

# Employees' Perceptions and Expectations toward Corporate Social Responsibility: A Case Study of Private Company Employees in Bangkok Metropolitan Area

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**Abstract**—This research aimed to study employees' perceptions and expectations toward their organization's corporate social responsibility (CSR), to study the differences between employees' personal factors and level of perceptions and expectations toward CSR, and to study the relationship between employees' perceptions and expectations toward CSR. Purposive sampling and questionnaire were applied to collect information from 400 private company employees in Bangkok metropolitan area. The results revealed that employees had "high" level of perceptions and expectations toward CSR, of which the highest level were given on the area of "corporate governance and transparency". It was found that there was different level of expectations of employees with different period of employment, position and employment (by listed and non-listed companies). Employees of different age and period of employment also had different level of expectations. Employees' perceptions were correlated with their expectations toward CSR.

**Keywords**—Employees, Perceptions, Expectations, Corporate Social Responsibility (CSR).

## I. INTRODUCTION

At present, business entities place importance on Corporate Social Responsibility (CSR) and are engaging CSR concept into their business operations. Mr. Anand Panyarachun, Chairman of the Board of Directors, Siam Commercial Bank Plc. said that to attain sustainable success, a business corporation must be able to respond to the expectations that the society has placed upon it. That is the reason why "corporate social responsibility" is a key issue of concern for the business sector [1].

According to the definition given by the International Organization for Standardization (ISO), "CSR is taken to mean a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society. It also concerns a role of business firm in the society and the society's expectation on the firm. CSR is a voluntary obligation and the management must involve in their firm's CSR activities. The measurement of CSR for sustainable development can be made in 3 dimensions, i.e. economic, social and environmental dimensions." The European Commission also stated that companies have to voluntarily integrate social and

environmental objectives in their business operations and in their interaction with the stakeholders [2].

Stakeholders to be integrated in CSR practice are all parties concerned and those having opportunities to affect or be affected, both positively and negatively, by the organization's business operations. These include not only the business owner and shareholders but also employees, customers, suppliers, nearby communities, government agencies and the press, etc. Employees are considered a concerned party. They are the most valued resource of the organization and the heart of CSR. CSR actions thus are not limited to supporting employees' philanthropic activities. It also covers stewardship and development of employees to achieve sustainable growth alongside with the organization. Thus, social responsibility concerning employees as a stakeholder group is indispensable [3]. If the organization has are decent, capable, moral employees who are also good citizens of all societies and business communities and aware of their social responsibility, these employees will recognize and participate in the organization's CSR efforts. Employees can be a key driver of the concrete and successful implementation of the organization's CSR activities.

Therefore, this research focused on the employees with respect to their perceptions and expectations toward CSR, hence enabling organizations to learn about their CSR practice from the employees' viewpoint. The result of this research can be used in determining management policy and cultivating the spirit of CSR to their employees.

## II. RESEARCH OBJECTIVES

1. To study employees' perceptions and expectations toward their organization's corporate social responsibility (CSR).
2. To study the differences between employees' personal factors and level of perceptions and expectations toward CSR.
3. To study the relationship between employees' perceptions and expectations toward CSR.

## III. METHODOLOGY

This was a survey research using purposive sampling technique. The population was 400 employees of private companies in Bangkok Metropolitan area. The survey was conducted in February 2012 in major business areas, namely Silom, Sathorn, Sukhumvit, Anusawaree Chai (Victory

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Questionnaire was used as a tool to measure perceptions and expectations toward CSR. According to the European Commission's conception on CSR [2], [4], companies are encouraged to integrate CSR practice in their business operations, which can be divided into 2 dimensions 1) internal dimension including 4 aspects i.e. socially responsible human resource management, adaptation to the economic, social and political change, internal resource and environmental management, good governance and transparency; 2) external dimension i.e. engagement of socially responsible suppliers and business partners, consumer protection, local community responsibility, overall social responsibility, and global responsibility. The rating scale was set at 5 levels.

The internal consistency coefficient (Cronbach' alpha) was used to investigate the reliability of the questionnaire which was found to be 0.910, while the reliability of the level of employees' perceptions and level of expectations toward CSR was 0.820 and 0.957 respectively. Descriptive statistics, T-test and Pearson product-moment correlation coefficient were used to analyze the data.

#### IV. RESULTS

##### A. Respondents' Personal Information

Among 400 respondents, the number of female employees was larger than male employees (57.0% and 43.0% respectively). The majority were bachelor degree holders (61.0%), aged between 25-35 (52.0%). The period of employment was less than 5 years (60.3%). They earned monthly salary of less than 20,000 baht (47.5%) and were working in operational level (77.0%). Most of the respondents worked for listed companies (59.8%).

##### B. Level of Perceptions and Expectations of Employees toward CSR

The result of this study showed that the level of overall perceptions and expectations of private company employees

toward CSR was high ( $\bar{x}$  = 3.85 and 4.16 respectively). The level of perceptions toward the internal and external dimension of CSR was high ( $\bar{x}$  = 3.82 and 3.88 respectively) and the level of expectations toward the internal and external dimension of CSR was high ( $\bar{x}$  = 4.18 and 4.15 respectively). The level of perceptions and expectations toward the internal and external dimension of CSR are summarized as follows: (See Table I)

1. Employees' perceptions toward all 4 aspects of the internal dimension of CSR were high. The highest was found in the area of "corporate governance and transparency", followed by "internal resource and environmental management", "socially responsible human resource management" and "adaptation to economic, social and political change" ( $\bar{x}$  = 4.01, 3.87, 3.75 and 3.66 respectively).

For all 5 aspects of the external dimension of CSR, the level of perceptions was high with the "global responsibility" ranking highest, followed by "consumer protection", "engagement of socially responsible suppliers and business partners", "local community responsibility" and "overall social responsibility" ( $\bar{x}$  = 3.98, 3.92, 3.88, 3.82 and 3.78 respectively).

2. Regarding employees' expectations toward 4 aspects of the internal dimension of CSR, it was discovered that the expectations toward 2 aspects were at "highest" level and the other 2 were at "high" level, i.e. "corporate governance and transparency" and "internal resource and environmental management", "socially responsible human resource management", and "adaptation to economic, social and political change" respectively ( $\bar{x}$  = 4.25, 4.21, 4.18, and 4.08 respectively).

The expectations toward all 5 aspects of the external dimension of CSR were at "high" level. The highest was found in the area of "global responsibility", followed by "consumer protection", "engagement of socially responsible suppliers and business partners", "overall social responsibility" and "local community responsibility" ( $\bar{x}$  = 4.20, 4.19, 4.15, 4.13 and 4.09 respectively).

TABLE I  
AVERAGE OF EMPLOYEES' PERCEPTIONS AND EXPECTATIONS TOWARD CSR

	Level of Perceptions			Level of Expectations		
	$\bar{x}$	S.D.	Level	$\bar{x}$	S.D.	Level
<b>1. Internal Dimension</b>	<b>3.82</b>	<b>0.58</b>	<b>High</b>	<b>4.18</b>	<b>0.58</b>	<b>High</b>
1.1 Socially responsible human resource management	3.75	0.67	High	4.18	0.61	High
1.2 Adaptation to economic, social and political change	3.66	0.72	High	4.08	0.67	High
1.3 Internal resource and environmental management	3.87	0.68	High	4.21	0.66	Highest
1.4 Corporate governance and transparency	4.01	0.69	High	4.25	0.67	Highest
<b>2. External Dimension</b>	<b>3.88</b>	<b>0.57</b>	<b>High</b>	<b>4.15</b>	<b>0.60</b>	<b>High</b>
2.1 Engagement of socially responsible suppliers and business partners	3.88	0.70	High	4.15	0.70	High
2.2 Consumer protection	3.92	0.67	High	4.19	0.67	High
2.3 Local community responsibility	3.82	0.66	High	4.09	0.68	High
2.4 Overall social responsibility	3.78	0.71	High	4.13	0.73	High
2.5 Global responsibility	3.98	0.68	High	4.20	0.67	High
<b>Overall</b>	<b>3.85</b>	<b>0.54</b>	<b>High</b>	<b>4.16</b>	<b>0.56</b>	<b>High</b>

Note: The average of 4.21 – 5.00 = Highest, 3.41 – 4.20 = High, 2.61 – 3.40 = Moderate, 1.81 – 2.60 = Low, and 1.00 – 1.80 = lowest



### C. Differences of Personal Factors of Private Company Employees and Level of Perceptions and Expectations toward CSR

1. Private company employees who had different period of employment had different level of perceptions and expectations toward CSR with statistical significance at the level of 0.05 (Sig = 0.016 and 0.003 respectively). The employees whose period of employment was more than 5 years had higher level of perceptions and expectations than those whose period of employment was less than 5 years (See Table II).

2. Private company employees who had different position had different level of perceptions and expectations toward CSR with statistical significance at the level of 0.05 (Sig = 0.001 and 0.037 respectively). Supervisory level employees had higher level of expectations toward CSR than operational level employees (See Table II).

3. Private employees who worked for listed companies and those who worked for non-listed companies had different level of perceptions toward CSR with statistical significance at the level of 0.05 (Sig = 0.000). The employees who worked for listed companies had higher level of perceptions than those who worked for non-listed companies (See Table II).

### V. DISCUSSION

The results are discussed based on the objectives of the study as follows:

1. The overall level of private company employees' perceptions and expectations toward CSR was high. It is likely that the social expectations and assertiveness to CSR of companies and organizations in Thailand have led them to increasingly integrate CSR practice in their business operations. To do so, they have to formulate implementation policy and communicate with the employees. This is why employees had high level of perceptions and expectations. The result was in accordance with the study of [5] which found that CSR activities have impact on today's business operations. CSR efforts not only involve adoption of policy and implementation but also influence the employees. According to [6], employees expect CSR commitment in the company's operation and CSR has impacts on the perception, attitude and behavior of employees. In addition, [7] found that business organizations in Thailand have long been embracing CSR concept in their operating policy. CSR initiatives are clearly documented and brought into action since the inception of the company. This confirms that CSR commitment is not merely a short-term effort. [4] Also discovered that

TABLE II  
LEVEL OF PERCEPTIONS AND EXPECTATIONS OF EMPLOYEES TOWARD CSR, CATEGORIZED BY PERSONAL FACTORS

Personal Factors	Level of Perceptions				Level of Expectations			
	$\bar{x}$	S.D.	t	Sig	$\bar{x}$	S.D.	t	Sig
Period of Employment								
- Less than 5 years	3.80	0.54	-2.421	0.016*	4.10	0.54	-3.030	0.003*
- More than 5 years	3.93	0.53			4.27	0.57		
Position								
- Operational level	3.80	0.55	-3.449	0.001*	4.13	0.56	-2.088	0.037*
- Supervisory level	4.01	0.52			4.27	0.53		
Company status								
- Listed	3.94	0.49	3.893	0.000*	4.18	0.56	0.656	0.512
- Non-listed	3.72	0.59			4.14	0.56		

\*p < 0.05

### D. Relationship between Perceptions and Expectations of Private Company Employees toward CSR

The results revealed that the level of perceptions correlated with the level of expectations toward CSR at 0.01 statistical significance level (Sig = 0.000) with moderate correlation in the same direction ( $r = 0.540$ ) (See Table III).

organization communicates, both officially and unofficially, with their employees to create awareness and understanding, and to ensure performance in accordance with CSR principle which is integrated into the organization's policy, vision, value and culture.

TABLE III  
RELATIONSHIP BETWEEN LEVEL OF EMPLOYEES' PERCEPTIONS AND LEVEL OF EXPECTATIONS TOWARD CSR

		Level of Employees' Perceptions toward CSR	Level of Employees' Expectations toward CSR
Level of Employees' Perceptions toward CSR	Pearson Correlation	1	.540**
	Sig. (2-tailed)		.000
	N	400	400
Level of Employees' Expectations toward CSR	Pearson Correlation	.540**	1
	Sig. (2-tailed)	.000	
	N	400	400

\*\* Correlation is significant at the 0.01 level (2-tailed)



The result of this research showed that the highest level of employees' perceptions and expectations was given to the area of "corporate governance and transparency". This probably is because corporate governance and transparency are essential factors that reflect CSR in business operation. [8] Found that corporate governance is the most important indicator of the company's policy and operation, and that CSR is related to corporate governance and participation of stakeholders.

However, it is noticeable that average score of employees' perceptions toward the internal dimension of CSR was lower than that of the external dimension. The result does not accord with [4] study on form and communication of socially responsible operation of Thai business organizations, using data from annual reports, websites, documents, and interview with organizations' management. The result of this study revealed that the concept of CSR is from the outset applied as a development initiative for business sustainability, focusing on corporate governance, environmental management, internal resource management, and employee health and safety. The CSR effort is subsequently extended to the external dimension. This indicated that the perceptions of private company employees who were the samples of such research were not consistent with the company's information provided or communicated through various channels. Therefore, companies should give importance more on the internal dimension of CSR in order to nurture employees' engagement and ensure efficient performance. Dr. Chaiyos Boonyakij, Vice President, Thailand Environmental Institute said that CSR generates benefits in building employees pride to be part of the organization and enhancing their personal happiness at work apart from the satisfaction from financial remuneration [9]. This enables the company to retain competent employees and attract high potential young talents. Therefore, to create real sustainable development, companies are recommended to focus on the internal management before extending their support and contributions to the society.

2. Private company employees who had different period of employment had different level of perceptions and expectations toward CSR. The result is in accordance with the study of [10] which found that employees who had different period of employment had different level of perceptions and expectations toward the performance of public official council. Period of employment is considered a key factor that leads to difference of employee's perceptions and expectations. It is likely that employees with a longer period of employment acknowledge CSR policy, operation and performance of the company and thus have higher expectation than employees with shorter period of employment. This is agreed by the result of this study which discovered that employees whose period of employment was more than 5 years had higher level of perceptions and expectations toward CSR than those with period of employment of less than 5 years.

Furthermore, this research revealed that private company employees in different position had different level of perceptions and expectations toward CSR. Supervisory level employees had higher level of perceptions and expectations

than operational level employees. The possible reason is that supervisory level employees or executives are those who acknowledge the policy and objective of the organization, and take part in the formulation of rules and regulations and delegation of tasks. Therefore, they are highly likely to have higher level of perceptions and expectations toward CSR practice. However, CSR relates to the morality and behavior of organization personnel. Supervisors or management should conduct themselves to be good example and good people for employees. According to [1], superior employees including directors, management, high-level executives and supervisors must be good examples for their subordinates and pass down good things from generation to the next generation. This is in accordance with the study of [5] which found that employees' motivation and determination to drive successful CSR practice rely on the company's fair treatment and care as well as good attitude toward the management's social responsibility. In addition, [11] found that the success factor of CSR is the president and board of directors who have to promote CSR activities by integrating CSR into the vision and mission of the company. The management is also committed to engage employees into the company's CSR efforts.

This research also showed that private company employees who worked for listed companies and those who worked for non-listed companies had different level of perceptions toward CSR. Employees of listed companies had higher level of perceptions and expectations than those of non-listed companies. This may be because listed companies are required to operate the business with transparency under good corporate governance principle. They also need acceptance and support from their customers and shareholders, hence placing importance on CSR activities more than non-listed companies. The result is supported by the study of [12] which revealed that listed companies had to develop concrete CSR strategies to build pride of collaboration, and to set out the vision and objective of continuous CSR activities. To successfully implement CSR, companies are suggested to embrace CSR concept as part of their organizational culture for development of employees' awareness and for use as performance guideline. [5] Also found that employees' attitude and behavior toward CSR policy as well as their perceptions and values mostly are affected by organizational culture. The study of [13] also showed that listed companies have to communicate with the stakeholders particularly the employees in order to create awareness and understanding to ensure performance according to the policy.

3. In this research, the level of employees' perceptions correlated in the same direction with the level of expectations. Therefore, companies are recommended to demonstrate concrete actions on their CSR role and communicate their CSR policy and implementation with the employees. [14] also found that employees wish to acknowledge the management's decision and expect fair treatment and care according to the law. The company's ability to meet these expectations will strengthen employees' spirit of belongings and engagement which is the key driver for successful CSR. This is supported by the study of [15] which revealed that CSR



activities have positive relationship with employee engagement. Moreover, this study showed that application of CSR concept is beneficial for building employee engagement and improve organization's efficiency. This is in line with the study of [16] which indicated positive relationship between CSR capacity and the company's reputation as well as the ability to attract new talents.

## VI. RECOMMENDATIONS

Employees are a stakeholder group and the key mechanism for successful implementation of CSR. According to this research, employees had high perceptions toward CSR. This indicates that private companies in Thailand give high priority to CSR and increasingly apply CSR in their operations particularly in the area of corporate governance and transparency, followed by consumer protection. Employees also expected the company to focus more on the internal dimension of CSR than the external dimension. The recommendations from this research are as follows:

1. Companies that choose to implement CSR approach are recommended to emphasize on the internal dimension first and the external dimension afterwards. They must conduct the business with morality, transparency, integrity and honesty, specially with accounting transparency which can be examined by the parties concerned. Moreover, companies require human resource development for employees' good quality of life and balance between their work, personal life and relaxation. They also have to manage work environment by ensuring that the tools, equipments and furniture are always new, clean and in good working condition. As for the external dimension of CSR, companies have to offer good quality products and services and do not take advantage of consumers. They should allow consumers' complaint in case of unfair treatment or service. In addition, companies have to engage suppliers or business partners that sell quality products and services and have no record of law violation. The business operation must cause no problems and difficulties to nearby communities and no impacts on the environment. All these factors are what employees expect from CSR of company.

2. To cultivate the spirit of CSR and good citizenship among employees, companies must encourage the management to develop good spirit and be good examples for their subordinates. The management must have good and fair behavior, and regularly take part in CSR activities of the company.

3. According to the research results, private company employees mostly have good spirit as they have high level of expectations toward all aspects of CSR. Therefore, companies should allow employees to be part of their CSR implementation, for example, providing opportunity to express their opinion or determine the goal and encouraging them to participate in CSR activities.

4. Companies should have CSR communication with all levels of employees and through various channels in order to develop perceptions, build good spirit and encourage employee participation

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