to highly engage with a small number of salient stakeholders. This category is support the argument that companies, employing a variety of stakeholder engagement mechanisms, are not always labeled as high corporate social responsibility.

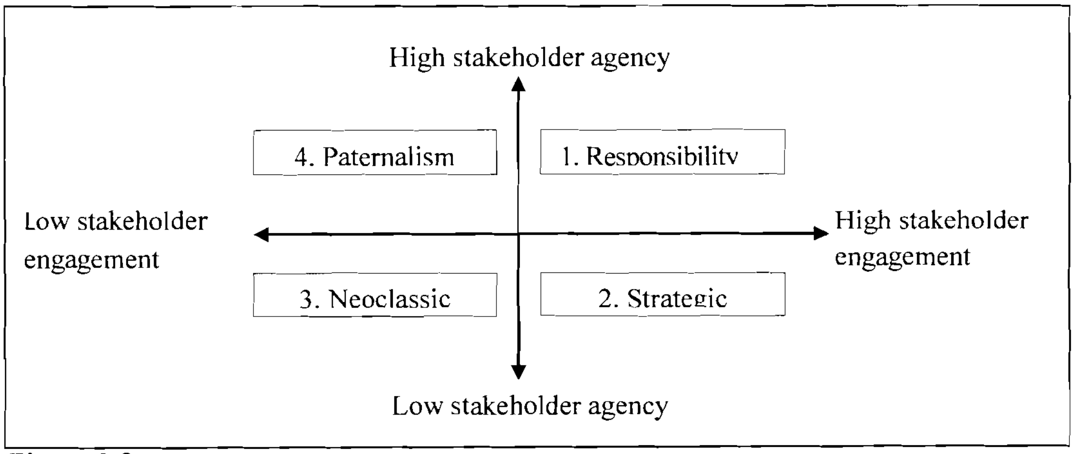

Figure 2.2
A model of Stakeholder Engagement and Moral Treatment of Stakeholders (Greenwood, 2007, p.322)

2.5.2 Stakeholder Engagement and CSR Disclosure

Although companies have more concern on CSR issues and intend to address a board range of stakeholder issues, which are not limited to just shareholders, there have been indications that stakeholders are still more critical and skeptical of companies' CSR concern. Moreover, stakeholders claim that such concern influence their perceptions and actions on companies (O'dwyer et al., 2005a). To demonstrate their CSR obligations to stakeholders, companies have recognized the need for improved disclosure on CSR performance (Adams & Frost, 2006; Adams & Kuasirikun, 2000; Boesso & Kumar, 2009a; Hockerts & Moir, 2004; O'dwyer et al., 2005a). However, communication through merely CSR disclosure is not sufficient for implying that companies launch CSR activities with transparency, not economic interest (Hess, 2007).

Lev (1992) suggested that disclosure actions could be divided into three dimensions. The first is disclosing within rules set by regulators. If companies disincline to acquiesce to the rules, these actions may be haphazard under duress. The second is disclosing information on a voluntary basis. The impact of this disclosure type depends on the credibility or reputation of firms. Unless companies are ongoing communicate with outsiders, they maintain or build their credibility or reputation. The last dimension is disclosing with commitments to enhance the information content of disclosure. To enhance the disclosure effectively, companies need to interact extensively with outsiders (Marshall et al., 2007; Lev, 1992).

According to O'Dwyer (2002)'s study, managers recognize that stakeholders are not easily convinced by information disseminated by the companies. Moreover, he found that stakeholder engagement mechanisms in corporate reporting processes are shortage (O'Dwyer, 2001; 2005a, b). In order to resolve these criticisms, he suggested that companies should substantively change in response to external pressure by employing some forms of stakeholder engagement (O'Dwyer, 2003; O'Dwyer et al., 2005a, b). Moreover, Schlegelmilch and Pollach (2005) suggest that there are three important factors in successful communication of CSR information i.e. namely, communicator credibility, honest statements and involvement from information receiver with the issues being communicated. CSR disclosure advocates, therefore, should get along with an ideal of stakeholder engagement (Adams & Frost, 2006; Hess, 2007; O'Dwyer et al., 2005a). This view is supported by the Global Reporting Initiative's Sustainability Reporting Guidelines whose statement that "a primary goal of reporting is to contribute to an ongoing stakeholder dialogue. Reports alone provide little value if they fail to inform stakeholder or support a dialogue that influences the decisions and behavior of both the reporting organization and its stakeholders" (GRI, 2002, p.9).

Stakeholder engagement is necessary for CSR disclosure development because it provides opportunity for companies to see the actual interests of their stakeholders and bring those interests to bear on CSR disclosure process (Hess, 2007; Simon & Jane, 2006). For this reason, it seems reasonable to assume that the nature of CSR disclosure could be affected by the differences in the nature of stakeholder engagement (Marshall et al., 2007; Holland, 2005; Adams, 2002). Consequently, several attempts have been made to the link between CSR disclosure practices and the extent of involvement of stakeholders (see for example, Black & Hartel, 2004; Boesso & Kumar, 2007; Georgakopoulos & Thomson, 2008; Munoz et al., 2008; Van der Laan Smith et al., 2005).

Studying in companies in Italy and US, Boesso and Kumar (2007) found that the volume and the quality of voluntary disclosure strongly related to the corporate emphasis on stakeholder engagement. Their finding is consistent with Georgakopoulos and Thomson (2008)'s study, investigating the relationship between social reporting and engagement processes of salmon farming organizations in Scotland. They conclude that social reporting practices influence and, on the contrary, tailor to characteristics of stakeholder engagement practices. However, they argue that extant social reporting and stakeholder engagement practices are not driven by intention for transparency, viewed as a pre-condition of a sustainable society (Marshall et al., 2007). They found that most active engagement is interaction between organizations and regulators and social reports are intended to meet regulatory standard rather than to provide meaningful information for operations or decision-making.

By using questionnaires and in-depth interviews with managers in large Australian firms, Black and Hartel (2004) developed a model called CSR management capacity model. This model was structured as the relationship of stakeholder engagement to stakeholder dialogue and the corporate accountability, referring to disclosure of social performance. Unlike other studies that define stakeholder dialogue as the method of stakeholder engagement, this model differentiated between dialogue and engagement, arguing that "Dialogue comprises more than involving stakeholders in defining the terms of engagement. Dialogue requires a conscious and respectful effort to share power in a discourse. A true dialogue creates a free space in which the topics, structure and rules of the dialogue can be co-created or challenged in safety" (p.130). To develop this model, they tested correlation among components in the model. It was found that social reporting is significantly related to stakeholder dialogue, but not to stakeholder engagement. However, the finding seems to be vague since the definition of stakeholder dialogue in the model can be considered as a more enhanced engagement mechanism. Therefore, it is reasonable to assume for the accordance of results when examine the relationship of social reporting with dialogue and engagement. This vagueness may be due to the method to collect data about social reporting by using questionnaires that seem to be desirability bias in respondents' answers rather than reflect the actual status.

In 2005, Van der Laan Smith et al. traced the influence of the role of a corporation and its stakeholders defined in a society on the CSR disclosure in annual reports. They differentiated companies in the electric power generation industry in Norway/Denmark and US into a stakeholder and a shareholder orientation respectively. This differentiation derived from several contextual factors which influence the relationship between companies and stakeholders, such as corporate governance systems, ownership structure, and cultural factors. The finding in large companies was compatible with their prediction. The result showed that the companies in Norway and Denmark which are countries with stakeholder orientation or more stakeholder-company relationship provide a higher level and quality than companies in US, countries with shareholder orientation or less relationship. However, they did not find the same results existed for medium and small size companies. In Munoz et al. (2008)'s study, they also distinguished companies into stakeholder and shareholder orientation, however, by using stakeholder orientation index based on corporate mission and values. Their finding was in agreement with Van der Laan Smith et al. (2005)'s study that stakeholder - oriented companies demonstrate a high quality of information disclosure.

However, those studies did not specify or separate stakeholder groups in examining the link or association between engagement and disclosure. Their analyses are based on a perspective of overall stakeholder groups which cannot discriminate such association between different stakeholder groups. Nevertheless, there has been a study that can be considered as the evidence for the analysis of individual stakeholder group. In Marshall et al. (2007)'s study, they examined the impacts of engagement between two external stakeholder groups: non-governmental organizations (NGOs) and institutional investors, on the corporate disclosure of environmental information. They categorized NGOs into two types, principle and skill-focused NGOs. Principle NGOs "focus primarily on principle of corporate environmental citizenship", while skill-focused NGOs "focus largely on skill-building for corporate environmental stewardship" (p.47). They find that engagement with skills-focused NGOs is strongly related to higher quality disclosure. Moreover, they suggested from their finding that companies should engage more often with skills-focused NGOs to improve quality of environmental disclosure. They argued that interaction with these NGOs encourages companies to disclose environmental information and provides knowledge for companies to improve collecting information systems.

In this study, another reason for an attempt to examine the relationship between stakeholder engagement and CSR disclosure is due to the contradiction of similarity and difference between them. While many scholars argued that stakeholder engagement and CSR disclosure were two discrete processes (see for example, Black& Hartel, 2004; Hess, 2007; Kraisornsuthasinee & Swierczek, 2006; Marshall et al., 2007), a number of scholars considered the similarity between them as a tool to communicate to stakeholders (see for example, Jackson & Bundgard, 2002; Holland, 2005; O'Dwyer, 2005; Woodward et al., 1996) and ,therefore, used disclosure as the representative of stakeholder engagement in their studies (see for example, Boesso &

Kumar, 2009a, b; Odemis, 2011). Although it has been argued that CSR disclosure and stakeholder engagement practices support each other since CSR disclosure is key stage in stakeholder engagement processes (Hess, 2007; Simon & Jane, 2006), and, as oppose to, stakeholder engagement practices enabled device to improve quality of CSR disclosure (Hess, 2007). Using CSR disclosure as the evidence of companies' effort aimed at engaging with stakeholders is questionable.

Robertson and Nicholson (1996) investigated the nature of disclosing CSR information to employees in UK firms. They found the significant differences between CSR issues informed in the annual reports and informed internally by engaging between companies and employees. Although they investigated merely employees, it could be deduced that CSR disclosure and stakeholder engagement practices differently communicated CSR issues. Hence, the claim for pragmatic reasons (Boesso & Kumar, 2009a) and the importance of disclosure in communicating stakeholder engagement information, as the most comprehensive and frequently employed mechanism (Boesso & Kumar, 2009b), seemed to be inadequately convinced why CSR disclosure was used as representative of stakeholder engagement. Therefore, the investigation on relationship between stakeholder engagement and CSR disclosure is necessary in order to resolve the criticisms about their similarity and difference.

2.5.3 Stakeholder Salience and CSR Disclosure

The popularity of CSR disclosure have been the focus of much academic research with an increasing awareness of the importance stakeholders attach to socially and environmentally responsible behavior of business (Ahmad et al., 2003; Yusoff et al., 2006; Zadek, 1998). There have been discussions about stakeholder influencing on the CSR disclosure (Smith, 2004). Thompson and Zakaria, (2004) and Sahay (2004) stated that one of the possible reasons for inadequate CSR disclosure was the companies' perceptions on the lack of pressure from stakeholders. This view supports the significance of stakeholder influence on CSR information. Moreover, stakeholder influence is a critical factor for companies in achieving companies' goals and objectives. Companies have to identify and analyze who are the key stakeholder groups and what are criteria such stakeholders use to judge companies' performance (Kipley & Lewis, 2008). Disclosure is considered as the comprehensive and frequently employed mechanism to inform companies' position to stakeholders (Boesso & Kumar, 2009b). Therefore, companies seem to emphasize in the disclosure on the information that being able to express companies' concerns about them (Johansson, 2008; Van der Laan Smith et al., 2005) and ability to meet their requirements and expectations (Johansson, 2008). The emphasis on certain stakeholder groups in the disclosure demonstrates the evidence of the leverage that the groups have over the company (Frooman, 1999). Many studies demonstrate the link between the salience companies attached to stakeholder groups and responses of companies through CSR disclosure.

In their study, Boesso and Kumar (2009a) investigated the relationship of stakeholder salience and CSR disclosure in perception of managers in Italy and US. They asked the respondents to rate on salience of each stakeholder groups and indicate the extent companies address these stakeholders' concern as evidenced in CSR disclosure in annual reports. They found that salience attached by managers to a stakeholder group significantly related to the efforts aimed at disclosing information of stakeholder groups. However, this discovery derived from the opinion of managers on the disclosure indicating that it was possible to contrast with the actual disclosure made. Therefore, they repeatedly investigate such relationship, but used content analysis to assess the actual disclosure made as the representative of companies' attempts to disclose information needs of each stakeholder group (Boesso & Kumar, 2009b). In the latter study, they found limited support only three of the five stakeholder groups that CSR disclosure effort towards stakeholder groups related to salience of each groups. They explained that the absence of the relationship in some stakeholder groups possibly due to preference in using other channels to search companies' information rather than annual reports. Moreover, it may be because company's reluctance to disclose information that could affect their' competitive advantages. It can be seen that the results using opinion of managers on the disclosure differ from those using actual disclosure. This may lead to misunderstanding of the association between engagement and actual disclosure. Therefore, it is suggested that disclosure data should be obtained from the actual disclosure rather than from managers' opinions.

In a longitudinal study, Neu et al. (1998) examined the environmental disclosure in the annual reports of Canadian companies in environmentally sensitive industries from 1982 to 1991. They concluded that characteristics, shown as the quantity and type, of information disclosed in annual reports and methods of operations and output, were influenced by different power of relevant publics. Moreover, they suggested that in order to manage public impression, companies attempted to emphasize in disclosure on their environmental issues raised by important publics, but at the same time ignored issues raised by marginal publics.

Neu et al. (1998)'s finding was supported by Cormier et al. (2004)'s study. They investigated perceptions of environmental managers in European and North American multinational companies about the determinants of environmental information disclosed in annual reports and separate reports. It was found that there was a positive relationship between managers' perception towards stakeholder groups and responses of those managers on their decision to disclose and actual disclosure made aimed towards the group. They suggested that, unless information in disclosure indicated companies' successes to meet social contracts, stakeholders would withdraw their support from companies or negatively react to companies. Therefore, managers would re-evaluate their information in disclosure in order to maintain companies' license to operate in society. This view is consistent with Lev (1992) and Hess (2007) arguments that CSR disclosure and corporate behavior act as cycle working in reverse. They argued that disclosure affects stakeholders' perceptions and drives changes in stakeholders' behavior in turn changing in companies' decision and performance to disclosed CSR information.

2.6 Stakeholder Engagement and CSR Disclosure in Thailand

CSR awareness and practices have been brought into Thailand for many years. The term "CSR" was initiated to Thai companies by multinational companies which had to perform their operations in Thailand in accordance with their global corporate strategies (Prayukvong & Olsen, 2009; Virakul et al., 2009; Wedel, 2007). Afterward, when the staff who worked for those companies moved to other companies they attempt to induce new companies to realize the benefits of CSR implementation as the contribution to the companies' competitiveness. Thereafter, CSR has become a discussed subject in Thailand and has been promoted by both public and private sectors. The early significant CSR promotions were, for instances, the establishment of Thai chapter in Business Coalition for Sustainable Development in purpose of environmental treatment revolution, the establishment of local chapter of Social Venture Network with corporation by many medium-sized Thai and foreign companies, persuading businesses into community development by the Population and Community Development Association (PDA), and launching of CSR training programs by the Kenan Institute Asia (K.I.Asia).

Although there have been the attempts to promote CSR in Thailand for over decade, it took many years to become proverbial in Thailand after its initiation. The significantly increased CSR awareness and practices may be due to the promotion of good corporate governance after the economic crisis of 1997 (Kraisornsuthasinee & Swierczek, 2006; Kuasirikun & Sherer, 2004). This promotion seemed to infuse the corporate responsibility awareness among Thai companies, particularly listed companies. The Stock Exchange of Thailand (SET) started to develop the corporate governance in Thai listed companies by studying the roles of audit committee. In 1998, the SET forced Thai listed companies to appoint the audit committee and issued the "Code of Best Practices for Directors of Listed Companies" as the guideline for the audit committee to act accordingly. At the beginning of 2002, the government organized the National Corporate Governance Committee (NCGC) and inaugurated the good governance campaign as the national agenda. In that year, the SET found the Corporate Governance Center in order to improve corporate governance system of listed companies. Moreover, it regulated the fifteen principles requiring listed companies to disclose in their annual registration statement and annual reports. Afterward, the fifteen principles of good corporate governance was improved to be more in accordance with the principles of corporate governance by the Organisation for Economic Co-Operation and Development (OECD) and the recommendations by the World Bank in its Report on the Observance of Standards and Codes. In 2006, the new version of the principles of good corporate governance was published, including five sections namely: rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparence, and responsibilities of the board.

In the same year, there was not only the significant improvement in corporate governance practices but there was also the significant beginning of the encouragement made by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to stimulate CSR awareness among Thai listed companies. This was due to the attempts by the regulators to put forward companies' obligation from corporate governance to corporate social responsibility (Phuvanatnaranubala, 2007). This encouragement was the launch of CSR awards given to listed companies with outstanding CSR projects. These awards have been offered annually since then. In addition to the CSR award proclamation, there were other considerable events promoting CSR practices. In 2007, the SET established a Corporate Social Responsibility Institute (CSRI) as a center to strengthen CSR networks among companies and the SEC accredited the working committee intentionally to stimulate and guide CSR for Thai listed companies. In 2008, SET launched a CSR handbook to improve and disseminate knowledge on CSR as well as to encourage Thai companies to initiate and implement CSR. One year later, twenty-seven leading listed companies established the CSR Club by support from the SEC and the SET. This club aims to enhance networking between listed companies to create corporations in disseminating and implementing CSR concepts at the social scale. Nowadays, the SET is considering the possibility of creating the socially responsible investment (SRI) to help mutual funds in investing in companies on a clarification of CSR policies.

The SET also encourages companies to recognize the importance of stakeholder engagement. In April 2009, it associated with the NETWORK NGO-Business Partnership of Thailand to organize the seminar on the topic of "CSR through stakeholder engagement in creating social value chain". The aim to this seminar was to enhance practical knowledge on improving CSR practice through stakeholder engagement. Stakeholder engagement was suggested as the essential part of corporate sustainability in order to create relationship between companies and stakeholders leading to social value maximization. Since the role of stakeholders is one of the main parts of the principles of good corporate governance, stakeholder engagement and corporate governance mutually support each other with the aim to strengthen the company-stakeholder relationship. Therefore, CSR development based on corporate governance seems to get ahead in gaining cooperation between companies and stakeholders which is crucial for stakeholder engagement practices.

In addition to stakeholder engagement, the SET also gives precedence to CSR disclosures. It listed the disclosure of CSR information in both annual reports and/or separate reports as the one of the essential aspects in the CSR handbook launched as the guideline for CSR implementation. Moreover, in 2010, the SET and the SEC worked together with the Government Pension Fund, and the United Nations-backed Principles for Responsible Investment Initiative (UN PRI) in order to support the CSR club in to organize the seminar on CSR reporting and its use in investment. This seminar was arranged purposely to enhance the understanding about preparation of high quality CSR report and the use of CSR information in making investment decision. Currently, the SET is considering how to standardize and develop the CSR disclosures among the listed companies. It is working on developing a formal CSR reporting guideline and clinching to start the rating on CSR disclosures among listed companies (Niyamanusorn, 2009, Phuvanatnaranubala, 2007).

There were some studies done to examine the extent and nature of stakeholder engagement and CSR disclosures of companies in Thailand. However, most of these studies were conducted before the period of substantial encouragement by the regulators. They found that stakeholder engagement (Krisornsuthasinee & Swierczek, 2006) and CSR disclosures (Kuasirikun & Sherer, 2004; Ratanajongkol et al., 2006) of Thai companies were in the minimal level and in infancy stage. Krisornsuthasinee and Swierczek (2006) employed an in-depth interview with the key executives of seven Thai companies to investigate their CSR perceptions and implementation. They evaluated stakeholder engagement as the one aspects of CSR. They ranked the stakeholder engagement intensity by considering that its practices are long-term or occasional. They found that although all companies manifested the significant of stakeholder engagement, most companies performed it on occasional basis and focused on a few stakeholder groups. Moreover, they found that the level of stakeholder involvements seemed to be limited. In regard to CSR disclosure, Kuasirikun and Sherer (2004) analyzed annual reports of year 1993 of 63 Thai listed companies and of year 1999 of 84 companies. They found that the percentage of annual reports disclosing CSR information slightly decreased from 86% in 1993 to 77% in 1999. They argued that this may be due the leniency of monitoring or inspection system after economic crisis. They classified disclosed CSR information into three categories: employee, environment, and community. Among these three categories, employee ranked the most disclosed information in annual reports, while community ranked the last place. Although it can be seen the concern of CSR, they argued that disclosed information of all categories seemed to be inadequate for assessment of their CSR performance. In addition, Ratanajongkol et al. (2006) analyzed annual reports of 40 Thai listed companies for the year 1997, 1999 and 2000. They found that the percentage of companies disclosing CSR information slightly declined from 72.5% in 1997 to 70% in 1999. This is consistent with Kuasirikun and Sherer (2004)'s finding that CSR disclosure was influenced by the economic downturn. However, in 2001, the CSR disclosure increased to 75%. Similarly, Ratanajongkol et al. (2006) classified CSR disclosure but into six themes: environment, energy, consumer, community, employee and general. It was shown that employee was the most disclosed theme. The second most was communities, while energy took the last place.

However, above aforementioned studies were performed prior to the launch of attempts by regulators to stimulate CSR in Thailand. In addition to the SET and the SEC, there have been several organizations support to push CSR as the National agenda, for example, the new CSR department at the Royal Foundations, Thaipat Institute, and the NETWORK of NGO and Business Partnerships for Sustainability Development in Thailand. These organizations also promoted stakeholder engagement and CSR reporting as the fundamental of CSR implementation. It is believed that all such attempts may encourage and initiate listed companies in Thailand to have awareness of the important of CSR to develop their stakeholder engagement and CSR disclosure practices. It may be expected that the nature and level of stakeholder engagement and CSR disclosure practices of Thai companies have changed and, therefore, those studies are unlikely to present an accurate picture of the current situation.

There have been very few studies investigating the intensity of stakeholder engagement of Thai companies. In their study, Prayukvong and Olsen (2009) found from the interviews with respondents from the CSR supporting organizations that companies have extended their stakeholder engagement activities, particularly with shareholders and employees. In addition, the respondents from companies argued that companies implemented CSR based on human resource functions tend to engage with more stakeholders by using innovation enhancing, staff morale building, or team building. They summarized that, totally, CSR in Thai private sector has been moving from the infant stage into an early adoption stage.

Regarding CSR disclosure study after the period of significant encouragement by the regulators, there have been a few studies conducted annually by CSR Asia since 2008 to 2010. The studies compared the CSR disclosures of large listed companies in the countries in the Asia Pacific region, including Thailand. The methodology of the studies has been improved year by year. It began with 80 companies across four countries in 2008 to 542 companies across ten countries in 2010. The studies in 2008 and 2009 were performed by using six categories of indicators to assess disclosed CSR information: 1) governance, codes and policy, 2) CSR strategy and communication, 3) marketplace and supply chain, 4) workplace and people, 5) environment, and 6) community and development. Even though Thailand was ranked low at number three from four countries in 2008 and number eight from ten countries in 2009, the results showed that most Thai companies improved their CSR disclosures regarding the comparison between two years. The CSR disclosure scores of most Thai companies increased ranging from eight to 128%, while the scores of only a few companies slightly decreased ranging from one to 33%. In regarding to the comparison between categories of information disclosed by Thai companies, the first ranked was governance, codes and policy, while the three lowest ranked were marketplace and supply chain, workplace and people, and environment.

In 2010, CSR Asia developed the measurement of CSR disclosure by changing the indicators and categories. The measurement was based on four categories: 1) general, 2) environment, 3) social, and 4) governance. For social disclosure, it was categorized into four subgroups: employee, customer, suppliers, and community. In this year, Thailand shifted up from the low-ranking to fourth place from ten countries. Moreover, they occupied the first place in governance disclosure. This indicated the significant improvement of CSR disclosure of large Thai listed companies. In regard to the comparison among the disclosure categories, the first ranked, of course, was governance, while the lowest ranked was environment.

Based on CSR Asia's studies for 2008 and 2009, the CSR Asia Center at AIT (2009) conducted further analysis to provide more insightful picture of CSR development in Thailand. Since using the publicly available information to rate companies' CSR activities is questionable, the researcher directly interviewed the executive of the six companies on the list in CSR Asia's studies to elicit their perspective on the reflection of their companies' CSR activities. Most respondents argued that, generally, CSR Asia's ranking reflected their companies' CSR progress. They felt that their companies can improve CSR disclosure to further up their scores. However, they believed that their CSR score could be higher if performance was measured instead of disclosure. This view was supported by Prayukvong and Olsen (2009)'s arguing that low disclosure may not mean low performance. There have been many activities not yet disclosed by companies.

It can be seen from the prior studies that there has been the improvement of stakeholder engagement and CSR disclosure of large companies in Thailand. This is in line with what is expected from much effort of the regulators and supporting organizations in order to encourage Thai companies to sophisticate the stakeholder approaches and disclosure practices. However, those studies obtained data from the top largest companies or outstanding companies in CSR. Therefore, they may not provide the overall view of all Thai listed companies.

In addition, further analysis for the relationship between stakeholder salience, stakeholder engagement and CSR disclosure is also needed to provide the understanding the accordance between what companies perceive, act and disclose. The analysis may help to prove the belief that Thai companies do not disclose as much as what they perform. Furthermore, it is believed that Thai companies perform CSR activities for reputation management than ethical reason (Prayukvong & Olsen, 2009). If this believe is true, then companies should use CSR disclosure to exaggerate their CSR performance which is contrast to aforementioned belief. The study investigating the relationship between perception on stakeholders, engagement with stakeholder and disclosed information may provides the better understanding of motivation of Thai companies in performing CSR.

2.7 Issues of Theoretical Interpretation

Since complex phenomenon of CSR activities and consequence disclosures cannot be interpreted properly by simply describing, a number of scholars have attempted to develop theories and seek for appropriate applications of existing theories in order to interpret and explain such phenomenon and motivations for companies behind them (Belal & Owen, 2007; Branco & Rodrigues, 2007; Reynolds & Yuthas, 2008; Owen, 2008). While a number of theories -with different but overlapping perspectives- have been advanced in the literature, stakeholder theory and legitimacy theory derived from the broader political economy perspective are considered as the dominant theories in explaining CSR phenomenon (see for example, Boesso & Kumar, 2009a; Cormier et al., 2004; Deegan, 2000, 2002; Gray et al, 1996; Owen, 2008; Smith, 2004; Yusoff et al., 2006).

From the view of political economy, companies are considered as economic entities that cannot be isolated from their society (Ratanajongkol et al., 2006). In order to maintain their survival, companies must seriously take their legitimacy to obtain the support and approval of society including various groups of stakeholders (Cormier et al., 2004; Holder-Webb et al., 2009). In other words; even though companies take their legitimacy toward society at large, they are also responsible for individual stakeholder whom they interact (Branco & Rodrigues, 2008; Jamali, 2008). With this view, stakeholder theory and legitimacy theory should not be considered as clearly distinct perspectives (Deegan, 2000; Gray et al., 1995; Smith, 2004). Both theories focus on the connection between companies and their operating environment and society (Neu et al, 1998). At a conceptual or macro-level, legitimacy theory provides a general framework to examine companies' interaction with competing groups of stakeholders. Meanwhile, stakeholder theory provides an explanation of companies' behavior at micro-level regarding how companies respond to specifically identified stakeholders (Boesso & Kumar, 2009a; Cormier et al., 2004; Ratanajongkol et al., 2006; Smith, 2004). Since these two theories are regarded as overlapping perspectives, the coupling of stakeholder theory and legitimacy theory was used as a basis to interpret empirical evidence of this study.

2.7.1 Stakeholder Theory

Stakeholder theory is based on the notion that companies have a moral obligation and responsibility (Holder-Webb et al., 2009; Sweeney & Coughlan, 2008) to a large and integrated set of the constituents who have a 'stake' in companies, including but not limited to shareholders (Bhattacharya et al., 2009; Branco & Rodrigues, 2007; Donaldson & Preston, 1995; Freeman, 1984; Sweeney & Coughlan, 2008). It is in contrast to the traditional economic perspective that shareholders have most privileged claim and companies have sole responsibility to maximize their shareholders' wealth (Holder-Webb et al., 2009; Orts & Strudler, 2002; Sweeney & Coughlan, 2008). Stakeholder theory re-conceptualizes the nature of companies to encourage consideration of other stakeholders, not only the shareholders, but also contributors to the firms (Holder-Webb et al., 2009; Ruf, Muralidhar, Brown, Janney, & Paul, 2001). Stakeholder theory helps companies turn their attention beyond the concept of profit maximization by suggesting that shareholders' need cannot be met without satisfying to other stakeholders' need. It is because even companies seek to primarily privilege shareholder's claim; their success is also affected by other stakeholders. Besides, it is even believed that if companies adopt an inclusive stakeholder approach, they can achieve shareholders' wealth maximization and increasing companies' total value added (Jamali, 2008).

Despite the fact that this theory asserts the need to balance the claims of shareholders with these of other stakeholders (Ruf et al. 2001), companies cannot treat all stakeholders equally (Sweeney & Coughlan, 2008, Jamali, 2008). Moreover; the main challenges for companies are non-homogeneous characteristics between various groups of stakeholders. They may work collaboratively to achieve a common goal, or may be adversely opposed to each other on the issues effecting companies

(Sweeney & Coughlan, 2008). This leads to the assumption that companies tend to abide needs and demands of more influential stakeholders than those considered as less influential in effecting companies (Yusoff et al., 2006). Consequently, the theory further concerns whether how well the various stakeholder groups are effectively managed depending on how companies perceive their influence (Neu et al., 1998; Yusoff et al., 2006). Therefore, this theory attempts to address an underlying question in a systematic way: Which specific groups of stakeholders are interested in companies' activities through management attention, and which are not (Cormier et al., 2004; Mitchell et al, 1997)?

The idea of this theory to provide the micro framework by indicating the need of specific stakeholder groups rather than trying to address society requirement is supported by Clarkson (1995) who suggests that companies must distinguish between stakeholder needs and social issues. This is significantly because companies directly make a deal with stakeholders and can address their requirements, not society. This attempt provides more practicality of this theory as useful guidelines for practitioners and scholars in understanding and delineating companies' obligations and responsibility to specific stakeholders (Clarkson, 1995; Cormier et al., 2004; Jamali, 2008). As a consequence, stakeholder theory has been commonly offered in explaining CSR phenomenon and information disclosed by companies, particularly in the study with a focus on stakeholder approach (Jamali, 2008; Roberts & Mahoney, 2004).

Stakeholder theory primarily derives from the notion that companies must address expectations of various stakeholder groups to ensure their continued existence (Cormier et al., 2004; Deegan, 2002). However, based on existing CSR disclosure literatures, there are adversely opposed perspectives regarding who are the appropriate stakeholders companies should attend to their need (Gilbert & Rasche, 2008; Jackson & Bundgard, 2002; Norris & O'Dwyer, 2004; Williams, 2008). While many scholars argue that CSR disclosures are used with the emphasis on the expectation of influential stakeholder as a strategic tool to promote companies' prosperity (see for example, Belal, 2002; Cooper, Crowther, Davies, & Davis, 2001; Georgakopoulos & Thomson, 2008; Hess, 2007; Jamali, 2008; Kipley & Lewis, 2008; Neu et al., 1998; Roberts, 1992; Roberts & Mahoney, 2004; Robertson & Nicholson, 1996; Ruf et al., 2001; Sweeney & Coughlan, 2008; Ullmann, 1985); a number of scholars assume that disclosed CSR information based on accountability, not directly relevant to influence of stakeholder (see for example, Gray et al., 1996, 1997; Gray, 2000, 2001, 2007, 2008; Norris & O'Dwyer, 2004; O'Dwyer et al., 2005a, b; Owen, 2008; Rasche & Esser, 2006; Reynolds & Yuthas, 2008; Tschopp, 2005; Williams, 2008). This controversy categorizes a position of stakeholder theory into two visible strands: the instrumental/managerial strand and the ethical/normative strand (Belal, 2002; Branco & Rodrigues, 2007; Deegan, 2002; Jamali, 2008; Norris & O'Dwyer, 2004; Ratanajongkol et al., 2006; Roberts & Mahoney, 2004).

2.7.1.1 Instrumental/Managerial Strand

The first strand is designated as instrumental, managerial, or positive (Deegan, 2002). It explains CSR mechanism as a way companies respond to stakeholders on an asymmetric basis favoring powerful stakeholders, notably capital providers, or those who can have significant impact upon companies (O'Dwyer, 2003; Ratanajongkol et al., 2006). Companies tend to offer the appearance of being responsive to the pressure or concerns of powerful stakeholders (Belal & Owen, 2007; Branco & Rodrigues, 2007; Sweeney & Coughlan, 2008) to achieve increased financial performances (Belal, 2002) or reach corporate goals (Kipley & Lewis, 2008; Roberts & Mahoney, 2004). According to this sentiment, in terms of CSR disclosure, Holder-Webb et al. (2009) argue that if the primary goal of companies in launching the activities is to obtain the support of powerful stakeholders, companies need to disseminate information of such activities likely to satisfy them. A number of researchers refer to the stakeholder theory in order to empirically examine the determinants of CSR disclosure. Their findings support the managerial context of stakeholder theory as they demonstrate that companies explicitly manage stakeholder groups.

Some studies demonstrate the emphasis on specific stakeholders' concerns in disclosing CSR information. Ortiz Martinez and Crowther (2008) analyzed words used in annual report to examine disclosure change between "hidden oil reserves" periods of shell. They found out that some companies distort the results or avoid communicating crucial contents in order to disguise advantages to their specific stakeholders, notably shareholders and managers. Ahmed and Sualiman (2004) claimed that the influential stakeholders on company environmental disclosure are regulators and shareholders; while supplier concerns seem to be less important. Sweeney and Coughlan (2008) found the evidence that companies use CSR disclosures as communication tool to manage stakeholders. Their findings demonstrated that companies in different industries disclose CSR information follows for the expectations of their key stakeholders.

As Ullmann (1985) argued that CSR disclosure is used as a function of economic performance strategic posture by managing relationships with stakeholders, depend on the intensity of stakeholder power or influence over a company. In his framework, it was assumed that the more influential or powerful stakeholders, the more effort will be made to manage the relationship and satisfy demands. Based on his framework, some studies examined the relationships between CSR disclosure and one of the three attributes; stakeholder power, strategic posture and economic performance, to support the idea of instrumental or managerial stakeholder theory. Roberts (1992) empirically examined the relationship between a companies' overall strategy and the level of their CSR disclosure. He found out that stakeholder power, strategic posture and economic performance are significantly associated to levels of CSR disclosures. Moreover, those disclosures are used by managers as a proactive method of managing stakeholders. Magness (2006) also used Ullmann's framework to examine environmental information disclosed in annual report in Canadian companies in the mining industry after a major accident. She found out the associations between stakeholder power, strategic posture and levels of environmental disclosure. It was revealed that when stakeholder power is high, companies maintaining a media presence through press releases make greater disclosure than those operating quietly out of public view.

Even if many studies demonstrate the evidence of strategic reasons in disclosing CSR information, many scholars argue for intrinsic commitment of companies based on moral grounds to promote greater corporate responsibility (see for example; Gray, 2000, 2001, 2007; Gray et al., 1996, 1997; Norris & O'Dwyer, 2004; O'Dwyer et al., 2005a, b; Owen, 2008; Tschopp, 2005; Williams, 2008).

2.7.1.2 Ethical/Normative strand

The second strand of stakeholder theory is designated as ethical or normative position (Deegan, 2002). This stand is concerned with corporate accountability towards a wide range of stakeholders (Gray, 2001, 2007; Gray et al., 1996; Tschopp,

2005) whose the well being is affected by companies' activities (Belal, 2002). It argues for disclosing CSR information to these all stakeholder groups because of their right to be treated fairly that not directly related to stakeholders' power or influence (Belal, 2002; Deegan et al., 2000; Ratanajongkol et al., 2006; Reynolds & Yuthas, 2008).

There are several definitions of corporate accountability (Gray, 2001). However, following Rasche and Esser (2006), it is simply defined as companies' readiness or preparedness to give information to relevant stakeholders regarding the justification or/and an explanation for their acts, omissions, intentions and judgments when demanded to do so. It is responsibility of firms to inform stakeholders because they have rights to gain information derived from many resources such as law, quasi-law, corporate values and mission statement, and morality (Gray, 2001, 2007). Gray (2001) proposed that, in order to discharge corporate accountability, companies need to disseminate four layers of information to relevant stakeholders: (i) the essential elements of relationships between companies and stakeholders, such as, number and types of employees, hours of work, and rate of compensation for employees; (ii) law and quasi-law obtainability, such as, compliancy to regulated standard; (iii) information that companies prefer to tell stakeholders, such as, compliance with mission statement; (iv) information concerning the stakeholders' preferences for companies' responsibility and accountability.

Many scholars, while recognizing managerial motivation underlying CSR disclosure with a signal of desperation on the ethical/normative notion; still believe that the justification for the stakeholder theory is to be constructed in ethical/normative foundation (Agle et al., 2008; Donaldson & Preston, 1995; O'Dwyer, 2001; Owen et al., 2001; Roberts & Mahoney, 2004). They optimistically believe that the lack of evidence on accountability may be due to CSR disclosures practices which are in the beginning stages of development (Adams, 2004; Gray, 2001; Hess, 2007). These scholars argued that unless deriving from concepts of accountability, CSR disclosures are meaningless and failing in principle purpose (Bebbington et al. 1999; Gray et al. 1996; O'Dwyer et al., 2005a; Gray, 2007; Owen et al. 1997). They consistently argued for an urgent need for CSR disclosure reform to heighten corporate transparency for all stakeholders regardless how economic insignificance or lacking in salience in companies' perspective (see for example, Adams, 2002; Adams & Harte, 2000; Bebbington et al., 1999; Gray et al., 1997; Gray, 2000, 2001; O'Dwyer et al., 2005a, b; Owen et al., 1997, 2001; Owen & Swift, 2001; Rasche & Esser, 2006; Swift, 2001; Unerman & Bennett, 2004). Moreover, it is suggested that the ethical or normative base of stakeholder theory will inspire the creation of better methods, and tools in the design of CSR disclosure research (Agle et al., 1999, 2008; Roberts & Mahoney, 2004).

From the view of political economy, if companies need to obtain the support and approval from various groups of stakeholders gathering as society at large, companies must meet societal norms and expectation by taking their legitimacy seriously towards society. Therefore, in order to explain the findings, this study applied legitimacy theory as the closely related and essential to support stakeholder theory.

2.7.2 Legitimacy Theory

In Suchman (1995)'s review of the subject, legitimacy is defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (p.574). Concept of corporate legitimacy have been widely employed as researchers' main interpretive focus to explain phenomenon of CSR activities and consequence disclosures (See for example, Adams et al, 1998; Campbell & Shrives, 2003; Deegan & Gordon, 1996; Guthrie & Parker,1989; O'Donovan, 2002; O'Dwyer, 2002; Owen, 2008; Milne & Patten, 2002; Tsang, 1998; Wilmshurst & Frost, 2000). According to Guthrie and Parker (1989), legitimacy theory is "based on the notion that business operates in society via a social contract where it agrees to perform various socially desired actions in return for approval of its objectives, other rewards and its ultimate survival" (p. 344).

In order to be considered as legitimate, companies need to do more than abide by the law within the society in which they are a part and in which they operate. It has become necessary to establish and maintain congruence between the values and norms of society (Branco & Rodrigues, 2007; Dowling & Pfeffer, 1975; Parsa & Kouhy, 2001) that allow it access to economic resources, such as, capital and labor markets, to ensure organizational survival (Holder-Webb et al., 2009). Failures by the companies to operate within the social norms, it thus follows, results in their social contract and permission for operating in society may be revoked by some constituencies (Branco & Rodrigues, 2007; Cormier et al., 2004; Deegan, 2002; Deegan & Rankin, 1996; Parsa & Kouhy, 2001). The examples of the failures threatening corporate legitimacy are issues of companies about fraudulent or unethical management behaviors, social and environmental incidents, and industrial conflict (Branco & Rodrigues, 2007). However, corporate legitimacy is not a steady state requiring companies to be responsive (Parsa & Kouhy, 2001). Even in circumstances that companies do not change their operations, they may lose legitimacy (Holder-Webb et al., 2009; Mathews, 1993; Parsa & Kouhy, 2001). This is as a result of changes in the composition or values of relevant publics, such as changes in social awareness, pressures from regulators and lobby groups, and the influence of media (O'Donovan, 2001, 2002).

Companies can adopt numerous strategies to gain, maintain, enhance, or repair their legitimacy when they perceive threats to their legitimacy or legitimacy gaps (Ratanajongkol et al., 2006). It occurs when there is discrepancy between how company is perceived and how it desires to be perceived as expectations from it relevant publics (Branco & Rodrigues, 2007; Campbell & Shrives, 2003; Smith, 2004). According to Buhr (1998, p.164), the legitimating strategies must comprise of two dimensions of efforts: activities and appearance that are congruent with social values. Therefore, companies must take action and society must perceive what action was taken (Cormier et al., 2004). Lindblom (1993) and Dowling and Pfeffer (1975) identifed four possible strategies that companies may adopt when they perceive threats to their legitimacy or legitimacy gap: (i) "educate and inform": companies change their performance and activities to meet the expectations of relevant publics, and then inform these relevant publics about the changes, (ii) "change perception": companies do not change any performance and activities, but seek to change perceptions of the relevant publics that their performance and activities are appropriate, (iii) "manipulate perception": companies manipulate the perceptions of relevant publics by deflecting attention from the issue of concern with symbols that have a high legitimate status, and (iv) "change external expectation": companies try to change external expectations by aligning them with companies' performance and activities.

It can be seen that three of four strategies draw attention to managerial motivation of companies. Apart from first strategy, companies communicate for their own goals rather to inform their actual performance and activities (Cormier et al., 2004; Parsa & Kouhy, 2001). As a primary source of corporate communication takes disclosure in annual report to supply their information about CSR performance and activities to society, CSR disclosure should conform to at least one of above strategies to convince relevant publics that companies are able to fulfill their expectation (Branco & Rodrigues, 2007; Campbell & Shrives, 2003; Cormier et al., 2004; Neu et al, 1998; Smith, 2004). In their study in UK companies, Parsa and Kouhy (2001) found evidence in support of either the second or the third strategies. They found that companies use CSR disclosures either to change or manipulate the perception on their performance. Their findings demonstrated the expected relationships between corporate performance ratios and CSR disclosures. It was found that profitability ratio, gearing ratio associate positively with CSR disclosure, while stock ratio negatively associate.

The three of four strategies purposed by Lindblom (1993) and Dowling and Pfeffer (1975) are consistent with many scholars' views that legitimacy theory provides an explanation or even prediction of managerial disclosure decisions motivated by a desire to demonstrate companies' conformity with expectations of society (Belal & Owen, 2007; Boesso & Kumar, 2009a; Branco & Rodrigues, 2007, 2008; Holder-Webb et al., 2009; Neu et al, 1998; Owen, 2008; Parsa & Kouhy, 2001; Smith, 2004). Moreover, from legitimacy theory, many scholars claim for managerial motivation seeming to be consistent with the managerial/instrumental strand of stakeholder theory. In order to keep track of society interest issues, companies have to be responsive to issues brought to the attention of society (Boesso & Kumar, 2009a; Branco & Rodrigues, 2007). However, social attentions are temporal and spatial across society comprising of various groups. The groups have unequal ability to influence companies' operations and different views of how companies' operations should be conducted. Therefore, companies have to identify the values held by such various groups and who should be concerned at the specific point in time (Branco & Rodrigues, 2007, 2008; Deegan 2002; Holder-Webb et al., 2009; Magness, 2006; Neu et al, 1998; Parsa & Kouhy, 2001).

However, similar to stakeholder theory, there is an adversary about legitimacy theory. This theory is applied, but rarely, to the CSR disclosures as the tool used by companies to discharge of their accountability (Smith, 2004). From this view, it is argued for enough CSR information disclosed by companies to allow society to assess how far company is a good corporate citizen (Tsang, 1998). In other words, discharging corporate accountability by disclose information to those who have right to it (Branco & Rodrigues, 2007) is considered as the way to demonstrate corporate legitimacy (Gray, 2007; Hess, 2007; Tsang, 1998).

Many studies attempt to examine whether legitimacy theory provides an explication of CSR disclosures and some explain the reasons behind disclosure of CSR information. While some CSR disclosure studies which test legitimacy theory did not find conclusive evidences supporting the theory, most of studies obtained supportive evidences (Branco & Rodrigues, 2007). There are several ways of examinations including: examining nature of disclosed information (see, for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Belal, 2001; Ratanajongkol et al., 2006), examining one single company over time (see, for example, Buhr, 1998; Guthrie & Parker, 1989; Hogner, 1982), examining influence of the occurrence of particular events on CSR disclosures (see, for example, Cunningham & Gadenne, 2003; Deegan et al., 2000, Deegan & Gordon, 1996; Patten, 1992, 2002a; Tsang, 1998), and a comparison among companies by using the proxies for their public exposures (see, for example, Adams et al, 1998; Campbell et al., 2003; Campbell & Shrives, 2003; Cormier et al., 2004; Cormier and Magnan, 2003; Mirfazli, 2008; Neu et al ,1998; O'Dwyer, 2003; Patten, 1991; Utomo, 2000; Wilmshurst & Frost, 2000).

In terms of distinguishing nature or type of disclosed information frequently used to indicate the level of disclosure quality (Branco & Rodrigues, 2007), this method can also be used by some researchers to demonstrate the legitimating motives of companies. As Ahmed and Sualiman (2004) and Belal (2001) stated that, if their disclosures are very general in nature or without any monetary quantification, companies appear to be primarily concerned with public relations to improve the image.

Other studies examined one single company over time to test legitimacy theory. In their longitudinal studies of CSR disclosures in annual reports of steel company in Australia, Guthrie and Parker (1989) argued that they did not find conclusive evidence of disclosed social information confirming legitimacy theory as explanation for corporate and social values. While Hogner (1982), also studying in a steel company but in US, claimed for supportive evidence of legitimacy explanation as to there is a link between social disclosures and expectations of community on company's social performance. Hogner (1982)'s finding was consistent with Buhr (1998) who argued that CSR disclosures from a nickel mining and smelting company are used as a tool of corporate legitimation when company perceives the actual or even potential threats to its legitimacy.

A number of studies tend to support legitimacy theory that particular events lead to changes in CSR disclosure. For example, Patten (1992) found that after the Exxon Valdez oil spill occurred, other oil companies significantly increase their environmental disclosures. In his more recent study, Patten (2002a) examined the influence of particular events on environmental disclosures again and also found a significant increase of environmental disclosures of US companies during the period that emissions reported on the 1988 Toxic Release Inventory (TRI). In addition, Deegan et al. (2000) found that levels of disclosures, specifically positive disclosure, became significantly greater after the five disasters occurred. Similarly, Cunningham and Gadenne (2003) demonstrated the links between the level of disclosures about pollution emissions executed by the mandatory Australian National Pollutant Inventory (NPI) and the quantity of voluntary environmental information disclosed in annual reports of Australian companies.

A large array of studies test legitimacy theory by comparing among companies with the variety proxies for public exposures, such as size, operational characteristics, industry type, and financial performance. Although most studies used proxies for public exposures obtain, some studies failed to find evidences to support legitimacy theory. O'Dwyer (2002) studied Irish managers' perceptions. He argued that, despite legitimacy concerns motivating to disclose CSR information, he was unable to find adequate evidence to support legitimacy theory. He found that CSR disclosures are in minimal level and disclosure practices are widely perceived that fail to secure a state of corporate legitimacy.

In addition, Campbell et al. (2003) concluded that their finding is not accordance with legitimacy theory. They found that companies expected to disclose more resulting from society' perceptions on highly unethical behaviors do not always do so, while companies with lesser unethical behaviors sometimes disclose more. However, they suggested that it may be due to the significantly different perceptions on CSR disclosure between companies restoring their legitimacy and those have to build it. In case of companies maintaining or repairing their legitimacy, they tend to disclose CSR information to demonstrate that companies' activities and performances are congruent with the values and norms of society. While companies building up legitimacy may feel that costs of CSR disclosures outweigh the potential benefits and, thus, consider to simply stay silent. For example, if such companies are structurally illegitimate and contemptible, social disclosures would fail or have no effect value to impress publics. Therefore, it may be rational to disregard CSR disclosure.

Obviously, legitimacy theory provides further theoretical framework and explanation for study in CSR disclosures arena and understanding the role of disclosure in the relationships between companies and stakeholders (Boesso & Kumar, 2009a). Therefore, legitimacy theory is regarded as overlapping with stakeholder theory perspectives in terms of providing the explanations at a micro and conceptual level respectively. However, it is argued that the lack of an overall coherence and systematic theorizing (Ratanajongkol et al., 2006; Ullmann, 1985) leads theories to be abstraction of reality which cannot be expected to provide a full explanation of particular behavior (Deegan, 2000). A theoretical framework may be superior (Smith, 2004) rather than simply describe phenomenon of CSR activities and disclosures (Belal & Owen, 2007) by providing the understanding on companies' discretionary disclosures as responses to society and stakeholders' demand (Cormier et al., 2004, Owen, 2008).

2.8 Chapter Summary

The main propose of this study is to determine the relationship among the salience of stakeholder, stakeholder engagement and CSR disclosures. Therefore, this review is arranged to provide a summarized overview covering substantive dimensions of each subject and their relationships principally to enhance understanding of the research problems.

Section 2.2 describes the emergence, definition, and particularly, the methodological issues of CSR disclosures. This section, specially the methodological issues, provides a summarized overview of what and why methodologies are employed regarding source of information and information codifying. It is obvious that there are several methods used to collect empirical data of CSR disclosures, depending on the context and the purpose of the studies. The comparison between the advantages and disadvantages of each method provides the guideline to develop the measurement of CSR disclosure in this study.

In order to provide understanding about measurement of stakeholder salience, section 2.3 describes three attributes of stakeholder salience purposed by Mitchell et al. (1997), namely, the power, legitimacy and urgency and the empirical studies examining the relationship of these attributes and stakeholder salience. In addition to these three attributes, this section also describes the usage of other factors as the influence on stakeholder salience in several studies. Since it is necessary to categorize and specify stakeholders to assess the difference of their salience, section 2.3, subsequently, also describes that how stakeholders are categorized and what stakeholders are identified in CSR disclosure literatures to provide the guideline that which groups of stakeholders are appropriate to include in this study.

Section 2.4 provides the guideline to assess the stakeholder engagement by describing fundamental concepts and the empirical studies examining its current practices. Moreover, this section describes the discussion and studies of the democratic characteristics proposed as the ideal mechanisms for stakeholder engagement. In addition to democratic characteristics, this section describes the other method or model proposed or used to analyze level of stakeholder engagement.

After reviewing of each topical subject, section 2.5 provides discussion and empirical studies focusing on the links among the topical subjects. Since there is the absence of empirical study examining the association between all of three topical subjects, this review describes the links into three pairs including stakeholder salience and stakeholder engagement, stakeholder engagement and CSR disclosure, and stakeholder salience and CSR disclosure. The links among the topical subjects in the literature lead to the assumption that, overall, there are positive and consecutive associations between the salience attached by companies to their stakeholders, stakeholder engagement and CSR information disseminated to them. In addition, section 2.6 focuses on stakeholder engagement and CSR disclosure in Thailand. This section aims to provide better understanding about movement of CSR practices leading the encouragement of stakeholder engagement and CSR disclosure, particularly among Thai listed companies.

Finally, in section 2.7, issues of theoretical interpretation regarding stakeholder theory and legitimacy theory are provided. These two theories are considered as the dominant theories offered overwhelmingly in explaining CSR activities and consequent disclosures. Stakeholder theory provides an explanation of companies' behavior at micro-level regarding how companies respond to specifically identified stakeholders, while legitimacy theory provides a general framework at a conceptual or macro-level regarding how companies respond to society at large.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology developed purposely to investigate the stakeholder salience, stakeholder engagement and CSR disclosure of listed companies in Thailand as well as to examine the association between them. Section 3.2 describes the framework of the study that lead to the development of research hypotheses mentioned in section 3.3. Section 3.4 is research design unfolding the overall plan of research methodology. Section 3.5 shows operational definition of the major variables and terms in this study. Section 3.6 describes the set of stakeholder groups selected in this study as the proxy of companies' key stakeholders. Section 3.7 focuses on instrumentation explaining the measurement of each variable. Data collection including sampling method and procedures of data collection is illustrated in section 3.8. Section 3.9 is a description of methods used in data analysis. Section 3.10 provides details of pilot study. Finally, chapter summary is provided in section 3.11.

3.2 Research Framework

Because of an increased interest in multi-stakeholder approach in the fields of CSR, there has been discussion in existing literature about stakeholder influence on the CSR disclosure. Companies seem to disclose information that expresses companies' concerns about stakeholders and ability to meet stakeholders' requirements and expectations (Johansson, 2008; Van der Laan Smith et al., 2005). In order to effectively enhance the disclosure by understanding the real requirements and expectations of stakeholders, companies need to interact extensively with stakeholders in the form of stakeholder engagement (Marshall et al., 2007). While stakeholder engagement is supporting development of CSR disclosure, CSR disclosure is enabling devices for engagement (Hess, 2007; Simon & Jane, 2006), as the comprehensively and frequently employed mechanism to inform companies' position to stakeholders (Boesso & Kumar, 2009b). Therefore, the nature of CSR disclosure may be affected by the differences in stakeholder engagement's nature (Adams, 2002; Black & Härtel, 2004; Boesso & Kumar, 2007; Georgakopoulos & Thomson, 2008; Holland, 2005; Maria et al., 2008; Marshall et al., 2007; Van der Laan Smith et al., 2005).

With respect to normative perspective of stakeholder theory and legitimacy theory, a number of scholars argue for corporate accountability (Gray, 2001, 2007; Gray et al., 1996; Tschopp, 2005). It refers to companies' responsibility to undertake certain actions and provide an account of those actions with a wide range of stakeholders, irrespective of salience attached to them (Gray et al., 1996). However, it is virtually impossible for the companies to produce every kind of valuable relationships with all stakeholders equally (Owen et al., 2001). From instrumental perspective of stakeholder theory and legitimacy theory, companies have to identify and analyze who are the key stakeholders and what are the criterias that the stakeholders use to judge their performance (Kipley & Lewis, 2008). Based on this perspective viewing stakeholder engagement and CSR disclosure as a strategic tool used by companies to manage relationship with stakeholders, it can be expected to find evidence about different level and kinds of attention paid by companies to each stakeholder group (Boesso & Kumar, 2009 a, b; Roberts, 1992). It is demonstrated that companies' strategic response to stakeholders on an asymmetric basis depends on the salience accorded to stakeholders (Jamali, 2008; Sweeney & Coughlan, 2008).

Accordingly, companies seem to satisfy salient stakeholders by engaging with them (O'Higgins & Morgan, 2006) and emphasizing information in the disclosure expressing companies' concerns about them (Boesso & Kumar, 2009a, b; Cormier et al., 2004; Neu et al., 1998).

While the existing literature points to an association between stakeholder engagement and CSR disclosure as well as the influence of stakeholder salience on either stakeholder engagement or CSR disclosure, there has been the lack of studies on the comprehensive associations between the salience attached by companies to each of the stakeholder groups, engagement intensity directed at that group and disclosed CSR information. To address this gap in the literature, this study is conducted to examine such associations. Moreover, Mitchell et al. (1997) proposed that stakeholders are possibly perceived as salient by a function of stakeholders-possessing one or more of three attributes including power, legitimacy and urgency. They argued that examining the association or influence of these three attributes can provide more insight into companies' perceptions and responses to different stakeholders. Thus, this study also aims to examine the association of these three attributes on salience.

The research framework shown in Figure 3.1 is constructed from the assumption on the associations among stakeholder attributes and salience, stakeholder engagement, and CSR disclosure as the reflection of influence of stakeholders over engagement and disclosure decision. Companies consider the degree of salience of different stakeholder groups based on determining their attributes of power, legitimacy and urgency, and then make effort to keep track on stakeholders' interest by adopting different engagement practices. Afterwards, stakeholder engagement activities, designed by companies, potentially influence companies' disclosed CSR information as allowing devices to improve quality of CSR disclosure. At the same time, companies' perceptions on different stakeholder groups also influence on decision to tailor CSR disclosure according to salience of each group of stakeholder. Additionally, the mediating effect of stakeholder engagement is supposed to exist on the association between stakeholder salience and CSR disclosure. The mediation of stakeholder engagement is derived from the sequence of assumptions that perception on salience of different stakeholders influence on stakeholder engagement activities and afterwards stakeholder engagement potentially affects CSR disclosure. Therefore, the association between stakeholder salience and CSR disclosure seems to be effected by the mediating role of stakeholder engagement. This assumed framework leads to the development of five main hypotheses described in section 3.3.

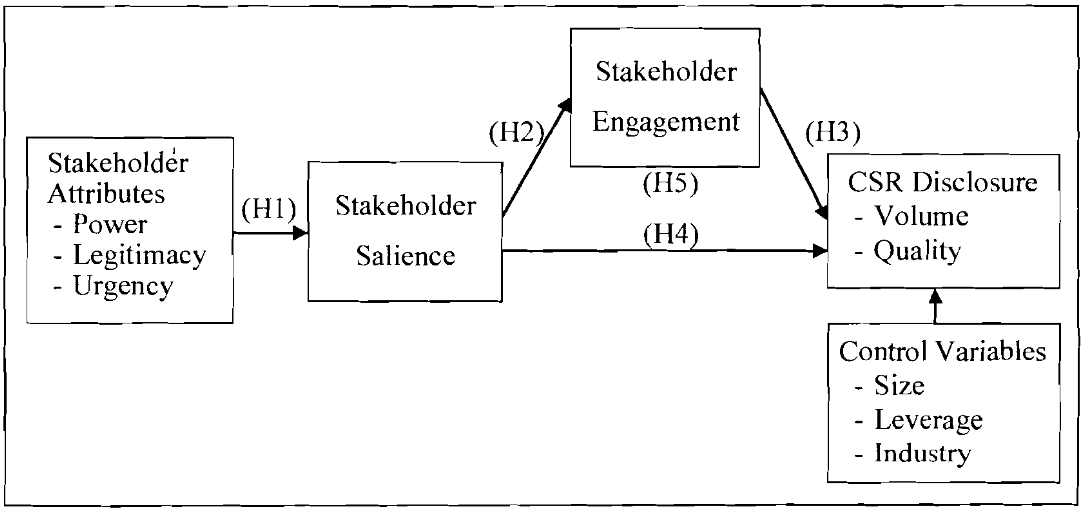

Figure 3.1
Research Framework

3.3 Research Hypotheses

Based on an existing literature, it was argued that companies tend to prioritize and satisfy stakeholders depend on the salience arranged with stakeholders (Jamali, 2008; Sweeney & Coughlan, 2008). In 1997, Mitchell et al. developed a theory of stakeholder identification and salience, proposing that stakeholder salience is perceived primarily based on a function of stakeholders-possessing one or more relationship attributes: power, legitimacy and urgency. Power relates to the ability to bring about outcomes of desire (Mitchell et al., 1997) and control resources (Magness, 2008; Mitchell et al., 1997; Pfeffer, 1981). Companies tend to respond more to the expectations of stakeholders who control the critical resources required by companies (Boesso & Kumar, 2009b; Van der Laan Smith et al., 2005). Legitimacy refers to the perception or assumption that stakeholders' behaviors are proper, desirable or appropriate (Magness, 2008; Suchman, 1995; Thorne, Ferrell, & Ferrell, 2003). Stakeholders are likely to receive greater attention if they have legitimate standing in a society (Van der Laan Smith et al., 2005) and their claims are perceived as proper desirable or appropriate (Boesso & Kumar, 2009b; Thorne et al., 2003). Finally, urgency relates to "the degree to which stakeholders' claim calls for immediate attention" (Mitchell et al., 1997, p. 867). Urgency of stakeholders is based on time sensitivity - the pressing need on stakeholder concerns or claims which be given immediate attention (Mitchell et al., 1997; Van der Laan Smith et al., 2005) and criticality - the importance of the claim to stakeholders (Magness, 2008; Mitchell et al., 1997). Stakeholders' claims tend to be attended immediately if they are perceived as high time sensitivity and criticality. This theory has been supported by a number of studies showing the relationship between each of these three attributes and stakeholder salience. In their empirical test, Agle et al. (1999) found that power, legitimacy, and urgency of stakeholders are related to salience attached to them. Their finding was in an agreement with those in the studies by Boesso and Kumar (2009a, b), Hargen (2005), Parent and Deephouse (2007) as well as Gago and Antolín (2004). Their obvious findings also showed the significant association of power, legitimacy, and urgency on salience of stakeholders. They concluded that salience of different stakeholder groups are attached differently depend on degree of power, legitimacy and urgency possessed by the group. Thus, this study expects that:

Hypothesis 1: The stakeholder attributes of power, legitimacy, and urgency processed by a stakeholder group are positively associated with the salience attached to that group.

Hypothesis 1a: The stakeholder attribute of power is positively associated with the salience attached to the stakeholder group.

Hypothesis 1b: The stakeholder attribute of legitimacy is positively associated with the salience attached to the stakeholder group.

Hypothesis 1c: The stakeholder attribute of urgency is positively associated with the salience attached to the stakeholder group.

In addition to the effects of individual attributes, Mitchell et al. consider effect of combinational form of all attributes over the perceived salience. They suggested that the combinations of these attributes create more salience or put stakeholders high in the prioritization process than in form of individual presence (see Figure 2.1 in Section 2.3.3). In Mitchell et al.'s theory, salience of stakeholders possessing only one of attributes is lower than salience of those who possess two attributes. In the same way, stakeholders possessing two attributes are considered lower salient than those acquiring and exhibiting all of three attributes. This view of combined effect is confirmed by the studies by Agle et al., 1999 and Gago and Antolín, 2004. The findings from both studies similarly demonstrated that the cumulative number of these three attributes is significantly related to salience for all stakeholder groups. Apart from individual effect of these three attributes, this study, therefore, hypothesizes that:

Hypothesis 1d: The cumulative number of stakeholder attributes of power, legitimacy and urgency processed by a stakeholder group is positively associated with the salience attached to that group.

In order to strengthen relationship with stakeholders, companies are expected to develop their skill in understanding the need of their stakeholders (Freeman, 1984) in the form of stakeholder engagement (Beckett & Jonker, 2002; Elkington, 1997; Morsing & Schultz, 2006; Strand, 2008). Stakeholder engagement needs a two-way relationship as the reflection of the interdependence between the companies and their stakeholders (Burchell & Cook, 2006; Greenwood, 2007). Effective stakeholder engagement process enables company to increase opportunity and reduce risk by reaching a general agreement among different stakeholders towards the ''license to operate'' (Tencati & Zsolnai, 2009). Greenwood (2007) argued that in order to represent real corporate responsibility, companies must have high quality of engagement activities with a large number of stakeholder groups. However, companies, practically, cannot produce every kind of valuable relationship for every stakeholder as companies find themselves constrained with limitation of resources (Owen et al., 2001). Therefore, companies tend to design stakeholder engagement activities, depending on the salience accorded to stakeholders (Boesso & Kumar 2009b). It appears logical that the more salience associated with stakeholders, the higher the chances for companies to interact with them in order to address their demand. In study by Hibbitt (2004), it was found the degree of importance of particular stakeholder group is strongly related to the extent of direct engagement with that group. Their findings correspond with those in the study by O'Higgins and Morgan (2006). It was shown in their study that stakeholder groups perceived as more salient tend to receive higher levels of engagement than less salient groups. Thus, in this study, it is hypothesized that:

Hypothesis 2: The salience attached to a stakeholder group is positively associated with the stakeholder engagement effort directed at that group.

An increasing awareness on corporate responsibility to stakeholders has influenced companies' decisions to disclose their information as the main communication tool to demonstrate their CSR obligations to stakeholders (Adams & Frost, 2006; Adams & Kuasirikun, 2000; Boesso & Kumar, 2009a; Hockerts & Moir, 2004; O'dwyer et al., 2005b). However, communicating with stakeholder through merely CSR disclosure is not sufficient to make stakeholders ensure that companies concern about them (Hess, 2007). Companies need to employ some forms of stakeholder engagement purposely to improve the understanding of stakeholders' demand (Adams & Frost, 2006; GRI, 2002; Hess, 2007; O'Dwyer, 2003; O'Dwyer et al., 2005b; Simon & Jane, 2006). Several attempts have been made to the link between the extent of involvement of stakeholders and CSR disclosure practices. In their studies, Boesso and Kumar (2007) and Georgakopoulos and Thomson (2008) found that stakeholder engagement practices are significantly related to social reporting practices. Black and Hartel (2004) found that social reporting is significantly correlated with stakeholder dialogue considered as a more enhanced engagement mechanism. Van der Laan Smith et al. (2005) and Munoz et al. (2008) found that higher stakeholder - oriented firms demonstrate higher quality disclosure. Marshall et al. (2007) found that engagement with skills-focused NGOs is strongly related to higher quality of disclosure. Therefore, it is expected in this study that:

Hypothesis 3: The stakeholder engagement effort with a stakeholder group is positively associated with the CSR disclosure effort directed at that group.

As mentioned earlier, companies tend to satisfy stakeholders that perceived as highly salient rather than stakeholders with less salience (Jamali, 2008; Sweeney & Coughlan, 2008). Therefore, perceptions on salience of different stakeholders also influence the extent of information disclosed by companies to inform stakeholders about their concerns and abilities to meet stakeholders' requirements and expectations (Johansson, 2008; Van der Laan Smith et al., 2005). The studies examining influence of perceived stakeholder salience on CSR disclosure demonstrate the differences responses of companies through CSR disclosure, based on salience and prioritization of various stakeholder groups. Boesso and Kumar (2007) found that both volume and quality of voluntary disclosure are strongly related to the corporate emphasis on stakeholder engagement. Their finding is consistent with those in Georgakopoulos and Thomson (2008)'s study. In their study, it is found that characteristics of stakeholder engagement practices are influenced by social reporting practices. In addition, Black and Hartel (2004) found that social reporting is significantly correlated to stakeholder dialogue considered as a more enhanced engagement practice. In studies by Van der Laan Smith et al. (2005) and Munoz et al. (2008), companies were distinguished into stakeholder and shareholder orientation. Both studies similarly found that stakeholder - oriented companies demonstrate higher quality of disclosure than shareholder – oriented companies. Viewing CSR disclosure as stakeholder management tool, it can be seen from previous studies that companies tend to emphasize their efforts to disclose information on particular stakeholder groups who are perceived as highly salient groups (Boesso & Kumar, 2009a; Frooman, 1999). Therefore, this study expects the positive association between the salience attached by companies to stakeholder groups and companies' response to the groups through CSR disclosure, appeared in following hypothesis:

Hypothesis 4: The salience attached to a stakeholder group is positively associated with the CSR disclosure effort directed at that group.

Furthermore, it seems reasonable to assume the mediating role of stakeholder engagement in considering the association between stakeholder salience and CSR disclosure. This assumption is derived from the sequential assumptions that perception on salience of different stakeholders influences stakeholder engagement (Hypothesis 2) and, subsequently, stakeholder engagement itself potentially affects CSR disclosure as the supportive device for improvement of disclosed information (Hypothesis 3). At the same time, stakeholder salience would influence CSR disclosure (Hypothesis 4). According to Baron and Kenney (1986), a mediator is a variable in a chain between independent variable and dependent variable that explain the indirect relationship between them. As stakeholder engagement is situated between as well as related to stakeholder salience and CSR disclosure, it is assumed to function as the mediator intervening the association between them. Consequently, it is further hypothesized in this study that:

Hypothesis 5: The stakeholder engagement effort with a stakeholder group mediates the association between the salience attached to that group and the CSR disclosure effort directed at that group.

3.4 Research Design

This section aims to briefly outline the research design of this study. Research design is a plan for specifying the methods and procedures of data collection and analysis in order to address the research problems (Cooper & Schindler, 2003; Zikmund, 2003). This study mainly concerns with the association among stakeholder attributes and salience, stakeholder engagement and CSR disclosure. The associations are derived from the assumption that the more salience associated with stakeholders, the higher chances that companies interaction with them in the form of stakeholder engagement and inform them through CSR disclosure about companies' concerns and ability to meet their requirements and expectations. In addition, this study aims to provide an understanding about salience attached by companies to their stakeholders by considering stakeholders' power, legitimacy and urgency as well as a picture of stakeholder engagement employed by the companies and CSR disclosure regarding the issues related to the stakeholders.

In order to specify the measurement of the variables that this study attempt to assess, six different stakeholder groups were selected as the proxy for companies' key stakeholders. These groups include customers, suppliers, employees, shareholders, environment and communities. All of six stakeholder groups were selected because they are often mentioned and used in CSR literatures as the companies' key stakeholders who likely to have enough salience to gain attention from companies to engage with them and disclose CSR information for them (see for example, Agle et al., 1999; Boesso & Kumar, 2009b; Cormier et al., 2004; Gable & Shireman, 2005; Holder-Webb et al., 2009; Jamali, 2008; Perrini & Tencati, 2006; Robertson & Nicholson, 1996; Sweeney & Coughlan, 2008). Using these different stakeholder groups provides the understanding that how companies put different efforts into engagement and disclosure practices to different stakeholders.

The variables in this study are divided into three groups: stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Since survey questionnaires have been used sufficiently in prior studies to assess stakeholder attributes and salience and stakeholder engagement (see for example, Agle et al, 1999; Black & Hartel , 2004; Boesso and Kumar , 2009a, b; O'Higgins & Morgan, 2006; Parent & Deephouse, 2007), and content analysis have been successfully used to assess CSR disclosure (see for example, Ahmad et al., 2003; Boesso & Kumar, 2007; Hackston & Milne, 1996; Holder-Webb et al., 2009; Thompson & Zakaria, 2004; Tsang, 1998; Tschopp, 2005). Therefore, such methods were selected as appropriate to the intent of scope of this study.

Measurement of stakeholder attributes and salience was performed by using questionnaires to capture the data about the perception of respondents on power, legitimacy, urgency and overall salience of each group of stakehodlers. Questionnaires were used not only to capture data about stakeholder attributes and salience, but also capture data about stakeholder engagement. For each stakeholders listed in questionnaires, respondents were asked to indicate the level of agreement with the statements representing assessment of engagement quality and the level of engagement appropriately and correctly depicted their companies' relationship with that stakeholder groups.

Finally, CSR disclosure was assessed through analysis of the contents of companies' annual reports. Disclosure categorized by stakeholders groups in term of companies' activities, goals,and public image (Van der Laan Smith et al., 2005) was used to codify qualitative information into quantitative scale. Each category related to each of six stakeholder groups was defined and developed based on prior CSR disclosure studies (see for example; Ahmad et al., 2003; Boesso & Kumar, 2007; Branco & Rodrigues, 2008; Cormier et al., 2004; Hackston & Milnes,1996; Holder-Webb et al., 2009; Mirfazli, 2008; Van der Laan Smith et al., 2005; Welford, 2008) and GRI's reporting guidelines (GRI, 2006). Moreover, CSR disclosure was analyzed in term of quality based on three dimensions of information adopted from Boesso and Kumar (2007)'s study. These three dimensions are type (distinguished as quantitative and qualitative information), nature (distinguished as non-financial and financial information) and outlook (distinguished as forward-looking and historical information).

According to the research framework, as stated earlier, five main hypotheses were developed for a clearer understanding of the consecutive associations among stakeholder attributes and salience, stakeholder engagement and CSR disclosure. The first hypothesis was constructed for the understanding of function of power, legitimacy and urgency in perceiving the salience. Hypothesis 2-4 were developed in order to examine the associations among variables. Hypothesis 2 was derived from the assumption of association between stakeholder salience and stakeholder engagement. Hypothesis 3 was derived from the assumption of association between stakeholder engagement and CSR disclosure. Hypothesis 4 was derived from the assumption of the association between stakeholder salience and CSR disclosure. The last hypothesis, Hypothesis 5, assumed the mediating effect of stakeholder engagement on the association between stakeholder salience and CSR disclosure.

The hypotheses were tested by performing three different methods of analysis, namely, tests for differences, correlations, and multiple regressions. The tests for differences and correlation analysis were used to test the hypothesis regarding the association between stakeholder salience and cumulative number of stakeholder attributes. Correlation analysis was also used to determine the strength of association between variables. Multiple regression analysis was performed to test the associations between variables and mediating effect stated in the hypotheses of this study.

3.5 Operational Definition

In order to provide unambiguous meaning to variables that assist in establishing the rules and procedures used as instrumentation of the study, major variables and terms are defined operationally as follows:

Stakeholder salience	=	The degree of attention that managements pay to particular stakeholder group and give priority to compete their claims that comprising of three attributes: power, legitimacy and urgency.
Stakeholder power	=	The ability of stakeholders to affect the company and to use coercive force to obtain their will by enforcing the managements to do something they would not otherwise have done.

Stakeholder legitimacy	=	The actions or claims of stakeholders are perceived as desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.
Stakeholder urgency	=	The degree of immediate attention and importance of the claim to stakeholder.
Stakeholder engagement	=	The process or activities that companies use to empower stakeholders by decentralization of making decision authority from companies to stakeholders to create shared mutual understanding and respond coherently to stakeholders' concerns.
CSR disclosure	=	Disclosed information that reflects social and environmental aspects upon which companies' interactions with and impacts on stakeholders.

3.6 Selection of Stakeholder Groups

Despite a number of studies focusing on stakeholders in analyzing CSR, the different sets of stakeholder groups have been used in such studies. This may dues to a wide scope of stakeholders and various approaches of stakeholder identification and categorization. However, such studies have not explained how they select each stakeholder groups or how they identify the set of stakeholder groups in their studies (Pedersen, 2004). The studies at most have described that how each stakeholder groups influence companies' CSR decision making and how companies should response to the groups (Mishra & Suar, 2010).

A set of stakeholder groups, of course, needs to be identified as the proxy for companies' stakeholders in order to specify the measurement of the variables included in this study. There are three main variables in this study: stakeholder attributes and salience, stakeholder engagement, and CSR disclosure Thus, the selection of stakeholder groups is based on the consideration that the groups have enough salience to gain attention from companies to engage with them and disclose CSR information to them. In this study, six different stakeholder groups were selected: customers, suppliers, employees, shareholders, environment and communities. All of these groups are likely to be interested in CSR literatures (see for example, Branco & Rodrigues, 2008; Hackston & Milne, 1996; Mishra & Suar, 2010; Mirfazli, 2008; Van der Laan Smith et al., 2005; Turker, 2009; Welford, 2008) as the key stakeholders (Agle et al., 1999; Boesso & Kumar, 2009b; Gable & Shireman, 2005; Holder-Webb et al., 2009; Jamali, 2008; Perrini & Tencati, 2006; Robertson & Nicholson, 1996; Sweeney & Coughlan, 2008) whose value perceived by companies will be reflected in companies' disclosure (Cormier et al., 2004; Perrini & Tencati, 2006; Sweeney& Coughlan, 2008).

Customers

The first stakeholder group in this study is customers considered as main source of corporate revenues. Customers have rights to decide whether or not they want to buy companies' products or services. Therefore, they have significant influence on corporate performance, especially financial performance (Berman, Wicks, Kotha, & Jones, 1999). One of the foundations of a successful business is maintaining the ability to provide good products and services with right quality and price and disclose complete, accurate and straightforward information on the products and services. In addition, companies have to satisfy customers by offering assistance to them in accordance with their appetency and organizing their comment and complain efficiently (Mishra & Suar, 2010).

Suppliers

The second group is suppliers providing resources companies need to make revenue and continue operating business. Fostering strong collaboration between companies and their suppliers is important task for management. Products and services from suppliers determine the product quality and corporate costs. If companies have good relationship with suppliers, they can purchase quality materials with lower price leading to reduction of production defects and cost of goods sold (Pedersen & Neergaard, 2008). CSR towards supplier lies in ensuring ethical and equitable treatment to suppliers and ascetic respect to the agreements between companies and suppliers (Mishra & Suar, 2010).

Employees

The next stakeholder group is employees who deliver input of business operation in form of services and receive compensation from companies in return. Employees are considered as the valuable source of competitive advantages for companies. Companies can operate at maximum efficiency by assigning the employees to the tasks that they have the expertise or ability to (Berman et al., 1999; Pedersen, 2004). The strong company- employee relationship increases employees' awareness of business context and improves their performance for companies' benefits (Vazirani, 2007). The positive signals of CSR towards employees are, for example, respecting to employees' rights, supporting human development, providing the pleasant, safe working environment (Mishra & Suar, 2010) or employing a diverse workforce (Berman et al., 1999). Moreover, companies should provide channels to communicate with them in transparent manner (Vazirani, 2007).

Shareholders or Investors

The fourth group is shareholders or investors. This stakeholder groups are considered as very important to companies because they are companies' owners and entitled to the return on their investment. Their influence on companies lies in their choices to decide to buy or sell their shares that affect companies' market value. Moreover, stakeholders holding the large proportion on companies' equity have significant power to change companies' strategy and policy (Pedersen, 2004). The CSR toward shareholders is seen in terms of complying with good corporate governance practices (Mishra & Suar, 2010), for example, highly qualified board of directors, equitable rights and treatment to shareholders, transparent and extensive disclosed information.

Environment

The next group is environment widely cited as one of the important stakeholder groups in CSR literatures (Lopez-Rodriguez, 2009; Mishra & Suar, 2010; Pedersen, 2004). Preserving and protecting the environment is considered as fundamental to achievement of business sustainability. Companies are pressurized to ensure that the environment is not (or minimum) damaged by their operations, products and services. They are required to, at least, comply with environmental legislations. However, the adoption of proactive environmental strategies or voluntary approaches could more benefit companies in terms of customer preferences, social reputation (Berman et al., 1999) and performance improvement (Lopez-Rodriguez, 2009). Complying with relevant laws and regulations is a good signal of CSR towards environment. Moreover, to enhance it, companies are expected to voluntarily adopt environmental practices, for example, natural resources conservation, energy conservation, and pollution prevention (Mishra & Suar, 2010).

Communities

The last stakeholder group is communities. Since companies need to operate in the healthy and thriving neighborhoods, they need to behave responsibly as part of their neighborhoods. Companies failing to build or maintain relationship with their communities seem to be disreputable. In worst case, their licenses to operate may be revoked. On contrary, companies having strong and long-lasting relationship with communities are likely to improve their image, operational effectiveness and competitive advantages (Hess, Rogovsky, & Dunfee, 2002; Berman et al., 1999). CSR towards the communities is usually depicted as philanthropic donations and activities and life quality development of the surrounding communities (Mishra & Suar, 2010).

As mentioned above that these six stakeholder groups are selected in this study because they are often adverted to in CSR literatures as the key stakeholders whose quality of relationship with companies is the essential for companies' success (Clarkson, 1995; Waddock, 2001b). Their concerns contribute to companies' competency, performance, and competitiveness. Therefore, companies seem to put efforts to understand their concerns through engagement practices and demonstrate how companies treat those concerns through disclosure information which are the main subjects of this study.

In addition to the prevalence in stakeholder-oriented CSR literatures, these six stakeholders were selected following the framework suggested by Waddock (2001a; b). In her framework, stakeholders are distinguished into two groups: primary and critical secondary stakeholders. Primary stakeholders are those that companies cannot survive as a going concern without their participation. These stakeholders constitute the business and impact companies 'bottom line directly

(Clarkson, 1995; Waddock, 2001a; b). Critical secondary stakeholders are those who are not in direct transactions constituting companies survival, however provide important infrastructure to companies and have ability to mobilize public opinion of corporate performance (Waddock, 2001a; b). Customers, suppliers, employees, and shareholders are used as representatives of the first group, while the second group includes environment and communities as representatives. Choosing the stakeholder groups in this manner is based on the assumption that there are different pressures and priorities between these groups (Waddock & Smith, 2000). This difference may lead companies to treat the groups unequally reflected on different efforts in engagement and disclosure between groups that contribute to the understanding of associations between stakeholder attributes and salience, stakeholder engagement and CSR disclosure.

3.7 Measurement of Variables

This section explains the measures used in this study in order to answer the research questions and test hypotheses outlined in the prior sections. Measures for the components of stakeholder salience and stakeholder engagement were collected by using the survey instrument. The survey was developed based on questions from previous validated surveys, plus the addition of research questions of this study directly related to the variables and hypotheses. Measures for CSR disclosure were collected with using content analysis technique developed by adaptation from several previous CSR disclosure studies and Sustainability Reporting Guidelines. Following details are provided to explain the measurement of each group of variables and their components.

3.7.1 Stakeholder Attributes and Salience

As mentioned earlier, stakeholder salience is defined as "the degree to which managers give priority to competing stakeholder claims" (Agle et al., 1999, p.507). It indicates the extent to which managers pay attention to particular stakeholder group (Agle et al., 1999; Mattingly, 2003; Sweeney & Coughlan, 2008). According to Mitchell et al. (1997), stakeholder salience is a higher-order construct comprising of at least one of three attributes: power, legitimacy and urgency. In brief, power relates to the ability to bring about outcomes of desire (Magness, 2008; Mitchell et al., 1997; Pfeffer, 1981). Managers will respond more to the expectations of stakeholders who have more power to enforce their claims or have more influence on companies (Belal & Owen, 2007; Boesso & Kumar, 2009b; Van der Laan Smith et al., 2005). Legitimacy refers to the perception or assumption that stakeholders' behaviors are proper, desirable or appropriate (Magness, 2008). Stakeholders are likely to receive greater attention if their legitimate standing in a society and their claims are perceived as proper desirable or appropriate (Mitchell et al., 1997; Van der Laan Smith et al., 2005). Finally, urgency relates to "the degree to which stakeholders' claim calls for immediate attention" (Mitchell et al., 1997, p. 867) that based on time sensitivity - the pressing need on stakeholder concerns or claims which be given immediate attention and criticality- the importance of the claim to stakeholder (Magness, 2008; Mitchell et al., 1997). Stakeholders' claims will be attended immediately if they are perceived as high time sensitivity and criticality (Boesso & Kumar, 2009b).

There have been studies applying Mitchell et al. (1997)'s model to measure stakeholder attributes and salience. In their study, Agle et al. (1999) developed twelve-item scale divided into three items each for power, legitimacy, urgency, and overall salience for measuring components of stakeholder salience. Each item employed a seven-point Likert-type scale. They refined these items through discussions and consultation with several CEOs, other scholars, and conference presentations. It was demonstrated that all twelve items had reliabilities from 0.82 to 0.92, which are above the generally accepted level of 7.0. Mattingly (2003) considered the adequate of Agle et al.'s measures and, then, used these items, but with a five-point Likert scale. She found that all twelve items had reliabilities from 0.77 to 0.99. Both studies demonstrated not only the reliability of measures, but also their validity. By using factor analysis to evaluate the construct validity, it was shown that the items used as measures of each attributes and salience loaded on each of their intended factors.

There have been many studies using single item as the representative of each stakeholder attributes or salience. For example, Boesso & Kumar (2009a, b) used four questions, based on study of Agle et al. (1999), to measure salience of each stakeholder group. A single question was developed to measure each attribute and overall salience by employing a seven-point Likert scale. O'Higgins and Morgan (2006) and Gago and Antolín (2004) directly asked the respondents to rate their stakeholders by using the term 'power', 'legitimacy', 'urgency' and 'salience' with a five-point Likert scale as the measurements. However, according to Zikmund (2003), using single question or item provide less sensitivity of measures which is one of major criteria for assessing measurements than using numerous questions or items.

In this study, the questions used to assess stakeholder salience were developed and modified from the above-mentioned surveys. Considering the adequacy of reliability and validity as well as sensitivity of measures used in the surveys of Agle et al. (1999) and Mattingly (2003), this study mainly used such measures in designing questions and statements to assess stakeholder salience and its components. Twelve statements, consisting of three statements for each of four dimensions as shown in Table 3.1, were included in questionnaire of the study. In designing the questionnaire, the order of statements was randomized in order to avoid any response-order biases. The respondents were asked to choose the level of agreement with a five-point Likert scale anchored form 1 (strongly disagree) to 5 (strongly agree), subsequent to each statement that correspond most accurately to their perception on each of six stakeholder groups (as mentioned in section 3.6). The statements used to measures the attributes and overall salience of each stakeholder group are as follows:

Table 3.1
Statements Representing Stakeholder Attributes and Salience

Dimension	Statement
Power	1. This stakeholder group had power (ability to use coercive force to obtain its will), whether used or not.
	2. This stakeholder group had access to, influence on, or the ability to affect the company.
	3. This stakeholder group had the power to enforce its claims – whether used or not.
Legitimacy	1. The management team viewed that the claims of this stakeholder group were legitimate (proper or appropriate).
	2. The management team believes that the claims of this stakeholder group were not proper or appropriate.*
	3. The claims of this group were legitimate in the eyes of the management team.

Table 3.1 (continued)

Dimension	Statement
Urgency	1. This stakeholder group exhibited urgency (active in pursuing claims it felt were important) in its relationship with the company. 2. This stakeholder group actively sough attention from the management team. 3. This stakeholder group urgently communicated its claims to the company
Salience	1. This stakeholder group was highly salient (received high priority) to the company. 2. This stakeholder group received a high degree of time and attention from the management team. 3. Satisfying the claims of this stakeholder group was important to the management team.

* Reverse-coded

3.7.2 Stakeholder Engagement

The survey instrument also sought to assess stakeholder engagement. Stakeholder engagement is generally defined as "the process of seeking stakeholder views on their relationship with an organization in a way that may realistically be expected to elicit them" (ISEA, 1999, p. 91). In other word, Greenwood (2007) defined stakeholder engagement as "practices that the organisation undertakes to involve stakeholders in a positive manner in organisational activities" (p.318). Stakeholder engagement may be exploited morally (by expressing organisational accountability) or immorally (by manipulating stakeholders) (Greenwood, 2007). However, unless morally positive practices, stakeholder engagement seems to miss its primarly essence as to the co-creation of shared understanding by companies and stakeholders. To encourage using stakeholder engagement in moral way, several concepts, particulary characteristics required for quality stakeholder engagement, are proposed by a number of scholars and organizations (see for example, Backstrand & Saward, 2004; Cumming; 2001; Gao & Zhang, 2001; ISEA, 2005; O'Higgins & Morgan;

2006). Despite each proposer discribe the characteristics under different terms and definitions, it can be seen some similarities between the concepts. This study adapted three overlapped concepts to measure qualities of stakeholder engagement: democratic characteristics, AA1000 Stakeholder Engagement Standard and Arnstein's Ladder of Citizen Participation.

The first concept is democratic characteristics of stakeholder engagement comprising of two sub-characteristics: representativeness and influence (Backstrand &Saward, 2004, 2006; Bebbington, 2005; Powley et al., 2004; Thomson et al.,2004; O'Dwyer, 2005b; Owen et al., 2000, 2001). The representativeness of engagement refers to appropriateness or propriety of stakeholders selected as the representative of their groups to involve in decision-making processes and expose their groups' interests and requirements (Backstrand & Saward, 2004, 2006). Moreover, the engagement not only should be educative to improve skill for mutual understanding, but also informative to provide information to stakeholders regarding issues/events/ impacts that can affect or can be affected by them. The second characteristic of engagement, influence, refers to influence of stakeholders over the deliberations on mechanisms and decisions to ensure that their concerns and/or interests are addressed (Powley et al., 2004).

The second concept used to assess quality of stakeholder engagement is proposed by ISEA (2005) in the AA1000 Stakeholder Engagement Standard (AA1000SAS). There are two principal characteristics required for quality stakeholder engagement: 'Application of the Accountability Commitment' and 'Involvement'. The first characteristic comprises of three sub-characteristics: materiality, completeness and responsiveness. 'Materiality' refers to the ability of engagement to identify stakeholders' and companies' material concerns. 'Completeness' requires understanding stakehoder concerns which associates the material issues. 'Responsiveness' refers to response which is coherent with stakeholders' and companies' material concerns. The second characteristic of quality engagement mentioned in AA1000SAS is 'involvement' referring to the involvement of stakeholders in engagement and decision-making processes.

The third concept is based on model called 'Arnstein's Ladder of Citizen Participation' which is used in Cumming (2001) and O'Higgins and Morgan (2006)'s studies. This model shows levels of stakeholder engagement categorized by the degree of empowering stakeholders in companies' decision-making processes. The model can be implemented to reflect a continuum of companies' attempt from 'operating on stakeholders' to 'being controlled by stakeholders'. 'Operating on stakeholders' refers to companies' actions as curing and educating stakeholders without the influence of stakeholders on decision-making processes. 'Being controlled by stakeholders' refers to empowering stakeholders with sufficient decision-making authority or managerial power.

According to three concepts mentioned above, it is suggested that there are some similarities between the characteristics in each concept shown in Figures 3.2. The first type of democratic characteristics – representativeness –needs not only appropriateness of representative stakeholders who participate with company, but also informative and educative participation that can be linked with materiality and completeness characteristics in AA1000SAS. The link between informativeness and materiality derives from the view that informative engagement leads to the ability to know both companies and stakeholders' material concerns. Educativeness is linked with completeness by the view that educative engagement requires companies to improve skills to understand stakehoder concerns completely.

The second characteristic of democratic characteristics is influence referring to influence of stakeholders over the decision-making process. This characteristic is similar to the involvement characteristic in AA1000SAS which refers to degree of involvement of stakeholders in engagement and decision-making processes. Moreover, it can be seen that influence or involvement of stakeholders requires companies to empower stakeholders by decentralization of authority's decision-making which can be assessed by using the 'Arnstein's Ladder of Citizen Participation'.

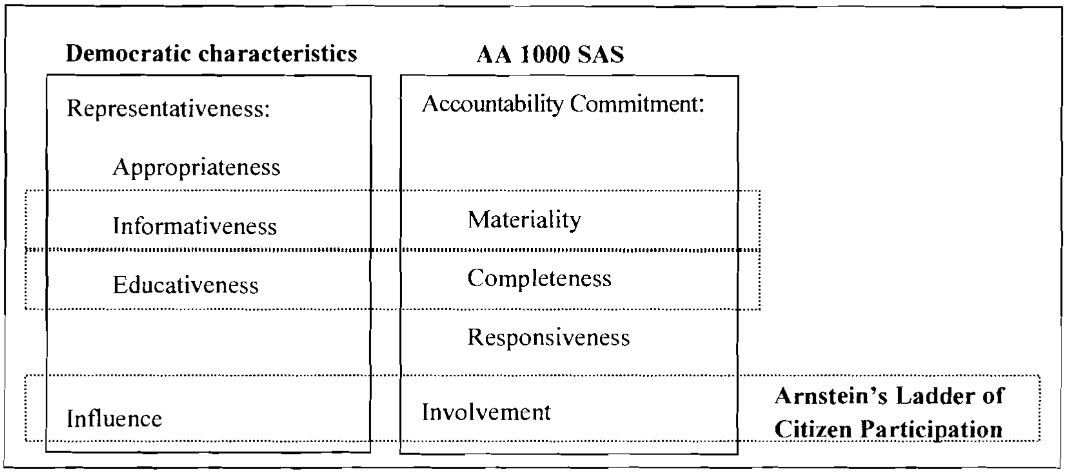

Figure 3.2
Matched Characteristics between Three Concepts Used to Assess Quality of Stakeholder Engagement

Based on Figure 3.2, four questions shown in Table 3.2 were developed in order to assess the first requirement of democratic characteristics and AA1000SAS. First question was developed from the main requirement of representativeness characteristic to the appropriateness of representative stakeholders. The second and third questions derive from two pair-matched characteristics – informativeness matching with materiality and educativeness matching with completeness respectively. The second question was used in order to assess how fully companies inform their stakeholders. The third question was used in order to assess how much companies can improve the understanding between them and their stakeholders by participating with the stakeholders. The fourth question is based on the responsiveness of engagement mentioned in AA1000SAS requiring companies to responsively address stakeholder concerns. The respondents were asked to choose the number that best indicates their agreement with each of four statements for each of six stakeholder groups using five-point Likert scale anchored form 1 (strongly disagree) to 5 (strongly agree). The questions used in order to assess the representativeness and accountability commitment of stakeholder engagement are shown as follows:

Table 3.2
Statements Representing Representativeness and Accountability Commitment

Statement	**Representativeness** (Democratic Characteristic)	**Accountability Commitment** (AA1000SAS)
1. The stakeholders who participated with your company were appropriate or proper representative of this group.	Appropriateness	-
2. Your company fully informed this stakeholder group regarding the issues or events that can affect or are affected the group.	Informativeness	Materiality
3. Participation between your company and this stakeholder group was able to improve understanding in mutual learning processes.	Educativeness	Completeness
4. Concerns of this stakeholder group were addressed after the participation between your company and the group.	-	Responsiveness

In addition, in order to assess the influence or involvement of stakeholders in engagement and decision-making processes mentioned in democratic characteristics and AA1000SAS, 'Arnstein's Ladder of Citizen Participation' was adapted by classifying stakeholder influence into five levels reflecting different degrees of stakeholder empowerment. This classification is based on O'Higgins and Morgan (2006)'s study adapting Arnstein's Ladder to measure engagement practices. They categorized stakeholder engagement into five levels including none, take some account, consult on relevant matters, make joint decisions and delegate decision to ask the respondents to choose which level that are most accurately described their firm's relationship with different groups of stakeholder. Similar to O'Higgins and Morgan, this study categorizes the degrees of empowerment into five levels ranking from companies hold the entire power to delegate power to stakeholders. The lowest level is developed from the fact that companies have no attempt to empower stakeholder in engagement and decision-making processes. They use only one-way flow of information to control stakeholders by curing and educating stakeholders through public relations without the attempt to allow stakeholders to give any feedback or involve in any processes. The highest level is that companies delegate their power to stakeholders to have majority of decision-making authority, or hold managerial power. The respondents were asked to choose the most accurate level of stakeholder engagement operated by their companies for each of six stakeholder groups from the five levels listed and described in Table 3.3 as follow:

Table 3.3

Levels of Stakeholder Influence

Level	Title	Description
1	Non-participation	Company takes actions to cure and educate stakeholders using one-way flow of information through public relations.
2	Informing	Stakeholders can hear and have a voice, but no power to ensure the influence of their voice.
3	Placation	Stakeholders can advise, but company maintain the righ of decision and veto.
4	Partnership	Stakeholders enabled negotiation and shared planing and decision-making responsibilities.
5	Delegated power	Stakeholders form the majority of decision-making authority, or hold managerial power.

3.7.3 CSR Disclosure

As mentioned in section 2.2, the term 'CSR disclosure' are defined in this study as the whole domain of the provision of financial and non-financial information reflecting social and environmental aspects upon which companies' interactions with and impacts on society (Branco & Rodrigues, 2007; Gray, 2001; Guthrie & Mathews, 1985; Tsang, 1998). It is believed that the extent and nature of disclosure can provide some indication reflecting important issues regarding purpose of motivation and intention of the communicators (Branco & Rodrigues, 2007: Krippendorff 1980). As content analysis is widely used and proved to be an effective method in previous studies on CSR disclosure, it was employed in this study as the research tool to capture the volume and quality of disclosed information.

Content analysis is a systematic technique used to classify texts into predefined categories built on selected criteria. It is used to find out the presence of key content within texts in order to determine their basic components, trends and patterns (Krippendorff 1980; Stemler, 2001; Sweeney & Coughlan, 2008). Moreover, it provides method to convert the narrative format of disclosure to the quantitative information that can be statistically examined (Hassan & Marston, 2010). In conducting content analysis, there are three important stages to be determined.

The first stage is deciding which documents should be analyzed (Ahmad & Sulaiman, 2004; Branco & Rodrigues, 2007). Despite a wide range of documents released by companies to inform their stakeholders about CSR information such as separate report, press releases and brochures, most studies used annual report as the only source to measure CSR information (see for example, Branco & Rodrigues, 2007; Brown & Deegan, 1998; Hughes et al., 2001; Kuasirikun & Sherer, 2004; Quaak et al., 2007; Van der Laan Smith et al., 2005) due to their credibility (Ahmad

& Sulaiman, 2004, Branco & Rodrigues, 2007; Guthrie & Parker, 1989; Neu at al., 1998; Sweeney & Coughlan, 2008; Tilt, 1994; Unerman, 2000) and usefulness to a wide range of stakeholder groups (Ahmad & Sulaiman, 2004; Deegan & Rankin, 1997; Van der Laan Smith et al., 2005). Moreover, in countries that CSR disclosure is still in its immaturity stage, annual report are considered as the most complete source of CSR information because very few companies in such countries produce separated CSR performance reports (Ahmad & Sulaiman, 2004). Therefore, companies' annual reports were decided to use in this study as the sole resource for the intention to analyze the extent of CSR disclosure.

The second stage is selecting the appropriate unit of analysis to quantify the amount of CSR information related to each stakeholder group. Essentially, there are four methods of unit of analysis used in prior studies: the number of words (see, for example, Brown & Deegan, 1998; Campbell et al., 2003; Cunningham & Gadenne, 2003; Deegan and Rankin, 1996; Haniffa and Cooke, 2005; Holder-Webb et al., 2009; Ratanajongkol et al., 2006), the number of sentences (see, for example, Ahmad et al., 2003, Ahmad & Sulaiman, 2004; Buhr, 1998; Milne & Adler, 1999; Raar, 2002; Tsang, 1998), the number of pages or proportion of pages (see, for example, Gray et al., 1995a, 1995b; Guthrie & Parker, 1989, 1990; Kuasirikun & Sherer, 2004; Patten, 1991, 1992) and the number of lines (Belal, 2001, 2002). As discussed in section 2.2.2, each method has both advantages and disadvantages for applying. Many studies decided to use multiple methods (see, for example, Hackston & Milne, 1996; Thompson & Zakaria, 2004; Van der Laan Smith et al., 2005) because this way enables comparisons with other studies that used different methods (Hackston & Milne, 1996) and there is little difference in the process of coding data using different units of analysis (Milne & Adler, 1999; Van der Laan Smith et al., 2005).

However, in their study, Van der Laan Smith et al. (2005) found that there are no significant differences between results of study based on different units of analysis.

To avoid the problems from using number of pages and lines result from different font, margin or page size (Branco & Rodrigues, 2007; Gray et al., 1995b; Hackston & Milne, 1996) and problems from using number of words result from disability of individual words to convey any meaning without the form of sentences (Milne & Adler, 1999), this study decided to use number of sentences as the unit of analysis. Using number of sentences can be better justified because sentences can be counted with fewer errors compared with words (Milne & Adler, 1999) and fewer subjectivity compared with pages (Ahmed & Sualiman, 2004; Hackston & Milne, 1996). Sentences are considered as the "easily recognizable syntactically defined units of text" (Krippendorff, 2004, p. 105) that can be quantified with greater measurement accuracy (Unerman, 2000). In addition, using sentences as the unit of analysis seem to be able to provide more complete and meaningful data for analysis and interpretation of analysis (Milne & Adler, 1999).

The next stage in content analysis is identifying the categories of classification used in codifying data. Since the purpose of this study is to examine CSR disclosure in regards of its association with the salience and engagement, six categories were defined and items in each category were identified regarding the issues related to perspective of six specific stakeholder groups (as mentioned in section 3.4). Each category focuses on companies' performance (Boesso & Kumar, 2007), activities, goal and public image (Van der Laan Smith et al., 2005) related to each stakeholder group. Defining categories by the issues related to perspective of stakeholder groups and then coding the sentence into each category follow the assumption that the extent of disclosure can be taken as some indication of the importance of an issue to the reporting entity (Krippendorff, 1980). In addition, there has been another assumption that companies direct their disclosure efforts towards stakeholders in attempt to meet their information needs or inform of companies' concern about them (Boesso & Kumar, 2007, 2009b). Therefore, the extent of disclosure related to each stakeholder group would assist to determine the importance of the group to companies as well as their efforts to inform each stakeholder group that how they concern about the group.

According to Krippendorff (1980, p.22), content analysis involves the procedures for "making replicable and valid inferences from data to their context". In order to make such replicable and valid inferences, each category representing the information related to each stakeholder groups was defined carefully to ensure that the codified data directly related to the stakeholder group that the data fall into. In addition, its items were identified as the guideline to provide an exhaustive itemization for codifying data into each category. All categories and the list of their items were adapted from those used in several prior social and environmental disclosure studies (see for example, Ahmad et al., 2003; Boesso & Kumar, 2007; Branco & Rodrigues, 2008; Cormier et al., 2004; Gonzalez-padron, 2007; Hackston & Milnes,1996; Holder-Webb et al., 2009; Mirfazli, 2008; Van der Laan Smith et al., 2005; Welford, 2008) and performance indicators listed in Sustainability Reporting Guidelines (GRI, 2002). Moreover, the coding rules were developed and considered carefully to ensure the stability of coding results. (The coding categories, items and rules utilized in this study are shown in Appendix C.)

However, measuring sole volume of disclosure by using the number of sentences does not provide indication of disclosure quality (Parsa & Kouhy, 2001) because it does not conduce to analysis of the type, meaning and importance of information being communicated (Branco & Rodrigues, 2007; Gray et al., 1995b; Van der Laan Smith et al., 2005). Despite the fact that evaluation of CSR disclosure quality is criticized due to the subjectivity, many scholars attempt to use distinction between types or nature of information to provide some indication of the disclosure quality. There are several criterions used to distinguish quality of disclosure, such as, the types of news as good, bad or neutral, (see, for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Belal,2001; Ratanajongkol et al., 2006; Thompson & Zakaria, 2004; Tsang ,1998), financial or non-financial, forward-looking outlook or historical outlook (Boesso & Kumar, 2007), qualitative and quantitative information (Boesso & Kumar, 2007; Branco & Rodrigues, 2007), monetary or non-monetary (see, for example, Ahmed & Sualiman, 2004; Guthrie & Parker, 1990; Kuasirikun & Sherer, 2004; Patten, 1995; Ratanajongkol et al., 2006; Thompson & Zakaria, 2004), proactive or reactive, discussing future events or past events, informational or promotional (Van der Laan Smith et al., 2005), and reference to a specific action, event or person (Freedman & Stagliano, 1992).

The measurement of quality of CSR disclosure in this study was adopted from Boesso and Kumar (2007)'s study as it developed a measure of density of disclosure quality. Their study implemented a multi-method approach to measure the disclosure quality based on three dimensions; type of information, nature of information and information on outlook. Type of information was distinguished as quantitative and qualitative. Disclosure made in quantitative form is considered as higher quality information because they are believed to be more useful than descriptive information. Nature of information was distinguished as non-financial and financial (Boesso & Kumar, 2007; Branco & Rodrigues, 2007). Since disclosure made in non-financial form is considered to be more rarely in companies' disclosure but providing the significance of information in companies' productivity, non-financial information are considered as higher quality information (Boesso & Kumar, 2007). Finally, information on outlook was differentiated as forward-looking and historical information. Forward-looking information seems to be higher quality due to its ability to point out companies' interest in corporate accountability. Assessing quality of disclosure by these three dimensions is supported by Beattie et al. (2004). In their study, they also proposed three attributes of disclosure including time orientation (historical/forward-looking), financial orientation (financial/non-financial) and quantitative orientation (quality/quantitative) as a comprehensive dimensional framework to measure quality of corporate narrative disclosure. In term of rating scale of disclosure quality, Boesso and Kumar (2007) placed the higher weighting on information they considered as higher quality (see Table 3.4). Moreover, they calculated the density of disclosure quality of each company by counting the total scores of all sentences that divided by the total number of sentences disclosed in annual report. The calculation for density of disclosure quality can provide information's quality indication, while excluding the effect related to the information's quality.

Table 3.4
Rating Scale of CSR Disclosure Quality

Dimension of information	Kind of information	Rating score
Type	Quantitative	2
	Qualitative	1
Nature	Non-financial	2
	Financial	1
Outlook	Forward-looking	2
	Historical	1

In attempt to measure the density of disclosure quality, this study also adapted the calculation of such density from Boesso & Kumar (2007)'s study. Each sentence in annual report of each company was classified in the category of any stakeholder group and then was placed with three scores given in each of three information's dimensions. Therefore, each sentence can be assigned the quality score ranking from three to six. Total scores of all sentences were computed for each company. If a company discloses CSR information with a large number of sentences that are mostly labeled as quantitative, non-financial, and forward-looking information, its CSR disclosure received a high quality score. On the contrary, if the company discloses CSR information with a small number of sentences that are mostly labeled as qualitative, financial, and historical information, its CSR disclosure received a less quality score. Next, to exclude the effect of the quantity of information, an average quality scores are calculated by dividing total scores of all sentences by total number of sentences. The average of quality scores indicates the density of disclosure quality belonging to each company with ability to provide indication of disclosure quality with the exclusion of disclosure quantity.

3.7.4 Control variables

Control variables are variables that either actually or potentially correlated with dependent variables (Meyers, Gamst, & Guarino, 2006). They are important to the interpretation of the results of a study due to the ability to provide more precise estimate of the relationship between independent and dependent variables (Kleinbaum, Kupper, & Muller, 2007; Meyers et al., 2006). In this study, control variables were included in the analysis to address the issue of potential omitted variables that might influence stakeholder engagement or CSR disclosure. This study employed the three variables that found to have significant associations with stakeholder relations and CSR activities or disclosure in previous studies, including firm size (see for example, Ayuso, Rodriguez, Garcia-Castro, & Arino, 2011; Cowen, Ferreri, &

Parker, 1987; Gonzalez-padron, 2007; Hackston & Milne, 1996; Neu et al. 1998; Patten, 1991), leverage (Branco & Rodrigues, 2008; Cormier & Magnan, 2003; Naser, Al-Hussaini, Al-Kwari, & Nuseibeh, 2006), and industry (see for example, Ayuso et al., 2022; Cowen et al., 1987; Deegan Gordon, 1996; Gonzalez-padron, 2007; Hackston & Milne, 1996; Hibbitt, 2004; Murray, Sinclair, Power, & Gray, 2006; Patten, 1991; Roberts, 1992).

With regard to size, the large companies seem to have more resources available to develop their CSR performance than the small ones. In addition, they are more visible to publics and stakeholders. Thus, they tend to generate more interest or receive more pressure to make relationship with stakeholders (Ayuso et al., 2011; Gonzalez-padron, 2007) as well as perform and communicate about their CSR activities (Cowen et al., 1987; Roberts, 1992). In regard to leverage, the companies with a high leverage ratio are viewed as being more risky than those who have low levels of leverage ratio. Because of high obligations from borrowing, they seem to face the difficulty to obtain more debt financing or capital. Therefore, they tend to perform CSR activities and reports in order to assure investors and creditors that they have potential to sustain their businesses (Naser et al., 2006; Roberts, 1992). In consideration of industry effects, companies in the same industry usually face overlapping demand and expectations from stakeholders their corporate responsibility because they operate within the similar business environment. They seem to respond to such demand and expectations in the same manner in order to remain their competitive edge (Gonzalez-padron, 2007). Some of those responses are in the form of CSR activities and disclosures (Adams, 2002; Patten, 1992; Wilmshurst & Frost, 2000). Conversely, companies from different industries confronting distinct business environments are likely to place different emphasis on different responses to stakeholders (Gonzalez-padron, 2007) as well as different CSR activities, and disclosed CSR information (Deegan Gordon, 1996; Wilmshurst & Frost, 2000).

In this study, firm size was measured by the natural logarithm of total assets (LGTA), while debt-to-total assets ratio (D/A ratio) was used as the proxy for leverage. Companies' industries were controlled for by dummy variables corresponding to the industry classification of the Stock Exchange of Thailand (SET). Companies were classified into eight industry groups, namely, agro and food industry, consumer products, financials, industrials, property and construction, resources, services and technology.

3.8 Data Collection

The data collection section outlines in detail the methodology used to collect data that is needed for answering the research questions in this study. There are two main areas of data collection: population and procedures of data collection. The first provides the detail of target population in this study. The latter relates to conducting of questionnaire survey and content analysis.

3.8.1 Population and Sample

As mentioned in previous chapters, a primary factor motivating this study is substantial changes in public concern and awareness on CSR and stakeholder issues in Thailand. In addition, the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) has been increasing their efforts to encourage listed companies to be aware of the importance of CSR and improve their CSR practices. It is reasonable to assume that the listed companies may respond to such encouragement by disclosing more CSR information (Ratanajongkol et al., 2006;

CSR Asia, 2008; 2009; 2010) and increasing recognition of important role of stakeholder engagement (Kraisornsuthasinee & Swierczek, 2006; Prayukvong & Olsen, 2009). Accordingly, the target population in this study is all companies listed on the Stock Exchange of Thailand (SET). The companies' list is obtained from the website of the SET (www.set.or.th) with a total number of 561 companies. Due to the small size of population and the poor response rate of survey studies conducted in listed companies in Thailand which is generally about 20% (for example, Chaithanakij, 2007; Jongsureyapart, 2006; Srijunpetch, 2006), entire population was taken as sample in this study. In addition, when the number of population is small, using all population as the sample would reduce sampling errors and provide more desirable level of precision of data on all individuals in the population (Cooper & Schindler, 2003; Zikmund, 2003).

3.8.2 Data Collection Procedures

Data collection procedures were developed in order to collect three groups of data including stakeholder attributes and salience, stakeholder engagement together with volume and quality of CSR disclosure from two data collection instruments: questionnaire survey and content analysis. Data regarding stakeholder attributes and salience and stakeholder engagement were obtained through the survey instrument, while volume and quality of CSR disclosure data were obtained through content analysis.

The first instrument of this study is questionnaire survey to the companies. Questionnaire was developed and translated into Thai language by two translators. Later, it was validated by using the back translation technique and was modified to Thai culture. The translated versions of questionnaires were sent to 30 companies as the pre-test. Once the questionnaires were pre-tested, they were revised and improved according to the feedback and comments from the respondents. The actual survey was conducted between August and October 2010. Each of 561 questionnaire sets was sent to Chief Executive Officer (CEO) or Managing Director (MD) of each company. An identifying code was given to each set of questionnaire to identify the company in order to match survey data with archival data for CSR disclosure. Each questionnaire set consisted of the cover letter, the questionnaire, and the self-addressed and stamped return envelope. The cover letter included the explanation of the intent if the study, the confidentiality guaranties, the clearly stated deadline for returning questionnaire, and the contact number and email address of the researcher of the participants have any enquiries. In case that CEO or MD cannot answer the questionnaire, they were asked to direct the questionnaire to the executive or senior person who has the most direct responsibility for making decision on CSR policies and activities. In order to increase the response rate, the follow-up letters were sent to the participants who had not responded after three weeks of the first mailing. Two weeks later, if the participants had still not responded, the other follow-up letters and copies of questionnaire were sent to them again to remind them to answer the questionnaires.

After receiving questionnaire responses, content analysis of annual report for CSR disclosure, the second instrument of this study, was conducted. The annual reports for the companies responding questionnaire survey for the year 2009 were downloaded from the SET website or the companies' websites. The annual reports for this year were selected as they were the most updated available versions at the time of data collection period. Moreover, CSR information provided in those annual reports seems to correspond with survey data because the respondents were asked to evaluate their companies' interactions and engagement with stakeholders in recent years. For annual reports that were not available in website, they were collected directly in the form of hard copy from the library of the SET. Although all companies produce both Thai and English version of annual reports, Thai version is selected in this study. Reading the reports from the original language can avoid problems about linguistic distortion from the translation process that provides more meaningful understanding in analysis (Kuasirikun & Sherer, 2004).

The content analysis of the annual report for each company involves four steps. First, the coder looked for the existence of any CSR disclosure items in the annual report excluding the section of financial statement. Then, the item was identified and categorized into one of the content categories. Afterward, the number of sentences for each item was counted. Finally, each sentence was evaluated and given three scores in term of three dimensions of information quality as type, nature, and outlook. As mentioned in section 3.7.3, if sentence was categorized as quantitative, non-financial, and/or forward-looking information, it was considered as higher quality and then is rated as two points for each dimension. While, the sentence categorized into qualitative, financial, and/or historical information was rated as one point for each dimension. Therefore, each sentence could be assigned the quality score ranking between three points where it is categorized as lower quality for all dimensions and six points where it is categorized as higher quality for all dimensions.

3.9 Data Analysis

This section aims to describe the keys steps of data preparation and analysis conducted to provide answers to the objectives of this study. After the data was collected, it would be prepared for the analysis. Since the collected data is quantitative, therefore quantitative data analysis techniques were employed depending on the nature of the analysis to provide answers to the research questions. Descriptive statistics were undertaken to provide respondents' background information and enable general overview of the data. Three different methods of analysis, namely, tests for differences, correlations and multiple regressions were undertaken mainly to test hypotheses.

3.9.1 Data Preparation

The purpose of data preparation is to ensure the accuracy and suitability of data for analysis. There are three main steps in data preparation: editing, coding, and data entry (Cooper & Schindler, 2003). Editing is the first step in preparing data. Each questionnaire was scrutinized to examine for its accuracy, completeness, and consistency. In case that the replies were significant missing or appropriate, the respondents were contacted for correct information. If the correct information could not be given, the questionnaires were taken out. After questionnaire scrutinization, the data was coded by assigning numerical values to make it suitable to be entered into spreadsheets or the statistical programs for further analysis. In addition to data from questionnaires, the data obtained by analysis of content of annual reports was concurrently prepared for analysis. It was checked for its accuracy and completeness and entered into spreadsheets or the statistical programs as well.

3.9.2 Descriptive Statistics

The aims of using descriptive statistical analysis are to provide respondents' background information and enable general overview of the data. The respondent's background information was illustrated in the form of demographic characteristics including position, gender, age, education, as well as, tenure in current company and position. For variables' data, descriptive statistical analysis was employed to reveal its patterns contributing to data interpretation (Cooper & Schindler, 2003) and verify the assumptions for the statistical analyses used in this study (Pallant, 2007). The descriptive statistics used in this study include measures of location (mean, median, and mode), measures of spread (standard deviation and range) and measures of shape (skewness and kutosis). In addition, to obtain the summary of data in graphical form, frequencies, percentages, and histograms are used.

3.9.3 Test of Differences

The tests for differences between variables were performed for different purposes. The differences between the early and late response were tested to determine the possible existence of non-response bias. The other purpose of using the tests for differences was to test the hypothesis regarding the association between stakeholder salience and accumulative number of stakeholder attributes. Testing for different salience of stakeholder among different accumulations of stakeholder attributes can be implied for the associations between variables (Gago & Antolín, 2004).

3.9.4 Validity and Reliability Analyses

Assessments of the validity and reliability were conducted to ensure the rigorousness and robustness of the items used as variable measures. The validity analysis assisted to determine the extent to which a particular item or a set of items correctly represents a given theoretical concept, while the reliability analysis assisted to determine the extent to which that item or that set of items consistently measure what it measures (Hair, Black, Babin, & Anderson, 2007). The validity analysis was performed by using factor analysis mainly to determine the construct validity including convergent validity and discriminant validity. The results form factor analysis technique indicated the ability of item to be related with the items or construct it should theoretically be related to (convergent validity) and different from the items or construct it should theoretically be different form (discriminant validity). The reliability analysis was conducted by calculating Cronbach's alpha for the items corresponding to each of scales and sub-scales included in questionnaire. Cronbach's alpha values were used to determine the internal consistency between items. The high Cronbach's alpha values provided statistical support for the adequacy of reliability of measurements (Pallant, 2007).

3.9.5 Correlation Analysis

Correlation analysis was used in this study as a statistic tool to determine the strength of association between variables (Hair et al., 2007) for different purposes. The first purpose is to validate data appropriates enough to conduct multiple regressions analysis in the next stage. Correlation analysis was used as the preliminary statistical tool to determine the selection of predictor variables. The predictor variables should be correlated with the criterion variable. If the correlations between predictor and criterion variables are high, the actual values would closely resemble the predicted values, while low correlations imply the variation between them (Meyers et al., 2006). Moreover, in order to select the appropriate predictor variables, the correlations between predictor variables themselves should be detected to determine the multicollinearity. This is a situation in which two or more predictor variables are highly related to each other that can lead to incorrect estimates of their individual effects on the criterion variable (Hair et al., 2007). The other purpose of performing correlation analysis in study is to test hypothesis proposed in this study. It was used as the support tool to examine the association between stakeholder salience and accumulative number of stakeholder attributes.

3.9.6 Multiple Regression Analysis

An important step in data analysis is the use of multiple regressions to test the hypotheses proposed in this study. Multiple regression is a statistical technique used to find the linear relationship between several predictor (independent) variables and an outcome (dependent or criterion) variable and explain how well a set of variables is able to predict a particular outcome (Pallant, 2007). Although the correlation coefficient could be used to examine the strength of relationship between two variables, it could not indicate how much of the variance in the dependent or criterion variable will be explained by the simultaneous influence of several independent variables. Therefore, this study performed multiple regression analysis to examine the association between variables by using the prediction of the changes in the criterion variable in response to the changes in the predictor variables. In addition, before any regressions were performed or determined on the statistical significance of their parameters, the multiple regression assumptions were verified to see if there were any problems with assumption violations. The assumptions are the linear relationships between dependent and independent variables (linearity), the absence of extreme values greatly differ from the rest values (outliers), the collinearity among independent variables (multicollinearity) and the properties of the error terms (normality and homoscedasticity) (Lattin, Douglas, & Green, 2003).

There are five main hypotheses tested by performing multiple regression analysis. These five hypotheses were about the consecutive associations between stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Each hypothesis was analyzed by separating to six-sub hypotheses for six stakeholder groups. This provided insight into the associations between the variables regarding each stakeholder groups. The first four hypotheses related to the direct associations between stakeholder attribute and stakeholder salience, stakeholder salience and stakeholder engagement, stakeholder engagement and CSR disclosure, and stakeholder salience and CSR disclosure, respectively. The first four hypotheses were tested with multiple regressions. The fifth hypothesis related to the mediating effect of stakeholder engagement on the association between stakeholder salience and CSR disclosure. This hypothesis was tested with hierarchical multiple regression technique.

3.10 Pilot Study

The primary purpose of the pilot is to test questionnaire reliability prior to mailing questionnaires to the target population. The pilot study was conducted by sending questionnaires to 30 companies listed on the Stock Exchange of Thailand , and of those six companies (20%) responded to the survey. This response rate, given the low response rate for surveys of similar population, is not surprising (for example, Chaithanakij, 2007; Jongsureyapart, 2006; Srijunpetch, 2006). Inter-item correlations for all questions and each variable set of questions included in questionnaire were determined through reliability analysis using Cronbach's alpha. As shown in Table 3.5, analysis presented on each variable set demonstrates high reliability values ranging from 0.69 to 0.94 whereas reliability value for full set of questions is 0.85. The reliabilities presented in Table 3.5 are considered to indicate the adequacy of inter-correlation among items that are used in survey to measure stakeholder salience and stakeholder engagement.

Table 3.5
Cronbach's Alpha for Pilot Study

Variable	Coefficient Alpha
Power	0.94
Legitimacy	0.88
Urgency	0.69
Salience	0.73
Stakeholder Engagement	0.80
All Variables	0.85

3.11 Chapter Summary

This chapter describes the development of research framework and hypotheses and research design derived from the assumption of the relationships between stakeholder salience, stakeholder engagement, and CSR disclosure. The operational definitions of the key variables and terms used in this study are also described. In this study, six stakeholder groups: customers, suppliers, employees, shareholders, environment and communities, are selected as the proxy of key stakeholders in order to specify the measurement of the variables. Moreover, this chapter explains the sampling frame, the data collection, the measurement and methods used to examine the hypothesized relationships. The entire population used as the sample in this study was 561 companies listed on the Stock Exchange of Thailand (SET). In the data collection process, this study employed questionnaire survey to capture data of stakeholder attributes, salience and engagement. Content analysis was used to capture data of CSR disclosure. Once data was collected and prepared, descriptive analysis, tests for differences, correlations, and multiple regressions were used to analyze data of each of the variables to be measured and hypotheses to be tested. The results of the analysis are presented in the following chapter.

CHAPTER FOUR

ANALYSIS AND RESULTS

4.1 Introduction

The aim of the following sections is to present the overall results of this study to answer the research questions. It starts with the presentation of sample characteristics providing the basic information about the respondents of this study in section 4.2. The section comprises of three sub-sections: response rate, test of non-response bias, and profile of respondents. The next is section 4.3 describing the goodness of measurement instruments used in this study. As the data were collected through questionnaire survey and content analysis, section 4.3 is divided into two sub-sections for each instrument. In section 4.4, the descriptive statistics of variables is presented in order to provide background of all variables used in the analyses. Since all hypothesis of this study were tested by regression analysis, correlation analyses were performed in order to provide information about the strength and direction of association between variables. The results of correlation analyses are presented in section 4.5. In addition, to ensure that the results of regression analysis are valid, the discussion about checking the assumptions of regression analysis is presented in section 4.6. The results of hypotheses testing are presented and discussed in section 4.7. This section comprises of five sub-sections according to each of five hypotheses proposed in this study. Finally, in order to highlight the key points found in this chapter, chapter summary is provided in section 4.8.

4.2 Sample Characteristics

This section falls into three subsections: response rate, test of non-response bias, and profile of respondents. Section 4.2.1 reports the survey response regarding response rate and number of respondents. Section 4.2.2 focuses on the test of non-response bias in order to determine the possibility of the existence of such bias in this study. Section 4.2.3 describing profile of respondents aims to provide the background information of the respondents who participated in this study.

4.2.1 Response Rate

Questionnaire survey was used as the main instrument to collect data used to measure the stakeholder attributes, salience and engagement. The response rate of the survey is presented in Table 4.1. A total of 561questionnaire sets were distributed to the target population which is all companies listed on the Stock Exchange of Thailand (SET). Five companies contacted the researcher to inform that they were unable to answer the questionnaire because they have no stakeholder engagement or CSR policies. Thus, the potential respondent companies were reduced to 556. One hundred and twenty eight questionnaires were replied which shows a 22.82% response rate. However, twenty replied questionnaires contained missing values, nine of which contained missing data rate greater than 10%. The respondents of those incomplete questionnaires were contacted again by mail or email and asked to complete the missing items. Twelve of those respondents replied to complete questionnaires. As a result, there were eight incomplete questionnaires. Of the remaining incomplete questionnaires, three had little missing data only on the respondent backgrounds, while five contained missing data on key variables. The three questionnaires with little missing data were included in the analysis, while those five containing significant missing data were excluded to ensure the accuracy of the analysis. In total, there were 123 valid questionnaires used in the data analysis of this study (see Appendix D for the list of sample companies). Excluding the questionnaires with significant missing data caused the usable response rate fell to 21.93%.

Table 4.1
Response Rate to the Questionnaire Survey

Description	Results
Total questionnaires sent	561
Companies refusing to respond to the survey	5
Potential respondents	556
Total questionnaires returned	128
Questionnaires with significant missing data	(5)
Valid cases	123
Overall response rate	22.82%
Usable response rate	21.93%

4.2.2 Test of Non-Response Bias

Non-response bias is one of concerns in survey research. It is the error occurring when there are the distinct differences between respondents and non-respondents on the variables of study (Cresswell, 2003). This type of bias could influence the results of data analysis and subsequently influence on the conclusion and interpretation of the results. A common way of determining non-response bias is to examine the differences between early respondents and late respondents (Armstrong & Overton, 1977). This is based on the assumption that the respondents with later reply are nearly non-respondents (Cresswell, 2003).

To test for non-response bias, a comparison between early and late response across key variables was undertaken using the Mann-Whitney U test as shown in Table 4.2. All items in questionnaire used to measure the major variables including stakeholder attributes, stakeholder salience and stakeholder engagement of each stakeholder group were tested for the differences between early and late responded questionnaires. Non-parametric statistics was used because some variables are not normally distributed. Questionnaires were separated into two groups: those returned before and after the third mailing with the number of 82 and 41 respectively. The results show that there is no significant difference ($p > 0.05$) between the data from two groups. This indicates that non-response bias does not appear to be a serious problem in this study.

Table 4.2
Mann-Whitney U Test for Non-response Bias

Variables	Customers		Suppliers		Employees		Shareholders		Environment		Communities	
	Mann-WhitneyU	P value	Mann-WhitneyU	P value	Mann-WhitneyU	P value	Mann-WhitneyU	P value	Mann-WhitneyU	P value	Mann-WhitneyU	P value
Power 1	1545	.429	1481	.246	1414	.123	1599	.626	1625	.752	1521	.362
Power 2	1393	.091	1522	.363	1492	.269	1576	.540	1503	.314	1510	.339
Power 3	1669	.947	1358	.056	1391	.092	1525	.367	1567	.521	1660	.906
Legitimacy 1	1495	.284	1349	.056	1505	.298	1671	.954	1595	.625	1607	.673
Legitimacy 2	1621	.730	1626	.751	1554	.469	1462	.206	1595	.624	1668	.940
Legitimacy 3	1456	.187	1496	.284	1494	.247	1672	.958	1542	.424	1614	.705
Urgency 1	1627	.750	1413	.117	1426	.152	1669	.947	1488	.278	1631	.781
Urgency 2	1515	.309	1544	.421	1566	.491	1493	.270	1573	.540	1443	.152
Urgency 3	1674	.967	1542	.429	1664	.921	1489	.265	1414	.130	1673	.964
Salience 1	1626	.738	1516	.350	1508	.319	1512	.318	1567	.507	1615	.705
Salience 2	1630	.755	1653	.873	1561	.482	1511	.315	1679	.991	1675	.973
Salience 3	1614	.688	1681	.100	1597	.619	1584	.568	1661	.910	1656	.887
Engagement 1	1538	.396	1572	.536	1593	.603	1656	.885	1587	.601	1504	.325
Engagement 2	1557	.466	1540	.423	1676	.978	1534	.382	1604	.666	1436	.170
Engagement 3	1499	.278	1586	.582	1539	.385	1635	.782	1605	.670	1523	.376
Engagement 4	1577	.559	1500	.305	1552	.454	1552	.456	1658	.896	1499	.305
Engagement 5	1592	.603	1632	.783	1634	.782	1635	.792	1613	.706	1647	.849

4.2.3 Profile of Respondents

The questionnaires were mailed directly to Chief Executive Officer (CEO) or Managing Director (MD) of each company. However, if they were not able to answer the questionnaires, they were asked to direct the questionnaire to the executive or senior person who has the most direct responsibility for making decision on CSR policies and activities in their companies. The survey respondents, in total, consisted of the executives or the representatives from each of 123 companies in the Stock Exchange of Thailand (SET). A summary of profile of respondents in relation to their position, gender, education level, age, tenure in current company and position are presented in Table 4.3. As mentioned above, three questionnaires with little missing data on background of respondents were included in the analysis. Thus, there are a few missing values shown in the table.

According to Table 4.3, it is shown that the positions of respondents are varied. The highest frequency is Chief Executive Officer (CEO) or Managing Director (MD) with the number of 29 (23.6%). This group is those whom the questionnaires were directly administered to. This indicates that almost of a quarter of them answered the questionnaires by themselves. The second highest frequency recorded at 24 (19.5%) is department manager. The following ranks are Assistant Chief Executive Officer or Assistant Managing Director, Director or Executive Director, and company secretary at 17 (13.8%), 16 (13%) and 10 (8.1%) respectively. Chairman or President and Vice Chairman or Vice President occupy the same rank with the frequency of 6 (4.9%) each. There are only 13 (10.6%) respondents holding other positions in their companies. Most of them are from investor relation or CSR department. It can be seen that almost all of respondents hold high executive positions. Although some respondents are not executives, the

CEO or MD considered that they have the most direct responsibilities in making decision on CSR policies and activities and then forwarded the questionnaires to them. This implies that all respondents are the appropriate representatives of their companies to provide the most correct and comprehensive information on CSR policies and activities.

In addition, Table 4.3 shows that a majority of the respondents are male with the frequency of 70 (56.6%), while 51 (41.5%) are female. This may be because most executives in Thailand are male. It can be seen that a majority of respondents are senior executives. Therefore, the table shows that more respondents are male than female. In regards to education level, all respondents answering the question have a degree. Most of them have a master's degree with the frequency of 76 (61.8%), followed by a bachelor's degree and doctoral degree recorded at 39 (31.7%) and 6 (4.9%) respectively. This indicates that all respondents are well educated to be able to give adequate answers to the questions in the questionnaires. With respect to age, most of respondents fall into three groups of age. The highest frequency is the age group 50 to 59 years recorded at 42 (34.1%). The second and third rank are found for the age group 40 to 49 years and 30 to 39 years with the frequency of 35(28.5%) and 27 (22%) respectively. There are a small number of them that are more than 59 years and less than 30 years recorded at 10 (8.1%) and 7 (5.7%) respectively. The age of respondents is in line with their current positions. As most of them are senior executives, they are mostly in the age of 40's and over.

In terms of work experience, the respondents were asked about tenure in their current companies and positions. It can be seen that about two-thirds of them have work experiences not less than six years in their current companies. The highest frequency is represented by the group of more than 15 years recorded at 40 (32.5%),

Table 4.3
Summary Profile of Respondents

	Frequency	Percentage
Position:		
Chairman or President	6	4.9
Vice Chairman or Vice President	6	4.9
Chief Executive Officer or Managing Director	29	23.6
Assistant Chief Executive Officer or Assistant Managing Director	17	13.8
Director or Executive Director	16	13.0
Department Manager	24	19.5
Company Secretary	10	8.1
Other	13	10.6
Missing	2	1.6
Gender:		
Male	70	56.9
Female	51	41.5
Missing	2	1.6
Educational Level:		
Bachelor's Degree	39	31.7
Master's Degree	76	61.8
Doctoral Degree	6	4.9
Missing	2	1.6
Age:		
Less than 30 years	7	5.7
30 to 39 years	27	22.0
40 to 49 years	35	28.5
50 to 59 years	42	34.1
More than 59 years	10	8.1
Missing	2	1.6

Table 4.3 (continued)

	Frequency	Percentage
Tenure in Current Company:		
less than 1 year	2	1.6
1 to 5 years	35	28.5
6 to 10 years	17	13.8
11 to 15 years	26	21.1
More than 15 years	40	32.5
Missing	3	2.4
Tenure in Current Position:		
less than 1 year	5	4.1
1 to 5 years	54	43.9
6 to 10 years	29	23.6
11 to 15 years	11	8.9
More than 15 years	21	17.1
Missing	3	2.4

4.3 Goodness of Measurement Instruments

Before going further to perform hypothesis testing, the measuring instruments must be examined for their goodness and suitability to ensure that data obtained by the instruments accurately represented what this study intended to measure. In this study, the data were collected through two instruments: questionnaire survey and content analysis. Questionnaire survey was used to collect data on stakeholder attributes, salience and engagement and content analysis was used to collect data on CSR disclosure. Thus, this section is divided into two parts. The first is evaluating the adequacy of measures in questionnaire. The second part describes the discussion surrounding the robustness of content analysis technique used in this study

4.3.1 Measures in Questionnaire

There are three major criteria for assessing questionnaire measurements: sensitivity, reliability and validity (Zikmund, 2003). Sensitivity refers to ability of measurements to accurately measure variability in stimuli or responses. According to Zikmund (2003), measures with numerous categories on the scale would be more sensitive than those with dichotomous categories. In this study, each item in questionnaire was rated by using 5-point Likert scale ranging from 1 (strong disagreement) to 5 (strong agreement). This type of scale reflects more subtle response than using dichotomous scale, which includes only agree or disagree categories. In addition, the sensitivity of measures can be increased by using numerous questions or items providing more possible scores than using single question or item. Thus, in this study, each variable obtained from questionnaire was designed to be measured by using more than one item to ensure the sensitivity of measurement. The questionnaire mainly composted of 17 items used to measure three stakeholder attributes (power, legitimacy and urgency), stakeholder salience and stakeholder engagement for each of six stakeholder groups. For stakeholder attributes and salience, each variable was measured by three subscales (see Table 3.1). For stakeholder engagement, it was measures using five items regarding its characteristics and levels (see Table 3.2 and 3.3).

The second criterion for evaluating measurements is reliability. It refers to assessment of the degree to which measurement is free from error and able to produce consistent results (Zikmund, 2003). One commonly used measure of reliability is internal consistency or homogeneity among the items (Hair et al., 2007). As measuring each variable may require several questions or items to enhance its sensitivity, it is necessary to ensure that there is the consistency among the questions or items used to measure the same variable. The internal consistency among the items can be assessed by Cronbach's alpha ranging from 0 to 1. The value of 0.7 or above is generally considered as the desired value of Cronbach's alpha coefficient reflecting the highly positive correlation among the items in a set (Pallant, 2007). Nevertheless, the value of 0.6 is the accepted minimum value (Hair et al., 2007). Table 4.4 shows the results of reliability test by Cronbach's alpha calculation for the items used in questionnaire. The results indicate the adequate internal consistency among the items with the alpha coefficients ranging from 0.687 to 0.974 for each stakeholder group and from 0.858 to 0.968 for all stakeholder groups.

Table 4.4
Cronbach's Alpha for Stakeholder Attributes, Stakeholder Salience and Stakeholder Engagement

	Customers	Suppliers	Employees	Shareholders	Environment	Communities	All Groups
Power	0.773	0.939	0.869	0.732	0.881	0.886	0.877
Legitimacy	0.790	0.781	0.687	0.814	0.757	0.772	0.903
Urgency	0.792	0.826	0.760	0.760	0.880	0.830	0.858
Salience	0.871	0.935	0.913	0.917	0.873	0.905	0.888
Engagement	0.836	0.974	0.830	0.801	0.922	0.924	0.941
All Variables	0.906	0.933	0.916	0.915	0.938	0.938	0.968

Validity is the third criterion for evaluating measurements. It refers to the ability of measurements to measure what they are claimed or supposed to measure (Cooper & Schindler, 2003). The measurements should lead to results which are the same as what they emerge to be about to be accurately applied and interpreted. There are three major types of validity to be concerned with: content validity, criterion validity and construct validity (Cooper & Schindler, 2003; Krishnaswamy, Sivakumar, & Mathirajan, 2006; Zikmund, 2003).

Content validity refers to the extent to which the content of measurements represents all relevant and important aspects of the concept(s) it intends to measure (Cooper & Schindler, 2003; Krishnaswamy et al., 2006). Content validity is not usually determined by any calculated procedures, but rather inferred from logical procedure and expert judgment. The logical procedure is to carefully assess the measurements through the definition of the topic of concern. Moreover, it is necessary to identify the rationale and specific objectives of measurements. Questionnaire can be judged that it has good content validity if it is composed of the items adequately covering all dimensions of the definition and in accordance with the rationale and objectives of measurements (Krishnaswamy et al., 2006). In addition to logical procedure, content validity can be determined by using expert or professional judgment on of the measurement instrument. The experts usually assess the content for its accuracy and adequacy through the objectives of measurement and the knowledge of the normal practices used.

In order to ensure the content validity of questionnaire used in this study, it was developed based on not only the review of literature, but also expert opinion. An initial draft of the questionnaire composed of items adapted from previous studies and practitioners' publications (Agle et al., 1999; Backstrand & Saward, 2004; Cumming; 2001; Gao & Zhang, 2001; ISEA, 2005; Mattingly, 2003; O'Higgins & Morgan; 2006) with the consideration of the definition of variables and the objectives of measurements. After that, it was assessed by two senior researchers who have experience in survey research. The assessment was examined at both the specific item and overall level. At the specific item level, each item was checked for the conformance to its conceptual definition and the meaning and clarity to be answered. At the overall level, the items were determined for the relevance to the objectives of measurement and its representativeness of the content domain. After the senior researchers' opinions and suggestions were given, some items were edited in order to improve the content validity of questionnaire.

The second type of validity is criterion validity reflecting the ability of measurements for prediction or estimation (Cooper & Schindler, 2003; Krishnaswamy et al., 2006). A measurement is considered to be criterion-valid if it can be used to correctly predict an outcome or estimate the circumstance of behavior or condition. There are four qualities of criterion measure to be judged: relevance, freedom of bias, reliability and availability (Cooper & Schindler, 2003). The questionnaire used in this study was designed based on these qualities. To be relevant, the criterion measure must be defined and scored in the terms the proper measures of variables are judged. Freedom from bias refers to an equal opportunity of each respondent to score well. Reliability of criterion refers to its stability or reproducibility. Finally, availability refers to availability of the information specified by the criterion measure.

The questionnaire used in this study was designed based on the qualities of criterion-valid measure. As mentioned above, all items were developed based on literature review and experts' opinions to ensure that they can measure the variables properly. To attain freedom from bias, questionnaire was attached with the cover letter explaining the proposed of the study to allow the respondent to understand what are intended to measure. Moreover, the respondents can contact the researcher if they have any inquiry or problem about answering questionnaire. Reliability of criterion refers to its stability or reproducibility. Therefore, to attain this quality, all items were examined by pilot study that they can produce the consistent results. Finally, availability refers to availability of the information specified by the criterion measure. This quality was met because all specified information was available to be obtained.

Construct validity is the last type of validity needed to be considered. It refers to the degree to which the results obtained from the measure fits the theoretic construct which they are based and the extent to which that construct relates to other constructs in the predictable manner (Cooper & Schindler, 2003; Krishnaswamy et al., 2006). All variables need to be operationally defined in accordance with the theory to assure that items used to measure those variables are designed in a theoretical sense (Cooper & Schindler, 2003). In this study, all variables were defined and their items were then developed based on the theories to assured that they corresponded to the theories.

In addition, construct validity needs to be assured by the adequacy of the measures. In this approach, it can be assessed through convergent validity and discriminant validity. Convergent validity is the degree to which a measure is similar to other measures in the same construct that it theoretically should be similar to, while, discriminant validity refers to the degree to which a measure of the construct is distinct from other measures that it is related with but theoretically distinct from (Hair et al., 2007). In this study, all items for stakeholder attributes and salience subscales were adopted from Agel et al. (1999)'s study. In their study, the construct validity of items was evaluated by using factor analysis. The analysis supported for both convergence and discriminant validity by showing that the items loaded clearly on each of four intended factors with the factor loadings ranging from 0.82 to 0.92. In addition, the study by Mattingly (2003) who adopted the items from Agel et al. also demonstrated strong convergence and discrimination between items. In her study, it was shown that items for each subscales loaded on their predicted factors for all stakeholder groups. Since the same items were employed in this study, studies by Agel et al. (1999) and Mattingly (2003) provided substantial support for their convergence and discriminant validity.

4.3.2 Content analysis

In this study, data on CSR disclosure were gathered through content analysis technique. It involves a series of steps: selecting a unit of analysis, codifying text data into pre-defined categories, and identifying the elements within the content of disclosure. The main challenge of conducting content analysis is its subjectivity, especially in codifying data (Deegan & Rankin, 1996; Guthrie & Abeysekera, 2006; Wilmshurst & Frost, 2000). This challenge can be tackled by demonstrating that conducting content analysis achieves reliability and validity. This two methodological requirements are widely referred to in assessing content analysis methodology (Beattie et al., 2004; Guthrie & Abeysekera, 2006; Guthrie & Parker ,1990; Hassan & Marston, 2010; Krippendorff, 1980; Milne & Adler, 1999) because it is necessary to ensure that content analysis method used in the study enable to make replicable and valid inference from data according to the context (Krippendorff, 1980; Milne & Adler, 1999).

Reliability in content analysis refers to replicability of the measuring process to yield the same type of data and results (Krippendorff, 1980). It assures that the obtained data are rooted in shared ground and the reported findings are useful for other researchers to figure out or add their own data to them (Guthrie & Abeysekera, 2006). According to Milne and Adler (1999), assessing reliability of content analysis involves two separate but related issues: data reliability and instrument reliability. First, data reliability can be attested by determining stability to reproducibility of the data produced from the analysis. It is necessary to demonstrate the stability when the same content is coded more than once by the same coder or the reproducibility when multiple coders are involves (Krippendorff, 1980; Stemler, 2001; Weber, 1990). Alternatively, reliability of coded data can be achieved by a sufficient training for the coder. Milne and Adler (1999) suggested that less experienced coder should practice for at least twenty reports before performing real analysis in order to ensure the reliability of the coded data.

The content analysis of this study was performed by one coder (the researcher of this study) as to avoid uncertain level of subjectivity between different coders (Odemis, 2011). Following the suggestion by Milne and Adler, a pilot sample of twenty reports was conducted as a learning cycle and practice before the coding of real data. Each report was coded more than once and the results of each round were compared. The practice was continued until there was no significant difference between previous and later rounds of coding to ensure that the coder can produce the stable results. After that the main data set was coded. Some main data reports were selected randomly for the second round coding to assess the stability of coded data. It was found that the results of second round were not significantly different from the first round. This assures the reliability of coded data produced in this study.

The second issue of reliability of content analysis involves the coding instrument. To produce the reliable data, it is necessary to use the reliable instrument developed with well-defined coding manual (Stemler, 2001). Establish the reliable coding instrument can reduce the need for the costly use of multiple coders (Guthrie & Abeysekera, 2006; Milne & Adler, 1999). In order to ensure the reliability of coding instrument of this study, coding categories and rules were developed and considered carefully. The coding categories were set regarding to perspective of six stakeholder groups focused in this study. Each category representing as disclosure for each stakeholder group is defined and its subcategories were set as the scope to ensure that all categories are mutually exclusive. After that the coding rules were developed. In training process with a pilot sample, the coding categories and rules were revised. If ambiguity of coding categories and rules was found, those categories and rules were refined until the stability of results is achieved. In addition, concerning the issues pertaining to the reproducibility of the instrument, another researcher who has experience in content analysis was asked to determine the appropriateness of coding categories and rules. Some main data reports were randomly selected for another round coding in order to determine the consistency of coding results between two coders. Furthermore, this researcher was also asked to check up on the accuracy of the results of coding. All annual reports were checked whether the coding results were in line with the categories and rules. If there was any disagreement, the coder and checker discussed together to reach the joint conclusions.

The other requirement for assessing content analysis is validity referring to the extent to which the units of analysis and the categorization schemes used in the study accurately measure the phenomena under consideration (Hassan & Marston, 2010). The units of analysis selected and the categories developed for analysis must be refined using solid theoretical constructs. Alternatively, the validity can be secured by developing instrument in accordance with a standard known from previous studies or set by a panel of experts. In addition, validity of inferences is central to study using content analysis because it is concerned with making inferences from bodies of texts that are related to a chosen context (Krippendorff, 2004; Weber, 1990). To be valid, the inferences must pursue the context it professes to pursue. The validity of inferences depends on how explicit and precise the definition of category and the process of making inferences over that category are.

In training process with a pilot sample, the coding categories and rules were developed and revised not only to assure the reliability, but also the validity of content analysis technique used in this study. To ensure the validity, the instrument was designed with the consideration for the accuracy of measuring and making inferences. The units of analysis and the disclosure categories were adapted from various relevant literatures (see for example, Ahmad et al., 2003; Ahmed & Sualiman, 2004; Buhr, 1998; Boesso & Kumar, 2007; Branco & Rodrigues, 2008; Cormier et al., 2004; GRI, 2008; Hackston & Milnes,1996; Holder-Webb et al., 2009; Milne & Adler,1999; Mirfazli, 2008; Smith et al., 2005; Welford, 2008). Furthermore, the categories were defined and the inference rules was developed in manner to support the making inference process and to ensure that the results accurately represent CSR disclosure regarding each stakeholder group. If there were ambiguities of making inferences, the categories and rules were adjusted until the ambiguities were removed

4.4 Descriptive Statistics of Variables

In this section, descriptive statistics of variables are presented including: measures of central tendency (mean) and dispersion (standard deviation, minimum, and maximum). In addition, measures of skewness and kurtosis were used to determine the distribution of key variables. Considering that the normality of data distribution is a pre-requisite for multivariate analysis, the chi-square test was applied to test for normal distribution of variables in order to determine whether data was appropriate for the analysis.

Table 4.5 presents descriptive statistics of items used in questionnaire survey. The descriptive analysis assists to find out to what extent respondents perceive the degree of attributes and salience as well as extent of engagement for each stakeholder group. With respect to stakeholder attributes, all items were scored from moderate to high, on average. Their means range from 3.33 for the third item measuring urgency for environment to 4.37 for the second item of urgency for customers. In comparing between stakeholder groups, customers mostly occupy the highest mean scores, while all of the lowest mean scores belong to suppliers. In addition, it can be seen that there were no respondents who gave rating strongly disagree for attributes of customers. As shown in the table, customers have the minimum scores of two for all items of attributes, while the rest stakeholder groups have minimum scores at one for some items.

The mean scores of stakeholder attributes seem to be consistent with the mean scores of stakeholder salience. It can be seen that customers have highest mean scores for all items of salience, while suppliers have lowest mean scores. Moreover, shareholders obtained the second highest mean scores for both items of attributes and salience. It is shown that the attributes and salience of each stakeholder group were scored by the respondents scored in the same manner. The stakeholder groups obtaining high mean scores for items of attributes also occupy high mean scores for their salience. Conversely, the groups obtaining low scores for their attributes also have low scores for their salience. In addition, the table shows that there were no respondents giving the rating strongly disagree or disagree for the items of salience of customers and strongly disagree for shareholders. As seen from the table, the minimum scores for each item of salience for customers and shareholders are three and two respectively.

The mean scores for stakeholder engagement were given in slightly different form. Although the highest mean scores of items of engagement are obtained by customers or shareholders, suppliers do not occupy the lowest mean scores. The lowest mean scores for items measuring engagement belong to environment or communities. Concerning the dispersion of data, it can be seen that standard deviations of engagement for the groups obtaining lower mean scores (suppliers, environment, and communities) are higher than for the groups occupying high mean scores (customers, employees, and shareholders). This means that the scores of engagement for suppliers, environment, and communities are more varied than the rest three groups.

As mentioned in previous section, the items for each subscale of stakeholder attributes, salience, and engagement were computed as the average scores to be summated measures. The average scores of each subscale were used as the representatives of the variables in testing hypotheses. Descriptive statistics of summated scores of stakeholder attributes, salience, and engagement are presented in Table 4.6. The table provides figures of each subscale in summary form making interpretation easier and more meaningful.

Table 4.5

Descriptive Statistics of Items in Questionnaire

Variables	Customers				Suppliers				Employees				Shareholders				Environment				Communities			
	Mean	SD	Min	Max	Mean	SD	Min	Max	Mean	SD	Min	Max	Mean	SD	Min	Max	Mean	SD	Min	Max	Mean	SD	Min	Max
Power 1	4.12	0.79	2	5	3.07	0.90	1	5	3.43	0.85	1	5	4.02	0.80	1	5	3.40	0.91	1	5	3.48	0.92	1	5
Power 2	4.24	0.76	2	5	3.36	0.87	1	5	3.94	0.78	2	5	4.12	0.74	2	5	3.63	0.97	1	5	3.73	1.02	1	5
Power 3	4.15	0.75	2	5	3.26	0.87	1	5	3.76	0.84	1	5	4.12	.076	2	5	3.41	0.99	1	5	3.55	1.02	1	5
Legitimacy 1	3.97	0.87	2	5	3.34	0.86	1	5	3.77	0.76	2	5	4.00	0.90	1	5	3.77	0.88	1	5	3.74	0.87	2	5
Legitimacy 2	4.08	0.75	2	5	3.72	0.78	2	5	3.94	0.80	2	5	3.97	0.75	2	5	3.94	0.83	1	5	3.96	0.65	3	5
Legitimacy 3	4.22	0.71	2	5	3.41	0.82	1	5	3.88	0.65	2	5	4.12	0.79	2	5	3.81	0.81	1	5	3.78	0.86	1	5
Urgency 1	4.24	0.73	2	5	3.24	0.81	1	5	3.84	0.85	2	5	4.15	0.76	2	5	3.67	0.96	1	5	3.76	0.96	1	5
Urgency 2	4.37	0.56	3	5	3.47	0.78	1	5	4.04	0.69	2	5	4.25	0.72	2	5	3.69	0.91	1	5	3.76	0.88	1	5
Urgency 3	4.20	0.76	2	5	3.72	0.95	1	5	4.11	0.79	2	5	4.13	0.76	2	5	3.33	0.94	1	5	3.42	0.98	1	5
Salience 1	4.38	0.58	3	5	3.61	0.87	2	5	4.12	0.84	1	5	4.26	0.71	2	5	3.80	0.88	1	5	3.85	0.86	1	5
Salience 2	4.38	0.57	3	5	3.53	0.89	1	5	4.14	0.81	1	5	4.26	0.69	2	5	3.81	0.83	2	5	3.84	0.85	2	5
Salience 3	4.26	0.63	3	5	3.49	0.81	1	5	4.02	0.70	2	5	4.21	0.70	2	5	3.74	0.81	1	5	3.72	0.85	1	5
Engagement 1	4.10	0.87	0	5	3.42	1.15	0	5	4.15	0.73	2	5	4.49	0.73	2	5	3.03	1.53	0	5	3.15	1.49	0	5
Engagement 2	4.24	0.79	0	5	3.69	1.21	0	5	4.22	0.63	3	5	4.20	0.70	2	5	3.20	1.55	0	5	3.20	1.47	0	5
Engagement 3	4.26	0.78	0	5	3.65	1.12	0	5	4.12	0.70	2	5	4.11	0.68	2	5	3.20	1.55	0	5	3.23	1.49	0	5
Engagement 4	3.72	0.98	0	5	3.46	1.13	0	5	3.91	0.79	2	5	3.94	0.78	2	5	2.87	1.43	0	5	2.94	1.42	0	5
Engagement 5	3.18	0.91	0	5	2.85	1.02	0	5	3.33	0.68	1	5	3.85	0.79	2	5	2.29	1.36	0	5	2.38	1.27	0	5

Note: N=123

As can be seen from Table 4.6, regarding comparison of three attributes and salience between stakeholder groups, the scores were given to each stakeholder group unanimously. When all stakeholder groups were rank ordered in terms of their scores, all stakeholder groups occupy the positions of their attributes in the same manner as their salience. Customers occupying the first place for all attributes (mean scores of 4.17, 4.09 and 4.27 for power, legitimacy and urgency respectively) stand out among the stakeholders with the highest salience (mean score of 4.34). Likewise, suppliers perceived as the least powerful, legitimate and urgent mean scores (3.23, 3.50 and 3.48 respectively) of stakeholders occupy the last place for their salience (mean score of 3.54). In addition, the rest four stakeholder groups also ranked at the same place regarding scores of attributes and salience. However, the rank between stakeholder groups for stakeholder engagement is different from the rank for three attributes and salience. The highest mean score belong to group of shareholders (4.06) which is only one group having mean score more than four. The second and third highest mean scores are obtained by employees (3.95) and customers (3.91) respectively. The lowest mean score for engagement is obtained by environment (at 2.92).

Table 4.6 presents not only descriptive statistics for summated scores of attributes, salience and engagement, but also analyses of their distribution including skewness and kurtosis as well as results of the chi-square test for normality of data distribution. Skewness is used to determine whether the distribution is symmetric or skewed, while kurtosis shows whether the distribution is peaked or flat compared with the normal distribution (Meyers et al., 2006; Pallant, 2007). A positive value of Skewness indicates that the distribution is right skewed, in contrast to a negative value, which indicates the left-skewed distribution. If the distribution is symmetric, the value of is zero. For kurtosis, a positive value means that the distribution is more peaked, while a negative value indicates that the distribution is flatter than normal distribution. A kurtosis of zero indicates that the degree of peakedness of distribution is as same as of the normal distribution. It is suggest that the value of skewness and kurtosis should be between -0.5 to +0.5 (the more liberal threshold is -1 to +1) to ensure the normality of distribution (Meyers et al., 2006). As can be seen from the table, skewness and kurtosis values of most variables fall outside the range of -0.5 to +0.5. As a result, when the distribution was tested by chi-square, about half of the variables are non-normally distributed ($p < 0.05$). Especially, for engagement, the normal distribution is rejected for all of six stakeholder groups ($p < 0.05$).

Table 4.6
Descriptive Statistics and Chi Square Test of Normality for Stakeholder Attributes, Stakeholder Salience and Stakeholder Engagement

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Customers								
Power	4.17	0.61	2.67	5.00	-0.52	-0.17	5.41	0.07
Legitimacy	4.09	0.63	2.00	5.00	-0.51	0.03	5.26	0.07
Urgency	4.27	0.55	2.67	5.00	-0.64	0.10	7.96	0.02
Salience	4.34	0.50	3.00	5.00	-0.32	-.034	2.81	0.25
Engagement	3.91	0.70	0.00	4.80	-1.72	7.11	62.15	0.00
Suppliers								
Power	3.23	0.74	1.33	5.00	0.05	-0.05	0.05	0.98
Legitimacy	3.50	0.66	1.67	5.00	0.21	-0.25	1.23	0.54
Urgency	3.48	0.70	1.00	5.00	-0.39	0.97	6.73	0.04
Salience	3.54	0.76	1.33	5.00	-0.31	0.14	6.73	0.04
Engagement	3.41	0.99	0.00	4.80	-1.95	4.78	61.12	0.00
Employees								
Power	3.72	0.70	1.67	5.00	-0.62	0.39	8.35	0.06
Legitimacy	3.86	0.58	2.33	5.00	-0.20	-0.42	2.03	0.37
Urgency	3.99	0.63	2.33	5.00	-0.43	-0.06	3.89	0.14
Salience	4.09	0.69	1.67	5.00	-0.75	0.77	12.84	0.00
Engagement	3.95	0.54	2.40	5.00	-0.67	0.47	9.93	0.01

Table 4.6 (continued)

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Shareholders								
Power	4.09	0.62	2.33	5.00	-0.43	0.26	4.46	0.11
Legitimacy	4.03	0.66	1.67	2.00	-0.53	0.24	6.12	0.05
Urgency	4.18	0.60	2.00	5.00	-0.71	0.91	12.56	0.00
Salience	4.25	0.60	2.67	5.00	-0.55	-0.12	6.08	0.05
Engagement	4.06	0.55	2.00	5.00	-0.63	0.89	10.72	0.01
Environment								
Power	3.47	0.86	1.67	5.00	-0.49	0.17	5.26	0.07
Legitimacy	3.84	0.68	2.00	5.00	-0.26	-0.47	3.049	0.22
Urgency	3.56	0.79	1.67	5.00	-0.14	-0.20	0.54	0.76
Salience	3.78	0.74	1.67	5.00	-0.56	0.28	6.80	0.03
Engagement	2.92	1.38	0.00	4.8	-1.22	0.39	23.18	0.00
Communities								
Power	3.59	0.88	1.00	5.00	-0.50	-0.14	5.07	0.08
Legitimacy	3.83	0.64	2.33	5.00	0.03	-0.66	4.45	0.11
Urgency	3.65	0.80	1.33	5.00	-0.29	-0.18	1.90	0.39
Salience	3.80	0.77	1.67	5.00	-0.48	0.04	4.83	0.09
Engagement	2.98	1.32	0.00	4.8	-1.25	0.75	25.53	0.00

Note: N=123

As non-normality violates a key assumption underlying the multivariate statistical analyses, the data transformation was performed to bring the variables into more fitting forms (Hair et al., 2007; Meyers et al., 2006). Concerning the reason for comparison between six stakeholder groups, all variables were transformed by the same method which was the computation of normal scores. This transformation renders values of skewness and kurtosis as close as possible to zero to make the distribution of variables more nearly normal. In addition, this transformation does not change the mean scores and standard deviation of variables.

The results of normal score transformation for variables of three attributes, salience and engagement are presented in Table 4.7. As shown in the table, most of the values of skewness and kurtosis are closer to zero than the untransformed data. Almost all variables have skewness and kurtosis values in the range of -0.5 to +0.5. There are only salience of customers and shareholder show the kurtosis at 0.53 and 0.56

respectively. After the transformation, the results by chi-square tests show that all variable are normally distributed ($p > 0.05$). Moreover, most of the p values of chi-square tests are increased to one or close to one. This means that the distribution of transformed variables is approximately normal. Considering the assumption of normality for the multivariate analyses, the transformed variables were used in consequent analyses and hypothesis testing of this study.

Table 4.7
Descriptive Statistics and Chi Square Test of Normality for Transformed Data for Stakeholder Attributes, Stakeholder Salience, and Stakeholder Engagement

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Customers								
Power	4.17	0.61	2.78	5.05	-0.22	-0.48	2.78	0.20
Legitimacy	4.09	0.63	2.34	5.13	-0.13	-0.35	1.02	0.60
Urgency	4.27	0.55	2.72	5.11	-0.16	-0.43	1.79	0.41
Salience	4.34	0.50	3.11	5.04	-0.18	-0.53	2.88	0.24
Engagement	3.91	0.70	1.99	5.17	-0.09	-0.27	0.50	0.78
Suppliers								
Power	3.23	0.74	1.19	5.09	0.00	-0.01	0.02	0.99
Legitimacy	3.50	0.66	1.67	5.05	0.00	-0.07	0.00	1.00
Urgency	3.48	0.70	1.57	5.14	-0.01	-0.05	0.00	0.10
Salience	3.54	0.76	1.62	5.14	-0.03	-0.17	0.09	0.96
Engagement	3.41	0.99	1.35	5.74	0.02	-0.22	0.17	0.92
Employees								
Power	3.72	0.70	1.94	5.24	-0.04	-0.11	0.05	0.98
Legitimacy	3.86	0.58	2.25	5.13	-0.02	-0.13	0.04	0.98
Urgency	3.99	0.63	2.39	5.10	-0.09	-0.29	0.58	0.75
Salience	4.09	0.69	2.16	5.14	-0.17	-0.42	1.79	0.41
Engagement	3.95	0.54	2.45	5.44	-0.01	-0.05	0.01	0.10
Shareholders								
Power	4.09	0.62	2.60	5.07	-0.13	-0.41	1.47	0.48
Legitimacy	4.03	0.66	2.19	5.18	-0.11	-0.33	0.80	0.67
Urgency	4.18	0.60	2.51	5.10	-0.16	-0.39	1.48	0.48
Salience	4.25	0.60	2.80	5.08	-0.22	-0.56	3.78	0.15
Engagement	4.06	0.55	2.54	5.18	-0.05	-0.16	0.10	0.95

Table 4.7 (continued)

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Environment								
Power	3.47	0.86	1.30	5.22	-0.05	-0.19	0.16	0.93
Legitimacy	3.84	0.68	1.96	5.11	-0.06	-0.22	0.26	0.88
Urgency	3.56	0.79	1.70	5.07	-0.05	-0.27	0.36	0.84
Salience	3.78	0.74	1.92	5.17	-0.07	-0.24	0.35	0.84
Engagement	2.92	1.38	0.73	6.73	0.14	-0.42	1.60	0.45
Communities								
Power	3.59	0.88	1.16	5.32	-0.06	-0.19	0.19	0.91
Legitimacy	3.83	0.64	2.05	5.06	-0.04	-0.30	0.26	0.88
Urgency	3.65	0.80	1.43	5.11	-0.08	-0.24	0.39	0.82
Salience	3.80	0.77	1.67	5.13	-0.10	-0.33	0.49	0.67
Engagement	2.98	1.32	0.78	6.11	0.10	-0.42	1.35	0.51

Note: N=123

In addition to stakeholder attributes, stakeholder salience, and stakeholder engagement, CSR disclosure is one of key variables in this study. As mentioned earlier, disclosure was measured by using the technique of content analysis to capture both of their volume and quality. The volume of disclosure was assessed by counting the number of sentences coded in categories of each stakeholder group, while the quality was measured by average scores based on three dimensions of information quality. Table 4.8 presents the average total number of sentences of disclosure as well as the number of sentences by three quality dimensions for each and all of six stakeholder groups.

As shown in the Table 4.8, in total, the average number of sentences for all groups is 326.31. Regarding the classification by stakeholder groups, it is not surprising that the highest mean of number of sentences belongs to shareholders (175 sentences). Comparing to overall disclosures, sentences coded in the category of this group occupy more than half of all disclosures. In addition, it can be seen that the average volume of disclosure for each stakeholder group is varied over a large range. The mean of number of sentences for customers which is the second highest group is 85.17. This amount is less than half of the highest mean belonged to shareholders. Similarly, the average number of sentences for employees which is the third highest group (31.75 sentences) is less than half of the mean for customers. The lowest mean of number of sentences belongs to suppliers at 6.8. The amount of sentences coded for this group is very small component of overall disclosures.

Concerning the quality of disclosures, each sentence was classified by three dimensions including type of information, nature of information and information on outlook. For overall stakeholder groups, in regards of type and nature of information, most of the sentences were presented in qualitative and non-financial forms with the mean of 193.37 and 271.46 sentences respectively. As for information on outlook, almost of these disclosures were classified as historical with the mean of 318.11 sentences. The results of classification by quality dimensions for each of six stakeholders groups seem to be consistent with for the overall groups. It can be seen that, for individual stakeholder group, the most of disclosures were classified as qualitative, non-financial and historical. There is only shareholder group showing that the most type of disclosures is quantitative rather than qualitative. However, in regards to nature and outlook of disclosures, the results for shareholders are similar to other groups as to their disclosures mostly present as non-financial and historical information.

Table 4.8
Average Number of Sentences of CSR Disclosure by Quality Dimension

	Total	Type		Nature		Outlook	
		Quantitative	Qualitative	Non-financial	Financial	Forward-looking	Historical
Customers	85.17	13.59	71.58	84.24	0.93	4.45	80.72
Suppliers	6.80	0.84	6.26	6.79	0.02	0.07	6.73
Employees	31.75	4.76	26.98	30.50	1.25	0.65	31.10
Shareholders	175.00	111.05	63.95	122.99	52.01	2.83	172.17
Environment	12.60	1.13	11.47	12.46	0.14	0.16	12.44
Communities	14.98	1.85	13.13	14.48	0.50	0.03	14.95
All Groups	326.31	132.94	193.37	271.46	54.85	8.20	318.11

Note: N=123

In further analyses and hypothesis testing, the quality of disclosure was assessed by using average quality scores given for above three dimensions. Each sentence was placed with three scores given in each dimension. If the sentence was classified as quantitative, non-financial, or forward looking, it was scored as two for each dimension. On contrary, if the sentence was qualitative, financial, or historical, it was scores as one for each dimension. Thus, the possible score of each sentence ranges from three to six. After scoring all sentences, the average of quality scores for each stakeholder group of each company were computed.

Table 4.9 presents the descriptive statistics of both disclosure volume and quality for each stakeholder group. Moreover, the table provides the results of the analyses of their distribution. The means of disclosure volume are the same as those presented in previous table in form of average number of sentences. In regards of quality of disclosure, it is shown that the highest mean scores is obtained by shareholders at 4.41. The second and third highest mean scores belong to customers and employees at 4.18 and 4.11 respectively. Concerning the issues pertaining to distribution of both volume and quality of disclosure, it can be seen that most values of skewness and kurtosis are far from zero and outside the range of acceptable value.

Therefore, the results of Chi-square tests show that almost of all variables are non-normally distributed ($p < 0.05$). There is only quality of disclosure for shareholders showing that it is normally distributed ($p > 0.05$).

Table 4.9
Descriptive Statistics and Chi Square Test of Normality for CSR Disclosure

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Customers								
Volume	85.17	66.94	7.00	405.00	2.04	5.60	66.09	0.00
Quality	4.18	0.14	4.00	4.81	1.51	3.17	43.60	0.00
Suppliers								
Volume	6.80	6.68	0.00	46.00	2.52	10.37	89.19	0.00
Quality	3.78	1.01	0.00	4.63	-3.50	10.62	111.19	0.00
Employees								
Volume	31.75	28.39	1.00	192.00	2.27	8.24	78.73	0.00
Quality	4.11	0.14	4.00	4.77	1.65	3.24	47.65	0.00
Shareholders								
Volume	175.00	86.59	50.00	451.00	0.83	-0.02	12.29	0.00
Quality	4.41	0.14	4.03	4.75	-0.04	-0.04	0.04	0.98
Environment								
Volume	12.60	23.36	0.00	156.00	3.88	18.20	129.87	0.00
Quality	3.32	1.56	0.00	4.33	-1.69	0.88	37.71	0.00
Communities								
Volume	14.98	19.33	0.00	95.00	2.18	5.53	69.34	0.00
Quality	3.85	0.88	0.00	4.40	-4.16	15.85	132.44	0.00

Note: N=123

In order to obtain the distributions approaching normality, all variables in Table 4.9 were transformed to normal scores. This transformation is similarly to that used for stakeholder attributes, salience and engagement. Although the quality of disclosure for shareholders is normally distributed, it was also computed to normal scores for the reason of comparability between stakeholder groups. The results of normal score transformation for volume and quality of disclosure of each stakeholder group are presented in Table 4.10. As can be seen from the table, all values of skewness and kurtosis become closer to zero. This means that the distributions of all variables become closer to normality. Even though skewness and kurtosis values of some variables exceed the range of -0.5 to +0.5, almost of them are in the range of -1 to +1. There is only kurtosis of quality of disclosure for suppliers that is more than one. However, skewness of this variable is less than 0.5. Therefore, its distribution seems to be close to normal. Thus, all transformed variables were used in consequent analyses and hypothesis testing of this study.

Table 4.10
Descriptive Statistics and Chi Square Test of Normality for Transformed Data for CSR Disclosure

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
Customers								
Volume	85.17	66.94	-97.33	267.67	0.00	-0.02	0.01	0.99
Quality	4.18	0.14	3.89	4.57	0.04	-0.17	0.10	0.95
Suppliers								
Volume	6.80	6.68	-6.28	25.15	0.07	-0.21	0.25	0.88
Quality	3.78	1.01	1.51	6.98	0.43	1.33	9.42	0.01
Employees								
Volume	31.75	28.39	-45.67	109.16	0.00	-0.03	0.01	0.99
Quality	4.11	0.14	3.96	4.53	0.54	-0.61	9.31	0.01
Shareholders								
Volume	175.00	86.59	-61.06	411.06	0.00	-0.03	0.01	0.99
Quality	4.41	0.14	4.03	4.79	0.00	-0.03	0.01	0.99
Environment								
Volume	12.60	23.36	-22.13	77.60	0.20	-0.46	2.35	0.31
Quality	3.32	1.56	0.09	7.92	0.27	0.21	2.03	0.36
Communities								
Volume	14.98	19.33	-25.22	68.02	0.06	-0.18	0.16	0.92
Quality	3.85	0.88	1.79	6.57	0.46	1.00	8.02	0.02

Note: N=123

Apart from main variables, there were three control variables used in this study including firm size, leverage and industry. Firm size was measured by the natural logarithm of total assets (LGTA), while leverage was measured debt-to-total assets ratio (D/A ratio). Table 4.11 presents descriptive statistics and analyses for normal distribution for natural logarithm of total assets and debt-to-total assets ratio. It is found that skewness and kurtosis values of both variables are close to zero.

Moreover, the results of Chi-square tests indicate the normality of their distribution ($p > 0.05$). Therefore, they seem to be appropriate to be used in further analyses and hypothesis testing.

Table 4.11
Descriptive Statistics and Chi-Square Test of Normality for Continuous Control Variables

	Mean	SD	Min	Max	Skewness	Kurtosis	Chi-Square	P value
LGTA	8.30	1.81	3.36	13.24	0.00	-0.03	0.01	0.993
D/A Ratio	0.44	0.21	0.02	0.93	0.15	-0.40	1.48	0.477

Note: N=123

The last control variable is industry. In this study, it was taken by dummy variables corresponding to the industry classification of the Stock Exchange of Thailand (SET). Table 4.12 presents number of companies in the sample by each sector. This industry classification classifies listed companies into eight sectors, namely, agro and food industry, consumer products, financials, industrials, property and construction, resources, services, and technology. As shown in the table, all of eight sectors are covered in this study. Service sector represents the highest frequency of 29 (23.58%), followed by property and construction sector of 22 (17.89%). The lowest frequency is obtained by technology sector with frequency of 7 (5.69 %). According to this classification, there were seven dummy variables for eight possible sectors used in the analyses. In this study, technology sector was used as a reference category.

Table 4.12

Companies by the Industry Classification of the Stock Exchange of Thailand (SET)

Industry	Frequency	Percentage
Services	29	23.58
Property & Construction	22	17.89
Financials	15	12.20
Industrials	15	12.20
Consumer Products	13	10.57
Resources	12	9.76
Agro & Food Industry	10	8.13
Technology	7	5.69

Note: N=123

4.5 Correlation among Variables

Prior to Hypothesis testing, correlation analyses on the variables in this study were performed purposely to provide general information about the strength and direction of association between them. The possible value of correlation coefficient ranges from -1 to 1. The magnitude of correlation coefficient with ignoring the sign indicates the strength of the association between the specified two variables. The correlation coefficient of 1 or -1 indicates the perfectly linear relationship; while value of zero means that there is no linear relationship. The direction of relationship is indicated through the sign of correlation coefficient. A negative sign indicates the inverse relationship, while a positive one indicates the direct relationship.

Table 4.13 presents Pearson correlation matrix between variables for each of six stakeholder groups. In general, it is found that there are the positive correlations between the key variables for all stakeholder groups. Stakeholder salience is found strongly and positively correlated with all of three stakeholder attributes for all stakeholder groups ($p < 0.05$). The range of correlation coefficient is from 0.43 for association between legitimacy and salience of employees to 0.83 for association between urgency and salience of communities. In addition, almost all correlation coefficients for association between each stakeholder attribute and salience are over 0.5. With respect to associations between stakeholder salience and engagement, it is also found that they are strong and positive for all stakeholder groups. The correlation coefficients between salience and engagement range from 0.48 for employees to 0.68 for communities.

Nevertheless, with respect to CSR disclosure, it is found correlated to salience or engagement for only some stakeholder groups. Moreover, it can be seen that those associations are not as strong as the association between stakeholder attributes, salience and engagement. All of correlation coefficients between CSR disclosure and salience or engagement are less than 0.5. In terms of volume of disclosure, it is found positive correlated to salience for only environment and communities ($p < 0.05$) and to engagement for only environment, communities ($p < 0.05$) and employees ($p < 0.10$). For quality of disclosure, environment is only group showing the positive correlation between disclosure quality and salience. In addition, there are only environment and communities indicating that disclosure quality is positively correlated to stakeholder engagement.

Performing correlation analyses is not only to determine the strength and direction of association between variables, but also to primarily find out the multicollinearity problem. A rule of thumb is that the individual correlation coefficient must be lower than 0.9 (Meyers et al., 2006; Pallant, 2007) or several coefficients in the correlation matrix must be less than 0.8 (Meyers et al., 2006). As shown in Table 4.14, the absolute values of correlation coefficients are below 0.9. Moreover, when considering by each stakeholder group, there is not more than one of correlation coefficient for each group that is equal to or over than 0.8. Thus, multicollinearity does not seem to be a serious problem in this study.

Table 4.13

Pearson Correlation among Variables for Each Stakeholder Group

Control Variables	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
1..LGTA	1.00															
2..D/A	.43**	1.00														
3. AGRO	-.02	-.16	1.00													
4.CONSUMP	-.22*	-.14	-.09	1.00												
5.FINCIAL	.31**	.26**	-.09	-.13	1.00											
6.INDUS	-.12	-.08	-.09	-.13	-.14	1.00										
7.PROPCON	.02	.16	-.12	-.16	-.17	-.17	1.00									
8.RESOURC	.21*	.03	-.08	-.11	-.12	-.12	-.15	1.00								
9.SERVICE	-.18*	-.11	-.13	-.19*	-.21*	-.21*	-.26*	-.18*	1.00							
Customers	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
10.Power	.11	.04	.01	-.01	-.08	-.16	.21*	.05	.08	1.00						
11.Legitimacy	.15	.08	-.13	-.07	.11	-.19*	.02	.08	.13	.48**	1.00					
12.Urgency	-.02	.02	-.02	-.06	.07	.02	-.02	-.02	.03	.47**	.46**	1.00				
13.Salience	.02	.11	-.04	.09	.09	-.10	.00	-.02	.06	.52**	.44**	.55**	1.00			
14.Engagement	.25**	.06	.10	-.06	.01	-.16	-.04	.15	.05	.46**	.51**	.51**	.52**	1.00		
15.Volume	.48**	.17	-.15	-.02	.26**	-.20*	-.05	-.03	.10	.07	.19*	-.05	.01	.01	1.00	
16.Quality	.27**	.23*	-.06	-.08	.02	-.23*	.21*	.19*	-.05	.12	.09	-.07	.02	.04	.23**	1.00
Suppliers	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
10.Power	-.07	-.08	.06	.11	-.23*	.20*	-.08	.04	-.11	1.00						
11.Legitimacy	.05	-.10	-.01	.09	.01	.12	-.21*	.07	-.10	.56**	1.00					
12.Urgency	.02	.06	.08	-.01	-.03	.21*	-.16	.07	-.19*	.69**	.62**	1.00				
13.Salience	-.10	.07	.03	.09	-.15	.13	-.08	.02	-.08	.79**	.56**	.79**	1.00			
14.Engagement	.19*	.14	.08	.01	-.02	.02	-.01	.12	-.18	.42**	.48**	.65**	.50**	1.00		
15.Volume	.04	.13	-.07	.08	-.13	.14	.07	.13	-.16	.09	.11	.09	.04	.09	1.00	
16.Quality	-.06	-.01	-.14	.01	-.16	.24**	.10	.04	-.08	.10	.09	.11	.03	-.01	.63**	1.00
Employees	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
10.Power	.23*	.06	-.05	.02	.24**	-.02	.03	.08	-.08	1.00						
11.Legitimacy	.04	.03	-.10	.06	.04	-.16	-.08	.12	.02	.31**	1.00					
12.Urgency	.16	.07	-.07	.02	.26**	-.06	-.07	.15	-.06	.71**	.44**	1.00				
13.Salience	.12	.14	-.10	.10	.17	-.14	.01	.10	-.03	.67**	.43**	.80**	1.00			
14.Engagement	.25**	.11	-.02	.03	.19*	-.04	-.01	.13	-.14	.43**	.34**	.51**	.48**	1.00		
15.Volume	.43**	.17	-.08	.02	.17	-.16	-.02	.15	-.03	.17	.07	.17	.12	.19*	1.00	
16.Quality	-.05	.06	-.01	-.14	.11	-.06	-.05	.01	.08	-.04	-.05	-.01	-.02	-.02	.39**	1.00
Shareholders	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
10.Power	.17	-.07	.03	.08	.22*	-.16	-.09	.11	-.03	1.00						
11.Legitimacy	.03	-.02	-.09	.03	.14	-.18	-.12	.12	.10	.55**	1.00					
12.Urgency	.20*	.09	.00	.04	.31**	-.17	-.15	.07	.00	.64**	.49**	1.00				
13.Salience	.16	.12	-.01	.14	.25**	-.14	-.12	.05	-.02	.76**	.55**	.80**	1.00			
14.Engagement	.30**	.16	-.01	.05	.18*	-.16	-.08	.12	.01	.44**	.46**	.50**	.58**	1.00		
15.Volume	.37**	.07	-.07	.05	.15	-.06	-.20*	.04	.07	.04	.01	.06	.06	.06	1.00	
16.Quality	.07	-.02	-.06	-.03	.14	-.16	-.08	-.11	.12	.10	.02	.10	.03	.04	-.02	1.00

Table 4.13 (continued)

Environment	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
10.Power	.05	-.06	-.02	-.05	-.22*	-.08	.19*	.26**	-.03	1.00						
11.Legitimacy	.12	-.12	-.04	.15	.05	-.15	-.06	.18*	-.10	.42**	1.00					
12.Urgency	.17	-.05	.02	.06	-.16	-.14	.16	.28**	-.11	.6**	.46**	1.00				
13.Salience	.12	.01	-.01	.03	-.15	-.13	.16	.29**	-.09	.78**	.58**	.81**	1.00			
14.Engagement	.32**	.04	.08	-.06	-.02	-.14	.05	.31**	-.14	.56**	.52**	.70**	.65**	1.00		
15.Volume	.46**	.04	.07	-.06	-.08	.00	.01	.33**	-.21*	.26*	.29*	.28**	.28**	.43**	1.00	
16.Quality	.50**	.18*	-.03	-.08	.16	-.05	-.02	.20*	-.19*	.08	.16	.12	.17	.25**	.77**	1.00
Communities	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
10.Power	.19*	.02	-.03	-.09	-.15	-.11	.19*	.22*	-.08	1.00						
11.Legitimacy	.14	-.07	-.02	.04	.13	-.27**	.04	.21*	-.10	.39*	1.00					
12.Urgency	.20*	.01	.03	.00	-.03	-.11	.20*	.26**	-.24**	.69**	.45**	1.00				
13.Salience	.27**	.07	-.06	-.04	-.08	-.22*	.26**	.28**	-.07	.76**	.54**	.83**	1.00			
14.Engagement	.44**	.11	.14	-.05	.00	-.20*	.11	.29**	-.19*	.56**	.48**	.70**	.68**	1.00		
15.Volume	.59**	.17	.01	-.04	.22*	-.22	-.07	.29**	-.15	.26**	.30**	.27**	.30**	.46**	1.00	
16.Quality	.40**	.01	.01	-.07	-.01	-.07	-.02	.11	-.02	.13	.23**	.20**	.24**	.35**	.65**	1.00

Note: *p < 0.10; **p < 0.05; LGTA is logarithm of total assets; D/A is debts to total assets ratio; AGRO is agro and food industry; CONSUMP is consumer products; FINCIAL is financials; INDUS is industrials; PROPCON is property and construction; RESOURC is resources, SERVICE is services

4.6 Assumptions of Regression Analysis

The validity of regression analysis depends on the assumptions concerning the variables used in the analysis. If the assumptions are not met, the results are considered untrustworthy or meaningless. Therefore, prior to performing any regressions or determining on the statistical significance of their parameters, the multiple regression assumptions were checked for all the variables. The assumptions are linearity, outliers, multicollinearity, normality and homoscedasticity.

4.6.1 Linearity

Linearity is the degree to which a curve of relationship between two variables approximating a straight line. Multiple regression analysis assumes that the relationships between independent and dependent variables are linear in nature. If the relationships are not linear, the results of the regression analysis can not accurately estimate the true relationship (Meyers et al., 2006). In this study, the linearity was assessed by comparing between the standard deviation of the dependent and the standard deviation of the residuals. It was found that the standard deviations of the dependents are more than the standard deviations of the residuals. Therefore, nonlinearity is not a problem in this study (Hair et al., 2007). In addition, the linearity was determined by employing the analysis of residuals plots. The plots outlined the standardized residuals against the standardized predicted values or the dependent variable. There is no distinct pattern detected through the plots (see Appendix E). Thus, the results testing linearity through scatter plots indicate that there is no violation of linearity assumption.

4.6.2 Outliers

Outliers are extreme values on either the dependent or the independent variables. The existence of outliers can distort the results of the analysis. As multiple regression use the least squares rule by minimizing the square distance between data points and the regression line, the outliers pull the line to closer themselves to keep the square distance as small as possible. As a result, the regression line is no longer at the best-fitting position for all of the other cases in the data set (Meyers et al., 2006). In this study, the standardized residuals were used to examine the presence of outliers. Outliers were identified if the values of standardized residuals were below -3 or above -3. According to Hair et al (2007), it is acceptable for one percent of cases falling outside this range if the data is normally distributed. In this study, the results showed that the standardized residual values falling outside the range are less than one percent (see Appendix E). Therefore, there is no violation of outlier assumption.

4.6.3 Multicollinearity

Another assumption of multiple regression analysis is the collinearity of the independent variables. Collinearity refers to the case of two predictors strongly correlated; while multicollinearity is used to refer to the condition that more than two predictors strongly correlated. Multicollinearity can distort the values of estimated regression coefficient which are important to the interpretation of results of analysis (Cooper & Schindler, 2003; Meyers et al., 2006). In this study, two steps were employed to examine the presence of multicollinearity. The first step is correlation analyses (as mentioned in Section 4.5). It can be seen that no value of correlation coefficient is more than the threshold value for potential multicollinearity of 0.9. However, there are some values indicate high correlations between variables with the correlation coefficient equal to or over than 0.8. Therefore, the additional methods including tolerance and the variance inflation factor (VIF) were used as the next step to ensure the absence of multicollinearity.

Tolerance and VIF are inverse values of each other which provide the same information. Tolerance is the amount of variance of independent variables not account for by the other independent variables. Low tolerance indicates strong relationships between independent variables. VIF is computed as one divided by tolerance. Therefore, contrast to tolerance, the multicollinearity is detected if VIF is high. According to Meyers et al (2006), tolerance value of less than 0.4 or VIF value of more than 0.25 are worthy of concern for multicollinearity. Moreover, Hair et al. (2007) suggest that the cut off threshold value of the tolerance is 0.1, which associated with VIF value of 10. In this study, almost all tolerance values are found to be more than 0.4, which correspondence to a VIF values less than 0.25 for all models. There are only a few control variables showing the tolerance values slightly less than 0.4.

However, they are still within the threshold range (see Appendix E). Thus, multicollinearity was not found to exist for all independent variables in this study.

4.6.4 Normality

According to Hair et al. (2007), normality is the most essential requirement in multiple regression analysis because it requires F and t tests. If data is non-normally distributed, the statistical results are invalid. As mentioned in section 4.4, all variables were examined for normality of distribution by using skewness, kurtosis, and the chi-square tests. The results show that some variables are non-normally distributed. Concerning the reason for comparability of analysis results between six stakeholder groups, therefore, all variables were transformed by the same method which was the computation of normal scores. After transforming the variables, the results show that all of their distributions are considered close to normality.

In regression analysis, the variable is not only required to be univariate normal, but also multivariate normal. Although univariate normality of each variable may increase the likelihood of multivariate, it does not guarantee the multivariate normality (Hair et al., 2007). In this study, multivariate normality was examined by using the standardized normal probability plots (normal P-P plots) and the histograms of the distribution of the residuals. The plots showed that the residual points approximately lie in the diagonal line as well as the histograms showed that the distribution of residuals resemble the normal curve for all models (see Appendix E). Thus, this means that there is no major deviation from the normality assumption.

4.6.5 Homoscedasticity

The last assumption is homoscedasticity referring to the condition that the dependent variable has equal level of variability across the range of independent variables (Hair et al., 2007; Meyers et al., 2006). The result of violation of this assumption is called heteroscedasticity. It typically occurs when there are the significantly different sizes between observations or when one of variables is not distributed in a normal manner. If the heteroscedasticity exists, the estimated regression coefficients may be underestimated and the insignificant variables may become statistically significant (Hair et al., 2007). Likewise linearity, homoscedasticity can be determined through visual examination of residuals plots outlining the standardized residuals against the standardized predicted values. In this study, the plots showed that the residuals are quite evenly scattered around the zero lines. In addition, as mentioned earlier, the distinct pattern is not detected from the plots (see Appendix E). Therefore, the variables fulfilled the homoscedasticity condition for multiple regression analysis.

4.7 Hypotheses Testing

This section is structured to describe the results of empirical testing of five hypotheses proposed in this study. Therefore, this section consists of five sub-sections related to each of five hypotheses. Hypothesis 1 is related to the association between stakeholder attributes and stakeholder salience. This hypothesis consists of four sub-hypotheses. The first three sub-hypotheses are related to the association between individual effect of each attribute and salience, while the last sub-hypothesis assumes the association between cumulative effect of attributes and salience. The rest four hypotheses are related to the consecutive association among stakeholder salience, stakeholder engagement and CSR disclosures. Hypothesis 2 is related to the association between stakeholder salience and engagement. Hypothesis 3 is related to the association between stakeholder engagement and CSR disclosure. Hypothesis 4 assumes the association between stakeholder salience and CSR disclosure. The last hypothesis (Hypothesis 5) assumes the mediating effect of stakeholder engagement on the association between stakeholder salience and CSR disclosures. In testing of Hypothesis 3 to 5 related to CSR disclosure, each hypothesis was tested through both volume and quality of disclosure. Therefore, there are two sub-sections for each of these hypotheses.

Each hypothesis was tested through each of six different stakeholder groups proposed as the proxy of companies' key stakeholders. These groups include customers, suppliers, employees, shareholders, environment, and communities. Moreover, all hypotheses were tested by using multiple regression analyses, except for the association between cumulative number of stakeholder attributes and stakeholder salience. This exception is due to the non-normal distribution of cumulative number of attributes. Therefore, non-parametric statistics including Kruskal-Wallis tests and Spearman's Rank Correlation were used to test the association between cumulative number of attributes and salience.

As prior studies found that stakeholder engagement and CSR disclosure are potentially influenced by firm size, leverage and industry, three control variables: the natural logarithm of total assets (LGTA), debt-to-total assets ratio (D/A ratio) and dummy variables of industry, were used in testing of Hypothesis 2 to 5. For each hypothesis, the results of regression analyses are presented by three models. The first model is regression of outcome variable on merely treatment variable, while the second and third model included the control variables. The second model included only continuous control variables, while both continuous and dummy variables were included in the third model. The regression analyses including control variables were performed by two models because there were different influences between continuous and dummy control variables on the treatment variable for some hypotheses (to be discussed later). The results of all hypotheses testing are presented and discussed as follows;

4.7.1 Hypothesis 1: Association between Stakeholder Attributes and Stakeholder Salience

4.7.1.1 Association between Power, Legitimacy, and Urgency to Stakeholder Salience

This hypothesis supposes that the stakeholder attributes of power, legitimacy, and urgency processed by a stakeholder group are positively associated with the salience attached to that group. Therefore, there are three sub-hypotheses branched from the main hypothesis as follows;

Hypothesis 1a: The stakeholder attribute of power is positively associated with the salience attached to the stakeholder group.

Hypothesis 1b: The stakeholder attribute of legitimacy is positively associated with the salience attached to the stakeholder group.

Hypothesis 1c: The stakeholder attribute of urgency is positively associated with the salience attached to the stakeholder group.

These sub-hypotheses were tested by regressing stakeholder salience of each six stakeholder groups on their attribute of power, legitimacy and urgency. The results of the analyses are presented in Table 4.14. As for the overall model fit, the table shows that all models have significant F-test ($p < 0.01$) and the adjusted R^2 are high with the range from 0.393 for customers to 0.787 for environment.

As for Hypothesis 1a, the analyses of all stakeholder groups show that salience is significantly and positively associated with power ($p < 0.01$) with standardized coefficients ranging from 0.223 for employees to 0.459 for suppliers. The results for Hypothesis 1c are similar Hypothesis 1a. It is found that salience is significantly and positively associated with urgency ($p < 0.01$) for all stakeholder groups. However, the standardized coefficient values for urgency are higher than for power for all stakeholder groups with the range from 0.354 for customers to 0.591 for employees. Nevertheless, the results for Hypothesis 1b are different from other sub-hypotheses. It is found that legitimacy is significantly associated with salience for only environment, community ($p < 0.01$) and employee ($p < 0.1$), not all groups, with standardized coefficient values of 0.211, 0.185 and 0.101 respectively.

Totally, in comparing between stakeholder groups, it is found environment have the largest adjusted R^2 of 0.787, followed by communities of 0.773. This indicates that stronger prediction of three attributes to salience for these two stakeholder groups. In addition, it is obvious that, for these two groups, all of three attributes are significantly related to their salience ($p < .01$). The smallest adjusted R^2 belongs to customers with the value of 0.393. This indicates the lower predictability of attributes to salience for customers when comparing to other stakeholder groups.

As concerning the comparison between each attribute, stakeholder urgency seemed to play the greatest important role in predicting stakeholder salience. It can be seen that, in all the regression analyses, urgency occupies the highest coefficient value. The second most influent attribute is power. It takes the second rank with the second highest coefficient for all stakeholder groups. The last rank is given to legitimacy. This attribute has lower coefficient than urgency and power in all stakeholder groups. Moreover, the standardized coefficient values of this attribute are low until non-significant for some stakeholder groups.

Table 4.14
Regression Results between Stakeholder Attributes and Stakeholder Salience

Stakeholders	IV	β	t-value	P value	R^2	Adj. R^2	F	Sig F
1.Customers	Power	.291	4.718	.000***	.407	.393	27.279	.000***
	Legitimacy	.136	1.619	.108				
	Urgency	.354	4.237	.000***				
2.Suppliers	Power	.459	6.801	.000***	.731	.724	107.681	.000***
	Legitimacy	.016	.252	.801				
	Urgency	.460	6.453	.000***				
3.Employees	Power	.223	2.966	.004***	.662	.654	77.843	.000***
	Legitimacy	.101	1.705	.091*				
	Urgency	.591	7.399	.000***				
4.Shareholders	Power	.383	6.042	.000***	.751	.745	119.897	.000***
	Legitimacy	.085	1.519	.131				
	Urgency	.516	8.525	.000***				
5.Environment	Power	.387	6.748	.000***	.792	.787	151.478	.000***
	Legitimacy	.211	4.433	.000***				
	Urgency	.453	7.716	.000***				
6.Communities	Power	.324	5.402	.000***	.779	.773	139.821	.000***
	Legitimacy	.185	3.808	.000***				
	Urgency	.522	8.435	.000***				

Notes: Dependent variable = Stakeholder salience;
IV= Independent variable; β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination;
$^{*}p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

4.7.1.2 Association between Cumulative Number of Stakeholder Attributes and Stakeholder Salience

The fourth sub-hypothesis (Hypothesis 1d) assumes that the cumulative number of stakeholder attributes of power, legitimacy, and urgency processed by a stakeholder group is positively associated with the salience attached to that group. Cumulative number of attributes was used to determine the combination effects of stakeholder attributes. The cumulative number of attributes was measured by threshold method following Agle et al. (1997). This method helped researcher to quantify the absence or presence of each attribute. The average score of each attribute of each stakeholder group was used as the cut-off value. The score given by each respondent for particular attribute of particular stakeholder group was compared with the average score of that attribute of that group. If that score was lower than the average score, it was marked as 0- representing the absence of the attribute. Conversely, if it was higher than the mean score, it would be marked as 1- indicating the presence of that attribute. After that the cumulative number of attribute for the group was calculated by counting the marks of all attributes. As there were three attributes to be considered for each stakeholder group, the possible values for the group can be 0, 1, 2 and 3. These values indicated the number of present attributes of particular stakeholder group in perception of each respondent. A value of 0 indicates that no attribute of the group scored higher than the average score. It was considered that all of three attributes of the groups are absent. In the same way, the value of 1, 2 or 3 indicate that there were one, two or three attributes, respectively, scoring than their average scores. In other words, it was considered that there were one, two or three attributes, respectively, counted as present attributes.

As the cumulative number of attributes is non-normally distributed, non-parametric statistics including Kruskal-Wallis tests and Spearman's rank correlation were used to test this sub-hypothesis. The Kruskal-Wallis tests were used to determine the differences of salience between different levels of number of attributes. However, Kruskal-Wallis tests do not provide information that the difference is between only two of the levels or all four of the levels. Therefore, after testing by Kruskal-Wallis, if the results primarily show that the difference exists, Spearman's rank correlation analyses were used to determine how the differentiating number of attributes is associated with salience.

The results of the tests are demonstrated in Table 4.14. As can be seen from the table, the results of Kruskal-Wallis tests indicate that there are statistically significant differences among the different numbers of attributes for all stakeholder groups ($p < 0.01$) with chi-square with three degrees of freedom ranging from 38.815 for customers to 79.891 for environment. This means that, for all stakeholder groups, there is at least one level of number of cumulative attributes that differs from the other levels. Addition to the results of Kruskal-Wallis tests, it can be seen from the table that, for all stakeholder groups, the more number of cumulative attributes, the higher mean and mean rank of salience. The direct changes between number of cumulative attributes and salience are supported by the results from Spearman's rank correlation analyses. The results show that number of cumulative attributes is significantly and positively correlated with salience for all stakeholder groups ($p< 0.01$). Moreover, it can be seen that most of correlation coefficients are high with the range from 0.542 for customers to 0.813 for suppliers. This indicates the strong association between number of cumulative attributes and salience of stakeholders.

Regarding the comparison of correlation coefficients between stakeholder groups, it is found that suppliers have the largest coefficient of 0.813. This indicates the stronger relationship between the cumulative effects of their attributes and salience when comparing to other stakeholder groups. The second and third largest coefficients belong to environment and communities with the values of 0.805 and 0.782 respectively. The last place is occupied by customers with coefficient of 0.542. The interesting is that this group also occupies the smallest adjusted R^2 when regressing salience on three attributes (as mentioned in previous section). This means that both individual and cumulative effects of attributes of customers have less influence on salience when comparing to the other five stakeholder groups.

Table 4.15
Results of Kruskal-Wallis tests and Spearman's Rank Correlation for Association between the Cumulative Number of Stakeholder Attributes and Stakeholder Salience

Stakeholders	Cum.	Mean	Mean Rank	Chi-Square	P value	Correlation Coefficient	P value
Customers	0	3.90	32.60	38.815	.000*	.542	.000*
	1	4.37	62.85				
	2	4.45	69.31				
	3	4.65	86.34				
Suppliers	0	2.82	25.92	84.645	.000*	.813	.000*
	1	3.49	60.21				
	2	3.87	78.05				
	3	4.24	95.93				
Employees	0	3.56	34.69	49.365	.000*	.634	.000*
	1	3.88	50.89				
	2	4.31	72.48				
	3	4.70	93.57				
Shareholders	0	3.73	31.67	68.921	.000*	.749	.000*
	1	4.20	56.30				
	2	4.57	81.36				
	3	4.81	96.10				
Environment	0	3.02	25.12	79.891	.000*	.805	.000*
	1	3.42	41.65				
	2	3.95	71.72				
	3	4.47	95.91				
Communities	0	3.04	26.37	79.731	.000*	.782	.000*
	1	3.57	49.97				
	2	4.26	85.28				
	3	4.52	95.11				

Note: df = 3; Cum = Cumulative Number of Stakeholder Attributes; $p < 0.01$

4.7.2 Hypothesis 2: Association between Stakeholder Salience and Stakeholder Engagement

Hypothesis 2 states that the salience attached to a stakeholder group is positively associated with the stakeholder engagement effort directed at that group. Table 14.16 presents the results of the regression analyses between stakeholder salience and stakeholder engagement for each of six stakeholder groups. It can be seen that similar results were found for all stakeholder groups. All of three models for all groups indicate the significantly positive association between stakeholder salience and engagement ($p < .01$).

In Model 1, p values of F tests for all stakeholder groups are 0.00 with the adjusted R^2 ranging from 0.223 for employees to 0.457 for communities (the standardized coefficients for salience range from 0.479 for employees to 0.679 for communities). When LGTA and D/A ratio were added in Model 2, it is found that adjusted R^2 increases for all groups. The significance of R^2 change by the addition of LGTA and D/A ratio is proved by the evidence that F change tests for all stakeholder groups have the p values less than 0.05. In Model 2, salience and LGTA are found to be significantly positively related to engagement for all stakeholder groups (with $p < 0.01$ and $p < 0.05$ respectively). The standardized coefficients for salience range from 0.46 for employees to 0.612 for environment. The standardized coefficients for LGTA range from 0.214 for employees to 0.306 for communities.

In Model 3, however when industry variables were added, the results of F change tests are found not to be significant for all stakeholder groups. In addition, it is found that the adjusted R^2 does not significantly increase. For customers and communities, the adjusted R^2 slightly increase. For supplies, the adjusted R^2 is still the same. For employees, shareholders, and environment, the adjusted R^2 decrease. This indicates that the addition of industry variables does not improve the model. It can be seen that no industry variable significantly associated with engagement for all stakeholder groups. Nevertheless, the results from Model 3 show that there are significant relationships between salience and LGTA to engagement for all stakeholder groups. The standardized coefficients for salience and LGTA in Model 3 are slightly different from Model 2. In Model 3, the standardized coefficients for salience range form range from 0.445 for employees to 0.603 for communities and for LGTA range from 0.188 for employees to 0.268 for communities.

In comparison between stakeholder groups, the strongest association between salience and engagement seems to belong to communities. This group has the highest standardized coefficients for salience in Model 1 and 3 (0.679 and 0.603 respectively) and the second highest in Model 2 (0.602). Environment group is found to show the second strongest association between salience and engagement with the standardized coefficients for salience of 0.646, 0.612 and 0.598 in Model 1, 2 and 3 respectively. The weakest association is found to belong to employees. This stakeholder group has the lowest standardized coefficients for salience in all models. For employees, the standardized coefficients for salience in Model 1, 2 and 3 are 0.479, 0.460 and 0.445 respectively.

Table 4.16

Regression Results between Stakeholder Salience and Stakeholder Engagement

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.521	6.707	.000***	.527	7.007	.000***	.532	6.967	.000***
LGTA				.283	3.411	.001***	.256	2.853	.005***
D/A				-.116	-1.386	.168	-.073	-.847	.399
AGRO							.111	1.166	.246
CONSUMP							-.057	-.513	.609
FINCIAL							-.079	-.693	.489
INDUS							-.072	-.644	.521
PROPCON							-.026	-.217	.829
RESOURC							.101	.960	.339
SERVICE							.040	.307	.759
R^2	.271			.336			.378		
Adj. R^2	.265			.319			.323		
R^2 Change	.271			.065			.042		
F Change	44.986			5.823			1.090		
Sig F Change	.000***			.004***			.375		
F	44.986			20.072			6.816		
Sig F	.000***			.000***			.000***		

Table 4.16 (continued)

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.503	6.401	.000***	.522	6.780	.000***	.491	6.089	.000***
LGTA				.237	2.776	.006***	.219	2.351	.020**
D/A				-.004	-.048	.962	.036	.404	.687
AGRO							.039	.397	.692
CONSUMP							.052	.459	.647
FINCIAL							-.073	-.620	.537
INDUS							-.065	-.567	.572
PROPCON							-.115	-.907	.367
RESOURC							.007	.065	.948
SERVICE							-.139	-.1003	.318
R^2	.253			.308			.339		
Adj. R^2	.247			.290			.290		
R^2 Change	.253			.055			.031		
F Change	40.972			4.713			.750		
Sig F Change	.000***			.011**			.630		
F	40.972			17.637			5.738		
Sig F	.000***			.000***			.000***		

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.479	6.006	.000***	.460	5.794	.000***	.445	5.313	.000***
LGTA				.214	2.451	.016**	.188	1.953	.053*
D/A				-.043	-.491	.624	-.045	-.489	.628
AGRO							.071	.696	.455
CONSUMP							.081	.684	.495
FINCIAL							.125	1.019	.310
INDUS							.105	.877	.382
PROPCON							.075	.570	.270
RESOURC							.107	.939	.350
SERVICE							.010	.071	.934
R^2	.230			.269			.288		
Adj. R^2	.223			.250			.224		
R^2 Change	.230			.036			.019		
F Change	36.077			3.188			.425		
Sig F Change	.000***			.045**			.885		
F	36.077			14.585			4.525		
Sig F	.000***			.000***			.000***		

Table 4.16 (continued)

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.579	7.808	.000***	.545	7.452	.000***	.526	6.657	.000***
LGTA				.215	2.667	.009***	.221	2.486	.014**
D/A				.000	.000	1.000	.011	.131	.896
AGRO							.055	.587	.558
CONSUMP							.095	.864	.389
FINCIAL							.055	.486	.628
INDUS							.026	.236	.814
PROPCON							.066	.551	.583
RESOURC							.118	1.127	.262
SERVICE							.144	1.117	.266
R^2			.335			.380			.394
Adj. R^2			.330			.364			.340
R^2 Change			.335			.045			.014
F Change			60.961			4.328			0.366
Sig F Change			.000***			.015**			.920
F			60.961			24.324			7.281
Sig F			.000***			.000***			.000***

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.646	9.307	.000***	.612	9.169	.000***	.598	8.220	.000***
LGTA				.278	3.756	.000***	.230	2.830	.006***
D/A				-.089	-1.214	.227	-.067	-.866	.389
AGRO							.038	.442	.660
CONSUMP							-.081	-.825	.411
FINCIAL							-.042	-.420	.675
INDUS							-.092	-.922	.359
PROPCON							-.095	-.860	.392
RESOURC							.034	.349	.728
SERVICE							-.111	-.950	.344
R^2			.417			.480			.500
Adj. R^2			.412			.467			.455
R^2 Change			.417			0.63			.020
F Change			86.624			7.167			.640
Sig F Change			.000***			.001***			.722
F			86.624			36.596			11.194
Sig F			.000***			.000***			.000***

Table 4.16 (continued)

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.679	10.180	.000***	.602	9.268	.000***	.603	8.581	.000***
LGTA				.306	4.256	.000***	.268	3.504	.001***
D/A				-.068	-.973	.333	-.021	-.293	.770
AGRO							.121	1.551	.124
CONSUMP							-.023	-.258	.797
FINCIAL							-.079	-.854	.395
INDUS							-.095	-1.039	.301
PROPCON							-.108	-1.047	.297
RESOURC							.008	.085	.933
SERVICE							-.155	-1.439	.153
R^2	.461			.536			.581		
Adj. R^2	.457			.524			.544		
R^2 Change	.461			.074			.046		
F Change	103.642			9.508			1.749		
Sig F Change	.000***			.000***			.105		
F	103.642			45.744			15.552		
Sig F	.000***			.000***			.000***		

Notes: Dependent variable = Stakeholder engagement;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^{*}p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

4.7.3 Hypothesis 3: Association between Stakeholder Engagement and CSR Disclosure

This hypothesis assumes that stakeholder engagement effort with a stakeholder group is positively associated with the CSR disclosure effort directed at that group. CSR disclosure was measured in terms of its volume and quality. This hypothesis was tested by separately regressing volume and quality of disclosure on stakeholder engagement. Summarily, the results of regression analyses show that both volume and quality of disclosure are found significantly positively associated with engagement for some stakeholder groups, not all of six groups. The results of testing the association of stakeholder engagement to volume and quality of CSR disclosure are described as follows:

4.7.3.1 Association between Stakeholder Engagement and Volume of Disclosure

Table 4.17 presents the results of regression of volume of CSR disclosure on stakeholder engagement. In Model 1, it is shown that associations between engagement and volume of disclosure are significantly positive for only employees ($p<0.05$), environment and communities ($p<0.01$) with the standardized coefficients for engagement of 0.189, 0.434, and 0.463 respectively. However, it can be seen that although the association for employees is found significant in the model, it is not strong.

When adding LGTA and D/A ratio in Model 2, therefore, the association between engagement and volume of disclosure for employees becomes non-significant (with the standardized coefficients for engagement of 0.087). Consequently, there are only the results for environment and communities showing the significant association between engagement and volume of disclosure in Model 2 (with the standardized coefficients for engagement of 0.302 and 0.244 respectively). Moreover, in this model, it is found that LGTA is significantly related with disclosure volume for almost all of stakeholder groups, except suppliers, ($p< 0.01$) and D/A ratio is associated with disclosure volume for environment ($p<0.1$). Thus, the additional variables improve the fit of models and increase adjusted R^2 values for five groups, except suppliers, in Model 2.

In Model 3, when adding industry variables, it can be seen that the association between engagement and volume of disclosure for environment and communities are still significant ($p<0.05$). The standardized coefficient for engagement for environment is 0.242 and for communities is 0.214. However, the fit of models for all stakeholder groups are not improved. The results of F change tests are found not to be significant as well as the adjusted R^2 values do not significantly increase. This means that there is no association between industry and volume of disclosure for all groups.

In considering each stakeholder group, it can be seen that strong association between engagement and volume of CSR disclosure are found for only environment and communities. The strongest association in Model 1 belongs to communities (the standardized coefficient for engagement is 0.463), follows by environment (the standardized coefficient for engagement is 0.434). However, in Model 2 and 3, because LGTA have larger effect on disclosure for communities than for environment, the association between engagement and volume of disclosure for communities becomes weaker than for environment. Thus, in Model 2 and 3, environment group is found to have the largest standardized coefficient for engagement (the values of 0.302 and 0.242 respectively). For employees, although the association between engagement and disclosure is found significant in Model 1 ($p < 0.05$), it is not strong enough to be still significant when adding control variables. For customers, suppliers, and shareholders, it is found that the association is not significant. The standardized coefficients for engagement for these three groups are close to zero in all models.

Table 4.17
Regression Results between Stakeholder Engagement and CSR Disclosure (Using Volume of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.007	.073	.942	-.119	-1.451	.149	-.124	-1.524	.130
LGTA				.529	5.802	.000***	.568	6.007	.000***
D/A				-.053	-.593	.555	-.092	-1.040	.301
AGRO							-.108	-1.098	.275
CONSUMP							.115	1.029	.305
FINCIAL							.139	1.202	.232
INDUS							-.095	-.832	.407
PROPCON							.008	.065	.949
RESOURC							-.074	-.679	.498
SERVICE							.199	1.485	.140
R^2		.000			.243			.345	
Adj. R^2		-.008			.224			.286	
R^2 Change		.000			.243			.102	
F Change		.005			19.079			2.483	
Sig F Change		.942			.000***			.021**	
F		.005			12.722			5.887	
Sig F		.942			.000***			.000***	

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.091	1.005	.317	.080	.860	.392	.035	.368	.714
LGTA				-.032	-.315	.753	.007	.069	.945
D/A				.131	1.297	.197	.151	1.451	.149
AGRO							-.026	-.230	.819
CONSUMP							.114	.868	.387
FINCIAL							-.124	-.919	.366
INDUS							.157	1.169	.245
PROPCON							.076	.511	.611
RESOURC							.129	1.020	.310
SERVICE							-.069	-.438	.662
R^2		.008			.023			.104	
Adj. R^2		.000			-.002			.024	
R^2 Change		.008			.014			.081	
F Change		1.010			.873			1.455	
Sig F Change		.317			.420			.191	
F		1.010			.918			1.301	
Sig F		.317			.434			.238	

Table 4.17 (continued)

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.189	2.120	.036**	.087	1.022	.309	.065	.738	.462
LGTA				.417	4.448	.000***	.428	4.208	.000***
D/A				-.017	-.187	.852	-.027	-.285	.776
AGRO							-.010	-.092	.927
CONSUMP							.170	1.388	.168
FINCIAL							.109	.856	.394
INDUS							-.013	-.105	.916
PROPCON							.081	.591	.556
RESOURC							.127	1.068	.288
SERVICE							.150	1.032	.304
R^2		.036			.193				.229
Adj. R^2		.028			.173				.161
R^2 Change		.039			.157				.039
F Change		4.494			11.614				.748
Sig F Change		.036**			.000***				.632
F		4.494			9.505				3.333
Sig F		.036**			.000***				.001***

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.057	.631	.529	-.055	-.621	.536	-.107	-1.182	.240
LGTA				.433	4.458	.000***	.486	4.703	.000***
D/A				-.109	-1.156	.250	-.090	-.937	.351
AGRO							-.050	-.470	.639
CONSUMP							.165	1.336	.184
FINCIAL							.074	.583	.561
INDUS							.004	.033	.974
PROPCON							-.127	-.935	.352
RESOURC							-.010	-.087	.931
SERVICE							.156	1.063	.290
R^2		.003			.149				.226
Adj. R^2		-.005			.128				.157
R^2 Change		.003			.146				.077
F Change		.399			10.205				1.592
Sig F Change		.529			.000***				.145
F		.399			6.956				3.274
Sig F		.529			.000***				.001***

Table 4.17 (continued)

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.434	5.300	.000***	.302	3.782	.000***	.242	2.936	.004***
LGTA				.435	4.913	.000***	.459	4.955	.000***
D/A				-.155	-1.840	.068*	-.119	-1.385	.169
AGRO							.032	.335	.738
CONSUMP							.018	.167	.868
FINCIAL							-.175	-1.569	.119
INDUS							.059	.531	.596
PROPCON							-.006	-.049	.961
RESOURC							.131	1.237	.219
SERVICE							-.097	-.754	.453
R^2		.188			.326				.391
Adj. R^2		.182			.309				.336
R^2 Change		.188			.138				.065
F Change		28.095			12.146				1.698
Sig F Change		.000***			.000***				.116
F		28.095			19.188				7.182
Sig F		.000***			.000***				.000***

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.463	5.744	.000***	.244	3.086	.003***	.214	2.552	.012**
LGTA				.520	5.970	.000***	.479	5.205	.000***
D/A				-.080	-1.022	.309	-.078	-.960	.339
AGRO							-.027	-.295	.769
CONSUMP							.051	.498	.620
FINCIAL							.071	.668	.506
INDUS							-.120	-1.145	.255
PROPCON							-.087	-.759	.449
RESOURC							.107	1.063	.290
SERVICE							-.033	-.270	.788
R^2		.214			.407				.451
Adj. R^2		.208			.392				.402
R^2 Change		.214			.192				.045
F Change		32.990			19.304				1.305
Sig F Change		.000***			.000***				.254
F		32.990			27.193				9.218
Sig F		.000***			.000***				.000***

Notes: Dependent variable = Volume of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^*p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

4.7.3.2 Association between Stakeholder Engagement and Quality of Disclosure

The results of regression of quality of CSR disclosure on stakeholder engagement are presented in Table 4.18. Overall, the results by using quality of disclosure are slightly different from using volume. In Model 1, there are only environment and communities showing the significant association between engagement and disclosure quality ($p < 0.01$). The standardized coefficients for environment is 0.247 and for communities is 0.346; while for the rest four groups are close to zero.

In Model 2, when controlling with LGTA and D/A ratio, communities is only group showing the significant association between engagement and disclosure quality ($p < 0.05$) with standardized coefficient for engagement of 0.206. For environment, the association between engagement and disclosure quality is no longer significant in Model 2. The standardized coefficients for engagement decrease from 0.247 in Model 1 to 0.096 in Model 2. In addition, in Model 2, it is found that LGTA is significantly related with disclosure quality for customers ($p < 0.05$), environment, and communities ($p < 0.01$); while D/A ratio is not related with disclosure quality for all of six stakeholder groups. However, because of influence of LGTA, the fit of models for customers, environment and communities are improved. It can be seen that adjusted R^2 for these three groups significantly increase, particularly environment.

In Model 3, the addition of industry variables seems to contribute to improve the fit of model for customers and suppliers. It can be seen that the F change tests for these two groups have the p values less than 0.1. However, it does not significantly affect the association between engagement and disclosure quality for all stakeholder groups. Likewise Model 2, in Model 3, there is only community group showing the significant association between engagement and disclosure quality ($p < 0.05$). For communities, the standardized coefficient for engagement is 0.217; while, for the other five groups, the standardized coefficients for engagement are close to zero.

In respect of the comparison between stakeholder groups, the results for communities show that they have the strongest association between engagement and disclosure quality for all models. Their standardized coefficients for engagement in Model 1, 2, and 3 are 0.346, 0.206 and 0.217 respectively. The second strongest association belongs to environment. It is found that the association for this group is found significant ($p < 0.01$) in Model 1. However, the association between engagement and disclosure quality for this group is not as strong as between LGTA and disclosure quality. Therefore, in Model 2 and 3, the association between engagement and disclosure quality for this group is found non-significant. The standardized coefficient for engagement reduces from 0.247 in Model 1 to 0.096 and 0.077 in Model 2 and 3 respectively. For the rest four stakeholder groups, it is found that the association between engagement and disclosure quality is not significant. The standardized coefficients for engagement for these groups are close to zero in all models.

Table 4.18

Regression Results between Stakeholder Engagement and CSR Disclosure (Using Quality of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.044	.488	.626	-.018	-.200	.842	-.054	-.601	.549
LGTA				.219	2.192	.030**	.202	1.918	.058*
D/A				.137	1.413	.160	.112	1.127	.262
AGRO							.005	.044	.965
CONSUMP							.020	.158	.875
FINCIAL							-.016	-.127	.899
INDUS							-.132	-1.031	.305
PROPCON							.209	1.497	.137
RESOURC							.178	1.462	.147
SERVICE							.058	.389	.698
R^2		.002			.091				.181
Adj. R^2		-.006			.068				.108
R^2 Change		.002			.089				.091
F Change		.238			5.825				1.769
Sig F Change		.626			.004***				.100*
F		.238			3.969				2.483
Sig F		.626			.010***				.010***

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	-.008	-.085	.933	.003	.036	.972	-.005	-.058	.954
LGTA				-.077	-.750	.454	-.025	-.229	.819
D/A				.028	.280	.780	.016	.150	.881
AGRO							-.097	-.852	.396
CONSUMP							.045	.344	.732
FINCIAL							-.088	-.649	.517
INDUS							.257	1.924	.057
PROPCON							.132	.896	.372
RESOURC							.083	.656	.513
SERVICE							-.007	-.043	.966
R^2		.000			.005				.108
Adj. R^2		-.008			-.020				.029
R^2 Change		.000			.005				.104
F Change		.007			.282				1.860
Sig F Change		.933			.755				.083*
F		.007			.191				1.362
Sig F		.933			.903				.207

Table 4.18 (continued)

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	-.015	-.170	.865	-.003	-.030	.976	.001	.011	.991
LGTA				-.095	-.913	.363	-.168	-1.498	.137
D/A				.097	.963	.337	.083	.786	.433
AGRO							-.039	-.334	.739
CONSUMP							-.196	-1.448	.150
FINCIAL							.071	.505	.614
INDUS							-.116	-.846	.399
PROPCON							-.110	-.731	.467
RESOURC							-.013	-.098	.922
SERVICE							-.024	-.153	.879
R^2		.000			.011				.059
Adj. R^2		-.008			-.014				-.025
R^2 Change		.000			.010				.049
F Change		.029			.620				.825
Sig F Change		.865			.539				.569
F		.029			.423				.703
Sig F		.865			.737				.720

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.037	.403	.688	.020	.211	.833	.012	.125	.901
LGTA				.085	.810	.420	.070	.631	.529
D/A				-.057	-.560	.577	-.087	-.844	.400
AGRO							-.218	-1.904	.060*
CONSUMP							-.194	-1.460	.147
FINCIAL							-.057	-.418	.677
INDUS							-.316	-2.366	.020**
PROPCON							-.258	-1.766	.080*
RESOURC							-.269	-2.105	.037**
SERVICE							-.134	-.850	.397
R^2		.001			.007				.106
Adj. R^2		-.007			-.018				.026
R^2 Change		.001			.006				.099
F Change		.162			.359				1.766
Sig F Change		.688			.699				.101
F		.162			.293				1.328
Sig F		.688			.830				.224

Table 4.18 (continued)

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.247	2.798	.006***	.096	1.149	.253	.077	.855	.395
LGTA				.479	5.150	.000***	.450	4.452	.000***
D/A				-.027	-.306	.760	-.029	-.313	.755
AGRO							-.077	-.752	.454
CONSUMP							-.047	-.400	.690
FINCIAL							-.042	-.346	.730
INDUS							-.057	-.469	.640
PROPCON							-.096	-.732	.466
RESOURC							.016	.140	.889
SERVICE							-.161	-1.142	.256
R^2		.061			.257				.275
Adj. R^2		.053			.238				.210
R^2 Change		.061			.196				.018
F Change		7.831			15.724				.394
Sig F Change		.006***			.000***				.904
F		7.831			13.729				4.247
Sig F		.006***			.000***				.000***

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Engagement	.346	4.052	.000***	.206	2.240	.027**	.217	2.164	.033**
LGTA				.336	3.319	.001***	.367	3.346	.001***
D/A				-.068	-.747	.457	-.043	-.446	.657
AGRO							-.077	-.720	.473
CONSUMP							-.066	-.540	.591
FINCIAL							-.187	-1.483	.141
INDUS							-.071	-.596	.570
PROPCON							-.135	-.984	.327
RESOURC							-.101	-.843	.401
SERVICE							-.051	-.349	.721
R^2		.119			.198				.220
Adj. R^2		.112			.177				.150
R^2 Change		.119			.078				.022
F Change		16.419			5.798				.453
Sig F Change		.000***			.004***				.899
F		16.419			9.772				3.154
Sig F		.000***			.000***				.001***

Notes: Dependent variable = Quality of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
*p < .10, ** p < .05, ***p < 0.01

4.7.4 Hypothesis 4: Association between Stakeholder Salience and CSR Disclosure

This hypothesis states that the salience attached to a stakeholder group is positively associated with the CSR disclosure effort directed at that group. Likewise Hypothesis 3, testing of this hypothesis was performed by using both volume and quality of CSR disclosure. The results of regression analyses, both in terms of volume and quality, show that the association between salience and disclosure is significant for only environment and communities. The results of regression analyses examining the association between stakeholder salience and CSR disclosure are presented and discussed as follows:

4.7.4.1 Association between Stakeholder Salience and Volume of Disclosure

The results of regression analyses between salience and volume of disclosure of six stakeholder groups are presented in Table 4.19. It can be seen from the table that in model 1, there are only environment and communities found to show the significant association between their salience and volume of disclosure ($p < 0.01$). The standardized coefficients for salience for environment and communities are 0.281and 0.300 respectively. For the rest four groups, the association between salience and volume of disclosure is found non-significant. It can be seen that their standardized coefficients for salience and adjusted R^2 values are close to zero.

In model 2, it is found that LGTA is significantly associated with disclosure volume for almost all of stakeholder groups ($p < 0.01$), except suppliers, and D/A ratio is related with disclosure volume for environment ($p < 0.05$). The addition of LGTA and D/A ratio significantly improve the fit of model and increase adjusted R^2 values for five groups, except suppliers. At the same time, those associations diminish the association between salience and volume of disclosure for those groups.

It can be seen that the standardized coefficients for salience decrease for all group. However, environment and communities still show that their salience is significantly related with disclosure volume ($p < 0.01$ and 0.1 respectively). The standardized coefficients for salience for environment and communities are 0.218 and 0.147 respectively.

When adding industry variables in Model 3, it is found that the association between salience and volume of disclosure is significant for only environment ($p < 0.1$). Although industry variables are not significantly related with volume of disclosure for all stakeholder groups, they reduce the strength of association between salience and volume of disclosure. As a result, the association of salience to disclosure volume for communities becomes non-significant in Model 3. Nevertheless, it can be seen that the standardized coefficient for salience for communities slightly decrease from 0.147 in Model 2 to 0.132 in Model 3. For environment, the standardized coefficient for salience decrease from 0.218 in Model 2 to 0.149 in Model 3. Despite the larger decrease of the standardized coefficient for salience, the results for environment group still show that the association between salience to disclosure volume is significant ($p < 0.1$).

In summary, the statistical significance of association between salience and volume of disclosure is found for only environment and communities. For the other four stakeholder groups, the standardized coefficients for salience are close to zero in all models. Concerning the comparison between these environment and communities, the stronger association seems to belong to the latter group. It can be seen that, without control variables in Model 1, the standardized coefficient for salience for communities is larger than for environment. However, owing to the larger influence of LGTA on disclosure, the association between engagement and volume of disclosure for communities becomes weaker than for environment in Model 2. In Model 3, the reduction of association between salience and disclosure volume for communities is accentuated when adding more control variable. In this model, the association for communities is reduced to non-significant, while the association for environment is still significant ($p < 0.1$).

Table 4.19
Regression Results between Stakeholder Salience and CSR Disclosure (Using Volume of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.005	.051	.960	-.002	-.021	.983	-.048	-.609	.544
LGTA				.497	5.566	.000***	.536	5.760	.000***
D/A				-.046	-.513	.609	-.085	-.946	.346
AGRO							-.123	-1.246	.215
CONSUMP							.119	1.039	.301
FINCIAL							.145	1.239	.218
INDUS							-.087	-.755	.452
PROPCON							.009	.071	.944
RESOURC							-.088	-.806	.422
SERVICE							.190	1.402	.164
R^2		.000			.229			.333	
Adj. R^2		-.008			.210			.274	
R^2 Change		.000			.229			.104	
F Change		.003			17.716			2.488	
Sig F Change		.096			.000***			.021**	
F		.003			11.811			5.596	
Sig F		.960			.000***			.000***	

Table 4.19 (continued)

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.042	.465	.643	.032	.347	.729	-.021	-.227	.821
LGTA				-.015	-.143	.886	.011	.100	.920
D/A				.132	1.297	.197	.160	1.522	.131
AGRO							-.026	-.231	.818
CONSUMP							.114	.869	.387
FINCIAL							-.137	-.997	.321
INDUS							.154	1.149	.253
PROPCON							.062	.420	.675
RESOURC							.126	.995	.322
SERVICE							-.083	-.524	.601
R^2	.002			.018			.103		
Adj. R^2	-.006			-.007			.023		
R^2 Change	.002			.016			.086		
F Change	.216			.955			1.533		
Sig F Change	.643			.388			.163		
F	.216			.709			1.292		
Sig F	.643			.549			.244		

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.120	1.324	.188	.071	.851	.394	.023	.264	.792
LGTA				.433	4.726	.000***	.440	4.390	.000***
D/A				-.024	-.263	.793	-.030	-.310	.757
AGRO							-.005	-.047	.963
CONSUMP							.177	1.431	.155
FINCIAL							.118	.927	.356
INDUS							-.006	-.050	.961
PROPCON							.086	.631	.529
RESOURC							.135	1.133	.260
SERVICE							.151	1.036	.302
R^2	.014			.191			.229		
Adj. R^2	.006			.171			.157		
R^2 Change	.014			.177			.035		
F Change	1.753			13.010			.722		
Sig F Change	.188			.000***			.654		
F	1.753			9.374			3.271		
Sig F	.188			.000***			.001***		

Table 4.19 (continued)

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.058	.644	.521	.008	.088	.093	-.053	-.595	.553
LGTA				.416	4.403	.000***	.462	4.567	.000***
D/A				-.111	-1.180	.240	-.092	-.946	.346
AGRO							-.056	-.526	.600
CONSUMP							.154	1.235	.216
FINCIAL							.067	.521	.603
INDUS							.001	.010	.992
PROPCON							-.134	-.984	.321
RESOURC							-.023	-.197	.844
SERVICE							.140	.955	.342
R^2		.003			.146			.219	
Adj. R^2		-.005			.125			.149	
R^2 Change		.003			.143			.073	
F Change		.415			9.975			1.486	
Sig F Change		.521			.000***			.179	
F		.415			6.809			3.141	
Sig F		.521			.000***			.001***	

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.281	3.217	.002***	.218	2.796	.006***	.149	1.811	.073*
LGTA				.514	5.952	.000***	.514	5.604	.000***
D/A				-.180	-2.096	.038**	-.135	-1.542	.126
AGRO							.041	.420	.675
CONSUMP							-.002	-.019	.985
FINCIAL							-.185	-1.623	.107
INDUS							.036	.323	.748
PROPCON							-.030	-.240	.811
RESOURC							.138	1.254	.212
SERVICE							-.124	-.942	.348
R^2		.079			.292			.362	
Adj. R^2		.071			.274			.306	
R^2 Change		.079			.213			.071	
F Change		10.349			17.868			1.780	
Sig F Change		.002***			.000***			.098*	
F		10.349			16.323			6.368	
Sig F		.002***			.000***			.000***	

Table 4.19 (continued)

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.300	3.461	.001***	.147	1.963	.052*	.132	1.610	.110
LGTA				.594	7.152	.000***	.536	6.029	.000***
D/A				-.097	-1.207	.230	-.082	-.995	.322
AGRO							-.001	-.008	.994
CONSUMP							.046	.437	.663
FINCIAL							.054	.500	.618
INDUS							-.141	-1.321	.189
PROPCON							-.111	-.925	.357
RESOURC							.108	1.034	.303
SERVICE							-.067	-.532	.596
R^2		.090			.379			.433	
Adj. R^2		.083			.364			.382	
R^2 Change		.090			.289			.053	
F Change		11.978			27.730			1.506	
Sig F Change		.001***			.000***			.173	
F		11.978			24.243			8.543	
Sig F		.001***			.000***			.000***	

Notes: Dependent variable = Volume of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^{*}p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

4.7.4.2 Association between Stakeholder Salience and Quality of Disclosure

Table 4.20 presents the results of regression analyses between salience and quality of disclosure. Similar to using volume of disclosure, it is found that, in Model 1, there are only the results for environment and communities showing the significantly positive association between salience and quality of disclosure ($p < 0.1$ and 0.01 respectively). The standardized coefficient for salience for environment and communities are 0.166 and 0.237 respectively. For the other stakeholder groups, the association between salience and disclosure quality is not found to be significant.

Although the results for environment and communities in Model 1 show that the association between salience and disclosure quality is significant, the association is found non-significant in Model 2 and 3. This is mainly because of the influence of LGTA. It can be seen that, for environment and communities, disclosure quality is stronger influenced by LGTA than by salience. Therefore, the association between salience and disclosure quality for those groups is diminished until it becomes non-significant. As shown from the table, for environment, the standardized coefficients for salience reduce from 0.166 in Model 1 to 0.105 and 0.098 in Model 2 and 3 respectively. For communities, although the association between salience and disclosure quality seems to be stronger than for environment, it also reduces to be non-significant. The standardized coefficients for salience for communities decrease from 0.237 in Model 1 to 0.137 and 0.152 in Model 2 and 3 respectively. Therefore, after adding control variables, there is no stakeholder group found to show the significant association between salience and disclosure quality.

In comparing between stakeholder groups, environment and communities seem to have stronger association between salience and quality of disclosure than other groups. They are only two groups showing the significance of the association in Model 1. The strongest association seems to belong to communities. In Model 1, the standardized coefficient for salience for communities is 0.237; while for environment is 0.166. However, for these two groups, the association between salience and quality of disclosure is not as strong as the association between salience and control variables. Therefore, in Model 2 and 3, the association between salience and quality of disclosure is diminished by influence of control variables and becomes non-significant.

Table 4.20

Regression Results between Stakeholder Salience and CSR Disclosure (Using Quality of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.023	.251	.802	.003	.035	.972	-.006	-.067	.946
LGTA				.214	2.209	.029**	.189	1.828	.070*
D/A				.138	1.412	.161	.113	1.136	.258
AGRO							-.003	-.025	.980
CONSUMP							.018	.142	.887
FINCIAL							-.016	-.126	.900
INDUS							-.129	-1.008	.316
PROPCON							.208	1.478	.142
RESOURC							.170	1.402	.164
SERVICE							.051	.336	.735
R^2			.001			.091			.179
Adj. R^2			-.008			.068			.106
R^2 Change			.001			.090			0.88
F Change			.063			5.898			1.719
Sig F Change			.802			.004***			.112
F			.063			3.955			2.244
Sig F			.802			.010*			.011

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.034	.371	.711	.026	.282	.778	-.009	-.100	.920
LGTA				-.073	-.713	.477	-.027	-.248	.805
D/A				.025	.247	.805	.017	.159	.874
AGRO							-.098	-.856	.394
CONSUMP							.044	.339	.735
FINCIAL							-.090	-.655	.514
INDUS							.257	1.929	.056
PROPCON							.131	.889	.376
RESOURC							.082	.651	.517
SERVICE							-.007	-.048	.962
R^2			.001			.005			.108
Adj. R^2			-.007			-.020			.029
R^2 Change			.001			.004			.103
F Change			.138			.257			1.849
Sig F Change			.711			.774			.085*
F			.138			.217			1.363
Sig F			.711			.885			.207

Table 4.20 (continued)

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	-.019	-.214	.831	-.022	-.240	.814	-.027	-.281	.779
LGTA				-.094	-.926	.356	-.167	-1.509	.134
D/A				.100	.982	.328	.086	.804	.423
AGRO							-.038	-.329	.743
CONSUMP							-.190	-1.392	.167
FINCIAL							.078	.558	.578
INDUS							-.116	-.843	.401
PROPCON							-.105	-.699	.486
RESOURC							-.007	-.053	.958
SERVICE							-.019	-.121	.904
R^2			.000			.011			.060
Adj. R^2			-.008			-.014			-.024
R^2 Change			.000			.011			.049
F Change			.046			.641			.829
Sig F Change			.831			.529			.565
F			.046			.442			.712
Sig F			.831			.723			.712

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.026	.287	.775	.019	.210	.834	-.005	-.049	.961
LGTA				.088	.088	.865	.074	.683	.496
D/A				-.057	-.565	.573	-.087	-.835	.405
AGRO							-.216	-1.889	.061*
CONSUMP							-.190	-1.420	.158
FINCIAL							-.053	-.383	.703
INDUS							-.316	-2.362	.020**
PROPCON							-.257	-1.759	.081*
RESOURC							-.266	-2.092	.039**
SERVICE							-.130	-.830	.408
R^2			.001			.007			.106
Adj. R^2			-.008			-.018			.026
R^2 Change			.001			.007			.099
F Change			.082			.399			1.764
Sig F Change			.775			.672			.101
F			.082			.293			1.327
Sig F			.775			.830			.225

Table 4.20 (continued)

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.166	1.856	.066*	.105	1.313	.192	.098	1.122	.264
LGTA				.499	5.647	.000***	.460	4.717	.000***
D/A				-.033	-.375	.708	-.032	-.340	.734
AGRO							-.077	-.754	.452
CONSUMP							-.061	-.514	.608
FINCIAL							-.043	-.352	.726
INDUS							-.064	-.532	.596
PROPCON							-.117	-.880	.381
RESOURC							.002	.014	.989
SERVICE							-.173	-1.235	.220
R^2		.028			.260				.278
Adj. R^2		.020			.241				.214
R^2 Change		.028			.232				.019
F Change		3.444			18.637				.416
Sig F Change		.066*			.000***				.891
F		3.444			13.908				4.320
Sig F		.066*			.000***				.000***

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.237	2.689	.008***	.137	1.590	.115	.152	1.566	.120
LGTA				.395	4.412	.000***	.419	3.983	.000***
D/A				-.082	-.885	.378	-.046	-.470	.640
AGRO							-.052	-.482	.631
CONSUMP							-.074	-.596	.553
FINCIAL							-.204	-1.607	.111
INDUS							-.091	-.725	.470
PROPCON							-.166	-1.165	.246
RESOURC							-.106	-.861	.391
SERVICE							-.008	-.593	.555
R^2		.056			.181				.205
Adj. R^2		.049			.161				.134
R^2 Change		.056			.125				.023
F Change		7.229			9.072				.469
Sig F Change		.008***			.000***				.855
F		7.229			8.779				2.880
Sig F		.008***			.000***				.003***

Notes: Dependent variable = Quality of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^*p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

4.7.5 Hypothesis 5: Mediation Effect of Stakeholder Engagement on the Association between Stakeholder Salience and CSR Disclosure

Hypothesis 5 states that the stakeholder engagement effort with a stakeholder group mediates the association between the salience attached to that group and the CSR disclosure effort directed at that group. In order to test for the mediation, this study followed the approach proposed by Baron and Kenny (1986). According to their approach, the following three regression equations are needed to be performed:

1. the mediator (stakeholder engagement) regressed on the independent variable (salience);
2. the dependent variable (CSR disclosure) regressed on the independent variable (salience); and
3. the dependent variable (CSR disclosure) regressed both on the independent variable (salience) and on the mediator (stakeholder engagement).

In regard to these there three steps, there are four conditions to be met to ascertain the mediating effect as follows;

1. the independent variable (salience) must be associated with the mediator (stakeholder engagement) in the first equation;
2. the independent variable (salience) must be associated with the dependent variable (CSR disclosure) in the second equation;
3. the mediator (stakeholder engagement) must be associated with the dependent variable (CSR disclosure) in the third equation;
4. the association between the independent variable (salience) and the dependent variable (CSR disclosure) in the third equation must be less than in the second equation.

In addition, Baron and Kenny (1986) suggested that the mediation may be full or partial depending on the significance of the association between the independent variable and dependent variable in the third equation. Full mediation is confirmed when the association is reduced to non-significance. If the association is less but still significant, it is partial mediation.

According to the three regression equations required to test the mediation, having in mind that the first and the second regression equations were conducted in the testing of prior hypotheses. The regression of stakeholder engagement on stakeholder salience was performed in the testing of Hypothesis 2 (section 4.7.2) and the regression of CSR disclosure on stakeholder salience was conducted in the testing of Hypothesis 4 (section 4.7.4). Therefore, the rest to be carried out is the third regression equation. As CSR disclosure was measured in terms of both volume and quality, two separated regression analyses were performed to test this hypothesis; one by using volume of disclosure and the other one by using quality of disclosure.

In summary, the results show that the mediating effect of stakeholder engagement is found for only for environment and communities. There are only the results for these two groups fulfilling all required conditions, while the other groups do not. In addition, it is found that, these two groups, engagement plays a full mediating role between salience and disclosure. These findings are similarly found in both using volume and quality of disclosure. The following sections provide the results of regressing CSR disclosure (using volume or quality) on stakeholder salience and engagement as well as the determination on conditions of mediating effect of stakeholder engagement.

4.7.5.1 Mediation Effect of Stakeholder Engagement on Association between Stakeholder Salience and Volume of Disclosure

Table 4.21 shows the regression analyses examining the association of salience and engagement on volume of disclosure for each of six stakeholder groups. In Model 1, it is shown that the overall model is statistically significant for only environment and communities ($p<0.01$). The R^2 values for these two group are 0.175 and 0.202 respectively; while, for the other four groups, the adjusted R^2 values is close to zero. Regarding the significance of association between variables, it is found that the association between salience and volume of disclosure is not significant for all stakeholder groups; while the association between engagement and volume of disclosure are significant for environment and communities ($p<0.01$). The standardized coefficients for engagement for environment and communities are 0.434 and 0.481. For employees, although it is shown that the t-value of the regression coefficient for engagement is significant ($p < 0.1$); the F-test of the coefficient of determination is not significant. As shown in the table, the adjusted R^2 for this group is very low (the value of 0.021). This mean that, overall, the model for this group has very low predictability. Therefore, the significance of association between engagement and volume of disclosure is meaningful for only environment and communities.

Similar to Model 1, the results in Model 2 and 3 shows that the association between salience and volume of disclosure is found non-significant for all stakeholder groups. In respects of the association between engagement and volume of disclosure, the association is found significantly positive for only environment and communities. It can be seen that adjusted R^2 values significantly improve mainly because of the addition of LGTA. However, the influence of LGTA, at the same time, reduces the association between engagement and volume of disclosure. For environment, the standardized coefficients for engagement decrease from 0.434 on Model 1 to 0.264 in Model 2 and 0.238 in Model 3. For communities, the standardized coefficients for engagement reduce from 0.481 in Model 1 to 0.243 in Model 2 and 0.212 in Model 3.

The influence of LGTA is also shown for other stakeholder groups, especially for employees and customers. For employees, this control variable reduces the association between engagement and volume of disclosure to be non-significant in Model 2. For customers, this control variable distorts the association between engagement and volume of disclosure to become negative in Model 2 and 3. Particularly, it makes the association becomes statistically significant ($p < 0.1$) in Model2. However, this statistical significance does not seem to convey the association between engagement and volume of disclosure for customer, as the association is not negative in nature and the standardized coefficient is very small.

Table 4.21
Regression Results between Stakeholder Salience and Stakeholder Engagement to CSR Disclosure (Using Volume of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.002	.015	.988	.086	.905	.367	.025	.266	.790
Engagement	.006	.055	.957	-.167	-1.709	.090*	-.138	-1.414	.160
LGTA				.545	5.865	.000***	.571	5.955	.000***
D/A				-.065	-.729	.468	-.095	-1.060	.291
AGRO							-.108	-1.089	.278
CONSUMP							.111	.974	.332
FINCIAL							.134	1.149	.253
INDUS							-.097	-.843	.401
PROPCON							.005	.042	.967
RESOURC							-.074	-.678	.499
SERVICE							.196	1.448	.150
R^2		.000			.248				.345
Adj. R^2		-.017			.223				.280
R^2 Change		.000			.248				.097
F Change		.003			19.490				2.346
Sig F Change		.997			.000***				.028**
F		.003			9.732				5.314
Sig F		.997			.000***				.000***

Table 4.21 (continued)

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	-.005	-.045	.964	-.013	-.124	.902	-.051	-.472	.638
Engagement	.093	.888	.376	.087	.793	.430	.061	.553	.581
LGTA				-.035	-.334	.739	-.003	-.023	.982
D/A				.132	1.298	.197	.158	1.495	.138
AGRO							-.029	-.251	.802
CONSUMP							.111	.841	.402
FINCIAL							-.132	-.960	.339
INDUS							.158	1.173	.243
PROPCON							.069	.465	.643
RESOURC							.126	.988	.325
SERVICE							-.074	-.468	.641
R^2			.008			.023			.106
Adj. R^2			-.008			-.010			.017
R^2 Change			.008			.014			.083
F Change			.502			.873			1.474
Sig F Change			.607			.420			.184
F			.502			.687			1.195
Sig F			.607			.602			.299

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.037	.367	.715	.040	.420	.675	-.007	-.074	.941
Engagement	.171	1.678	.096*	.068	.702	.484	.068	.690	.492
LGTA				.419	4.447	.000***	.428	4.182	.000***
D/A				-.021	-.203	.818	-.027	-.277	.782
AGRO							-.010	-.092	.927
CONSUMP							.171	1.380	.170
FINCIAL							.110	.855	.395
INDUS							-.013	-.106	.916
PROPCON							.081	.592	.555
RESOURC							.128	1.065	.289
SERVICE							.151	1.029	.306
R^2			.037			.195			.229
Adj. R^2			.021			.167			.153
R^2 Change			.037			.158			.035
F Change			2.298			11.546			.717
Sig F Change			.105			.000***			.658
F			2.298			7.124			3.003
Sig F			.105			.000***			.002***

Table 4.21 (continued)

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.038	.341	.734	.055	.529	.598	.004	.037	.970
Engagement	.035	.316	.753	-.087	-.809	.420	-.109	-1.015	.312
LGTA				.435	4.463	.000***	.486	4.678	.000***
D/A				-.111	-1.178	.241	-.090	-.933	.353
AGRO							-.050	-.469	.640
CONSUMP							.165	1.314	.192
FINCIAL							.073	.567	.572
INDUS							.004	.033	.974
PROPCON							-.127	-.930	.354
RESOURC							-.011	-.088	.930
SERVICE							.156	1.056	.293
R^2	.004			.151			.226		
Adj. R^2	-.012			.122			.150		
R^2 Change	.004			.147			.075		
F Change	.256			10.215			1.537		
Sig F Change	.775			.000***			.162		
F	.256			5.255			2.950		
Sig F	.775			.001***			.002***		

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.001	.005	.996	.056	.564	.574	.007	.065	.948
Engagement	.434	4.026	.000***	.264	2.524	.013**	.238	2.269	.025**
LGTA				.441	4.932	.000***	.459	4.927	.000***
D/A				-.156	-1.850	.067*	-.119	-1.380	.170
AGRO							.032	.333	.740
CONSUMP							.017	.157	.876
FINCIAL							-.175	-1.562	.121
INDUS							.058	.524	.601
PROPCON							-.007	-.060	.953
RESOURC							.130	1.202	.232
SERVICE							-.098	-.753	.453
R^2	.188			.328			.391		
Adj. R^2	.175			.305			.330		
R^2 Change	.188			.139			.063		
F Change	13.931			12.236			1.637		
Sig F Change	.000***			.000***			.132		
F	13.931			14.388			6.471		
Sig F	.000***			.000***			.000***		

Table 4.21 (continued)

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	-.026	-.240	.810	.001	.012	.990	.004	.040	.969
Engagement	.481	4.632	.000***	.243	2.334	.021**	.212	1.948	.054*
LGTA				.520	5.939	.000***	.479	5.182	.000***
D/A				-.080	-1.018	.311	-.078	-.953	.343
AGRO							-.026	-.290	.772
CONSUMP							.051	.489	.626
FINCIAL							.070	.662	.510
INDUS							-.121	-1.141	.256
PROPCON							-.088	-.740	.461
RESOURC							.106	1.031	.302
SERVICE							-.034	-.271	.787
R^2		.215			.407				.451
Adj. R^2		.202			.387				.397
R^2 Change		.215			.192				.045
F Change		16.396			19.104				1.294
Sig F Change		.000***			.000***				.260
F		16.396			20.223				8.305
Sig F		.000***			.000***				.000***

Notes: Dependent variable = Volume of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^{*}p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

After volume of disclosure was regressed on salience and engagement, the conditions for mediating effect of engagement were determined. The results show that all conditions are met for only environment and communities. Table 4.22 provides the summary of the results of the mediating effect of stakeholder engagement of each stakeholder group. The results for the first and second conditions are drawn from Table 4.16 in the test of Hypothesis 2 and Table 4.19 in the test of Hypothesis 4 respectively. The results for the third condition are derived from Table 4.21. For the forth condition, it is determined by comparing between Table 4.19 and Table 4.21.

Regarding the first condition, it can be seen from Table 4.16 that all of three models indicate the significantly positive association between salience and engagement for all stakeholder groups. In contrast, for the second condition, the results shown in

Table 4.19 demonstrate that the association between salience and volume of disclosure is significant for only environment and communities. The results for the third condition are similar to the second condition. It is found in Table 4.21 that the significant association between engagement and volume of disclosure is shown for only environment and communities. To establish a mediating effect, all conditions must be achieved. Therefore, the determination for the forth condition for customers, suppliers, employees and shareholders seems to be needless. Certainly, the results of these four groups do not indicate the mediating effect of engagement. Hence, the further determination is made for only environment and communities. In respect of the forth condition, for these two group, it is shown that the standardized coefficients for salience in Table 4.21 are less than in Table 4.19. This means that the association between salience and volume of disclosure reduces when engagement is controlled for.

All in all, it can be seen that only the results for environment and communities meet all conditions. Therefore, the mediating effect of stakeholder engagement on the association between salience and volume of disclosure is found for only these two groups. In addition, it can be seen from Table 4.21 that, for these two groups, the association between salience and volume of disclosure is not longer significant after controlling for engagement. In comparison between Table 4.19 and 4.21, it can be seen that the standardized coefficients for salience reduce to close to zero for all models. For environment, the standardized coefficients for salience reduce from 0.281 to 0.001 in Model 1, 0.218 to 0.056 in Model 2, and 0.149 to 0.007 in Model 3. Similarly, for communities, the standardized coefficients for salience decrease from 0.3 to -0.026 in Model 1, 0.147 to 0.001 in Model 2, and 0.132 to 0.004 in Model 3. According to Baron and Kenny (1986), the mediation is full if the association between independent variable and the dependent variable reduces to non-significance. Thus, the results indicate that the stakeholder engagement for these two groups has full mediating effect on the association between salience and volume of disclosure.

Table 4.22
Summary of the Results for the Mediating Effect of Stakeholder Engagement (Using Volume of Disclosure)

	Condition 1*	Condition 2**	Condition 3***	Condition 4****
Customers	√			
Suppliers	√			
Employees	√			
Shareholders	√			
Environment	√	√	√	√
Communities	√	√	√	√

Notes: * from Table 4.16; ** from Table 4.19; *** from Table 4.21; **** from the comparison between Table 4.19 and Table 4.21

4.7.5.2 Mediation Effect of Stakeholder Engagement on Association between Stakeholder Salience and Quality of Disclosure

The results of regression analyses examining the association of salience and engagement on quality of disclosure are presented in Table 4.23. For customers, suppliers, employees and shareholders, it is shown from the table that both salience and engagement are found non-significantly related with quality of disclosure. Although the overall of model for customers is statistically significant in Model 2 and 3 ($p < 0.05$), it is the result of the influence of LGTA rather than salience or engagement themselves.

For environment and communities, it is shown that salience is not significantly related with quality of disclosure in all models. At the same time, engagement is found significantly associated with quality of disclosure in only Model 1($p< 0.05$ and 0.01 respectively), not in Model 2 and 3. It can be seen that without control variable in Model 1, the standardized coefficients for engagement for these two groups are not too low. The standardized coefficient for engagement for environment is 0.239 and for communities is 0.342. However, because of the stronger association between LGTA and disclosure quality, the association between engagement and disclosure quality in Model 2 and 3is found non-significant. As shown from the table, the standardized coefficients for engagement for environment decrease to 0.044 in Model 2 and 0.024 in Model 3 and for communities reduce to 0.109 in Model 2 and 0.194 in Model 3.

Table 4.23
Regression Results between Stakeholder Salience and Stakeholder Engagement to CSR Disclosure (Using Quality of Disclosure)

1.Customers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.000	-.003	.998	.018	.170	.899	.033	.314	.754
Engagement	.045	.417	.678	-.028	-.259	.796	-.073	-.672	.503
LGTA				.222	2.177	.031**	.208	1.935	.055*
D/A				.135	1.363	.176	.108	1.076	.284
AGRO							.005	.049	.961
CONSUMP							.014	.109	.913
FINCIAL							-.022	-.169	.866
INDUS							-.134	-1.044	.299
PROPCON							.206	1.460	.147
RESOURC							.178	1.454	.149
SERVICE							.054	.358	.721
R^2		.002			.091				.182
Adj. R^2		-.015			.060				.101
R^2 Change		.002			.089				.091
F Change		.118			5.791				1.765
Sig F Change		.889			.004***				.101
F		.118			2.960				2.248
Sig F		.889			.023**				.017**

Table 4.23 (continued)

2.Suppliers	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.050	.477	.634	.034	.309	.758	-.009	-.082	.935
Engagement	-.033	-.313	.755	-.015	-.133	.894	-.001	-.009	.993
LGTA				-.069	-.656	.513	-.027	-.239	.811
D/A				.025	.246	.806	.017	.158	.874
AGRO							-.098	-.852	.396
CONSUMP							.044	.388	.736
FINCIAL							-.090	-.652	.516
INDUS							.257	1.917	.058*
PROPCON							.131	.881	.380
RESOURC							.082	.648	.518
SERVICE							-.008	-.048	.962
R^2			.002			0.06			.108
Adj. R^2			-.015			-.028			.020
R^2 Change			.002			.004			.103
F Change			.117			.216			1.830
Sig F Change			.889			.806			.088*
F			.117			.166			1.228
Sig F			.889			.955			.277

3.Employees	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	-.016	-.150	.881	-.027	-.254	.800	-.034	-.319	.751
Engagement	-.008	-.077	.939	.010	.093	.926	.017	.153	.879
LGTA				-.096	-.920	.359	-.170	-1.505	.135
D/A				.100	.981	.328	.086	.807	.422
AGRO							-.040	-.337	.737
CONSUMP							-.191	-1.393	.166
FINCIAL							.076	.538	.592
INDUS							-.117	-.849	.398
PROPCON							-.107	-.704	.483
RESOURC							-.009	-.066	.948
SERVICE							-.020	-.122	.903
R^2			.000			.011			.060
Adj. R^2			-.016			-.022			-.033
R^2 Change			.000			.011			.049
F Change			.026			.637			.824
Sig F Change			.975			.531			.570
F			.026			.331			.643
Sig F			.975			.857			.788

Table 4.23 (continued)

4.Shareholders	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.007	.066	.948	.012	.109	.913	-.015	-.136	.892
Engagement	.032	.289	.773	.013	.112	.911	.021	.178	.859
LGTA				.085	.811	.419	.069	.621	.536
D/A				-.057	-.562	.575	-.087	-.834	.406
AGRO							-.214	-1.888	.062*
CONSUMP							-.192	-1.424	.157
FINCIAL							-.054	-.389	.698
INDUS							-.316	-2.355	.020**
PROPCON							-.258	-1.758	.081*
RESOURC							-.269	-2.090	.039**
SERVICE							-.133	-.840	.403
R^2		.001			.007				.106
Adj. R^2		-.015			-.026				.018
R^2 Change		.001			.006				.099
F Change		.083			.360				1.752
Sig F Change		.921			.698				.104
F		.083			.221				1.199
Sig F		.921			.926				.296

5. Environment	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.012	.105	.916	.078	.745	.454	.087	.753	.453
Engagement	.239	2.059	.042**	.044	.399	.691	.024	.212	.832
LGTA				.487	5.191	.000***	.455	4.482	.000***
D/A				-.029	-.328	.744	-.030	-.320	.749
AGRO							-.078	-.759	.449
CONSUMP							-.059	-.494	.626
FINCIAL							-.042	-.342	.733
INDUS							-.062	-.510	.611
PROPCON							-.115	-.856	.394
RESOURC							.001	.007	.995
SERVICE							-.171	-1.205	.231
R^2		.061			.261				.279
Adj. R^2		.045			.236				.270
R^2 Change		.061			.200				.018
F Change		3.889			15.936				.397
Sig F Change		.023**			.000***				.903
F		3.889			10.397				3.898
Sig F		.023**			.000***				.000***

Table 4.23 (continued)

6.Communities	Model 1			Model 2			Model 3		
	β	t-value	P value	β	t-value	P value	β	t-value	P value
Salience	.005	.042	.967	.023	.203	.839	.035	.280	.780
Engagement	.342	2.933	.004***	.109	1.569	.119	.194	1.498	.137
LGTA				.337	3.312	.001***	.367	3.331	.001***
D/A				-.069	-.747	.456	-.042	-.430	.668
AGRO							-.075	-.697	.487
CONSUMP							-.069	-.562	.575
FINCIAL							-.189	-1.490	.139
INDUS							-.073	-.579	.564
PROPCON							-.145	-1.018	.311
RESOURC							-.108	-.877	.382
SERVICE							-.058	-.389	.698
R^2	.119			.198			.220		
Adj. R^2	.105			.171			.143		
R^2 Change	.119			.078			.022		
F Change	8.143			5.771			.454		
Sig F Change	.000***			.004***			.865		
F	8.143			7.281			2.851		
Sig F	.000***			.000***			.000***		

Notes: Dependent variable = Quality of CSR disclosure;
β = Standardized coefficients; R^2 = Coefficient of determination; Adj. R^2 = Adjusted of coefficient of determination; R^2 Change = Change in coefficient of determination
$^{*}p < .10$, $^{**}p < .05$, $^{***}p < 0.01$

Concerning the conditions of mediation of stakeholder engagement, it is found that all conditions are met for only environment and communities. This finding is similar to the finding of using volume of disclosure. The summary of the results of the mediating effect of stakeholder engagement by using quality of disclosure is presented in Table 4.24. Likewise the previous section, the results for the first condition is derived from Table 14.6 shown in the testing of Hypothesis 2. For the rest conditions concerning CSR disclosure, their results are derived from the tables using quality of disclosure. The results for the second and third conditions are drawn from Table 4.20 and 4.23 respectively. Table 4.20 is shown in the section of the test of Hypothesis 4, and Table 4.23 is presented above. The results for the last condition are determined through the comparison between these two tables.

these two groups. Moreover, it is further found that engagement has full mediating role on that association. It can be seen that the associations between salience and quality of disclosure found significant in Table 4.20 become non-significant in Table 4.23 for both groups. As mentioned earlier, according to Baron and Kenny (1986), the mediator is considered to play full role if the association between independent variable and the dependent variable reduces to non-significance. Therefore, it can be conclude that, for environment and communities, engagement has full mediating effect on the association between salience and quality of disclosure.

Table 4.24
Summary of the Results for the Mediating Effect of Stakeholder Engagement (Using Quality of Disclosure)

	Condition 1*	Condition 2**	Condition 3***	Condition 4****
Customers	√			
Suppliers	√			
Employees	√			
Shareholders	√			
Environment	√	√	√	√
Communities	√	√	√	√

Notes: * from Table 4.16; ** from Table 4.20; *** from Table 4.23; **** from the comparison between Table 4.20 and Table 4.23

4.8 Chapter Summary

This chapter aims to present the statistical results and the findings of the present study. The data used in the analysis was obtained through questionnaire survey and content analysis. Out of 561questionnaires distributed to representatives of listed companies in Thailand, 123 usable questionnaires were replied which shows a 21.93 % usable response rate. The results of the test of non-response bias show that there is no significant difference between the data given by early and late respondents. After receiving questionnaire responses, content analysis of annual reports of those responding companies was conducted.

Before performing hypothesis testing, data obtained by both questionnaire survey and content analysis were determined for their goodness and suitability to ensure that they accurately represented what this study intended to figure out. Then, the descriptive statistical analysis was performed in order to provide background of all variables used in this study. In addition, the results from the analysis also fulfill the first three objectives of the study. They assist to find out the extent of stakeholder attributes and salience (objective 1), stakeholder engagement (objective 2) together with CSR disclosure (objective 3). However, the results show that there were some variables for some stakeholder groups found non-normally distributed. Thus, data transformations were employed. Concerning the reason for comparison between the stakeholder groups, all variables were transformed by the same method which was the computation of normal scores.

The correlation analysis was also performed to determine the strength and direction of association between variables as well as the multicollinearity problem. In general, the positive correlations between the key variables were found for all stakeholder groups. However, the correlations are not high enough to cause concern about multicollinearity. In addition to multicollinearity, other assumptions of multiple regression, including linearity, outliers, normality and homoscedasticity, were assessed. The results show that all assumptions were not violated.

Multiple regression, Kruskal-Wallis tests and Spearman's Rank Correlation were performed to examine the associations between variables according to the five hypotheses proposed in this study. All of five hypotheses were developed in order to fulfill the rest five objectives of this study. The objectives 4 to 7 were fulfilled by the testing of Hypothesis 1 to 4 respectively. The results reveal whether the associations exist between attributes and salience (objective 4), salience and engagement (objective 5), engagement and disclosure (objective 6) as well as salience and disclosure (objective 7). The last objective (objective 8) was achieved by the testing of Hypothesis 5. It reveals whether the mediation of engagement exists on the association between salience and disclosure. Each hypothesis was tested through each of six different stakeholder groups: customers, suppliers, employees, shareholders, environment, and communities. The summary of hypotheses test is presented in Table 4.25.

In testing of Hypothesis 1, the results shows that power and urgency are positively associated with salience for all of six stakeholder groups, while legitimacy is found positively associated with salience for only environment, communities and employees. In addition, it is found that the cumulative number of stakeholder attributes is associated with salience for all stakeholder groups. Regarding Hypothesis 2, the results show that the association between salience and engagement is found for all stakeholder groups. In contrast, the associations hypothesized in Hypothesis 3, 4 and 5 are found for only some stakeholder groups. As regards to Hypothesis 3, the association between engagement and volume of disclosure is found for employees, environment, and communities, while the association between engagement and quality of disclosure is found for only environment and communities. In respect of Hypothesis 4, by both of using volume and of using quality of disclosure, the results show that stakeholder salience is associated with disclosure for only environment and communities. Finally, in testing of Hypothesis 5, environment and communities are also only two stakeholder groups supporting this hypothesis. The results show that the conditions of mediating effect of stakeholder engagement on the association between salience and disclosure are met for only these two groups.

Table 4.25
Summary of Hypotheses Test

Hypothesis	Customers	Suppliers	Employees	Shareholders	Environment	Communities
H1a: Association between power and stakeholder salience	√	√	√	√	√	√
H1b: Association between legitimacy and stakeholder salience			√		√	√
H1c: Association between urgency and stakeholder salience	√	√	√	√	√	√
H1d: Association between cumulative number of attributes and stakeholder salience	√	√	√	√	√	√
H2: Association between stakeholder salience and stakeholder engagement	√	√	√	√	√	√
H3: Association between stakeholder engagement and CSR disclosure						
Using volume			√		√	√
Using quality					√	√
H4: Association between stakeholder salience and CSR disclosure						
Using volume					√	√
Using quality					√	√
H5: Mediation of stakeholder engagement on the association between stakeholder salience and CSR disclosure						
Using volume					√	√
Using quality					√	√

CHAPTER FIVE

CONCLUSION AND DISCUSSION

5.1 Introduction

This final chapter presents the discussions, interpretations, and implications of the findings of this study. To this end, the chapter starts with summary and discussion of findings organized around research objectives in section 5.2. This section aims to recapitulate the findings obtained in this study as well as compares the findings with the results and discussion of prior research and literature. Next, section 5.3 describes implications and contributions of this study from both theoretical and practical perspectives. Section 5.4 presents limitations in interpreting and generalizing the findings of this study involving suggestions for future research. Finally, some concluding remarks are presented in section 5.5.

5.2 Summary and Discussion of Findings

This section aims to summarize and discuss the main findings of the current study. In addition, it compares the findings with the results and discussion of prior research and literature. In order to provide a comprehensive and concise picture of the findings, this section is presented in six sub-sections according to the research objectives established in this study. Section 5.2.1 discusses the findings from the descriptive analysis, which aim to fulfill the first three objectives. It provides the discussion of the extent of stakeholder attributes and salience, stakeholder engagement as well as CSR disclosure. Sections 5.2.2 to 5.2.6 are chronologically presented according to the testing of five hypotheses, which aim to carry out the other five research objectives.

5.2.1 Extent of Stakeholder Attributes, Salience, Engagement and CSR Disclosure

The first objective focuses on the extent of stakeholder attributes and salience. It can be seen from Table 4.6 that, on average, all attributes were scored from moderate to high for all stakeholder groups. Their means scores of attributes range from 4.27 for urgency of customers to 3.23 for power of suppliers. Similarly, the mean scores of salience are range from moderate to high. The lowest score of salience is to be found for suppliers at 3.54, while the highest one belongs to customers at 4.34. This indicates that degrees of attributes and salience for all stakeholder groups are quite high in the respondents' perceptions.

In comparison between stakeholder groups, it is found that the scores of attributes and salience were given to all groups in unanimous manner. When all stakeholder groups were rank ordered in terms of their scores, all stakeholder groups occupy the positions of their attributes in the same manner as their salience. From Table 4.6, it can be seen that customers occupy the first place for all attributes and salience, while suppliers occupy the last rank for all. Likewise, the rest four stakeholder groups are also ranked in the same manner. It can be seen that shareholders, employees, communities, and environment occupy the second, third, fourth, and fifth rank respectively for all of their attributes and salience. These findings are consistent with those in previous studies. In studies by Agle et al. (1999), Gago and Antolín (2004) and Mattingly (2003), it is similarly shown that stakeholder groups given high score of salience also take high rank in their power, legitimacy, and urgency. At the same time, the groups given low salience scores are ranked low for their attributes.

The second objective is to determine the extent of stakeholder engagement. As can be seen from Table 4.6, the mean scores of engagement range from 2.92 for environment to 4.06 for shareholders. As regards to the comparison between stakeholder groups, it can be seen that the rank between the groups for stakeholder engagement is different from the rank for attributes and salience. While customers are the group occupying the highest mean scores for all attributes and salience, they occupy the third place for mean score of engagement. The highest and second highest mean scores of engagement are obtained by shareholders and employees, which occupy the second and third place respectively for attributes and salience. The forth place for mean score of engagement is obtained by suppliers. The last two places are occupied by communities and environment. It can be seen that mean scores of engagement for these two groups are particularly low. They are only groups have mean scores of engagement lower than three. This may be because they do not directly involve in companies' operations. Therefore, companies seem to engage with them less than the other four groups. For suppliers, although they obtained lowest score of attributes and salience, their mean score of engagement is higher than for communities and environment. This implies that, despite low salience in companies' perceptions, companies have to deal with them in their business processes. However, when compared to shareholders, employees and customers, suppliers have particularly low score of engagement. This indicates that, among the stakeholder groups directly involving in business operations, companies seem to pay attention to suppliers lower than the other groups.

The third objective of this study focuses on the extent of CSR disclosure. In this study, the extent of disclosure was determined by volume and quality. As concerning the volume of disclosure, it was assessed by counting the number of sentences. From Table 4.8, it is shown that the average number of sentences for all stakeholder groups is 326.31. Regarding the classification by stakeholder groups, the average volume for each stakeholder group is varied over a large range. The highest mean of number of sentences belongs to shareholders (175 sentences). It can be seen that the average number of sentences for this group is more than half when compared to all disclosures. The second and third highest categories are customers and employees with the number of 87.17 and 31.75 sentences respectively. On average, the volume of disclosure for these three groups is particularly high when compared to the other three groups. For communities and environment, the numbers of sentences are 14.98 and 12.60 respectively. The lowest mean of number of sentences belongs to suppliers at 6.8.

The quality of disclosure was measured by using three dimensions of information. These three dimensions are type (distinguished as quantitative and qualitative information), nature (distinguished as non-financial and financial information) and outlook (distinguished as forward-looking and historical information). As for type and nature of information, it can be seen from Table 4.9 that most of the sentences were presented in qualitative and non-financial form with the mean of 193.37 and 271.46 sentences respectively. In regards of information on outlook, almost of these disclosures were classified as historical with the mean of 318.11 sentences. This implies that companies mostly disclosed information in descriptive form rather than the quantitative form of financial aspects. In addition, their disclosed information mainly points out the past performance rather than predicts the future prospects. In regards of the comparison of the mean scores of quality between stakeholder groups, it can be seen from Table 4.9 that the highest mean scores is obtained by shareholders at 4.41. The second and third highest mean scores belong to customers and employees at 4.18 and 4.11 respectively. The fourth, fifth and last place are communities (3.85), suppliers (3.78) and environment (3.32) respectively.

The rank of volume and quality of disclosure seems to be in accordance with the rank of attribute, salience, and engagement. It can be seen that shareholders, customers and employees are always in top three positions, while environment, communities and suppliers are ranked as the bottom three. The findings regarding the extent of attributes, salience, engagement, and disclosure for each stakeholder group provide the overall view of companies' responsibilities towards the group. It can be implied from the findings that companies tend to assign high priority to shareholders, customers, and employees, rather than to environment, communities and suppliers. Thus they tend to perceive, act and disclose information towards the former three groups rather than the latter three.

5.2.2 Stakeholder Attributes and Salience

The fourth research objective aims at determining the association between three attributes and salience of stakeholders. This objective was carried out by testing of the first hypothesis. The premise of this objective is derived from a theory of stakeholder identification and salience proposed by Mitchell et al. (1997). In their theoretical model, it is argued that stakeholder salience is perceived primarily based on a function of three attributes: power, legitimacy and urgency. In addition, they argued that the combinational effects of the attributes create more stakeholder salience than the individual effect. This study, therefore, determined the association of both of individual and cumulative form of these three attributes on the salience attached to stakeholders.

Overall, the findings of this study tend to support Mitchell et al. (1997)'s model. The results of multiple regression analyses show that power and urgency are significantly associated with salience for all of six stakeholder groups: customers, suppliers, employees, shareholders, environment and communities ($p < 0.01$). For legitimacy, it has significantly positive associations with salience for only three groups: environment, community ($p < 0.01$) and employees ($p < 0.1$) (see Table 4.14). In addition, it is found that number of cumulative attributes is positively related to salience for all stakeholder groups ($p < 0.01$) (see Table 4.15). The findings of this study seem to be consistent with the findings reported by previous studies such as by Agle et al. (1999), Boesso and Kumar (2009b), Gago and Antolín (2004) and Gonzalez-padron (2007). They also found the evidence that power, legitimacy and urgency act as attributes influencing stakeholder salience in both individual and cumulative form.

However, as concerning the comparison between attributes in term of their influence on salience, the findings of this study seem to differ from previous studies (Agle et al., 1999; Boesso & Kumar, 2009b; Gago & Antolín, 2004). The results of regression analyses in previous studies demonstrate different patterns of influence of the attributes on salience of different stakeholder groups. For example, in Agle et al. (1999)'s study, urgency is the most influential attribute in predicting the salience for shareholders, while legitimacy is the best predictor of salience for employees, customer and communities. In Boesso and Kumar (2009b)'s study, the best predictor for customer, labor unions and financial community is power, while for social and environmental groups is legitimacy. However, in the current study, it is found that the attributes show the similar patterns in predicting salience for all of six stakeholder groups. The results of regression analyses show that, for all stakeholder groups, urgency seems to play the greatest role in predicting salience. The second most influential attribute is power and the last is legitimacy. This demonstrates the uniqueness of listed companies in Thailand in terms of the influence of stakeholder attributes on their perception of stakeholder salience that different from previous studies conducted in other countries.

According to Mitchell et al. (1999), urgency relates to "the degree to which stakeholders' claim calls for immediate attention". Stakeholder urgency is based on time sensitivity and criticality of stakeholders claims. In the current study, the findings show that urgency is the best predictor of salience for all stakeholder groups. This means that the most influential attribute motivating Thai listed companies to pay attention to all stakeholder groups is urgency. This may imply that stakeholders would be likely to gain greatest attention from companies if their claims perceived as high time sensitivity and criticality.

The second most influential is power. According to Agle et al. (1999), power is referred to the ability of stakeholders to use coercive force to obtain their will and to affect the companies. Even though Gonzalez-padron (2007) and Parent and Deephouse (2007) argued that power is the primary attribute stronger than legitimacy and urgency in driving companies' decisions, the current study found that power is the second best in predicting salience. However, in the current study, power is also related to salience for all of six stakeholder groups. This may imply that, for Thai listed companies, although power is less strong predictor, it is also the main attribute influencing salience attached to all stakeholder groups. This means that, for all stakeholder groups, companies determine the degree of attention to them depending not only on how much time sensitivity and criticality of their claims, but also on how they can enforce their claims and affect the companies.

The findings of this study further demonstrate that legitimacy is the least powerful predictor of salience for all stakeholder groups. Although the results of correlation analyses show that legitimacy is correlated with salience for all stakeholder groups, it is found significantly related to salience for only communities, environment and employees when controlled together with other two attributes in multiple regression analyses. This means that legitimacy does not influence strongly enough on stakeholder salience when comparing with urgency and power. Thus, its association becomes non-significant when it is considered together with the other attributes. The interesting finding is that the stakeholder groups (communities, environment, and employees) showing the significant influence of legitimacy seem to be less salience than those (customers and shareholders) showing non-significance of legitimacy. According to Mitchell et al. (1999), legitimacy refers to the perception or assumption that stakeholders' behaviors are proper, desirable or appropriate. This may imply that, for the lesser salient stakeholders, their behaviors should be perceived as proper, desirable or appropriate to ensure that companies would pay attention to them. In contrast, for the higher salient groups, the desirability or appropriateness of their behaviors is not the main motivation driving companies to pay attention to them. However, there is an exception for suppliers. They obtain lowest scores of salience when comparing to those of the other five stakeholder groups and the influence of their legitimacy is not significant on their salience. The explanation may be that before making any decision to deal or enter into any contractual agreement with vendors, companies have to verify their legitimacy. If companies decide to deal with them, their legitimacy will be guaranteed by companies and then they become companies' suppliers. After that, their legitimacy seems to less influence than their power and urgency for companies to determine their salience.

5.2.3 Stakeholder Salience and Stakeholder Engagement

The second hypothesis examines whether salience of stakeholder groups is associated with engagement effort directed to them. This hypothesis was developed in order to address the fifth objective of this study. The findings demonstrate significant association between salience and engagement for all of six stakeholder groups ($p < 0.01$) (see Table 4.16). These findings are consistent with those of prior studies. In his study, Hibbitt (2004) found that importance of particular stakeholder groups is strongly related to the extent of direct engagement with those groups. Similarly, O'Higgins and Morgan (2006) found that stakeholders who perceived as more salient tended to receive higher levels of engagement than less salient stakeholders.

In addition, the six stakeholder groups used in this study were also used in the study by Mishra and Suar (2010). They found that there is significant association between salience and CSR towards stakeholders for all of six stakeholder groups. CSR towards stakeholders was measured by the degree of company's compliance with each stakeholder group's interests. This is in agreement with the findings of the current study. Although they identified the association between salience and CSR towards stakeholders, not engagement, the similarity between their study and the current study is that both stakeholder engagement and CSR towards stakeholders reflect companies' actions to respond to stakeholders. The significance of association found for all stakeholder groups in both studies can be implied that what companies act to respond to a particular stakeholder group are induced by the degree of salience attached to the group.

In this study, the strongly significant association between salience on engagement found for all of six stakeholder groups seems to support that stakeholder engagement conducted by Thai listed companies is driven by their strategic reasons or desire for reputation management rather than by their expression of accountability. This argument is supported by the model proposed by Greenwood (2007). In her model, companies' treat for their stakeholders can be determined by the relationship between quality of stakeholder engagement and the number or the breadth of stakeholders engaging with companies. If companies undertake quality engagement with a broad range or a large number of stakeholders, it can be seen as their expression of accountability or responsibility. In contrast, if they limit quality engagement with a small number of salience stakeholders, it is considered as strategic response made by companies to achieve their goals. Although the current study did not measure number or breadth of stakeholders engaging with companies directly, the determination for the treatment of stakeholders according to Greenwood's model can be implied by the strong association between stakeholder salience and engagement revealed by this study. Such association demonstrates that the higher the salience of stakeholders is, the higher of the engagement are directed to them. This implies that high engagement is limited to only highly salient stakeholders, not a broad range of them. Therefore, the association between stakeholder salience and engagement found in this study seems to demonstrate that companies conduct stakeholder engagement to achieve their strategic goals rather than to convey their accountability or responsibility to stakeholders.

In comparison between six stakeholder groups, interestingly, the results reveal that the association between salience and engagement for communities and environment are stronger than that for the other four groups (shareholders, employees, customers, and suppliers). At the same time, the results of descriptive statistics show that they are the groups obtaining the two lowest scores of engagement (see Table 4.6). A possible explanation is that communities and environment do not directly involve in companies' operations but interaction with shareholders, employees, customers and suppliers is the main transaction of business process. Therefore, companies seem to engage or interact with communities and environment mostly on voluntary basis and lower than the other groups. As a result, it can be seen the higher influence of salience on stakeholder engagement for communities and environment than for the rest four groups. For communities and environment, their salience seems to be the primary influence on companies' determination to the extent of engagement with them. In contrast, for shareholders, employees, customers, and suppliers, it is irresistible for companies to engage or interact with them. It can be seen from the results of descriptive statistics that the scores of engagement for these four groups are substantially higher than for communities and environment. Companies have to engage or interact with these groups at least for running companies' daily operation. Thus, the salience of these groups is not as influential as of communities and environment for companies to determine the extent of engagement.

5.2.4 Stakeholder Engagement and CSR Disclosure

The sixth research objective focuses on the association between stakeholder engagement and CSR disclosure towards each stakeholder group. This objective was carried out by testing of the third hypothesis. As CSR disclosure was measured in terms of its volume and quality, the analyses were conducted in order to examine the association of engagement both on volume and quality of disclosure. Regarding the volume of disclosure, the results show that the association is found significant for three of six stakeholder groups, including employees ($p < 0.05$), environment, and communities ($p < 0.01$) (see Table 4.17). However, the association for employees is not as strong as for communities, and environment. It can be seen that, when adding control variables, the association between engagement and volume of disclosure for employees becomes non-significant. In terms of quality of disclosure, the results show that there are only environment and communities showing the significant association between engagement and quality of disclosure ($p < 0.01$) (see Table 4.18). Nevertheless, when controlling together with control variables, communities is only the group showing the significant association between engagement and disclosure quality ($p < 0.05$), while the association for environment becomes non-significant.

Despite a slightly difference between the results using volume and quality of disclosure, both analyses are in agreement with each other because they similarly demonstrate the stronger association between engagement and CSR disclosure for environment and communities than the other four groups. The possible explanation is that these two stakeholder groups do not directly involve in companies' business process. As mentioned earlier that their scores of engagement are lower than those of the other groups, companies mostly communicate with them on one-way basis rather than two-way and use CSR disclosure as the main tool to do that. Therefore, the higher level of engagement with these groups is demonstrated through the higher level of disclosure volume and quality. In contrast, for shareholders, customers, and suppliers, disclosure is not the main tool for companies to communicate with them. Companies may use other channels or tools to communicate with them. Therefore, the degree of engagement with them is not likely to be demonstrated through disclosure. For employees, the association between engagement and disclosure is found significant in terms of disclosure volume, but not quality. However, the association is not as strong as that for environment and communities. This can be implied that companies use disclosure to communicate with the group, but not as much as with environment and communities.

Another interesting finding in this study is that there are the similarities between employees, environment, and communities. The results show that they are the groups showing the significant association between legitimacy and salience (as shown in the first hypothesis) and between engagement and disclosure (as shown in this hypothesis), while such association is not appeared in other three groups. The explanation may be that, for the stakeholder groups whose legitimacy significantly influence on their salience in companies' perception, companies believe that the degree of engagement with the groups can improve their own legitimacy or image. Therefore, the more companies engage with the groups, the more they disclose information to impress the public that how much they concern the groups.

Although the association between engagement and CSR disclosure is found significant for only some stakeholder groups, the overall findings of this study seem to corroborate the findings of the previous works. In their study, Boesso and Kumar (2007) found that the corporate emphasis on stakeholder management and engagement is related to both the volume and the quality of voluntary disclosure. Similarly, the strong correlation between stakeholder dialogue (considered as a more enhanced engagement mechanism) and social reporting is shown in the study by Black and Härtel (2004). In addition, by distinguishing companies into stakeholder and shareholder orientation, Munoz et al. (2008) and Van der Laan Smith et al. (2005) found that stakeholder - oriented companies demonstrate higher quality of disclosure than shareholder-oriented companies. Nevertheless, those studies did not specify or separate stakeholder groups in examining the link or association between engagement and disclosure. Their analyses are based on a perspective of overall stakeholder groups which cannot discriminate such association between different stakeholder groups.

According to the findings of this study, it may be possible that engagement with employees, environment or communities and disclosure regarding the groups are the important factors causing different degree of engagement and disclosure for overall stakeholders. Therefore, in those prior studies, when analyzing several stakeholder groups together, the overall engagement seems to associate with the overall disclosure. In addition, there is the study by Marshall et al. (2007) examining the association between engagement with NGOs and environmental disclosure. They found that engagement with skills-focused NGOs is strongly related to higher quality of environmental disclosure. Although they focused on only engagement and disclosure with regard to environmental perspective, their findings, at least, can be applied as evidence for the analysis of individual stakeholder group. Moreover, their findings are consistent with those of the current study which is also found that engagement with environment group is strongly related to disclosed environmental information.

5.2.5 Stakeholder Salience and CSR Disclosure

The seventh research objective aims at determining the association between salience attached to each stakeholder group and CSR disclosure effort directed at the group. Thus, the forth hypothesis of this study was proposed in order to fulfill this objective. Like the third hypothesis, this hypothesis was tested both by volume and quality of CSR disclosure. And once again, environment and communities demonstrate the stronger association than that of the other four stakeholder groups. The results show that the association between salience and disclosure, in terms of both volume and of quality, is found significant for only these two groups (see Table 4.19 and 4.20). Although these findings are consistent between using volume and using quality, it is obvious that the association of salience on disclosure volume seems to be stronger than on disclosure quality. When controlling together with control variables, the association between salience and disclosure volume is still significant, while the association between salience and disclosure quality becomes non-significant. This can be implied that the salience attached to environment and communities is reflected in their disclosure in form of volume more than of quality.

The results found in the current study seem to corroborate the findings of the previous studies. Neu et al. (1998) found that the level of environment disclosure in annual report is influenced by different power of relevant publics including shareholders, regulators, environmentalist and society. Similarly, Cormier et al. (2004) found that manager's concern about stakeholders is positively related to decision to disclose and actual disclosure made for environmental information. Although their studies focused on environmental disclosure only, not covering the issues related to other stakeholder groups and not measuring salience of stakeholder directly, they at least used concern on environment group as one of the factors influencing environment disclosure. Both studies found that concern on environment group is positively related to environment disclosure. This is in an agreement of the findings of this study because environment is one of merely two stakeholder groups demonstrating the significant association between salience and disclosure.

There is study by Boesso and Kumar (2009b) examining the association between stakeholder salience and voluntary disclosure. Such association examined in their study is similar to what this study intend to examine. Similar to the current study, they also found limited support for only some stakeholder groups that salience is related to disclosure. However, it is surprise that their results in terms of stakeholder groups seem to be opposite to those found in this study. While this study found that the association between salience and disclosure is found significant for environment and communities, they found that such association for social and environmental groups is not significant. In contrast, while the results of this study show that such association for customers, shareholders and employees is not significant, they found it is significant for these groups. This may be because of the different national business contexts. Their study collected data from companies in Italy and US, while the target population of this study is Thai listed companies. The influence of different contexts between countries is demonstrated in their own study. They found the difference between companies in Italy and US in terms of disclosure effort made to address the needs of salience stakeholder groups. Their results show that companies in Italy are more inclined to disclose information about employee group than companies in US when they perceive that the group is salient. In contrast, companies in US are more inclined to disclose information about shareholder group and social and environmental group when the groups deemed to be salience in their perception. They argued that the relationship between salience and disclosure for each of different stakeholder groups is influenced by different contexts between different countries or societies.

The findings of the current study reveal the influence of salience of stakeholders on disclosure in the context of companies in Thailand. It can be implied that, for Thai listed companies, information regarding environment and communities tend to be disclosed in their annual reports if the groups are deemed to be salient. At the same time, the degree of salience of customers, suppliers, employees, and shareholders is not the primary factors influencing companies to disclose information about the groups in annual reports. However, this is not indicative that salience of customers, suppliers, employees or shareholders is not important to companies' decision to interact or communicate with them. It can be seen that the association between salience and engagement found to be significant for all stakeholder groups. The association between salience and disclosure that is not significant for these groups just may be because disclosure in annual reports is not the main channel for companies to express their concerns about the groups. Companies may use other channels to disclose information regarding to the groups rather than annual reports.

5.2.6 Mediation Effect of Stakeholder Engagement

The last objective of this study aims at determining the mediating effect of stakeholder engagement on the association between salience and disclosure. It is derived from the sequential assumptions that the degree of stakeholder salience would influence stakeholder engagement, which in turn influence CSR disclosure. At the same time, the salience itself potentially influences the disclosure. Thus, it can be hypothesized that stakeholder engagement mediates the association between stakeholder salience and CSR disclosure. In order to test the last hypothesis, Baron and Kenny's (1986) approach was employed to examine mediation of stakeholder engagement. According to their approach, there are four conditions to be met to verify the mediation of engagement. The first condition is that salience must be associated with engagement when regressing engagement on salience. In addition, in the second condition, salience must be also associated with disclosure when regressing disclosure on it. The third condition is that engagement must be associated with disclosure when regressing disclosure on both engagement and salience.

Moreover, in this regression, the fourth condition requires that the association of salience on disclosure must be reduced.

As CSR disclosure was measured in terms of both volume and quality, the analyses were performed both through volume and through quality of disclosure. Similar findings are obtained in both by using volume and quality of disclosure. It is found in this study that there are only the results for environment and communities fulfilling all required conditions, while the results for the other groups meet only the first condition (see Table 4.22 and 4.24). Therefore, environment and communities are only the groups demonstrating mediation of stakeholder engagement. Additionally, it is found that the association between salience and disclosure for these two groups changes from significant to non-significant after controlling for engagement. This means that the stakeholder engagement for these two groups plays a full mediating role between their salience and disclosure regarding to them.

These findings reveal that, for environment and communities, influence of salience on disclosure is due to the extent of engagement with the groups. The more salience companies attach to the groups, the higher level of engagement they drive to the groups and, in turn, the more they disclose information about the groups. It can be implied that disclosure in annual reports regarding to the groups reflects the degree of concern and interaction of companies with the groups. For customers, suppliers, employees and shareholders, although their salience influences the level of engagement, it does not influence the extent of disclosure. Therefore, engagement with the groups does not play a role in mediating the association between their salience and disclosure. This implies that, if the groups are salience in companies' perception, companies do not communicate with or express their concerns about the groups through disclosure in annual reports despite their propensity to engage with the groups.

5.3 Implications of the Study

5.3.1 Theoretical Implications

In this study, two supporting and connected theories - stakeholder and legitimacy theory - were employed to describe and explain the association between stakeholder salience, stakeholder engagement and CSR disclosure. Both theories focus on the connection between companies and their operating environment and society (Neu et al, 1998). Stakeholder theory provides an explanation of companies' behavior at micro-level regarding how companies respond to different groups of stakeholders. Concurrently, legitimacy theory provides an explanatory frame at a conceptual or macro-level for companies' interaction with society comprising of all stakeholders. Therefore, this study used both theories as the lens through which to interpret the findings in terms of how companies respond to different stakeholder groups and society through their engagement with stakeholders and CSR disclosure.

5.3.1.1 Implications for Stakeholder Theory

According to Donaldson and Preston (1995), stakeholder theory can be classified in three ways: descriptive, instrumental and normative. Descriptive stakeholder theory focuses on the interactions or relationships between companies and their various stakeholders in order to describe and explain companies' behaviors towards those interactions or relationships. This perspective of stakeholder theory is based on the notion that the nature of stakeholders influences companies' decisions to the extent of company-stakeholder relationships (Donaldson & Preston, 1995; Gilbert &

Rasche, 2008). Therefore, it can be used to predict organizational behavior for different stakeholders. The findings of this study contribute to this perspective by revealing that the key variables used in the study can be used to predict or explain the different behavior treated by companies to different stakeholders. This study investigated the consecutive association between stakeholder salience, stakeholder engagement, and CSR disclosure which can be implied for what companies perceive, act and disclose information for each of different stakeholder groups. The findings demonstrate the association between salience on engagement which is found for all of six stakeholder groups. This means that there is no dissociation between companies' perceptions and actions to manage relationship with stakeholders and, therefore, can be used to predicted that the more salience of stakeholder, the more companies engage with them. However, when considering the association between engagement and disclosure, it exists for only environment, communities and employees. This can be implied that companies act to interact with each stakeholder group in accordance with their perception about salience of the group, but their actions regarding to the group are not always reflected in companies' disclosure. Although the level of disclosure cannot be predicted by the level of engagement directly, it can be predicted by the functions of attributes possessed by each stakeholder group. The findings show that, when considering the influence of stakeholder attributes on salience, the environment, communities and employees are the groups demonstrating the significance of association between their legitimacy and salience, while the other three groups do not. This can imply that the different functions of stakeholder attributes in companies' perceptions can predict their disclosure behaviors regarding their different stakeholders.

However, descriptive stakeholder theory just focuses on the explanation of companies' actual behavior regarding their relationship with stakeholders; it does not focus on the reason or motivation behind that relationship which is the main concern of instrumental and normative stakeholder theory. Both perspectives are concerned with companies' purposes for interacting with stakeholders, but from opposite points of view. Instrumental perspective focuses on how companies pursue their interests through managing relationships with stakeholder groups. This perspective is based on the notion that companies respond to stakeholders on an asymmetric basis depending on how stakeholders can affect their business or support them to achieve their goals (Belal & Owen, 2007; Branco & Rodrigues, 2007; Gilbert & Rasche, 2008; Kipley & Lewis, 2008; O'Dwyer, 2003; Roberts & Mahoney, 2004; Sweeney & Coughlan, 2008; Van der Laan, 2004; Zambon & Del Bello, 2005). On the contrary, normative perspective focuses on the ethical obligations of companies with regard to their stakeholders. Proponents of this perspective believe that companies should behave on ethical principles to make and strengthen relationship with stakeholders regardless how insignificant effect or lacking in salience of stakeholders on their business (Adams, 2002; Adams & Harte, 2000; Gilbert & Rasche, 2008; Gray et al., 1997; Gray, 2000, 2001; Owen et al., 1997, 2001; Owen & Swift, 2001; Rasche & Esser, 2006; Swift, 2001; Unerman & Bennett, 2004).

The findings of this study seem to support the assumption of instrumental perspective rather than normative perspective. According to normative perspective, salience should not be associated with engagement and disclosure because companies should engage with stakeholders or disclose their information regarding stakeholders without the influence of salience of stakeholders (Belal, 2002; Deegan, et al., 2000; Reynolds & Yuthas, 2008). At the same time, engagement should be associated with disclosure for all stakeholder groups because companies should disclose information in accordance with what they have done to stakeholders (Strong et al., 2001; Woodward et al, 1996). However, the findings found in this study seem to be contrast with the assumption of normative perspective. It is found that salience is strongly related to engagement for all of six stakeholder groups, while engagement, in turn, is related to disclosure for only some groups. This implies that companies tend to employ stakeholder engagement to manage the relationship with stakeholders whose salience is high enough to be worthwhile in their perception. However, they do not always disclose the information in accordance with such engagement. The disclosed information reflecting to engagement for some stakeholder groups may be due to their strategic selections to use disclosure to achieve their goals. In addition, the findings regarding the association between salience and engagement contribute to the understanding of association between salience and disclosure in instrumental perspective. The results show that salience is not associated with disclosure for some stakeholder groups. If one considers only the association between salience and disclosure, it may be delusive to argue that companies' concerns to some stakeholder groups are not depended on salience attached to those groups which seem to support the normative perspective. However, when considering together with the association between salience and engagement, the results demonstrate that salience of stakeholders is influential on companies' concerns to engage with the groups. This is theoretically important in providing understanding on companies' disclosure behavior. The non-significant association between salience and disclosure for those groups is just because companies choose to use other channels rather than disclosure in annual reports to express their concerns or communicate with the groups.

5.3.1.2 Implications for Legitimacy Theory

Legitimacy theory is used to explain the findings in terms of companies' response to their society or public. This theory is based on the notion that companies must consistently demonstrate their business operation within the norms or expectations of their society for approval of their objectives, rewards and survival (Deegan, 2000; 2002; Guthrie & Parker, 1989). According to Buhr (1998), companies are perceived as legitimate through their activities and appearance that are congruent with social values. In this study, stakeholder engagement indicates companies' activities and CSR disclosure are considered as the tool companies use to manage their appearance. In addition, this theory argues that different companies likely to have different ideas or perception about social norms or expectation. The companies, therefore, adopt different strategies depending on their perception (Deegan, 2002; Gonzalez-padron, 2007). This is supported by the findings of this study that salience influences engagement for all of six stakeholder groups. This implies that different salience reflecting different perception of companies on stakeholders leads to their own strategies in actions to engage with stakeholders. At the same time, the significant association between engagement and disclosure found for only some stakeholder groups implies that companies use disclosure to inform public about their activities regarding only the stakeholders that can improve their appearance.

Regarding the question on how companies determine who are stakeholders assisting to improve their legitimacy in public perception, this can be explained by the association between stakeholder attributes and salience found in this study. The interesting findings are that stakeholder groups showing the significance of association between engagement and disclosure are the groups demonstrating significant influence of their legitimacy on salience. On the contrary, the groups showing that engagement is not related to disclosure are those whose legitimacy does not influence salience. These findings imply that legitimacy of stakeholders is the key attribute for companies to design their disclosure actions. The findings of this study contribute to legitimacy theory in terms of that they provide more understanding of how companies design their disclosure by determining the attribute of legitimacy of stakeholders to improve their own legitimacy. For the stakeholders whose legitimacy significantly influence on their salience in companies' perception, companies believe that the degree of engagement with them can improve their own legitimacy. Therefore, the more companies engage with the groups, the more they disclose information about the groups to impress the public that how much they engage with the groups. Conversely, for the stakeholder groups that companies do not put emphasis on their legitimacy to determine their salience, companies may believe that engagement with the group is also immaterial to public's determination to companies' legitimacy. Thus, despite the engagement with the groups, they do not disclose information regarding that engagement.

5.3.2 Practical Implications

The findings of this study investigating the association between stakeholder salience, stakeholder engagement, and CSR disclosure provide a greater understanding on how the connections between what companies perceive, act, and disclose information towards each of different groups of stakeholders. The findings provide further insight into the connection between attributes of stakeholders on such association. The understanding of the connections between variables focused in this study benefits to all interested in corporate responsibility towards stakeholders, including academics, researchers, regulators, and public in numbers of ways.

5.3.2.1 Implications for Classifying Stakeholder Groups

Firstly, the findings contribute to the classification of stakeholders. According to the association between main variables found in this study, stakeholder groups can be classified into three main categories. The first includes customers, suppliers, and shareholders. They are the groups showing that only attributes of power and urgency are found significantly associated with their salience, while legitimacy is not. Moreover, in terms of the association between salience, engagement, and disclosure, the association is found significant for only between salience and engagement, while the association of salience or engagement on disclosure is not significant. The second category is the groups of environment and community. They differ from the groups in the first category in terms of that there are not only power and urgency, but also legitimacy found associated with their salience. In addition, for these two groups, it is shown that salience, engagement, and disclosure are significantly associated with each other. In other words, their salience is not only associated with engagement, but also with disclosure. Moreover, engagement is associated with disclosure and plays mediator role on the association between salience and disclosure. It can be seen that the key differences between the first and the second category are the influence of legitimacy on salience, the association of salience and engagement on disclosure, as well as the mediating effect of engagement on the association between salience and disclosure which are found for only the latter category. This demonstrates the connection between companies' determination on legitimacy of stakeholders and their disclosure behavior. It can be implied that for stakeholders whose legitimacy influences salience, companies tend to use disclosure to engage with the group and demonstrate how much companies concern and interact with them to improve their own legitimacy in public perception. In contrast, for stakeholders whose legitimacy does not influence salience, disclosure regarding the groups is not the main channel for companies to manage their own legitimacy. However, if their salience is high, companies tend to engage with them, but by using other channels rather than disclosure.

Concerning the results of descriptive statistics, another interesting finding is that it is obviously seen the distinction of suppliers from customers and shareholders. At the same time, in comparing to environment and communities, it can be seen the resemblances between suppliers and these two groups. The results show that while customers and shareholders occupy the highest or second highest rank for the scores of salience and engagement (see Table 4.6) as well as volume and quality of disclosure (see Table 4.9), suppliers, environment and communities mostly occupy the lowest three rank. In considering in terms of the results of descriptive statistics, suppliers, environment and communities may be classified into the same category as the low salient stakeholder groups who obtain low-intensity engagement and disclosure from companies. However, the findings regarding the association between attributes, salience, engagement and disclosure show that the pattern of such association for suppliers resembles customers and shareholders whereas differs from environment and communities. Therefore, suppliers should be classified as the same category as customers and shareholders rather than environment and communities in order to provide insight into companies' engagement and disclosure behaviors towards different stakeholders. This demonstrates the contribution of understanding the association between stakeholder attributes and salience, stakeholder engagement and CSR disclosure in classifying stakeholder groups.

While customers, suppliers, and shareholders are classified as the first category and environment and communities are the second category, employees are considered as the third category. This group demonstrates some similarities with those in the second category in terms of that their legitimacy also influences salience and engagement is associated with disclosure. However, it cannot be classified as the second category because the influence of their legitimacy on salience is not as strong as those for environment and communities. Moreover, for this group, the association between engagement and disclosure is significant for only volume of disclosure, while, for environment and communities, such association is found for both volume and quality of disclosure. In addition, their salience is not associated with disclosure. Therefore, for this group, engagement does not act as the mediator on the association between salience and disclosure. The explanation may be that this group is directly related to companies' operation like customers, suppliers, and shareholders. Therefore, disclosure is not the main tool for companies to engage or communicate with the group. However, similar to environment and communities, companies put emphasis on legitimacy of the group in determining its salience and believe that the extent of engagement with this group is important to their own legitimacy in public' perception. Therefore, they tend to use the disclosure to inform the public that how much they engage with the group to improve their own legitimacy like what they do for environment and communities.

The classification of stakeholders shown in this study seems to be in agreement with the framework suggested by Waddock (2001a; b). She distinguished stakeholders into primary and critical secondary stakeholders. Primary stakeholders are those constitute the business and impact companies' bottom line directly. Critical secondary stakeholders are those who are not in direct transactions constituting companies survival. Nevertheless, they are in the position to provide important infrastructure to companies and have ability to mobilize public opinion of corporate performance. In this study, it can be obviously distinguished between customers, suppliers and shareholders considered as the primary stakeholders, as well as environment and communities considered as the critical secondary stakeholders. This supports the framework by Waddock (2001a; b) that classification of stakeholders by determining whether they are in direct transactions constituting companies survival or directly impact companies' bottom line can provide understanding to companies' responses to their stakeholders. However, this framework seems to be unable to explain the results of employees. Although this group is considered as primary stakeholders, it shows some similarities with environment and communities considered as the critical secondary stakeholders. This may be because of the influence of legitimacy on salience found for this group, but not for other groups of primary stakeholders. These findings support the model proposed by Mitchell et al. (1997) that the investigation of association between attributes and salience of stakeholders can provide more understanding to the classification of stakeholders in companies' perception. Moreover, it can allow better prediction of companies' behavior in regards of each of different stakeholder groups.

5.3.2.2 Implications for Encouragement of Stakeholder Engagement and CSR Disclosure among Listed companies in Thailand

Secondly, the findings can provide understanding and useful suggestions, particularly, for regulators, in order to encourage listed companies in Thailand to improve their stakeholder engagement and CSR disclosure. As the results show that salience is associated with engagement for all of six stakeholder groups, this means that companies tend to engage more with stakeholders if they perceive that those stakeholders are highly salient. This implies that, in order to encourage stakeholder engagement, the regulators should increase the degree of salience of stakeholders in companies' perception. The results show that attributes of stakeholder influence the degree of salience. This means that encouraging stakeholder engagement by increasing salience of stakeholders can be performed through enlarging awareness of their attributes. As it is found in this study that urgency is the most influential attribute influencing the degree of salience for all of six stakeholder groups, therefore, the encouragement should be stated with informing companies to realize the urgency of stakeholder claims or needs. The second most influential attribute is power that also influences salience for all stakeholder groups. Thus, it is necessary to encourage companies to become aware of power of stakeholders to more engage with them as well. In regards of legitimacy, it is found associated with salience for only environment, communities and employees. Hence, awareness of legitimacy is helpful in enhancing salience, and, then, engagement for only these groups, but not for customers, suppliers and shareholders. Therefore, this study suggests that understanding the influence of each attribute on salience of different stakeholders can allow the regulators to determine the appropriate strategies to encourage stakeholder engagement through the right attributes for the right groups of stakeholders.

As concerning the encouragement of CSR disclosure, the results show that salience is associated with disclosure for only environment and communities. This implies that encouraging through stakeholder salience and attributes may be effective for only these two groups. In addition, it is found that engagement plays a full mediating role on relationship between salience and disclosure. This indicates that association of salience on disclosure is due to the extent of engagement with the groups. Therefore, this study suggests that, in order to encourage the improvement of CSR disclosure regarding these groups, the regulators should emphasis on enhance awareness of their salience through attributes of urgency, power and legitimacy to improve engagement with them which in turn leads to the improvement of disclosed information regarding the groups. For employees, although the results show that salience is not directly associated with disclosure, the extent of engagement is found associated with disclosure. As aforementioned, this may be because companies tend to disclosed information about this group that how much they engage with the group to improve companies' legitimacy or image. Therefore, for employees, enlarging awareness of their legitimacy may encourage companies to enhance disclosure about them. For customers, suppliers and shareholders, the results show that although salience and engagement are associated with each other, both of them are not associated with disclosure. This implies that companies tend to use other channels rather than disclosure to engage or communicate with the groups. Therefore, the enhancement of salience or engagement for these groups seems to be powerless to encourage companies to disclosure more information about them. Thus, this study suggests that, instead of enlarging salience of the groups in companies' perception, regulators should try to enhance awareness of the importance of disclosure on engagement to encourage companies to improve their disclosure regarding to these groups.

5.3.2.3 Implications for Precautions in the Use of Annual Reports

Thirdly, another implication is related to the findings showing that engagement is associated with disclosure for only some stakeholder groups. As mentioned earlier, this study assessed disclosure by conducting content analysis of companies' annual reports. These findings imply that companies do not disclose information of some stakeholder groups in their annual reports in accordance with engagement performed with the groups. The explanation may be that they choose to disclose information in annual reports about only stakeholders that can assist them to manage their reputation or image. While there are a number of prior studies using disclosure in annual reports in terms of it volume or quality to assess companies' stakeholder engagement (Boesso & Kumar, 2009a, b; Odemis, 2011) or actions regarding to stakeholders (Gonzalez-padron, 2007, Van der Laan Smith et al, 2005), the findings of this study provide evidence that such method seems to be erroneous. This is because disclosure in annual reports cannot guarantee that all corporate concerns or responses to stakeholders are exposed. What is disclosed in annual reports is just the result of companies' strategies to manage their appearance by putting emphasis only on information that they expect the public want to see. Therefore, this study suggests that researchers or annual report users should take precautions against using information in annual reports to determine companies' attentions or actions to their stakeholders.

5.3.2.4 Implications for Using Volume and Quality of Disclosure

Fourthly and finally, this study measures disclosure both in terms of volume and quality to analyze the association between disclosure and other-focused variables. This supports the argument that measuring only volume of disclosure is unable to provide the actuality of what is being disclosed (Branco & Rodrigues, 2007; Deegan & Gordon, 1996; Gray et al., 1995b; Guthrie & Parker, 1990; Hackston and Milne, 1996; Van der Laan Smith et al., 2005). The findings demonstrate that analyses through volume and quality of disclosure allow more insight into connections or associations between the variables in regards of different stakeholder groups. In this study, it can be seen that although the results of using volume and using quality conform to each other, there is slightly difference between them. An obvious conformity of the results is that there are only environment and communities showing that salience and engagement are associated with both volume and quality of disclosure. Implicatively, for these two stakeholder groups, companies' concerns or actions regarding groups are reflected in disclosure in form of volume as well as quality of information. Therefore, disclosures users are advised to determine companies' attentions to these groups not only by the extent, but also by the characteristics of disclosed information.

In respects of the difference between using volume and quality, it is demonstrated in the results of association between engagement and disclosure for employees. The results show that engagement for this group is found associated with only volume of disclosure, not quality. As aforementioned, the findings demonstrate the connection between association of legitimacy on salience and association of engagement on disclosure. These findings imply that companies tend to disclose information of stakeholders whose legitimacy influence salience in their perception because they believe that such disclosure can improve their own legitimacy or image. Therefore, the higher they engage with the groups, the more disclosure regarding the groups to inform the public that they have high concerns and strong relationship with the groups. For employees, it can be seen that the association between legitimacy and salience, although similarly found significant, is more subtle than for environment and communities. While, for environment and communities, engagement is associated with disclosure both in terms of volume and quality; for employees, it is found only in terms of volume. This implies that more weakness of association between legitimacy and salience for employees leads to less obviousness of outcome regarding association between engagement and disclosure than for environment and communities. The findings of this study show that the difference results by using volume and quality can provide better understanding or explanation of companies' disclosure behaviors than using volume or quality alone. Therefore, this study suggests that it is necessary to measure disclosure not only in terms of its volume, but also its quality. Using both volume and quality of disclosure allows better insight of companies' disclosure behaviors and the factors influencing those behaviors, particularly, with respect to companies' attentions or responses to different stakeholders.

5.4 Limitations of the Study and Suggestions for Future research

As with any study, this study is subject to several limitations. The findings obtained in this study must be considered in the light of limitations to warrant a fair interpretation. The limitations of the study not only urge the recognition when interpreting the findings but also reveal potential opportunities for future research. Thus, in the following section, each limitation is reviewed first, followed by suggestion to address that limitation for future research.

First, the sample is from listed companies on the Stock Exchange of Thailand (SET). Listed companies were selected in this study because they were more likely to engage with stakeholders (Krisornsuthasinee & Swierczek, 2006; Phuvanatnaranubala, 2007) and disclose CSR information (Kuasirikun & Sherer, 2004; Niyamanusorn, 2009). However, the results from only listed companies may not represent all of the companies working in Thailand. Therefore, future researcher should attempt to enlarge the sample size encompassing nationwide coverage which not limited to listed companies to increase generalizability of the findings in the aspect of Thailand. Moreover, according to legitimacy theory, it is argued that different societies often have different expectations leading to different corporate behaviors to meet those expectations (Gonzalez-padron, 2007; Van der Laan Smith, 2005). Thus, future research should consider replicating this study in different countries. The results revealing the similarities and differences between different countries or societies cloud be helpful for more understanding of companies' responsibilities and behaviors towards different stakeholders.

Second, the data obtained in this study is by questionnaire survey conducted in the late of year 2010 and content analysis of annual reports of year 2009. This implies that this study is a snapshot of one year of business operations. This means that the overtime changes of companies' perception on stakeholder salience and their actions regarding stakeholder engagement and CSR disclosure are not captured, causing the limited ability to generalize the findings. As argued in legitimacy theory, the demands and responses placed on corporate social responsibility not only change over different places, but also different times (Gonzalez-padron, 2007). Therefore, future research is recommended to conduct longitudinal approach or replicate this study in a few years' time to examine the dynamics of changes. The results could provide more understanding and more powerful prediction of influence of stakeholder salience on pattern of companies' actions in engaging and disclosing information regarding to their different stakeholders.

Third, the next limitation is related to self-reported measures. In this study, data regarding stakeholder attributes, salience and engagement were obtained by using questionnaire survey which is the self assessment by companies' management. It may be possible that the respondents do not accurately or honestly state their perceptions and engagement they direct to stakeholder groups. In terms of stakeholder engagement, it is possible that the respondents may not understand the concept of stakeholder engagement enough and thus may underestimate or overestimate their companies' stakeholder engagement when answering the questions. In terms stakeholder attributes and salience, it seems to be more justified to use self-reported measures because their degree depends on the perception of the respondents (Boesso & Kumar, 2009a). However, it is possible that the respondents may not be aware enough to give useful responses in expressing their actual perception on attributes and salience of each stakeholder group. Therefore, future researches are advised to use other potential methods, such as interviews or focus groups, to collect data in a more reliable way.

Fourth, another limitation is that this study obtained CSR disclosure data from companies' annual reports only. This study selected to use annual reports as the sole resource to assess CSR disclosure due to their creditability and usefulness to a wide range of stakeholder groups (Ahmed & Sualiman, 2004, Branco & Rodrigues, 2007). However, caution must be taken when generalizing the results of this study in any other sources of disclosure. Moreover, since there is a wide range of corporate document released such as separate reports, press releases and web site, the use of only one source may not provide complete picture of disclosure practices. Using multi-sources of disclosure data would give a much generalized findings. Thus, future researches are suggested to utilize more sources of disclosures to obtained data about disclosed CSR information.

The last limitation stems from the limited number of variables examined in this study. The framework of this study focuses on only stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Although the investigation of the association between these variables can provide insight into the link between what companies perceive, act and disclose information regarding to their stakeholders, this study has thrown up a number of questions in need of further investigation in future research. More variables and antecedent are expected to provide more comprehensive understanding and should be incorporated in to the framework. For example, the results show that the association of salience or engagement on disclosure is found for only some stakeholder groups. This implies that there are other potential factors could be influence companies' disclosure for some stakeholder groups rather than the degree of salience and engagement directed to the groups. Moreover, further study should examine the factors influencing companies' decisions to use or not to use disclosure to engage with stakeholders. In case those companies do not use disclosure, it should be examined what are the other channels and what are the differences between information disclosed in those channels and annual reports. In addition, the significance of control variables found in this study suggests that further analysis could explore the influence of companies' characteristics such as firm size and industry towards their engagement and disclosure actions.

5.5 Concluding Remarks

This study examined five hypotheses concerning the association between stakeholder attributes and salience, stakeholder engagement and CSR disclosure. Each hypothesis was test through six different stakeholder groups including customers, suppliers, employees, shareholders, environment and communities. According to the overall results, vividly there are similarities and differences between stakeholder groups which provide more understanding of companies' determinations and actions towards different stakeholder groups. In terms of similarities, the results show that all stakeholder groups demonstrate the strong association between salience and engagement. This means that, for all stakeholder groups, their salience is essential for companies to design the extent of engagement with them. However, when considering the association of salience or engagement on CSR disclosure, the association is found significant for only some stakeholder groups. Indicatively, although companies' tend to engage with stakeholder groups in line with the degree of salience attached to the groups; they do not disclose all information in accordance with the degree of salience of the groups or the extent of engagement performed with the groups. In other words, there are only some stakeholder groups chosen by companies to disclose their information to express the degree of their concerns or responses to the groups.

In this study, the groups showing the association between engagement and disclosure are environment, communities and employees. The interesting finding is that they are the only groups demonstrating the association between legitimacy and salience. The connection between the association of legitimacy on salience and of engagement on disclosure implies that, for stakeholders whose legitimacy influences salience, companies tend to use disclosure to engage with them and demonstrate how much companies concern and interact with them to improve their own legitimacy in public perception. However, when comparing employees with environment and communities, there is evidence that the association between legitimacy and salience for employees is weaker than for environment and communities. This may cause that the association between engagement and disclosure for this group is found only in terms of volume of disclosure, while that association for environment and communities is found for both in terms of volume and quality of disclosure. For employees, the more weakness of association between legitimacy and salience together with the less obviousness of association between engagement and disclosure seem to confirm the connection between both associations.

In addition, the findings of this study show that there are only environment and communities demonstrating the association between salience and disclosure and mediating effect of engagement on that association, but not appeared in the other four stakeholder groups. To explain, these two groups do not directly involve with companies' operation. Companies communicate with the groups mostly on one-way basis and use disclosure to express their concerns about the groups. Moreover, legitimacy of these groups is essential in companies' determination on their salience. Companies believe that the degree of engagement with the groups can improve their own legitimacy in public's perceptions. Hence, the more salience companies attach to the groups, the more they engage with the groups, and, in turns, the more they disclose information about the groups to inform the public how much they concern and engage with the groups.

For customers, suppliers and shareholders, the results show that salience and engagement are not associated with disclosure. The possible explanation may be that they directly involve with companies' business and bottom lines. Therefore, companies tend to use other channels or tools rather than disclosure to communicate or engage with the groups. Furthermore, the results show that their legitimacy is not significantly associated with their salience. Thus, companies do not attempt to use disclosure regarding these groups to impress the public as they do through disclosure regarding environment, communities and employees whose legitimacy is essential to salience.

Overall, the evidence from this study contributes to the body of knowledge by providing insight into how salience of stakeholders matter for companies actions to engage with them and disclose information regarding them. Moreover, it provides more understanding of the connection between different influences of attributes on salience and companies' disclosure actions. Such understandings could benefit the regulators or policy makers to make appropriate policy to enhance stakeholder orientation among Thai listed companies. For disclosure users and researchers, the findings of this study are useful for them in determining companies' responsibility towards stakeholders through the content of disclosure. It is also hoped that this study could open up avenues for further studies to replicate and extend the findings in order to increase the generalizability regarding companies' behaviors in different societies or times. Furthermore, it opens up opportunities for future researches to use other potential methods or sources to obtain data as well as more factors to provide more comprehensive understanding of companies' decisions and actions on engagement and disclosure to response to different stakeholders.

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Appendix A: Survey Questionnaire (English Version)

The project on Stakeholder Salience and Engagement

Thank you for your kind participation. This questionnaire consists of three main sections. There are twelve questions in section 1, six questions in section 2, and six questions in section 3. Please take your time to complete this questionnaire.

Section 1 – Salience of Group

Thinking about your company's interactions with these six stakeholder groups in recent years. Descriptions of each group arc provided as follows:

Customers – People or other entities which buy goods and/or services produced by your company.

Suppliers – People or other entities which provide your company with goods and/or services integral to, and utilized in/for the production of the company's goods or services.

Employees – People who perform services at the direction and control of your company for hire, including full-time and part-time workers.

Shareholders/Investors – People or other entities who own or are planning to buy shares of stock in your company.

Environment – The physical conditions of nature which are primary components of functioning ecosystems, including land, air, water, mineral, flora, fauna, sound, and light.

Communities – Individuals or groups who live, work, or own property in your company's neighborhood.

Please circle the number in the columns that best indicates your agreement with each of the following statements.

1 Strongly disagree, 2 Disagree, 3 Neither agree nor disagree, 4 Agree, 5 Strongly agree

For each stakeholder group:	Stakeholder groups					
	Customers	Suppliers	Employees	Shareholders /Investors	Environment	Communities
1. This stakeholder group had power (ability to use coercive force to obtain its will), whether used or not.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
2. The management team viewed that the claims of this stakeholder group were legitimate (proper or appropriate).	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

For each stakeholder group:	Stakeholder groups					
	Customers	Suppliers	Employees	Shareholders /Investors	Environment	Communities
3. This stakeholder group was highly salient (received high priority) to the company.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
4. This stakeholder group had access to, influence on, or the ability to affect the company.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
5. This stakeholder group received a high degree of time and attention from the management team.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
6. This stakeholder group had the power to enforce its claims – whether used or not.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7. This stakeholder group exhibited urgency (active in pursuing claims it felt were important) in its relationship with the company.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
8. The management team believes that the claims of this stakeholder group were not proper or appropriate.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
9. Satisfying the claims of this stakeholder group was important to the management team.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
10. This stakeholder group actively sought attention from the management team.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
11. The claims of this group were legitimate in the eyes of the management team.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
12. This stakeholder group urgently communicated its claims to the company	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

Section 2 – Engagement with the group

"**Stakeholder engagement**" is process or activities that company use to create shared understanding between company and stakeholders, such as, questionnaires, focus groups, open forums /workshops, meetings/summits, interviews, inhouse magazines, and web /phone hotlines.

*Engaging with "environment group" refers to engaging with groups or organizations founded for the purpose of preservation and development of environment.

1. How long has your company engaged with each stakeholder group? If your company has no action to engage with any stakeholder group, please select N/A for that column.

1	2	3	4	5
Less than 1 year	1 – 5 years	6 – 10 years	11 -15 years	More than 15 years

Customers	Suppliers	Employees	Shareholders/Investors	Environment*	Communities
1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A

Thinking about stakeholder engagement currently undertaken by your company, please circle the number in the columns that best indicates your agreement with each of the following statements. If your company has no action to engage with any stakeholder group, please select N/A for that column.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

For each stakeholder group:	Stakeholder groups											
	Customers		Suppliers		Employees		Shareholders /Investors		Environment*		Communities	
2. The stakeholders who participated with your company were appropriate or proper representative of this group.	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A
3. Your company fully informed this stakeholder group regarding the issues or events that can affect and are affected the group.	1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5	

For each stakeholder group:	Stakeholder groups											
	Customers		Suppliers		Employees		Shareholders /Investors		Environment*		Communities	
4. Participation between your company and this stakeholder group was able to improve understanding in mutual learning processes.	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A
5. Concerns of this stakeholder group were addressed after the participation between your company and the group.	1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5	

6. Please circle the number in the columns that most accurately described your company's engagement with each stakeholder group listed below. If your company has no action to engage with any stakeholder group, please select N/A for that column. Descriptions of each level of engagement are provided as follows:
Level 1: Non-participation – Company takes actions to cure and educate stakeholders using one-way flow of information through public relations.
Level 2: Informing – Stakeholders can hear and have a voice, but no power to ensure the influence of their voice.
Level 3: Placation – Stakeholders can advise, but company maintain the righ of decision and veto.
Level 4: Partnership – Stakeholders enable negotiation and shared planing and decision-making responsibilities.
Level 5: Delegated power – Stakeholders form the majority of decision-making authority, or hold magagerial power.

Customers	Suppliers	Employees	Shareholders/Investors	Environment*	Communities
1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A

Section 3 – Profile of Respondent

Please fill in the bank or check √ the most correct answer for each question.

1. Position
   [ ] Chief Executive Officer or Managing Director
   [ ] Chairman or President
   [ ] Assistant Chief Executive Officer or Assistant Managing Director
   [ ] Vice Chairman or Vice President
   [ ] Director or Executive Director
   [ ] Department Manager
   [ ] Company Secretary
   [ ] Others (Please specify ....)

2. Gender [ ] Male [ ] Female

3. Age (Years) [ ] < 30 [ ] 30 - 39 [ ] 40 - 49 [ ] 50 - 59 [ ] > 59

4. Education [ ] Lower than Bachelor's Degree [ ] Bachelor's Degree [ ] Master's Degree
   [ ] Others (Please specify ....)

5. Tenure in Current Company (Years) [ ] < 1 [ ] 1 - 5 [ ] 6 - 10 [ ] 11 - 15 [ ] > 15

6. Tenure in Current Position (Years) [ ] < 1 [ ] 1 - 5 [ ] 6 - 10 [ ] 11 - 15 [ ] > 15

Thank you again for your help

Appendix B: Survey Questionnaire (Thai Version)

เรื่อง ขอความร่วมมือตอบแบบสอบถาม

เรียน ผู้ตอบแบบสอบถาม

แบบสอบถามนี้เป็นส่วนหนึ่งของดุษฎีนิพนธ์ มหาวิทยาลัยอุตระ ประเทศมาเลเซีย (Universiti Utara Malaysia) หัวข้อ Stakeholder Salience and Engagement in Relation to CSR Disclosure มีวัตถุประสงค์เพื่อศึกษาว่าความสำคัญของผู้มีส่วนได้เสีย (Stakeholder Salience) และการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสีย (Stakeholder Engagement) มีความสัมพันธ์ต่อการเปิดเผยข้อมูลความรับผิดชอบต่อสังคม (CSR Disclosure) ของบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทยหรือไม่ ผลของงานวิจัยจะถูกใช้เป็นข้อมูลอ้างอิง และข้อเสนอแนะต่อการพัฒนาการเปิดเผยข้อมูลความรับผิดชอบต่อสังคมของบริษัทในประเทศไทยต่อไป

แบบสอบถามนี้ประกอบด้วยคำถามเกี่ยวกับความคิดเห็นของท่านต่อความสำคัญของผู้มีส่วนได้เสียกลุ่มต่างๆ และการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียที่บริษัทของท่านดำเนินการอยู่ ข้อมูลที่ได้จะถูกนำไปศึกษาความสัมพันธ์ร่วมกับ การเปิดเผยข้อมูลความรับผิดชอบต่อสังคม ในรายงานประจำปี 2552 ข้อมูลรายบริษัทจะถูกเก็บไว้เป็นความลับ โดยผลการวิเคราะห์จะถูกจัดทำในภาพรวมเท่านั้น ไม่มีการแสดงผลการวิเคราะห์รายบริษัทแต่อย่างใด

ขอความอนุเคราะห์จากท่านได้โปรดกรอกแบบสอบถามให้ครบถ้วน หรือส่งแบบสอบถามนี้ให้กับผู้บริหารท่านอื่นที่เกี่ยวข้องโดยตรงกับการดำเนินการด้านความรับผิดชอบต่อสังคมของบริษัท เมื่อกรอกแบบสอบถามแล้วกรุณาส่งกลับมาโดยใช้ซองจดหมายที่แนบมากับแบบสอบถามนี้ <u>ภายในวันที่ 30 กันยายน 2553</u> หากท่านมีข้อสงสัยเกี่ยวกับแบบสอบถามหรือโครงการวิจัยนี้ ท่านสามารถติดต่อผู้วิจัยได้ที่เบอร์โทรศัพท์ 081-6902004 หรือ E-mail: pankeowta@yahoo.com ความร่วมมือจากท่านจะเป็นประโยชน์อย่างยิ่งต่องานวิจัยนี้

ขอขอบพระคุณ

(ปานแก้วตา ลัคนาวานิช)

ผู้วิจัย

โครงการสำรวจความสำคัญของผู้มีส่วนได้เสียและการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสีย

The project on "Stakeholder Salience and Engagement"

ขอบคุณที่ท่านมีความประสงค์ที่จะให้ความร่วมมือในการตอบแบบสอบถาม

คำชี้แจง แบบสอบถามนี้มี 3 ส่วน ส่วนที่ 1 มี 12 ข้อ ส่วนที่ 2 มี 6 ข้อ และส่วนที่ 3 มี 6 ข้อ กรุณาตอบคำถามให้ครบถ้วนทุกข้อ

ส่วนที่ 1 – ความสำคัญของผู้มีส่วนได้เสียแต่ละกลุ่ม (Salience of Group)

ให้ท่านนึกถึงปฏิสัมพันธ์ที่มีต่อผู้มีส่วนได้เสียทั้ง 6 กลุ่มในช่วงที่ผ่านมา โดยใช้คำจำกัดความของผู้มีส่วนได้เสียแต่ละกลุ่มดังต่อไปนี้

ลูกค้า (Customers) – บุคคลหรือหน่วยงานที่ซื้อสินค้าและ/หรือบริการที่ผลิตโดยบริษัทของท่าน

ซัพพลายเออร์ (Suppliers) – บุคคลหรือหน่วยงานที่จัดหาสินค้าและ/หรือบริการที่ใช้เป็นปัจจัยในการผลิตสินค้าและ/หรือบริการของบริษัทของท่าน

พนักงาน (Employees) – บุคคลที่ได้รับค่าจ้างจากการทำงานตามที่ได้รับมอบหมายจากบริษัทตามสัญญาจ้างงานทั้งเต็มเวลา *(full-time)* และนอกเวลา *(part-time)*

ผู้ถือหุ้น/นักลงทุน (Shareholders/Investors) – บุคคลหรือหน่วยงานที่เป็นเจ้าของหรือมีแผนจะซื้อหุ้นบริษัทของท่าน

สิ่งแวดล้อม(Environment) – สภาวะทางกายภาพของธรรมชาติที่เป็นองค์ประกอบหลักของการทำงานของระบบนิเวศ ได้แก่ ผืนดิน อากาศ แหล่งน้ำ แร่ธาตุ พืชพันธุ์ และสัตว์

ชุมชน (Communities) – บุคคล หรือกลุ่มคนที่พักอาศัย ทำงาน หรือเป็นเจ้าของทรัพย์สินในย่านหรือบริเวณใกล้เคียงกับบริษัทของท่าน

กรุณาเลือกคำตอบเพียงข้อเดียวที่ตรงที่สุดกับความคิดเห็นของท่านที่มีต่อข้อความต่อไปนี้ โดยพิจารณาจากผู้มีส่วนได้เสียแต่ละกลุ่ม

1	2	3	4	5
ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	เฉยๆ	เห็นด้วย	เห็นด้วยอย่างยิ่ง

สำหรับผู้มีส่วนได้เสียแต่ละกลุ่ม	ผู้มีส่วนได้เสีย					
	ลูกค้า	ซัพพลายเออร์	พนักงาน	ผู้ถือหุ้น/นักลงทุน	สิ่งแวดล้อม	ชุมชน
1. ผู้มีส่วนได้เสียกลุ่มนี้มีอำนาจ (ความสามารถในการบังคับให้ได้มาซึ่งสิ่งที่ต้องการ) ไม่ว่าจะใช้อำนาจนั้นหรือไม่	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

สำหรับผู้มีส่วนได้เสียแต่ละกลุ่ม	ผู้มีส่วนได้เสีย					
	ลูกค้า	ซัพพลายเออร์	พนักงาน	ผู้ถือหุ้น/นักลงทุน	สิ่งแวดล้อม	ชุมชน
2. ทีมผู้บริหารมองว่าการเรียกร้องของผู้มีส่วนได้เสียกลุ่มนี้มีความชอบธรรม ถูกต้องและเหมาะสม	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
3. บริษัทจัดว่าผู้มีส่วนได้เสียกลุ่มนี้มีความสำคัญมากเป็นอันดับต้นๆ	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
4. ผู้มีส่วนได้เสียกลุ่มนี้มีช่องทางในการสร้างอิทธิพลหรือมีความสามารถ ก่อให้เกิดผลกระทบต่อบริษัท	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
5. ทีมผู้บริหารทุ่มเทเวลาและความเอาใจใส่ต่อผู้มีส่วนได้เสียกลุ่มนี้	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
6. ผู้มีส่วนได้เสียกลุ่มนี้มีอำนาจในการบังคับใช้สิทธิเรียกร้องไม่ว่าจะใช้อำนาจ นั้นหรือไม่	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7. ผู้มีส่วนได้เสียกลุ่มนี้แสดงให้เห็นถึงความเร่งด่วนที่บริษัทจะต้องดำเนินการ ตามที่ผู้มีส่วนได้เสียเรียกร้องและเห็นว่ามีความสำคัญ	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
8. ทีมผู้บริหารเชื่อว่าการเรียกร้องสิทธิของผู้มีส่วนได้เสียกลุ่มนี้ไม่ถูกต้อง เหมาะสม	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
9. การทำตามความต้องการของผู้มีส่วนได้เสียกลุ่มนี้สำคัญต่อผู้บริหาร	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
10. ผู้มีส่วนได้เสียกลุ่มนี้ได้รับการเอาใจใส่อย่างกระตือรือร้นจากทีมผู้บริหาร	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
11. สิทธิเรียกร้องของผู้มีส่วนได้เสียกลุ่มนี้มีความชอบธรรมในสายตาของทีม ผู้บริหาร	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
12. ผู้มีส่วนได้เสียกลุ่มนี้มีการสื่อสารกับบริษัทถึงความต้องการของตนได้อย่าง รวดเร็ว	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

ส่วนที่ 2 – การสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียแต่ละกลุ่ม (Engagement with the group)

การสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสีย(Stakeholder Engagement) หมายถึง กระบวนการหรือกิจกรรมที่บริษัทใช้ในการสร้างความเข้าใจร่วมกันระหว่างบริษัทและผู้มีส่วนได้เสีย เช่น การใช้แบบสอบถาม (Questionnaire), การสัมภาษณ์ (Interview), การสนทนากลุ่ม (Focus groups), การประชุม (Meeting), การเปิดเวทีสนทนา (Open forums), การสัมมนาเชิงปฏิบัติการ (Workshop), การออกวารสารเฉพาะบริษัท(Inhouse magazine) และการใช้สายด่วน(Hotlines)

* ทั้งนี้การสร้างความมีส่วนร่วมกับกลุ่มสิ่งแวดล้อม หมายถึงการสร้างความร่วมมือกับกลุ่มคนหรือองค์กรที่ก่อตั้งขึ้นโดยมีวัตถุประสงค์เพื่อการอนุรักษ์และพัฒนาสิ่งแวดล้อม

1. ระยะเวลาที่บริษัทของท่านได้ดำเนินการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียแต่ละกลุ่ม (หากบริษัทของท่านไม่มีการดำเนินการเพื่อสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียกลุ่มใด กรุณาเลือก "N/A" ในช่องของผู้มีส่วนได้เสียกลุ่มนั้น)

1	2	3	4	5
ต่ำกว่า 1 ปี	1 – 5 ปี	6 – 10 ปี	11 – 15 ปี	มากกว่า 15 ปี

ลูกค้า	ซัพพลายเออร์	พนักงาน	ผู้ถือหุ้น/นักลงทุน	สิ่งแวดล้อม *	ชุมชน
1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A

ให้ท่านนึกถึงการดำเนินการเกี่ยวกับการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียที่เกิดขึ้นในบริษัทของท่านในช่วงปัจจุบัน กรุณาเลือกคำตอบเพียงข้อเดียวที่ตรงที่สุดกับความคิดเห็นของท่านที่มีต่อข้อความต่อไปนี้ (หากบริษัทของท่านไม่มีการดำเนินการเพื่อสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียกลุ่มใด กรุณาเลือก "N/A" ในช่องของผู้มีส่วนได้เสียกลุ่มนั้น)

1	2	3	4	5
ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	เฉยๆ	เห็นด้วย	เห็นด้วยอย่างยิ่ง

สำหรับผู้มีส่วนได้เสียแต่ละกลุ่ม	ผู้มีส่วนได้เสีย											
	ลูกค้า		ซัพพลายเออร์		พนักงาน		ผู้ถือหุ้น/นักลงทุน		สิ่งแวดล้อม *		ชุมชน	
2. บริษัทของท่านให้ข้อมูลแก่ผู้มีส่วนได้เสียกลุ่มนี้อย่างครบถ้วนถึงผลกระทบทั้งที่เกิดจากและส่งผลต่อผู้มีส่วนได้เสียกลุ่มนี้	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A

สำหรับผู้มีส่วนได้เสียแต่ละกลุ่ม	ผู้มีส่วนได้เสีย											
	ลูกค้า		ซัพพลายเออร์		พนักงาน		ผู้ถือหุ้น/นักลงทุน		สิ่งแวดล้อม *		ชุมชน	
3. ความร่วมมือระหว่างบริษัทของท่านกับผู้มีส่วนได้เสียกลุ่มนี้ช่วยพัฒนาความเข้าใจในการกระบวนการเรียนรู้ซึ่งกันและกันไ	1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5	
4. ความต้องการของผู้มีส่วนได้เสียกลุ่มนี้ได้รับการตอบสนองหลังจากเกิดความร่วมมือระหว่างบริษัทของท่านกับผู้มีส่วนได้เสียกลุ่มนี้	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A	1 2 3 4 5	N/A
5. ผู้มีส่วนได้เสียที่เข้ามามีส่วนร่วมกับบริษัทของท่านเป็นตัวแทนที่เหมาะสมของกลุ่ม	1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5		1 2 3 4 5	

6. กรุณาเลือกคำตอบเพียงข้อเดียวที่ตรงที่สุดกับการสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียแต่ละกลุ่มที่บริษัทของท่านดำเนินการอยู่ โดยพิจารณาจากคำจำกัดความของระดับต่างๆของการสร้าความมีส่วนร่วมกับผู้มีส่วนได้เสียดังต่อไป(หากบริษัทของท่านไม่มีการดำเนินการเพื่อสร้างความมีส่วนร่วมกับผู้มีส่วนได้เสียกลุ่มใด กรุณาเลือก"N/A" ในช่องของผู้มีส่วนได้เสียกลุ่มนั้น)

ระดับที่ 1: Non-participation – บริษัทดำเนินการสื่อสารข้อมูลทางเดียวแก่ผู้มีส่วนได้เสียผ่านการประชาสัมพันธ์

ระดับที่ 2: Informing – ผู้มีส่วนได้เสียสามารถสื่อสารกับบริษัทได้ แต่ยังไม่มีอำนาจเพียงพอที่จะแน่ใจได้ว่าสิ่งที่สื่อสารออกไปจะได้รับความสนใจจากบริษัท

ระดับที่ 3: Placation – ผู้มีส่วนได้เสียสามารถให้คำแนะนำและแสดงความคิดเห็นแก่บริษัท แต่บริษัทยังคงมีอำนาจหลักในการตัดสินใจว่าจะยอมรับหรือปฏิเสธ

ระดับที่ 4: Partnership – ผู้มีส่วนได้เสียสามารถเจรจาต่อรองและร่วมมือกับบริษัทในการวางแผนและตัดสินใจ

ระดับที่ 5: Delegated power – ผู้มีส่วนได้เสียมีอำนาจหลักในการตัดสินใจและการบริหารงาน

ลูกค้า	ซัพพลายเออร์	พนักงาน	ผู้ถือหุ้น/นักลงทุน	สิ่งแวดล้อม *	ชุมชน
1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A	1 2 3 4 5 N/A

ส่วนที่ 3 – ข้อมูลทั่วไปของผู้ตอบแบบสอบถาม (Profile of Respondent)

โปรดเลือกข้อความที่เป็นจริงหรือเติมข้อความที่ตรงกับความเป็นจริงมากที่สุด

7. ตำแหน่งงาน
   [ ] ประธานกรรมการบริหารหรือกรรมการผู้จัดการ   [ ] ประธานกรรมการ
   [ ] รองประธานกรรมการบริหารหรือรองกรรมการผู้จัดการ   [ ] รองประธานกรรมการ
   [ ] กรรมการหรือกรรมการบริหาร   [ ] ผู้จัดการฝ่าย
   [ ] เลขานุการบริษัท   [ ] อื่นๆ (โปรดระบุ ……………………………………….)

8. เพศ   [ ] ชาย   [ ] หญิง

9. อายุ   [ ] ต่ำกว่า 30 ปี   [ ] 30 -39 ปี   [ ] 40 – 49 ปี   [ ] 50 – 59 ปี   [ ] มากกว่า 59 ปี

10. ระดับการศึกษา   [ ] ต่ำกว่าปริญญาตรี   [ ] ปริญญาตรี   [ ] ปริญญาโท   [ ] อื่นๆ (โปรดระบุ ………………………………………………)

11. อายุการทำงานในบริษัทปัจจุบัน   [ ] ต่ำกว่า 1 ปี   [ ] 1-5 ปี   [ ] 6- 10 ปี   [ ] 11-15 ปี   [ ] มากกว่า 15 ปี

12. อายุการทำงานในตำแหน่งปัจจุบัน   [ ] ต่ำกว่า 1 ปี   [ ] 1-5 ปี   [ ] 6- 10 ปี   [ ] 11-15 ปี   [ ] มากกว่า 15 ปี

ขอแสดงความขอบคุณอย่างสูงที่ท่านกรุณาตอบแบบสอบถาม ความร่วมมือของท่านจะเป็นประโยชน์อย่างยิ่งต่อโครงการวิจัย

Appendix C: Coding Rules and Inferences

Coding rules

- Disclosure must be specifically stated. (Disclosure cannot be implied.)
- Pictures and graphical diagrams related to CSR activities are excluded.
- Sentence can be classified into more than one possible classification, if it is significantly related to more than one stakeholder groups.
- Information presented in form of table is interpreted as one line equals one sentence.
- Repeated disclosure is recorded each time it appears.
- Discussions of directors or managements' activities are not included as a discussion on employees.

Coding categories and items

Customers

Disclosed information regarding the issues related to "People or other entities which buy goods and/or services produced by company" including:

Items

- Main customers, contractual relationships, bargaining power
- Geographic diversification and characteristic of customers
- Market share, penetration and benchmarking with competitors
- Brands, license and trademarks
- Consumer complaints/satisfaction
- Customer profitability and reliance
- Commitment to customers
- Product (development, quality and safety)
- Expression of appreciation or recognition of customers

Suppliers

Disclosed information regarding the issues related to "People or other entities which provide company with goods and/or services integral to, and utilized in/for the production of the company's goods or services" including:

Items

- Main suppliers, contractual relationship and bargaining power
- Geographic diversification and characteristic of suppliers
- Partnership, corporation, alliances' operational data and firm specific investments
- Quality of partners and inputs
- Addressing supplier concerns
- Supplier satisfaction, retention, commitment
- Expression of appreciation or recognition of suppliers

Employees

Disclosed information regarding the issues related to "People who perform services at the direction and control of company for hire, including full-time and part-time workers" including:

Items

- Remuneration, assistant and benefits
- Health and Safety
- Improvement of job satisfaction and motivation
- Employee communication (programs for communicate information with employees)
- Training and internal education
- Employment of minorities or women/ Diversity and equal opportunity
- Employee profiles (such as number, professional category, business units, age, country)
- Employee morale and relations (Employee satisfaction, competence and commitment)
- Productivity (volumes/sales/value added by employee)
- Industrial Relations/ Union Relations
- Expression of appreciation or recognition of employees

Shareholders/Investors

Disclosed information regarding the issues related to "People or other entities who own or are planning to buy shares of stock in your company" including:

Items

- Shareholder policies
- Responsibility to shareholders
- Transparency
- Investor relations
- Stocks performance, shareholder and investor return
- Management's presentation of measures adopted as critical success factors (milestone achievements, goals)
- Analysis of profitability and financial structure (EBITDA, Cash Flow, ROI, ROE, Debts ratios, Pro-forma data)
- Description of a total results by business/geographic units (percent of total, percent export)
- Intangible assets monitor or Intellectual capital statement (value of assets internally developed)
- Expression of appreciation or recognition of shareholders/investors

Environment

Disclosed information regarding the issues related to "The physical conditions of nature which are primary components of functioning ecosystems, including land, air, water, mineral, flora, fauna, sound, and light" including:

Items

- Environmental policies or company concern for the environment
- Environmental management, systems and audit
- Discussion of specific environmental laws and regulations
- Pollution prevention/management
- Conservation of natural resources and recycling activities
- Sustainability
- Environmental aesthetics
- Conservation of energy
- Expression of appreciation or recognition of environment

Communities

Disclosed information regarding the issues related to "Individuals or groups who live, work, or own property in company's neighborhood" including:

Items

- Partnership or corporation with communities
- Charitable donations and activities
- Support for education, arts and culture, public health, sporting or recreational projects
- Community volunteer programs
- Hiring from local communities
- Expression of appreciation or recognition of communities

Appendix D: List of Sample Companies

1 ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
2 ADVANCED INFORMATION TECHNOLOGY PUBLIC CO.,LTD.
3 AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED
4 ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED
5 ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED
6 BANGKOK AVIATION FUEL SERVICES PCL.
7 BANGKOK EXPRESSWAY PUBLIC COMPANY LIMITED
8 BGT CORPORATION PUBLIC COMPANY LIMITED
9 BIG C SUPERCENTER PUBLIC COMPANY LIMITED
10 BUALUANG SECURITIES PUBLIC COMPANY LIMITED
11 BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
12 CENTRAL PATTANA PUBLIC COMPANY LIMITED
13 CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED
14 CHAI WATANA TANNERY GROUP PUBLIC COMPANY LIMITED
15 CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED
16 CITY STEEL PUBLIC COMPANY LIMITED
17 CSP STEEL CENTER PUBLIC COMPANY LIMITED
18 DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED
19 DRACO PCB PUBLIC COMPANY LIMITED
20 DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED
21 DUSIT THANI PUBLIC COMPANY LIMITED
22 DYNASTY CERAMIC PUBLIC COMPANY LIMITED
23 EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL.
24 EKARAT ENGINEERING PUBLIC COMPANY LIMITED
25 ETERNITY GRAND LOGISTICS PCL
26 FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
27 GENERAL ENGINEERING PUBLIC COMPANY LIMITED
28 GLOBAL CONNECTIONS PUBLIC COMPANY LIMITED
29 GLOW ENERGY PUBLIC COMPANY LIMITED
30 HANA MICROELECTRONICS PUBLIC COMPANY LIMITED

31 HWA FONG RUBBER (THAILAND) PUBLIC COMPANY LIMITED
32 INDARA INSURANCE PUBLIC COMPANY LIMITED
33 INTER FAR EAST ENGINEERING PUBLIC COMPANY LIMITED
34 IRPC PUBLIC COMPANY LIMITED
35 JACK CHIA INDUSTRIES (THAILAND) PUBLIC COMPANY LIMITED
36 KANG YONG ELECTRIC PUBLIC COMPANY LIMITED
37 KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
38 KIATNAKIN BANK PUBLIC COMPANY LIMITED
39 KIATTANA TRANSPORT PUBLIC COMPANY LIMITED
40 KRUNG THAI BANK PUBLIC COMPANY LIMITED
41 KRUNGDHON HOSPITAL PUBLIC COMPANY LIMITED
42 KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED
43 KRUNGTHAI CARD PUBLIC COMPANY LIMITED
44 L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED
45 LIGHTING & EQUIPMENT PUBLIC COMPANY LIMITED
46 LIVE INCORPORATION PUBLIC COMPANY LIMITED
47 M PICTURES ENTERTAINMENT PUBLIC COMPANY LIMITED
48 M.C.S.STEEL PUBLIC COMPANY LIMITED
49 M.D.X. PUBLIC COMPANY LIMITED
50 MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED
51 MASTER AD PUBLIC COMPANY LIMITED
52 MATICHON PUBLIC COMPANY LIMITED
53 MIDA-MEDALIST ENTERTAINMENT PUBLIC COMPANY LIMITED
54 M-LINK ASIA CORPORATION PUBLIC COMPANY LIMITED
55 MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED
56 NAVA LEASING PUBLIC COMPANY LIMITED
57 NAVANAKORN PUBLIC COMPANY LIMITED
58 NAWARAT PATANAKARN PUBLIC COMPANY LIMITED
59 O.C.C. PUBLIC COMPANY LIMITED
60 OHTL PUBLIC COMPANY LIMITED
61 P PLUS P PUBLIC COMPANY LIMITED
62 PATO CHEMICAL INDUSTRY PUBLIC COMPANY LIMITED
63 PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMTED

64 PICO THAILAND PUBLIC COMPANY LIMITED
65 PORN PROM METAL PUBLIC COMPANY LIMITED
66 POWER LINE ENGINEERING PUBLIC COMPANY LIMITED
67 PRAKIT HOLDINGS PUBLIC COMPANY LIMITED
68 PRANDA JEWELRY PUBLIC COMPANY LIMITED
69 PRASIT PATANA PUBLIC COMPANY LIMITED
70 PRE-BUILT PUBLIC COMPANY LIMITED
71 PRESIDENT RICE PRODUCTS PUBLIC COMPANY LIMITED
72 PROFESSIONAL WASTE TECHNOLOGY (1999) PUBLIC COMPANY LIMITED
73 PTT GLOBAL CHEMICAL PUBLIC COMPANY
74 QUALITY HOUSES PUBLIC COMPANY LIMITED
75 RAIMON LAND PUBLIC COMPANY LIMITED
76 RATCHABURI ELECTRICITY GENERATING HOLDING PUBLIC CO.,LTD.
77 RAYONG PURIFIER PUBLIC COMPANY LIMITED
78 REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
79 RICH ASIA STEEL PUBLIC COMPANY LIMITED
80 ROCKWORTH PUBLIC COMPANY LIMITED
81 S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED
82 S.P. SUZUKI PUBLIC COMPANY LIMITED
83 SABINA PUBLIC COMPANY LIMITED
84 SAMART TELCOMS PUBLIC COMPANY LIMITED
85 SAMMAKORN PUBLIC COMPANY LIMITED
86 SC ASSET CORPORATION PUBLIC COMPANY LIMITED
87 SEAFCO PUBLIC COMPANY LIMITED
88 SE-EDUCATION PUBLIC COMPANY LIMITED
89 SIAM CITY BANK PUBLIC COMPANY LIMITED
90 SIAM COMMERCIAL NEW YORK LIFE INSURANCE PLC.CO. LTD
91 SIAM FOOD PRODUCTS PUBLIC COMPANY LIMITED
92 SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED
93 SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED
94 SINGER THAILAND PUBLIC COMPANY LIMITED
95 SINGLE POINT PARTS (THAILAND) PUBLIC COMPANY LIMITED

96 SNC FORMER PUBLIC COMPANY LIMITED
97 SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED
98 STAR SANITARYWARE PUBLIC COMPANY LIMITED
99 STARS MICROELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
100 STEEL INTERTECH PUBLIC COMPANY LIMITED
101 STP&I PUBLIC COMPANY LIMITED
102 SUPALAI PUBLIC COMPANY LIMITED
103 THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED
104 THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
105 THAI OPTICAL GROUP PUBLIC COMPANY LIMITED
106 THAI REINSURANCE PUBLIC COMPANY LIMITED
107 THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
108 THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED
109 THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED
110 THAI VEGETABLE OIL PUBLIC COMPANY LIMITED
111 THAILUXE ENTERPRISES PUBLIC COMPANY LIMITED
112 THANTAWAN INDUSTRY PUBLIC COMPANY LIMITED
113 THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
114 THE BROOKER GROUP PUBLIC COMPANY LIMITED
115 THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED
116 THE LANNA RESOURCES PUBLIC COMPANY LIMITED
117 THE NAVAKIJ INSURANCE PUBLIC COMPANY LIMITED
118 THE SIAM CEMENT PUBLIC COMPANY LIMITED
119 TMB BANK PUBLIC COMPANY LIMITED
120 TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED
121 UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED
122 WIIK & HOEGLUND PUBLIC COMPANY LIMITED
123 WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED

Appendix E: Examples of Regression Analysis Printouts

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	u_env, l_env, p_env(a)	.	Enter

a All requested variables entered.
b Dependent Variable: s_env

Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.890(a)	.792	.787	.34029	.792	151.478	3	119	.000	1.872

a Predictors: (Constant), u_env, l_env, p_env; b Dependent Variable: s_env

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.621	3	17.540	151.478	.000(a)
	Residual	13.779	119	.116		
	Total	66.400	122			

a Predictors: (Constant), u_env, l_env, p_env; b Dependent Variable: s_env

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	Zero-order	Partial	Part	Tolerance	VIF	B	Std. Error
1	(Constant)	.230	.191		1.203	.231					
	p_env	.331	.049	.387	6.748	.000	.781	.526	.282	.529	1.890
	l_env	.231	.052	.211	4.433	.000	.580	.376	.185	.769	1.300
	u_env	.426	.055	.453	7.716	.000	.811	.577	.322	.506	1.976

a Dependent Variable: s_env

Residuals Statistics(a)

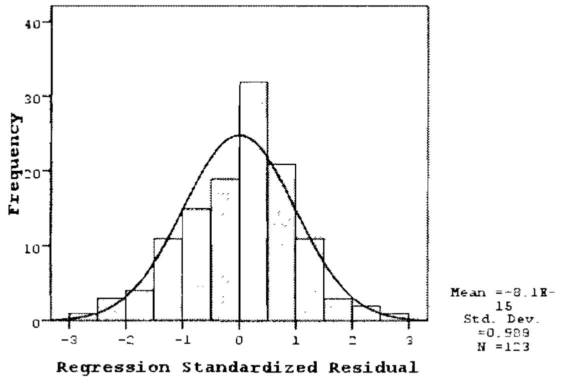
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.1192	5.1284	3.7833	.65675	123
Residual	-.95449	.98567	.00000	.33608	123
Std. Predicted Value	-2.534	2.048	.000	1.000	123
Std. Residual	-2.805	2.897	.000	.988	123

a Dependent Variable: s_env

Charts

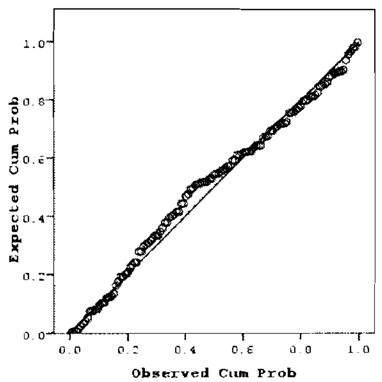
Histogram

Dependent Variable: s_env



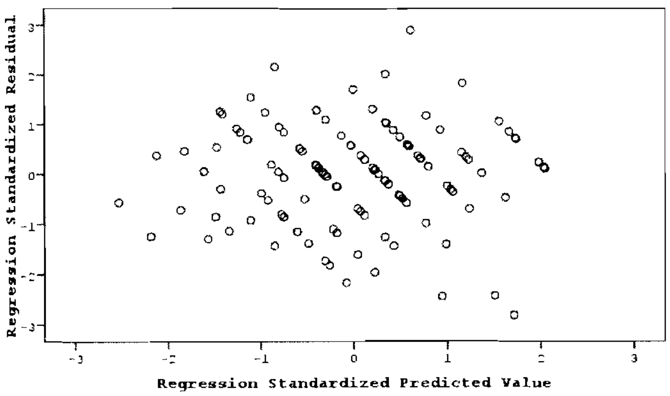
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: s_env



Scatterplot

Dependent Variable: s_env



Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	s_env(a)	.	Enter
2	D/A ratio, lg_TA(a)	.	Enter
3	Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE(a)	.	Enter

a All requested variables entered.; b Dependent Variable: e_env

Model Summary(d)

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.646(a)	.417	.412	1.05469	.417	86.624	1	121	.000	
2	.693(b)	.480	.467	1.00473	.063	7.167	2	119	.001	
3	.707(c)	.500	.455	1.01553	.020	.640	7	112	.722	1.949

a Predictors: (Constant), s_env; b Predictors: (Constant), s_env, D/A ratio, lg_TA
c Predictors: (Constant), s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE; d Dependent Variable: e_env

ANOVA(d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.358	1	96.358	86.624	.000(a)
	Residual	134.596	121	1.112		
	Total	230.954	122			
2	Regression	110.827	3	36.942	36.596	.000(b)
	Residual	120.127	119	1.009		
	Total	230.954	122			
3	Regression	115.447	10	11.545	11.194	.000(c)
	Residual	115.507	112	1.031		
	Total	230.954	122			

a Predictors: (Constant), s_env
b Predictors: (Constant), s_env, D/A ratio, lg_TA
c Predictors: (Constant), s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE
d Dependent Variable: e_env

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	Zero-order	Partial	Part	Tolerance	VIF	B	Std. Error
1	(Constant)	-1.640	.499		-3.289	.001					
	s_env	1.205	.129	.646	9.307	.000	.646	.646	.646	1.000	1.000
2	(Constant)	-2.892	.598		-4.833	.000					
	s_env	1.141	.124	.612	9.169	.000	.646	.643	.606	.982	1.019
	lg_TA	.211	.056	.278	3.756	.000	.316	.326	.248	.797	1.254
	D/A ratio	-.594	.489	-.089	-1.214	.227	.035	-.111	-.080	.810	1.235
3	(Constant)	-2.329	.732		-3.182	.002					
	s_env	1.115	.136	.598	8.220	.000	.646	.613	.549	.844	1.184
	lg_TA	.175	.062	.230	2.830	.006	.316	.258	.189	.677	1.477
	D/A ratio	-.447	.516	-.067	-.866	.389	.035	-.082	-.058	744	1.345
	Dum_AGRO	.223	.505	.038	.442	.660	.079	.042	.030	.612	1.635
	Dum_CONSUMP	-.362	.439	-.081	-.825	.411	-.059	-.078	-.055	.461	2.169
	Dum_FINCIAL	-.178	.423	-.042	-.420	.675	-.024	-.040	-.028	.439	2.280
	Dum_INDUS	-.386	.419	-.092	-.922	.359	-.141	-.087	-.062	.447	2.237
	Dum_PROPCON	-.341	.396	-.095	-.860	.392	.048	-.081	-.057	.363	2.752
	Dum_RESOURC	.157	.451	.034	.349	.728	.310	.033	.023	.469	2.132
	Dum_SERVICE	-.359	.377	-.111	-.950	.344	-.143	-.089	-.064	.327	3.059

a Dependent Variable: e_env

Excluded Variables(c)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
		Tolerance	VIF	Minimum Tolerance	Tolerance	VIF	Minimum Tolerance	Tolerance
1	lg_TA	.239(a)	3.579	.000	.311	.985	1.016	.985
	D/A ratio	.031(a)	.448	.655	.041	1.000	1.000	1.000
	Dum_AGRO	.087(a)	1.264	.209	.115	1.000	1.000	1.000
	Dum_CONSUMP	-.076(a)	-1.100	.273	-.100	.999	1.001	.999
	Dum_FINCIAL	.074(a)	1.060	.291	.096	.978	1.023	.978
	Dum_INDUS	-.061(a)	-.874	.384	-.080	.984	1.016	.984
	Dum_PROPCON	-.056(a)	-.790	.431	-.072	.975	1.026	.975
	Dum_RESOURC	.135(a)	1.880	.063	.169	.917	1.090	.917
	Dum_SERVICE	-.085(a)	-1.220	.225	-.111	.992	1.008	.992
2	Dum_AGRO	.080(b)	1.196	.234	.109	.968	1.033	.784
	Dum_CONSUMP	-.029(b)	-.424	.672	-.039	.949	1.054	.771
	Dum_FINCIAL	.007(b)	.095	.924	.009	.854	1.171	.748
	Dum_INDUS	-.039(b)	-.583	.561	-.054	.972	1.029	.792
	Dum_PROPCON	-.042(b)	-.609	.544	-.056	.943	1.060	.783
	Dum_RESOURC	.088(b)	1.260	.210	.115	.884	1.131	.769
	Dum_SERVICE	-.049(b)	-.721	.473	-.066	.961	1.040	.782

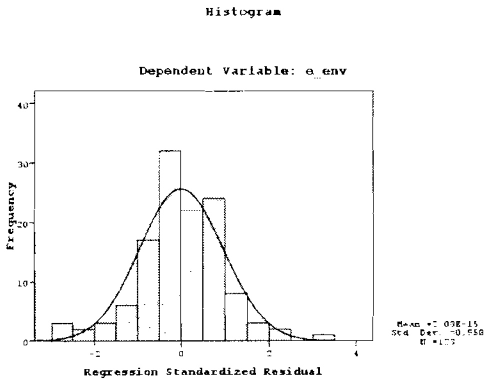
a Predictors in the Model: (Constant), s_env, b Predictors in the Model: (Constant), s_env, D/A ratio, lg_TA; c Dependent Variable: e_env

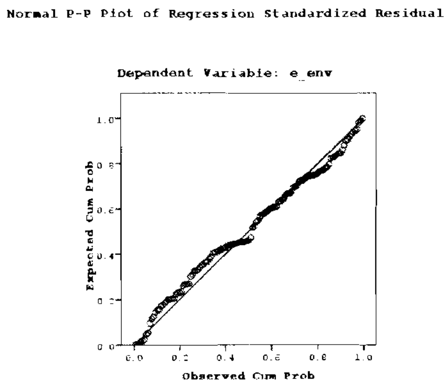
Residuals Statistics(a)

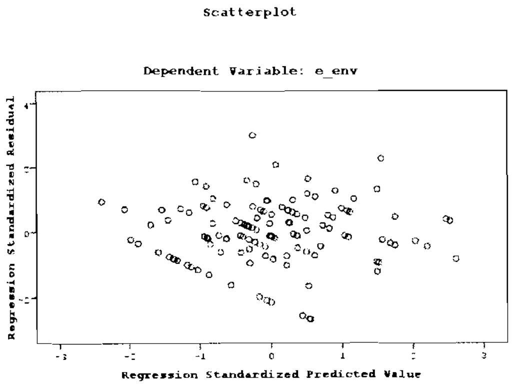
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.5834	5.4544	2.9171	.97277	123
Residual	-2.71803	3.04697	.00000	.97302	123
Std. Predicted Value	-2.399	2.608	.000	1.000	123
Std. Residual	-2.676	3.000	.000	.958	123

a Dependent Variable: e_env

Charts







Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	e_env(a)	.	Enter
2	D/A ratio, lg_TA(a)	.	Enter
3	Dum_INDUS, Dum_AGRO, Dum_PROPCON, Dum_CONSUMP, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE(a)	.	Enter

a All requested variables entered.; b Dependent Variable: vol_env

Model Summary(d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.434(a)	.188	.182	21.13320	.188	28.095	1	121	.000	
2	.571(b)	.326	.309	19.41985	.138	12.146	2	119	.000	
3	.625(c)	.391	.336	19.03288	.065	1.698	7	112	.116	1.984

a Predictors: (Constant), e_env; b Predictors: (Constant), e_env, D/A ratio, lg_TA
c Predictors: (Constant), e_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_PROPCON, Dum_CONSUMP, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE;
d Dependent Variable: vol_env

ANOVA(d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12547.404	1	12547.404	28.095	.000(a)
	Residual	54040.076	121	446.612		
	Total	66587.480	122			
2	Regression	21708.933	3	7236.311	19.188	.000(b)
	Residual	44878.547	119	377.131		
	Total	66587.480	122			
3	Regression	26015.422	10	2601.542	7.182	.000(c)
	Residual	40572.058	112	362.251		
	Total	66587.480	122			

a Predictors: (Constant), e_env; b Predictors: (Constant), e_env, D/A ratio, lg_TA
c Predictors: (Constant), e_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_PROPCON, Dum_CONSUMP, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE; d Dependent Variable: vol_env

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	Zero-order	Partial	Part	Tolerance	VIF	B	Std. Error
1	(Constant)	-8.900	4.482		-1.986	.049					
	e_env	7.371	1.391	.434	5.300	.000	.434	.434	.434	1.000	1.000
2	(Constant)	-41.262	8.353		-4.940	.000					
	e_env	5.130	1.356	.302	3.782	.000	.434	.328	.285	.888	1.127
	lg_TA	5.615	1.143	.435	4.913	.000	.464	.411	.370	.722	1.385
	D/A ratio	-17.491	9.508	-.155	-1.840	.068	.044	-.166	-.138	.801	1.249
3	(Constant)	-41.591	11.226		-3.705	.000					
	e_env	4.106	1.399	.242	2.936	.004	.434	.267	.217	.802	1.247
	lg_TA	5.919	1.194	.459	4.955	.000	.464	.424	.366	.635	1.576
	D/A ratio	-13.438	9.701	-.119	-1.385	.169	.044	-.130	-.102	.739	1.354
	Dum_AGRO	3.178	9.479	.032	.335	.738	.074	.032	.025	.611	1.637
	Dum_CONSUMP	1.367	8.176	.018	.167	.868	-.062	.016	.012	.466	2.145
	Dum_FINCIAL	-12.433	7.925	-.175	-1.569	.119	-.080	-.147	-.116	.438	2.283
	Dum_INDUS	4.174	7.861	.059	.531	.596	.003	.050	.039	.445	2.247
	Dum_PROPCON	-.358	7.327	-.006	-.049	.961	.013	-.005	-.004	.373	2.678
	Dum_RESOURC	10.295	8.322	.131	1.237	.219	.327	.116	.091	.483	2.070
	Dum_SERVICE	-5.326	7.068	-.097	-.754	.453	-.208	-.071	-.056	.327	3.056

a Dependent Variable: vol_env

Excluded Variables(c)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
		Tolerance	VIF	Minimum Tolerance	Tolerance	VIF	Minimum Tolerance	Tolerance
1	lg_TA	.363(a)	4.528	.000	.382	.900	1.111	.900
	D/A ratio	.029(a)	.357	.722	.033	.999	1.001	.999
	Dum_AGRO	.040(a)	483	.630	.044	.994	1.006	.994
	Dum_CONSUMP	-.037(a)	-.447	.655	-.041	.997	1.003	.997
	Dum_FINCIAL	-.069(a)	-.846	.399	-.077	.999	1.001	.999
	Dum_INDUS	.065(a)	.790	.431	.072	.980	1.020	.980
	Dum_PROPCON	-.008(a)	-.095	.924	-.009	.998	1.002	.998
	Dum_RESOURC	.213(a)	2.522	.013	.224	.904	1.106	.904
	Dum_SERVICE	-.149(a)	-1.815	.072	-.163	.980	1.021	.980
2	Dum_AGRO	.034(b)	.442	.659	.041	.963	1.038	.721
	Dum_CONSUMP	.030(b)	.387	.699	.036	.951	1.051	.701
	Dum_FINCIAL	-.189(b)	-2.394	.018	-.215	.875	1.143	.678
	Dum_INDUS	.088(b)	1.156	.250	.106	.972	1.029	.720
	Dum_PROPCON	.017(b)	.216	.830	.020	.967	1.034	.717
	Dum_RESOURC	.165(b)	2.100	.038	.190	.889	1.125	.710
	Dum_SERVICE	-.108(b)	-1.404	.163	-.128	.957	1.045	.713

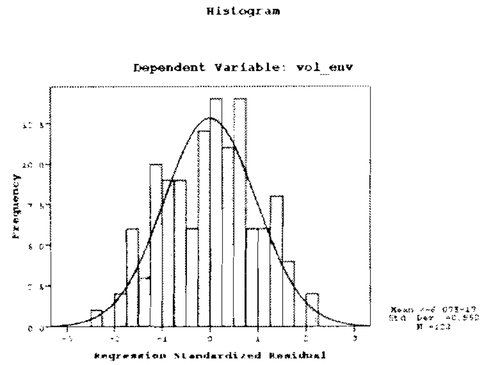
a Predictors in the Model: (Constant), e_env; b Predictors in the Model: (Constant), e_env, D/A ratio, lg_TA; c Dependent Variable: vol_env

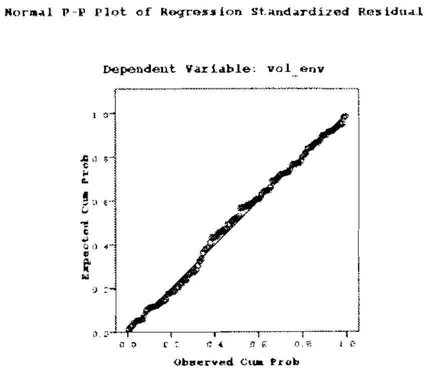
Residuals Statistics(a)

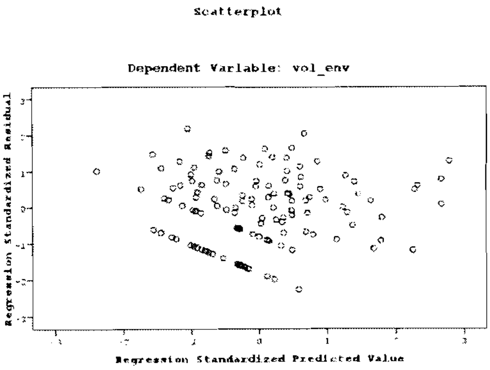
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-22.2703	53.2818	12.6016	14.60278	123
Residual	-43.22902	41.59986	.00000	18.23617	123
Std. Predicted Value	-2.388	2.786	.000	1.000	123
Std. Residual	-2.271	2.186	.000	.958	123

a Dependent Variable: vol_env

Charts







Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	s_env(a)	.	Enter
2	D/A ratio, lg_TA(a)	.	Enter
3	Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE(a)	.	Enter

a All requested variables entered.; b Dependent Variable: vol_env

Model Summary(d)

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.281(a)	.079	.071	22.51558	.079	10.349	1	121	.002	
2	.540(b)	.292	.274	19.91044	.213	17.868	2	119	.000	
3	.602(c)	.362	.306	19.46875	.071	1.780	7	112	.098	1.888

a Predictors: (Constant), s_env; b Predictors: (Constant), s_env, D/A ratio, lg_TA
c Predictors: (Constant), s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE
d Dependent Variable: vol_env

ANOVA(d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5246.357	1	5246.357	10.349	.002(a)
	Residual	61341.122	121	506.951		
	Total	66587.480	122			
2	Regression	19412.846	3	6470.949	16.323	.000(b)
	Residual	47174.634	119	396.425		
	Total	66587.480	122			
3	Regression	24135.884	10	2413.588	6.368	.000(c)
	Residual	42451.596	112	379.032		
	Total	66587.480	122			

a Predictors: (Constant), s_env
b Predictors: (Constant), s_env, D/A ratio, lg_TA
c Predictors: (Constant), s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE
d Dependent Variable: vol_env

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	Zero-order	Partial	Part	Tolerance	VIF	B	Std. Error
1	(Constant)	-21.027	10.649		-1.975	.051					
	s_env	8.889	2.763	.281	3.217	.002	.281	.281	.281	1.000	1.000
2	(Constant)	-59.606	11.859		-5.026	.000					
	s_env	6.894	2.466	.218	2.796	.006	.281	.248	.216	.982	1.019
	lg_TA	6.635	1.115	.514	5.952	.000	.464	.479	.459	.797	1.254
	D/A ratio	-20.313	9.693	-.180	-2.096	.038	.044	-.189	-.162	.810	1.235
3	(Constant)	-51.569	14.029		-3.676	.000					
	s_env	4.709	2.600	.149	1.811	.073	.281	.169	.137	.844	1.184
	lg_TA	6.629	1.183	.514	5.604	.000	.464	.468	.423	.677	1.477
	D/A ratio	-15.247	9.891	-.135	-1.542	.126	.044	-.144	-.116	.744	1.345
	Dum_AGRO	4.071	9.688	.041	.420	.675	.074	.040	.032	.612	1.635
	Dum_CONSUMP	-.163	8.409	-.002	-.019	.985	-.062	-.002	-.001	.461	2.169
	Dum_FINCIAL	-13.147	8.100	-.185	-1.623	.107	-.080	-.152	-.122	.439	2.280
	Dum_INDUS	2.588	8.023	.036	.323	.748	.003	.030	.024	.447	2.237
	Dum_PROPCON	-1.822	7.599	-.030	-.240	.811	.013	-.023	-.018	.363	2.752
	Dum_RESOURC	10.833	8.639	.138	1.254	.212	.327	.118	.095	.469	2.132
	Dum_SERVICE	-6.817	7.233	-.124	-.942	.348	-.208	-.089	-.071	.327	3.059

a Dependent Variable: vol_env

Excluded Variables(c)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
		Tolerance	VIF	Minimum Tolerance	Tolerance	VIF	Minimum Tolerance	Tolerance
1	lg_TA	.435(a)	5.521	.000	.450	.985	1.016	.985
	D/A ratio	.043(a)	.490	.625	.045	1.000	1.000	1.000
	Dum_AGRO	.078(a)	.888	.376	.081	1.000	1.000	1.000
	Dum_CONSUMP	-.070(a)	-.799	.426	-.073	.999	1.001	.999
	Dum_FINCIAL	-.039(a)	-.436	.664	-.040	.978	1.023	.978
	Dum_INDUS	.039(a)	.438	.662	.040	.984	1.016	.984
	Dum_PROPCON	-.032(a)	-.363	.717	-.033	.975	1.026	.975
	Dum_RESOURC	.268(a)	3.040	.003	.267	.917	1.090	.917
	Dum_SERVICE	-.184(a)	-2.128	.035	-.191	.992	1.008	.992
2	Dum_AGRO	.059(b)	.748	.456	.069	.968	1.033	.784
	Dum_CONSUMP	.020(b)	.246	.806	.023	.949	1.054	.771
	Dum_FINCIAL	-.184(b)	-2.247	.026	-.203	.854	1.171	.748
	Dum_INDUS	.080(b)	1.023	.308	.094	.972	1.029	.792
	Dum_PROPCON	-.001(b)	-.017	.987	-.002	.943	1.060	.783
	Dum_RESOURC	.183(b)	2.272	.025	.205	.884	1.131	.769
	Dum_SERVICE	-.119(b)	-1.525	.130	-.139	.961	1.040	.782

a Predictors in the Model: (Constant), s_env

b Predictors in the Model: (Constant), s_env, D/A ratio, lg_TA

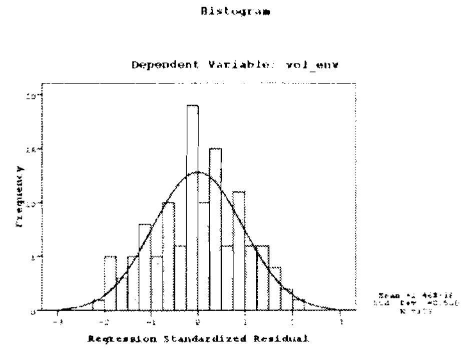
c Dependent Variable: vol_env

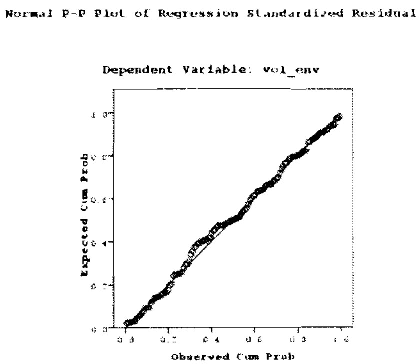
Residuals Statistics(a)

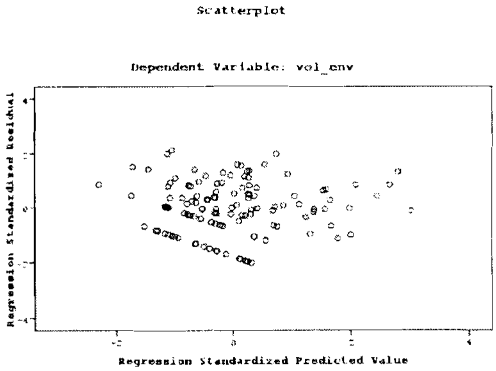
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-19.7545	55.1356	12.6016	14.06539	123
Residual	-39.04626	41.06539	.00000	18.65379	123
Std. Predicted Value	-2.300	3.024	.000	1.000	123
Std. Residual	-2.006	2.109	.000	.958	123

a Dependent Variable: vol_env

Charts







Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	e_env, s_env(a)	.	Enter
2	D/A ratio, lg_TA(a)	.	Enter
3	Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE(a)	.	Enter

a All requested variables entered.; b Dependent Variable: vol_env

Model Summary(d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.434(a)	.188	.175	21.22107	.188	13.931	2	120	.000	
2	.573(b)	.328	.305	19.47575	.139	12.236	2	118	.000	
3	.625(c)	.391	.330	19.11806	.063	1.637	7	111	.132	1.984

a Predictors: (Constant), e_env, s_env; b Predictors: (Constant), e_env, s_env, D/A ratio, lg_TA
c Predictors: (Constant), e_env, s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE; d Dependent Variable: vol_env

ANOVA(d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12547.414	2	6273.707	13.931	.000(a)
	Residual	54040.065	120	450.334		
	Total	66587.480	122			
2	Regression	21829.490	4	5457.373	14.388	.000(b)
	Residual	44757.990	118	379.305		
	Total	66587.480	122			
3	Regression	26016.959	11	2365.178	6.471	.000(c)
	Residual	40570.521	111	365.500		
	Total	66587.480	122			

a Predictors: (Constant), e_env, s_env
b Predictors: (Constant), e_env, s_env, D/A ratio, lg_TA
c Predictors: (Constant), e_env, s_env, D/A ratio, lg_TA, Dum_INDUS, Dum_AGRO, Dum_CONSUMP, Dum_PROPCON, Dum_RESOURC, Dum_FINCIAL, Dum_SERVICE
d Dependent Variable: vol_env

Residuals Statistics(a)

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-22.2974	53.3395	12.6016	14.60321	123
Residual	-43.15228	41.63553	.00000	18.23582	123
Std. Predicted Value	-2.390	2.790	.000	1.000	123
Std. Residual	-2.257	2.178	.000	.954	123

a Dependent Variable: vol_env

Charts