‘Pid Thong Lang Phra’ - The Impact of Culture upon Thai CSR Concepts and Practice: A Study of Relationships between NGOs and Corporations

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Abstract

Although multi-national corporations (MNCs) have brought Western corporate social responsibility (CSR) practices to Thailand, there are strong religious and social influences upon its conceptualization and implementation in this predominantly Buddhist nation. The Thai phrase ‘Pid Thong Lang Phra’ is a metaphor for “doing good deeds” but without publicising them (Sthapitanonda & Sinsuwarn, 2013) and emphasises a long-standing ‘top-down’ cultural attitude to philanthropy. In the extant literature on CSR in Thailand, there is minimal consideration of the role of local non-governmental organisations (NGOs) in discourse and practice and of their relationship with nationally-based corporations that are undertaking CSR activities. Using a qualitative approach of interviews with CSR practitioners in corporations and leaders of the NGOs with which they interact, the researchers identify the characteristics of that relationship and conclude that cultural impacts drawn from Buddhism and pragmatic desires to maintain control of relationship have created a ‘managed distance’ model of engagement between corporations and NGOs.

Keywords: CSR, culture, NGOs, relationships, Thailand
Introduction and context

Over the past decade corporate social responsibility (CSR) has risen up the business agenda in Thailand with strong support from the royal family and leading business organisations (Prayukvong & Olsen, 2009; Rajanakorn, 2012; Nation, 2013; Srisuphaolarn, 2013). A CSR department has been established in the Royal Foundation for several years which “led many in the business community and civil society to take up the cause” (Prayukvong & Olsen, 2009, p. 15). In 2006, the Thailand Research Fund published a report on CSR and, a year later, a CSR Institute (CSRI) was formed by Stock Exchange of Thailand (Srisuphaolarn, 2013). There are annual national awards for “best Thai company in corporate social responsibility” given by the Thailand Management Association (Nation, 2009) and other well-publicized recognition (Limsamarnphun, 2009; Nation, 2013a, 2013b).

Thailand is predominantly (more than 90 per cent of the population) a Buddhist country (Sthapitanonda & Sinsuwarn, 2013). The religion “has ‘giving’ as one of its principal precepts” (ibid., p. 4) and is part of “the Buddhist tradition of merit-making, which is usually done through philanthropy, charity, sponsoring, volunteering or sharing” (Prayukvong & Olsen, 2009, p. 15). Thus CSR as a concept is not new in Thai society (Pimpa, 2013).

Thailand has long practiced a “patron-client” culture (Uppatum) in which the higher ranking members of society have to provide for the welfare of the lower ranking, while the lower ranking members give service, respect and loyalty in return (Pimpa, et al, 2014, p. 4).

However, the making of ‘merits’ in Buddhism is supposed to be undertaken as a selfless gesture, which is emphasised by the metaphor of ‘Pid Thong Lang Phra’ or “when one attaches the gold leaf to the back of a Buddha image” (Sthapitanonnda & Sinsuwarn, 2013, p. 5). This means that one does ‘good works’ without seeking recognition as the gold leaf is out of common view. Prayukvong and Olsen (2009, p. 15) comment that giving “should be pure and not involve commercial interests”; CSR can be perceived as a form of bargaining and reciprocal, thus not according to Buddhist principles. Despite these cultural limitations, “philanthropic donations made by firms, especially big firms, are publicized in the media and the companies’ own communications and reports” (Poolthong & Mandhachitara, 2009, p. 410). This practice is well established with Srisuphaolarn (2013, p. 59) noting that in the 1990s “corporate image building activities via donations and other societal marketing programs were commonly found in daily mass media”. Sthapitanonda and Sinsuwarn (2013) comment that CSR is “not a new phenomenon” when conceived in the philanthropic form and this “helps confirm that it is a ‘must-do’ for all business to give their hand to responsibly help local community” (p. 5).

In these ways, a very loose concept of CSR – that of giving from the well-off to the less well-off – is embedded in Thai society but there is tension between original selfless, unpublicised Buddhist model and the modern conception of
creating business advantage introduced by Western MNCs that is explored in the literature review that follows and the research among NGOs and Thai corporations.

Literature review

There is little theorization about CSR in Thailand, possibly because of the religious and cultural context. Prayukvong and Olsen (2009) comment that there is “no real consensus of CSR among business leaders about the definition, focus or scope of CSR in Thailand” (p. 18). Pimpa et al (2014) state that the understanding of CSR “remains unclear” (p. 5) while Kraisornsuthasinee and Swierczek (2006) say that “CSR practice in Thailand is at an early stage” (p.55) and “there is also no consensus on the scope of CSR” (ibid., p. 57). Although the literature scans Western notions of CSR, only one paper (Kraisornsuthasinee & Swierczek 2006) nominates a definition that may apply to Thailand, that of the World Business Council for Sustainable Development: “[CSR is] the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society” (WBCSD, 1999).

Minimal research exists on the relationship between Thai corporate entities and NGOs, which are perceived as just one of many stakeholders. The literature is primarily concerned about the practices of CSR in both multi-national corporations (MNC) operating in Thailand and leading exemplar national business corporations.

The role of non-governmental organisations (NGOs) has had minimal consideration in CSR literature related to Thailand with only two papers (Lim & Cameron 2007/8; Hansen, Sextl & Reichwald, 2010) specifically addressing their role. Lim and Cameron considered the function of NGOs in delivering health-related campaigns in communities in north-east Thailand, which could deliver benefits to the region’s export-focused garment manufacturing industry. Businesses were exhorted to build “financial and economic interdependence with NGOs, villagers and firms” (2007/8, p. 18). Hansen et al’s (2010)’s case study of the pharmaceutical MNC, Merck, interacting with NGOs in Thailand presented NGOs as a route for gaining legitimacy for the corporation, not as a full partner in addressing social problems. Both papers were written primarily from the business perspective with NGOs positioned as an enabler of corporate strategy or economic benefit. Prayukvong and Olsen (2009) nominated NGOs as just one of several categories of stakeholders but other studies focused on corporate CSR practices alone.

The conceptualization of CSR taken forward into the formation of research questions and research methodology into the relationship between NGOs and corporations was, as stated above, very loose, and primarily as an extension and development of philanthropic giving. As Pimpa et al, (2014) commented, “There is a general reluctance to expand conceptualisations of CSR beyond
philanthropy and community service to include innovation and sustainable principles” (p. 4). Although MNCs have brought Western models of CSR to Thailand, they appear not to have penetrated into national practices.

Research questions

As the literature provides little basis for theory-making and/or identification of best practice, the research questions (RQs) have been prepared in an exploratory manner. All relate to the theory and practice of CSR in Thailand.

RQ 1 – What values are shared between NGOs and corporations?

RQ2 – How are NGO-corporation relationships conceived by the two parties; what characterises them?

RQ 3 – How is the NGO-corporation relationship managed within both parties?

RQ4 – How do both parties approach the communication of CSR? What are indicators for best practice?

Research methodology

To explore the relationship between corporations and NGOs, a qualitative approach using in-depth interviews was adopted. This approach has been used in several recent Thai CSR research papers either as the sole method of investigation (Kraisornsuthasinee & Swierczek 2006, 2009) or jointly with other methods (Virakul, Koonmee & McLean, 2009; CSR Asia Center, 2010; Hansen, Sextl & Reichwald, 2010; Srisuphaolarn, 2013). Qualitative research helps generate meaning through collaboration between the researcher and participants (Denzin & Lincoln, 2002) and the researcher is an “active sense-maker” (Daymon & Holloway, 2011, p. 7). A benefit of interviews is that “the data you collect are situated within their own social context” (Daymon & Holloway, 2011, p. 221) which makes this methodology appropriate for the exploration of social impacts upon CSR practices. They are also very useful when “the issues under examination would benefit from development or clarification” (Hinds, 2000, p. 46). Quantitative approaches which have been used in Thai CSR research such as surveys (Singhapakdi, et al., 2014), single company case studies (Hansen et al., 2010), website and document content analysis (Phunpon & Pumtong, 2012; Sthapitanonda & Sinsuwarm, 2013; Pimpa et al, 2014) are not able to access the dynamics of the NGO-corporation relationships with the necessary depth and do not allow researchers to probe further or clarify attitudes and issues.

Sampling

In June and July 2014, the researcher based in Bangkok undertook ten interviews over a total of 15 hours of data collection. The corporate organisations were all Thai-owned or controlled and mainly operated within national borders.
Some had been highly ranked in industry studies of CSR performance, with four rated from first to 11th in a national ‘sustainability rating’ study (CSR Asia Center, 2010). The five NGOs are among the ten best-recognised organisations of their type in Thailand.

The NGOs that participated in the study were: Foundation for Consumers (N1); Green World Foundation (N2), Folk Doctor Foundation (N3) Seub Nakhasathien (N4) and Magic Eyes – Thai Environmental and Community Development Association (N5). Four of the NGOs have a primary or secondary emphasis on environmental issues. The corporations were: CP ALL (C1), Siam Sport (C2), Krung Thai Bank (C3), AMATA (C4) and Siam Cement Group (C5). Comments from the NGOs have been coded with N, followed by a number and corporations with C, followed by a number.

Four participants were female; six were male. There was equal employment in five in NGOs and five in corporations; three females and two males were employed in NGOs, while four males and one female worked in corporates. The age range was wide from 34 to mid-60s. Although not all disclosed their age, it was evident from their work experience and dates of earlier studies, that most were aged from early 40s to mid-late 50s.

Their employment experience backgrounds varied. The corporate interviewees had backgrounds in civil administration, journalism, marketing communications, public relations and sport administration. NGO interviewees tended to come from within this field from early career onwards, although two started in education and web design. They had spent between five and 29 years in their current employment with an average of 15.2 years working in their current NGO [Not all corporate interviewees provided information on the period they had spent at the current employer but it appears to have been at least three years and up to two decades].

Educationally, seven had completed Master’s degrees; two held Bachelor’s degrees and one did not disclose any higher educational studies. One of the corporate interviewees was studying at doctoral level. Master’s level studies included business administration, communications art/mass communications (two), community development, educational administration and public affairs.

In terms of their organisational positions, more in the NGOs held leadership or senior management positions that their corporate counterparts, with two being the Director or General Secretary and three in middle level posts. All the corporate interviewees were reporting upwards to the executive level of their organisations, despite holding titles such as Deputy Managing Director (of a subsidiary), Chairman of Community Relations and CSR Committee, Director or Assistant Vice-President (Corporate Communications) and Senior Vice President, Corporate Branding and Communication. The relative powerless role of those in CSR and communication roles became evident in the interviews. Only two included CSR in their stated responsibilities.
Data collection and analysis

Interviews were mostly undertaken outside the office environment (three each in cafes and restaurants) by choice of the interviewees. There was no discernible difference between corporate and NGO interviewees, as both groups had two interviews in offices and three externally.

The interviews were all conducted personally by a senior professorial level researcher in Thailand and were transcribed during the interview. All interviewees were sent Thai language transcripts for approval. The approved transcripts were then translated into English and analysed interpretively by both researchers using content analysis and a hermeneutic approach in order to identify themes from corporate and NGO perspectives, and of common attitudes and practices.

The research method was approved in advance by ethics approval processes at both universities. All interviewees signed a consent form before participating in the interviews.

Findings and discussion

As the research was focused on the inter-relation of corporations and NGOs, with CSR as an example of ethical behaviour, the major outcome is the conceptualisation of that relationship. It is supplemented by insights on the management of engagement and communication of CSR.

1. Values shared between NGOs and corporations

The interviews found values were shared between the NGO interviewees and their corporate counterparts; primarily of the Buddhist principles of giving and sharing and seeking to undertake good deeds. For example, in a crisis a corporate participant said “They are Thai; we are Thai” (C.3, p. 1) and another commented that “we believe that it is not only about how smart we are but how a good deed is done” (C1, p. 4). Buddhist values were reinforced with the staff of one corporation:

    We don’t want to use money all the time ... If the local NGO support Buddhism, such as praying during the New Year festival, we help them by allowing our staff to be volunteers and send water and good to their shelters for free. (C1, p. 2)

This acceptance of cultural and religious values gave a common ethical basis to the discourse that evolved, although perceptions would vary from the corporate and NGO viewpoints.

2. Conceptualisation of relationships

The responses from the interviewees enabled the realization of a linear
understanding of relationships from the ‘desired’ to the ‘operational’ and led to the conceptualisation of this engagement as a ‘managed distance’. The desired relationship was indicated by the frequent use of terms and concepts such as ‘friends’ and ‘friendship’ – “We want to be their friends” (C1, p. 5); use of jargon such as ‘win-win’, mutual benefit, partners, ‘join hands’ – “Then we can join hands on the project” (N5, p. 3); interdependence – “we support or consult one another as friends” (C3, p. 3).

NGOs said ‘friendship’ as part of their persuasion process with corporations and the reverse situation is seen by CSR managers in the businesses:

What we do is just knowing them, get to know their staffs who work on the same topics … The people become our friends. What we might be able to do for them is let them know the facts. (N1, p. 1)

When it (a CSR action) starts, it is initiated from our bank policy. But when we get to know each other, we become friends. We support or consult one another as friends. (C3, p. 3)

Each side is accommodating the other, or considers that this is the case. However, the operational relationships were expressed differently as ‘balance’, retention of control of decision-making and reputation, avoidance of conflict – “We act like a facilitator. We listen to the problem, find out the draft solution, invite stakeholders to join hands in solving the problems” (C5, p. 1) and “Balance distance between (the) organizations” (N1, p. 3).

In the NGOs, there was a fear widely expressed about allowing corporations to get too close to them. Sponsorship and funding was largely treated with suspicion, although there was recognition that the corporations have both hierarchical power and resources that could aid the NGOs’ work. Some of the NGOs don’t accept direct sponsorship of campaigns or funding from corporations but operate in an indirect manner. The Foundation for Consumers (N1) asks partner business CP ALL (C1) to distribute its campaign magazine to local organizations, libraries and public schools. “This win-win approach helps the magazine to survive without commercial ads” (C1, p. 2). The Foundation’s view, shared by two other NGOs, was:

This risk in working with business is about accepting their sponsorship. I think it is a kind of risk to destroying our relationship. Once we accept their funding, they will join the process of management in the direction they want to see. (N1, p. 1)

The Green World Foundation (N2) tells business partners about its rules of engagement, “like they cannot intervene and influence any content [of its publications] even though they support us on budget” (N2, p. 2). The Folk Doctor Foundation (N3) controls all sponsor advertising in its publications to the extent of rejecting advertisement for products with dubious nutrition claims and images of bikini-clad models. By separating its publishing business from the NGO’s operations, this organisation like others considers that it “helps our NGO to stay
These policies, which we call ‘managed distance’, allow the NGOs to accept funding from corporations under restricted conditions while “we still keep our right in complaining about them if they have done bad activity” (N4, p. 3).

However, the ‘distance’ was expressed in a paternal and hierarchic manner by some corporate interviewees who presented their organisations as having the solutions to societal and community problems, and mostly desiring NGO support to have them implemented – “We help NGO to learn about the situation in real life” (C1, p. 3); “we believe they (farmers) need an inspiration” (C5, p. 1), and “the support to make them stand by themselves. We need to help them smartly stand in the community. It is better than boycotting them or ignoring them” [authors’ emphasis] (C5, p. 5). This “corporates know best” or “Them Factor” is not necessarily unethical as there may be benefits being given to communities and society. It is more in the spirit of corporate philanthropy paving the way for corporate interests than the dialogue-based evolution of CSR policies and projects.

Krung Thai Bank (C3), which spoke extensively its engagement with communities, however, positioned itself as holding economic power in relationships with NGOs and communities: “They need to get support from us. But we need to have our own direction, and way of screening” (C3, p. 2). Similarly AMATA placed itself as a mediator of social problems where communities hold opposing views: “Now we can lead them to respect one another” (C4, p. 3). Siam Cement, widely regarded as the national exemplar of CSR practice (Nation, 2009) also had a self-image of paternal leadership on CSR and community engagement: “We facilitate all stakeholders to come, to learn, work together and to enjoy. We believe they need an inspiration; that working together with one another can make change” (C5, p. 1).

On the reverse, NGOs recognised that they have less power in these relationships and focus on maintaining their independence by taking a wary view of relationships with corporates – “I believe that the corporations begin with the idea that giving money to a local NGO can stop (it) from advocating issues or saying badly about the corporation” (N4, p. 4) and “be selective to work with the ethical organisation, not the dictator’s organisation” N2, p. 3).

Although there was an ideal view of relationships between corporates and NGOs in Thailand expressed in terms like ‘friendship’, ‘win-win’ and ‘joining hands’, the operational concept is one of a ‘managed distance’ between the two sides in which NGOs maintains a reserve position that gives them room to manoeuvre, while the corporations tries to drive the relationship in a paternalistic manner that is more in line with the Thai concepts of hierarchy of respect for the powerful: the patron-client (Uppatum) culture (Pimpa et al., 2014).

3. Management of engagement

As indicated in the sampling section of Research Methodology (above), the...
management of the corporations’ relationships with NGOs is undertaken at a level below the main executive level. None of the corporate CSR practitioners were senior executives. All reported to Boards or CEOs, with Siam Cement Group (C5) having a Board-level CSR committee and high levels of staffing. Most of the NGO sample was in leadership or senior management roles, albeit that these organizations are much smaller in size and staffing than the corporations that they interact with. This analysis of CSR being a subordinate corporate activity was confirmed by the interviews which found that most policy formation was ‘top-down’ with implementation undertaken by PR and corporate branding departments or mid-level managers. Some relied on the goodwill of CEOs for the direction of policy and its funding. At Krung Thai Bank (KTB), the CSR team’s activities and priorities were actively determined by the Board: “We can’t control our policy. It is influenced by the Board. If our Board has changed, our policy has shifted to their interest” (C3, p. 2). These changes of policy have the potential to disrupt relationships with NGOs and communities. When KTB closed a micro finance initiative, the CSR team found “it was challenging on how to make our partners understand our bank when there is change at a top level” (C3, pp. 2-3).

NGOs were aware of this reality that corporate CSR teams, which they perceive primarily as public relations and corporate communications practitioners, lack power to shape policy and conduct primary negotiations. In opposing the construction of a dam funded by Siam Commercial Bank, the Seub Nakhasathien Foundation politely and non-confrontationally met the bank’s CSR/PR team: “Though PR people have no power to lobby to stop the dam, it helps them understand us” (N4, p. 5). Other NGOs also saw value in meeting CSR staff for the purpose of understanding the corporations’ views and, hopefully, to communicate their concerns upwards. This is an element expressed in the idealised ‘friend’ relationship, such as: “Relationship as friends helps prevent the risk of damaging the organizational relationship” (N1, p. 3) and “when we work with them, we have a chance to communicate our ideas, exchange information and make suggestions to them” (N2, p. 2). However, the language of polite discourse emphasised that the NGOs knew they were not dealing with decision-makers. The intermediaries from the corporations were part of the ‘managed distance’ although it was often senior staff from the much smaller NGOs that were involved in meetings.

4. Communication of CSR activities and policies

Communication about CSR projects was an action to be taken after activity had taken place, rather than as publicity for campaigns or projects were being launched, in the spirit of Pid Thong Lang Phra. Siam Cement Group (SCG) commented: “We need to act before we speak … make sure CSR is CSR, not PR. Launch PR activities as benefit arises from successful CSR (C5, p. 5). However, some NGOs saw promotional publicity for corporate benefit as a primary reason for Thai corporations to undertake CSR activity: “We want them to spend less … in terms of public relations activities, but play a greater role in
Adopting environmental life styles” (N5, p. 2) and “We really don’t want to see them only talk or talk more and do less; we expect them to walk the walk to real action” (N5, p. 2).

Apart from SCG’s policy of promoting its involvement in CSR activities after they had achieved results, there was little best practice advice for corporate CSR communication that arose from this research. However, NGOs used their own publications as tools for communication about societal campaigns and mostly managed the involvement of corporate partners as assistance to disseminate the publications and media, and to fund specific previously-prepared campaigns.

As this is a quantitative study based on a sample of ten interviews, there are limitations to its generalizability. However, the organizations which took part are leaders in the field of CSR in Thailand, whether NGOs or corporations, and so offer credibility in the attitudes that they expressed as being indicative of their nation.

Conclusions

The religious tenets of Buddhism with their core belief in giving and respect place an ethical floor under CSR concepts and practice in Thailand. Although philanthropy has long been an important element in Thai society and culture, the broader concepts of CSR that have come from the West are relatively new (Srisuphaolarn, 2013). The evidence of this qualitative study is that, rather than adopt the practices of Western CSR as brought in by MNCs and promoted through international initiatives, Thai CSR has modified indigenous religious and social norms of giving and merit-making to create a national style of practice. Its theorization is minimal as Thai CSR is an adaptation but this paper’s contribution is that the structure in NGO-corporation relationship is based on the concept of ‘managed distance’ in which both parties reserve their positions in order to preserve their integrity. For NGOs, ‘managed distance’ is the retention of freedom to operate and campaign, uncontaminated by the influences of corporate interests. For corporations, ‘managed distance’ is the continuation of the Buddhist paternalism of the ‘patron-client’ (Uppatum) relationship and the exercise of corporate philanthropy, which Srisuphaolarn (2013) noted was well established. Both sides engage with each other on CSR dialogues with considerable space between them. NGOs and corporations use the language of friendly relationship but there is a lack of real dialogue which has led to the ‘managed distance’ in current engagement.

‘Pid Thong Lang Phra’ as a metaphor for undertaking good deeds in a selfless manner appears to the basis of Thai CSR, rather than Western concepts; certainly with NGOs and corporations operating primarily in the country. Whether it is undertaken as “gold leaf to the back of a Buddha image” (Sthapitanonda & Sinsuwarn, 2013, p. 5) is questionable in our media-savvy age when corporate CSR is undertaken for business advantage and to publicise their activities, but it provides the platform on which Thai CSR is enacted and is thus
an important understanding for the practice of CSR by MNCs and international NGOs.

References


