

Antecedents and Financial Performance Impacts of Philanthropy in Thai Listed Firms: A PLS-SEM analysis

Dr.Usarat Thirathon

*Lecturer of Department of Accounting,
Kasetsart Business School, Kasetsart University
(Corresponding Author)*

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Dr.Suneerat Wuttichindanon

*Assistant Professor of Department of Accounting,
Kasetsart Business School, Kasetsart University*

ABSTRACT

Numerous studies in Corporate Social Responsibility (CSR) have been conducted in terms of both antecedents and results. The research findings, however, are inconclusive. Rather than using an aggregated score, this study concentrates on one CSR strategy at a time with philanthropy disclosures as the focus. Using a PLS-SEM analysis enables the research to examine both antecedents and results at the same time. In respect to the CSR results, this research focuses on financial performance impacts. The research finds that political visibility (i.e. government ownership and firm size) is an important antecedent of philanthropy disclosures. The philanthropy disclosures, then, has a significant effect on corporate financial performance for current year and the following year. The empirical findings support a proposition that firms with higher political costs spend more of their budget on CSR activities. Even though philanthropy has cost, the financial benefits outweigh them.

Keywords: CSR in Thailand, Philanthropy, Corporate Financial Performance

ปัจจัยต้นเหตุและผลกระทบต่อผลการดำเนินงานทางการเงิน ที่ได้จากการบริจาคเพื่อการกุศลในบริษัทมหาชนประเทศไทย : การวิเคราะห์ด้วย PLS-SEM

ดร.อุษารัตน์ ธีรธร

อาจารย์ประจำภาควิชาบัญชี

คณะบริหารธุรกิจ มหาวิทยาลัยเกษตรศาสตร์

(ผู้ประสานงานหลัก)

วันที่ได้รับต้นฉบับบทความ : 10 เมษายน 2562

วันที่แก้ไขปรับปรุงบทความ : 3 มิถุนายน 2562

วันที่ตอบรับตีพิมพ์บทความ : 6 มิถุนายน 2562

ดร.สุนีย์รัตน์ วุฒิจินดานนท์

ผู้ช่วยศาสตราจารย์ประจำภาควิชาบัญชี

คณะบริหารธุรกิจ มหาวิทยาลัยเกษตรศาสตร์

บทคัดย่อ

มีงานวิจัยมากมายที่ศึกษากิจกรรมเพื่อสังคมทั้งในด้านปัจจัยต้นเหตุและผลลัพธ์ อย่างไรก็ตาม ผลการศึกษายังไม่มีผลสรุปที่แน่ชัด แทนที่จะใช้คะแนนรวม การศึกษาครั้งนี้สนใจกิจกรรมเพื่อสังคมเพียงหนึ่งกิจกรรมในการศึกษา และการเปิดเผยเกี่ยวกับการบริจาคเพื่อสังคมเป็นสิ่งที่งานวิจัยนี้สนใจ งานวิจัยนี้ใช้การวิเคราะห์ด้วย PLS-SEM ทำให้สามารถทดสอบทั้งปัจจัยต้นเหตุและผลลัพธ์ในเวลาเดียวกัน สำหรับในด้านผลลัพธ์ งานวิจัยนี้สนใจผลกระทบต่อผลการดำเนินงานทางการเงิน งานวิจัยนี้พบว่าความโดดเด่นทางสังคม (วัดด้วยการมีรัฐบาลเป็นเจ้าของและขนาดกิจการ) เป็นตัวแปรต้นเหตุที่สำคัญของการบริจาคเพื่อสังคม และการบริจาคเพื่อสังคมมีผลกระทบเชิงบวกต่อผลการดำเนินงานทางการเงินของกิจการทั้งในปัจจุบันและปัดไป หลักฐานเชิงประจักษ์จากงานวิจัยนี้สนับสนุนแนวคิดที่ว่ากิจการที่มีต้นทุนทางสังคมสูงจะเตรียมงบประมาณสำหรับกิจกรรมเพื่อสังคมมากขึ้น แม้ว่าการบริจาคเพื่อสังคมจะมีต้นทุนแต่ให้ประโยชน์ที่คุ้มค่า

คำสำคัญ: กิจกรรมเพื่อสังคมในประเทศไทย การบริจาคเพื่อสังคม ผลการดำเนินงานทางการเงินของกิจการ

Introduction

An idea of Corporate Social Responsibility (CSR) has emerged since 1960s and from then, empirical researchers have attempted to understand the phenomenon of CSR, both in terms of its antecedents and results (Heli, Li, Takeuchi, & George, 2016). However, the findings are inconclusive (Faller & zu Knyphausen-Aufseß, 2018; Margolis & Walsh, 2003). The CSR antecedents result in many previous researches, including the evidence from developed and developing countries (Ali, Frynas, & Mahmood, 2017), are different due to various factors: company characteristics (e.g. size, industry, social media visibility), general contextual factors (e.g. national settings, government regulations) and internal contextual factors (e.g. corporate governance policies, executives' motivations and ownership structures). On the other hand, the results of CSR are not varied by these factors, but they depend on the types of CSR (Margolis & Walsh, 2003). Nowadays, recent research has shifted from examining CSR as an aggregate to focusing on a specific element of CSR (Waris, George, & Zeeshan, 2017). Waris et al. (2017) give an example as follows. Firm A focuses on environmental issues, but ignores financial donations, while Firm B disregards the environment issues, and instead focuses on donations and community involvements. Given an aggregate score, these two firms have the same number. Therefore, examining each CSR dimension is preferred.

This research focuses on philanthropic issue in Thailand. The Heli et al. (2016) document in *Academy of Management Journal* states that the research in developing countries appears in a smaller amount, compared to that in developed countries. Moreover, in the developing countries, a narrower range was examined (i.e. Malaysia, Singapore, South Africa and China). This leads us to extend the literature into one country where CSR also appears predominantly; Thailand. Compared to the international standard guidance, CSR in Thailand is in line with those of the international institutes (see Table 1). Due to the alignment of CSR dimensions, the research results from Thailand sample are comparable to those in other countries and they fulfill the literature gap.

Philanthropy is deeply rooted in Thai culture (AIT, 2010) and outstandingly appears in Thai firms (Prayukvong & Olsen, 2009) because they are in a Buddhist country. The Sufficiency Economy Philosophy of the late King Rama IX has much influence on Thai people and organizations (Onozawa, 2013). The philanthropy is included in the Community and Society dimension (see Table 1) (Carroll, 1991). This research, then, extends our research framework into the philanthropy activity and focus into two dimensions: the antecedents and the corporate financial performance impacts of philanthropy. A PLS-SEM analysis was chosen so that the research questions can be answered in one place. This method is new for this area of research and it is expected to provide us a new insight on the antecedents and results of CSR.

Table 1 CSR Dimension Comparison

CSR dimension	UNGC	OECD	ISO	GRI	SEC (Thailand)
1. Good practice		✓	✓	✓	✓
2. Environment	✓	✓	✓	✓	✓
3. Science and technology		✓			
4. Consumer protections		✓	✓	✓	✓
5. Fair business practices	✓	✓	✓		✓
6. Human rights	✓	✓	✓	✓	✓
7. Labor standards	✓	✓	✓	✓	✓
8. Community and society			✓	✓	✓
9. Innovation					✓
10. Anti-corruption	✓	✓	✓		✓

Source: Prayukvong and Olsen (2009)

Through PLS-SEM model, this research finds a significant positive effect of political visibility on philanthropy choice, thus increasing corporate financial performance. The following contents comprise of literature review, research methodology and the research results. Conclusions and venues for future research are presented in the last section.

Literature Review

Antecedents of CSR

An occurrence of CSR is explained by many theories. For example, Freeman (1984) introduces ‘stakeholder theory’ and suggests that CSR occurs to serve stakeholders’ demands. On the other hand, positivist scholars, such as Belkaoui and Karpik (1989) use ‘positive accounting theory’ by Watts and Zimmerman (1986) to explain the phenomenon of CSR. Belkaoui and Karpik (1989) suggest that managers’ decisions on social expenditures and social disclosures depend on image-building and public interest concerns. Firms with high political costs (e.g. large firms or firms with high visibility) are more likely to spend more on CSR. This research uses the positive accounting theory, specifically the political cost hypothesis to hypothesize the research constructs.

With regard to the political cost hypothesis, Watts and Zimmerman (1978, 1986) propose that firms with high political cost will attempt to reduce this cost. In the focus of CSR, Lemon and Cahan (1997) propose that not all firms are equally attracted by political attention and that the propensity of firm's environmental disclosures is positively associated with firm's political visibility. They then test six variables of the political visibility with environmental disclosures and find that firm size, market share, and profitability are positively associated with the environmental disclosures. Other empirical researchers also often use firm size as the proxy of political visibility (e.g. Cowen, Ferreri, & Parker, 1987; Deegan & Gordon, 1996; Milne, 2002; Trotman & Bradley, 1981).

Although Lemon and Cahan (1997) find the significance of profitability on CSR activities and disclosures in New Zealand samples, Wuttichindanon (2017) does not find an association between corporate profitability and CSR disclosures in Thailand samples. On the other hand, Wuttichindanon (2017) finds that stakeholder power (i.e. state ownership) and corporate visibility (i.e. firm size) influences CSR disclosure and a preparation of a sustainability report. The state ownership and corporate size are also shown to have significant impact in other countries in the same region, such as Malaysia (Ghazali, 2007; Rahman, Zain, & Al-Haj, 2011), Taiwan (Chiu & Wang, 2015), China (W. Li & Zhang, 2010), and in cross-country studies (e.g. Lopatta, Jaeschke, & Chen, 2017). The association between government ownership and CSR can also be explained by the political cost hypothesis. Government-owned companies are more in the public eyes, and that they have a higher political cost. To reduce the political cost, they engage more on social responsible activities and disclose more on those activities (Ghazali, 2007; S. Li, Song, & Wu, 2015; Wuttichindanon, 2017). S. Li et al. (2015) find a relationship between government ownership and donations.

According to the prior literature, this research proposes firm size and government ownership are measures of political-cost attribute. One hypothesis is that firms with high political costs are more likely to conduct CSR. The 'political visibility' is, therefore, one antecedent of CSR (i.e. philanthropy) examined in this paper.

Results of CSR

Results, or benefits of CSR, are found in many aspects. Prayukvong and Olsen (2009) and Andonov, Mihajloski, Davitkovska, and Majovski (2015) conclude that they comprise of cost reduction, staff retention, risk management, brand and reputation, productivity and efficiency, new opportunities, professional development, and competitive advantage. Empirical researchers believe that many of these benefits lead to better corporate financial performance. For example, firms can reduce costs on employee turnover, utility, and supply bills, while increase their revenues from brand image enhancement and gain competitive advantage. Eventually both the decreased costs and increased

revenues result in higher corporate financial performance. Many of the previous studies examine a relationship between CSR strategy and corporate financial performance (measured by Return on Asset (ROA), Return on Equity (ROE), Return on Investing Capital (ROIC), and Tobin's Q) while few studies pay attention to operational improvement (Margolis & Walsh, 2003). Moreover, empirical research has found that CSR benefits firms in both short-term (e.g. Dumitrescu & Simionescu, 2015) and long-term (Santoso & Feliana, 2014). In Thailand samples, CSR is positively associated with ROA but not ROE or Tobin's Q in the next two years after conducting CSR (Janamrung & Issarawornrawanich, 2015). Some researchers in Thailand use interview methods to extend the benefits to non-financial outcomes. They find that the management believes that CSR helps enhance brand image, earn reputation, and get a social licence to operate (Kraisornsuthasinee & Swierczek, 2009).

Based on the prior research, the benefits of CSR are mainly focused on financial performance in which both short-term and long-term are examined. However, some studies do not find a significant relationship between CSR and its outcome (Margolis & Walsh, 2003), so it cannot entirely be concluded that CSR benefits firms. One executive in a Thai company states that 'green issues still come after product specification and price' (Kraisornsuthasinee & Swierczek, 2009, p.558). If this is the case, it may be a reason why some firms with CSR activities may not earn a higher performance than firms with no CSR activities. Nevertheless, under the economic perspective, this research believes that CSR has benefits; otherwise firms will not be attracted to do CSR activities. But the benefits may not be as obvious, particularly when analyzing the data using regression models. This research thus uses another method (i.e. PLS-SEM) to prove whether CSR (i.e. philanthropy) leads to a higher corporate financial performance. ROA, ROIC and Tobin's Q are selected to be measures of corporate financial performance.

ROA and ROIC represent accounting-based performance, while Tobin's Q is market-based measure. ROA includes non-business activities, such as selling assets or other incomes, so the profitability calculated by ROA may be distorted (Oh & Park, 2015). To robust the results, ROIC is then added. ROIC is a ratio of operating profit to invested capital (IC). The operating profit involves real business activity only and the invested capital is a sum of tangible assets and net working capital. As for Tobin's Q, although Janamrung and Issarawornrawanich (2015) do not find an impact of CSR on Tobin's Q, this research still maintains Tobin's Q as one measure of financial performance to ensure that the measures comprise both accounting- and market-based performance. The research results can be compared to those of prior studies. Tobin's Q is a ratio between a firm's market and book value. It represents how investors value the firm, whether its market value is overvalued or undervalued (Tobin, 1978). Accordingly, all the ROA, ROIC and Tobin's Q are used as measures of corporate financial performance in this research.

Philanthropy

Philanthropy is widely seen in developing countries (Prayukvong & Olsen, 2009) including Thailand (AIT, 2010). Thailand is a Buddhist-based country and Thai people respect the ‘Sufficient Economy Philosophy’ of the late King Rama IX (Onozawa, 2013). An emergence of CSR first starts from philanthropy, such as donations and volunteering. The 2008 CSR budget of companies listed in the Stock Exchange of Thailand (SET) is mostly paid to charity, education, community, and environment (Prayukvong & Olsen, 2009, p. 19). This is because Thai executives perceive CSR as giving back, caring, helping, sharing, developing, and creating (Rajanakorn, 2012). Generous giving is, therefore, greatly recognized.

However, philanthropy is not just generous giving. Carroll (1991, p. 42) defines philanthropy that ‘it encompasses those corporate actions that are in response to society’s expectation that business be good corporate citizens’. It includes acts or programs to promote human welfares, contributions to arts, education, and community, etc. The involvement with community makes philanthropy classified in the Community and Society dimension in Table 1. All the activities that relate to community are thus classified as philanthropic activities (Wuttichindanon, 2017). In addition, Prayukvong and Olsen (2009, p. 27) cluster philanthropy with volunteering. Because volunteering is a contribution of employees’ time and skills to the community, such as reforestation, construction works for community or else. As a result, this research classifies all the community-related and volunteering work as measures of philanthropy (see 14 items of philanthropy in Table 2).

Philanthropy is ranked three in the 2014 survey of Wuttichindanon (2017) for Thai listed firms. However, S. Li, Song, and Wu (2015) find in Chinese samples that donations reduce when firms are state-owned enterprises. If this is the case, whether the findings of S. Li et al. (2015) could apply to Thai samples. Generally, state-owned enterprises are large and visible. They are expected to share government accountability by leading others to have good corporate practices on social and environmental issues (Rahman et al., 2011). Based on the positive accounting theory, this research argues that the government-owned firms should spend more on CSR. In addition, large firms have higher political cost and they are more likely to allocate higher budget for CSR (Belkaoui & Karpik, 1989). Firm size is also included as a measure of political visibility.

Hypotheses Development

According to the literature review this research puts philanthropy as a focus; then examines whether political visibility (i.e. government ownership and firm size) has a relationship with the philanthropic activities. One hypothesis for the antecedent of philanthropy is that:

H1: Political visibility has a positive effect on philanthropy.

Then, a relationship between philanthropy and corporate financial performance is also examined. This study explores the financial performance in both the current year (year t) and the year after (year $t+1$) the philanthropy occurs. Previous studies have found both a benefit of CSR on corporate financial performance in the same year (e.g. Dumitrescu & Simionescu, 2015) and the year after (e.g. Oh & Park, 2015). Because CSR ends up benefiting firms in many types (see Andonov et al., 2015), some benefits may affect the financial performance immediately (e.g. cost reduction), while some may take time (e.g. staff retention, customer royalty). Therefore, the CSR's consequence should be observed for at least two years. There are two hypotheses for the corporate financial performance impacts of philanthropy.

H2: Philanthropy has a positive effect on corporate financial performance on the same year.

H3: Philanthropy has a positive effect on corporate financial performance on the following year.

All three hypotheses are shown in Figure 1. Each construct consists of the factors derived from previous literature and each path describes the relationship among a set of constructs.

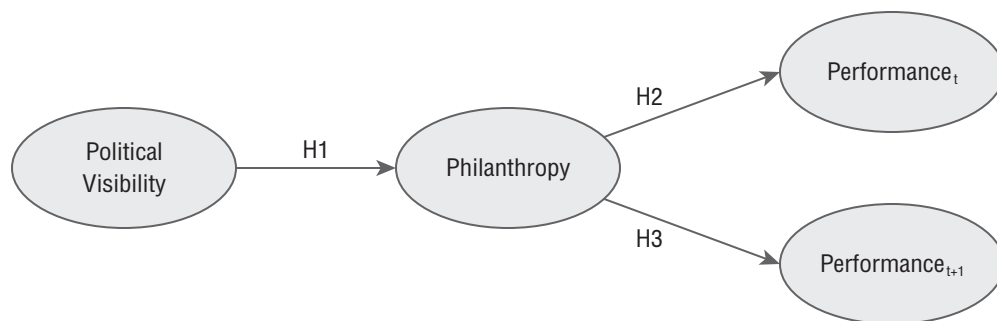


Figure 1: Research Model

Research Methodology

Data Collection

The samples comprise of 403 companies in all industries listed on the Stock Exchange of Thailand (SET) in 2014. The study excludes the companies listed on the Market for Alternative Investment (MAI), an alternative stock market for small and medium-sized enterprises, because of their sizes. Those firms are relatively small, and do not have political visibility which is the focus of the study. In addition, SET firms with missing data are excluded. 2014 is the first year when the securities and exchange commission of Thailand (SEC) requires companies to disclose their CSR activities in either Form 56-1, an annual statement annually submitted to the SEC, or a separate sustainability report (SEC, 2013). It

is believed that the disclosure in the first year is less biased and free from external pressures because the firms have not been influenced by the competitors' disclosure.

Construct Measurement

To examine the hypothesized relationships, there are three related constructs: (i) philanthropy, (ii) political visibility (iii) and corporate financial performance. The data of CSR shed the light on philanthropy. Fourteen items of the community and society involvement in Wuttichindanon (2017) are adopted. Each item has a score of 1 or 0; 1 is given when the firm discloses the item. Firms' political visibility is measured using two of its dimensions - size and ownership. Firm size is measured based on the total asset. Ownership is a dummy variable of 1 when government is one of the top-10 major shareholders of the company; 0 otherwise. Corporate financial performance is measured by both accounting-based and market-based indicator, namely return on asset (ROA), return on invested capital (ROIC), and Tobin's Q. ROA is a ratio of net profit to total assets. ROIC is a ratio of operating profit to invested capital, which is a sum of tangible assets and net working capital. Tobin's Q is a ratio of market value of firm's equity and liabilities to the book value. All the financial data were collected from Thomson Reuter's DataStream.

Industry is recognized as a controlled variable which indicates as 1 when the firm is in the industry with a high environmental impact, including oil & gas, and chemical industries (Deegan & Gordon, 1996; Reverte, 2009); 0 otherwise. Firms with the high environmental impact have a greater incentive to disclose CSR information in order to reduce impending costs and get a social license to operate (Kraisornsuthasinee & Swierczek, 2009).

Analysis of data characteristics

Fourteen indicators of the community and society were assessed the statistical properties. IBM SPSS Statistics Desktop Version 22 was used and the descriptive statistics is presented in Table 2.

Mean value represents the proportion that the samples disclose particular CSR activities. From Table 2, the top three CSR activities are financial donation (67%), cultural and religion advocacy (43%), and student scholarship (38%).

Standard deviation, skewness, and kurtosis were analyzed to confirm data distribution characteristics (West, Finch, & Curran, 1995). Table 2 shows that none of the fourteen indicators are normally distributed, which require the use of data analysis and testing techniques with no normal distribution assumption (Hair et al. 2014).

Table 2 Descriptive Statistics

CSR Activities	Mean	Standard Deviation	Skew/ SE	Kurtosis/ SE
Financial donations, such as cash, school supplies, basic necessities, etc.	0.670	0.469	-6.148	-5.947
Blood donation	0.220	0.417	10.934	-0.918
Sport events sponsorships	0.160	0.366	15.361	6.251
Reforestation	0.180	0.388	13.443	2.856
Encourage self-sufficiency to the local community	0.190	0.394	12.926	2.021
Construction of residences, schools, roads, library, etc.	0.180	0.388	13.443	2.856
Student scholarships	0.380	0.486	4.082	-7.247
Cultural and religion advocacy	0.430	0.496	2.180	-7.979
Close liaison with the community	0.340	0.473	5.656	-6.300
Charity sponsorships	0.180	0.386	13.623	3.152
Engagement in social activities hosted by other organizations	0.190	0.390	13.270	2.572
Support state-hosted activities	0.070	0.259	27.254	37.453
Tackling negative operational impacts in the community	0.150	0.361	15.787	7.070
Sourcing of local raw materials and labor	0.130	0.338	17.943	11.543

Partial least squares analysis

Partial least squares structural equation modeling (PLS-SEM) has been commonly used in many academic fields e.g. marketing, management, and information technology. However, only few researchers in financial accounting have applied PLS-SEM in their work. Research shows that PLS-SEM allows flexibility in exploring relationship among variables, and is free from normal distribution assumption and small sample size limitation (Chin, 1998).

A reflective measurement model was created to describe the relationship between the indicators and the constructs. Based on construct measurement mentioned in prior section, multiple indicators were used to measure latent variable constructs. In a reflective measurement model, each indicator's loading value should be higher than 0.70 to be acceptable (Hair, Hult, Ringle, & Sarstedt, 2014). If the loadings are between 0.40 and 0.70, they are justified for their theoretical relevance.

Loadings of all indicators for ‘political visibility’ and ‘firm performance’ were acceptable, except Tobin’s Q. Considering that Tobin’s Q was used to measure market-based firm performance, which was different from accounting-based ROA and ROIC, and with its low loading, Tobin’s Q was removed from the measurement model. This result is in line with Janamrungs and Issarawornrawanich (2015) that do not find a significant relationship between CSR and Tobin’s Q. As for ‘philanthropy’, all fourteen indicators were included because of their theoretical relevance.

Constructs were assessed for their composite reliability, and Table 3 confirms that all constructs meet the reliability and validity criterion.

Table 3 Composite Reliability

	Composite Reliability
Political visibility	0.771***
Philanthropy	0.758***
Performance _{t+1}	0.987***
Performance _t	0.970***

1-tailed: p < 0.1 *; p < 0.05 **; p < 0.01 ***

Fornell-Larcker criterion was applied to assess for discriminant validity of constructs, i.e. comparing the square root of the AVE values of each construct against the highest Spearman correlations (ρ) with any other construct (Fornell and Larcker 1981). Table 4 demonstrates that all constructs meet the Fornell and Larcker (1981) criterion for discriminant validity.

Table 4 Fornell-Larcker Criterion for Discriminant Validity

	Political Visibility	Philanthropy	Performance _t	Performance _{t+1}
Political Visibility	0.797			
Philanthropy	0.423	0.443		
Performance _t	0.069	0.137	0.970	
Performance _{t+1}	0.036	0.106	0.589	0.987

The heterotrait-monotrait (HTMT) ratio (Henseler, Ringle, & Sarstedt, 2015) was also used to further ensure discriminant validity (Table 5). An HTMT value of two latent constructs of less than 0.85 confirms discriminant validity between the pair.

Table 5 HTMT Values for Discriminant Validity

	Political Visibility	Philanthropy	Performance _t
Philanthropy	0.593		
Performance _t	0.100	0.173	
Performance _{t+1}	0.045	0.139	0.618

There are measurement overlaps between performance of the current year and of the following year. Therefore, the high HTMT score between Performance_{t+1} and Performance_t is expected and acceptable.

Data Analysis

PLS regression was selected as a method to test and analyze the research model and the hypotheses. PLS-SEM is based on the non-parametric bootstrapping procedure in order to calculate outer weights, outer loaders, path coefficients, etc. and define their statistical significance (Hair, Hult, Ringle, & Sarstedt, 2016). SmartPLS version 3.2.8 (Ringle, Wende, & Becker, 2015) was used for PLS analysis.

Results

The structural research model was tested for hypothesized relationships and the results of the PLS analysis and bootstrapping are presented in Table 6.

Table 6 Test Results For Hypotheses

Hypothesis	Path:	Coefficient
Hypothesized Effects:		
H1	Political Visibility → Philanthropy	0.424***
H2	Philanthropy → Performance _t	0.137***
H3	Philanthropy → Performance _{t+1}	0.106**
Total Effects/Total Indirect Effects:		
H1, H2	Political Visibility → Philanthropy → Performance _t	0.058***
H1, H3	Political Visibility → Philanthropy → Performance _{t+1}	0.045**

1-tailed: $p < 0.1$ *; $p < 0.05$ **; $p < 0.01$ ***

As predicted, ‘political visibility’ has a significant positive direct effect on philanthropy ($\beta = 0.424$, $p = 0.000$) and ‘philanthropy’ has a significant positive direct effect on corporate financial performance, both in current year and in following year ($\beta = 0.137$, $p < 0.003$ and $\beta = 0.106$, $p < 0.021$, respectively).

In the path analysis, the total indirect effect of the path is the product of all direct effects and the total effect equals to the summary of the direct effect and the indirect effect. Table 6 also provides information about indirect and total effects. Political visibility has a significant positive indirect/total effect on corporate financial performance in current year and in following year ($\beta = 0.058$, $p < 0.003$ and $\beta = 0.045$, $p < 0.022$, respectively). The fact that total effects equal to the total indirect effects can interpret that there is no direct relationship between political visibility and corporate financial performance.

Conclusions

Having the set of CSR data collected from the disclosure in 56-1, this research uses the path analysis to examine the relationship among (i) political visibility and philanthropy and (ii) philanthropy and corporate financial performance in the current and following year of philanthropy performance. The research finds a significant positive effect of political visibility on philanthropy. The philanthropy then has a significant positive effect on corporate financial performance in both the current and following year of social performance. Refer to the proposition made by Belkaoui and Karpik (1989), this research provides empirical evidence to support the proposition that firms with high political cost have higher CSR expenses. The cost of philanthropy is paid off, however, by a higher ROA and ROIC. These results confirm a financial benefit of CSR. In addition, analyzing by the PLS-SEM, this research suggests that ROA and ROIC, not Tobin’s Q, are measurement for corporate financial performance in Thai CSR context.

While the research results provide some interesting findings, it should be pointed out one limitation. Because the data were collected from the CSR disclosure only in year 2014, the generalizability of the results over time or to non-listed companies should be done with caution. As for future research, researchers can use the PLS-SEM to examine relationships among variables in other areas. PLS-SEM allows exploring relationships when they are complex, or examining causes and effects at the same time.

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