



Is Corporate Social Responsibility Always A Good Thing?

Siriwan Kaewchird

Abstract— *The objective of this paper is to express that the lack of real understanding of Corporate Social Responsibility (CSR) has diluted its original purpose which may leads to the criticism that CSR is really nothing more than just a corporate advertising and redirecting the resources for stockholders as well. This paper deploys qualitative research method to collect the evidences and seek answers to the question. It also seeks to explore this argumentative issue in the light of ethical matters. Based on ethics theory, there are two major theories that attempt to specify and justify moral rules and principles: utilitarianism and deontological ethics. Using different approaches of ethics, the result reveals that it depends on how companies get to see the side of CSR will reflect how they engage in CSR. The paper also provides practical reasons whether companies should engage in CSR or not from different perspectives of ethics. The real-world example of CSR taken by Metropolitan Electricity Authority (MEA) from Thailand will be discussed and explained how MEA promote CSR awareness among its directors, administrators and employees.*

Keywords— Corporate Social Responsibility, Ethics, MEA, Stakeholders.

1. INTRODUCTION

For years, businesses and corporations were seen as having only one responsibility, to make profit, as in [1]. To be honest, that will never go away. However, things are transitioning. Maybe the environment is changing outlooks or maybe the coming of social media and increased transparency is altering things. Apart from the profit centric of corporation, a wide range of responsibilities to its stakeholders is needed too, [2]. These responsibilities come out in the form of Corporate Social Responsibility (CSR) which may sometimes far beyond company's ability. Not only that companies lack of resources and expertise for solving social problems but they lack of the legitimacy as well, [3]. This turns to the criticisms of implementing CSR that some see it as a public relations or advertising purpose only. The objectives of this paper are to briefly and concisely add clarity to the understanding of CSR based on real-world experiences, as well as leading researches on the topic. There are four specific question addressed in this paper: (1) What is CSR? (2) Is CSR always a good thing? (3) What should scholars respond to criticisms that CSR redirects resources away from stockholders? and (4) Should companies practices CSR?

The objective of this paper is to seek to explore this argumentative issue in the light of ethical matters. Using different approaches of ethics, it depends on how companies get to see the side of CSR and how they engage in CSR. The paper also provides practical reasons whether companies should engage in CSR or not from different perspectives of ethics. The real-world example of CSR taken by Metropolitan Electricity Authority (MEA) from Thailand will also be discussed in order to

help the readers get a clear picture of how a company strategically implements CSR activities in the real world.

2. WHAT IS CSR?

The concept of corporate social responsibility originated in the 1950s when American corporations rapidly increased in size and power. During the prosperous period, the nation also confronted pressing social problems such as poverty, unemployment, race relations, urban blight, and pollution, as in [4]. People from diverse groups deemed to demand a change in American business, which was a call for corporation to be more responsible for its society. In contrast, that responsibility was weighted against the demand of being competitive in a rapid changing global economy. For example, if there were to increase minority employment, the efficiency might be reduced, thereby reducing wages for employees or raising prices for consumers. Any position taken by a firm and its management, social, ethical or otherwise, always has trade-offs that cannot be avoided, as in [5]. Corporation needs a specific moral rules or principles to give them reasons for acting in one-way rather than another.

Another definition of CSR has been shaped by Friedman, one of the most famous economists in 1970s. Reference [1] shows that Friedman expressed the controversial assertion that the "social responsibility of business is to increase profits". The successful businesses benefited society and society influenced business as an invisible hand in steering companies to conduct their business in a manner that would benefit society. Friedman further asserted that a company's responsibility is to generate profits so that it could therefore pay dividends to their shareholders, who are responsible for their own social responsibility and that any other approach to social responsibility constituted a misuse of shareholder funds, as in [1]. Reference [6] followed with a definition that varied the levels of

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responsibility based on the consideration of different stakeholders. This definition provided a multidimensional construct of CSR that inferred an economic responsibility to shareholders and customers, an ethical responsibility to government and societal stakeholders, and differentiated community responsibility as a discretionary for of CSR.

Reference [7] also described CSR as “the alignment of business operations with social values. CSR consist of integrating the interest of stakeholders—all of those affected by a company’s conduct—into the company’s business policies and actions”. This implies that company is willingness to forgo a certain amount of profit in order to achieve noneconomic purpose. But there is a problem with this definition. Reference [7] raised important questions such as what should a company value in its pursuit of social responsibility? Should it attempt to minimize the negative impacts of its business activity, or maximize its positive impacts, or find some optimal combination of positive and negative impacts? And how much do various stakeholders’ preferences matter? Do the opinions of environmentalists count more than those of labour activists, or shareholders, or consumers? These questions can distract a company from its original purpose, which is to provide profits to shareholders while supplying consumers with goods, and services that add benefits to their lives.

From the above discussion of CSR meaning, this paper define its own operational term of CSR as a set of actions that a company takes to change business operations in order to improve, maintain, or mitigate that company’s impact on all stakeholders. This is far different from donating to poor kids in rural area. Reference [5] also noted the important to define the clear and good operational meaning of CSR because without a clear understanding of the societies to which a corporation is meant to be responsible and what more or less responsibility entails, the efficacy of any discussion of CSR is limited by a fundamental incommensurability.

3. IS CSR ALWAYS A GOOD THING?

Reference [8] shows that most of the researches view CSR’s primary function as the enhancer firm profitability. However, despite all of the attention that has been given to this issue, there is still much confusion and many misperceptions surround it.

In my opinion, what it is called CSR is surely for a good purpose. But many organizations have an inadequate understanding of what constitute as CSR. Many adopted CSR practices mostly because it is in the trend. Some misunderstood and use CSR only as a tool for building a brand image. Some have mixed up CSR as the social marketing. CSR is not all about philanthropy or doing charity services for the community. This is not to say that such activities are unimportant. These actions on the part of a company can help establish good relations with community members and leaders. However, philanthropy can even have a negative impact on the organizational climate. For example, some organizations may seem to be generous in term of charity donator, but when it comes to their employee’s safety at

work or healthcare service, nothing shows that there are an adequate responsible for their people.

The lack of real understanding of CSR has dilute its original purpose which may leads to the criticism that CSR is really nothing more than just a corporate advertising, as in [7]. Reference [5] claimed that corporations do exist to generate economic returns, not to solve societal problems. In other word, the corporations live to optimize for themselves not the general public. Reference [1] stated that “there is one and only one social responsibility of business—to use its resources to increase profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. From this statement, many people do make a value judgment about what firms should do. Reference [1] also further criticized social responsibilities as:

In each of these cases the corporate executive would be spending someone else’s money for a general social interest. Insofar as his actions accord with his “social responsibilities” reduces returns to stockholders, he is spending their money. Insofar as his actions raise the price to consumers, he is spending the consumer’s money. Insofar as his actions lower the wages of some employees, he is spending their money. The stockholders or the customers or the employees could separately spend their own money on the particular action if they wish to do so.

Therefore, from my understanding, the good CSR needs to come from within. Good practices must originate from the awareness and the ability to understand its true value and its importance. My main message is that in order to understand CSR, one must consider the holistic attempt, on the part of a company, to engage the stakeholders in meaningful dialogues on matters of mutual concern. In many cases, CSR is more than handing money to a local charity. It is about doing the right thing: conducting ethical, transparent business practices that hold a company accountable for its actions. However, most of the time, individuals normally behave in a very basic and utilitarian way when it comes to their roles within the corporate context. Hence, expecting corporations to behave in proactively good ways is slightly delusional when the true reasons of actions are only self-interested. As such, CSR possessed both good and bad characteristics depending on whose interests you are examining.

4. DOES CSR REDIRECT RESOURCES AWAY FROM STAKEHOLDERS?

Although some might claim that CSR distorts the core business activities, the majority of research studies prove that CSR is important to business’s performance, as in [9]. There are some researchers examined the performance of socially responsible companies (SRCs) versus non-socially responsible companies (non-SRCs). For example, [10] examined the performance of SRCs versus non-SRCs relative to standard financial

performance metrics of returns, valuation and a general market index. Archival public data was collected for the top 120 NASDAQ and NYSE firms ranked by market capitalization, and SRC/non-SRC classification was determined by matrix coding of socially responsible corporate practices. The study demonstrated that SRCs outperformed non-SRCs over the 5-year period relative to returns, valuation and the S&P 500 general market index. Moreover, other researchers find out that companies' used of CSR can help to attract, motivate and retain human resource talents, as in [11]. Individuals with a high number of job choices, such as with high educational levels, are likely to respond in a strong and positive way to CSR, to feel enthusiastic to work for a company committed to CSR and to express high levels of dedication to company success.

In addition to quantitative analysis, [12] did the qualitative research to study the benefits of the selected SME companies which engaged in CSR activities. The list below is such benefits that felt by SMEs.

- Improved image and reputation.
- Increased employee motivation.
- Improved trust and understanding.
- Increased attractiveness to potential recruits.
- Larger, more prominent profile.
- Cost savings and increased efficiency.
- Better market position.
- Risk management.

However, the companies in this study are least convinced by the benefits of charitable or philanthropic CSR.

In my opinion, whether or not CSR redirects resources away from stockholders depends on how one gets to see the side of CSR. Based on ethics theory, there are two major theories that attempt to specify and justify moral rules and principles: utilitarianism and deontological ethics.

Utilitarianism

Utilitarianism (also called consequentialism) is a moral theory developed and refined in the modern world in the writings of Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873).

There are several variety of utilitarianism. But basically, a utilitarian approach to morality implies that no moral act (e.g., an act of stealing) or rule (e.g., keep your promise) is intrinsically right or wrong. Rather the rightness or wrongness of an act or rule is solely a matter of the overall nonmoral good (e.g., pleasure, happiness, health, knowledge, or satisfaction of individual desire) produced in the consequences of doing that act or following that rule. In sum, according to utilitarianism, morality is a matter of nonmoral good produced that result from moral action and rules, and moral duty is instrumental, not intrinsic. Morality is a means to some other end; it is in no way and end in itself.

Therefore, based on utilitarian approach, CSR is an imperative to protect stakeholders' continued support and to ensure a desired identification and reputation among customers, employees, shareholders, and government. Investments in CSR are expected to yield tangible benefits and trying to avoid the costs of CSR

investment may lead to misconduct and a destroy company image or even a danger to the company existence. Therefore, to critique that CSR redirects resources away from stockholders might not be fully correct.

However, the greatest problem with utilitarianism from the perspective of CSR is the tendency to let minorities suffer from harms so majorities can enjoy the benefits. Given all the firm's many constituencies-supply chain partners, the local community, the public at large, and even the natural environment-the stockholders and those with close relationships with the firm (notably employees and customers) will be outnumbered every time.

Deontology

Deontological ethics is taught by religions and by Immanuel Kant (1790). The word deontological comes from the Greek word, deon, which means binding duty. Deontological ethics has at least three important features. First, duty should be done for duty's sake. The rightness or wrongness of an act or rule is, at least in part, a matter of the intrinsic moral features of that kind of act or rule. For example, acts of lying, promise breaking, or murder are intrinsically wrong and humans have a duty not to do these things. Second, humans should be treated as objects of intrinsic moral value; that is, as ends in themselves and never as a mere means to some other end. Third, a moral principle is categorical imperative that is universalizable; that is, it must be applicable for everyone who is in the same moral situation.

Therefore, according to [5], based on deontological approach, "business spent on CSR by managers is theft of the rightful property of the owners". In sum, as the company has duties to make profit for their stockholders, spending money for CSR activities takes away the profits from stockholders.

5. SHOULD COMPANY PRACTICE CSR?

According to this paper, the operational term of CSR is a set of actions that a company should take to change business operations in order to improve, maintain, or mitigate that company's impact on all stakeholders. Hence, the adoption of CSR practices is validating the business claims in positioning companies to better operate, better manage risks, and to exceed market performance, thus satisfying stakeholders, and yielding the benefits of optimized market performance in the process.

Therefore, CSR is becoming more than just an implementation of procedures initiated to satisfy stockholders, it is about building a stronger sustainable business with responsible values at the stem of what a company does. Base on utilitarian approach, the companies that adopt CSR from this perspective are those that will yield the optimum return on their investment. Only when the return on investment in CSR delivers value to the company, to its investors, surrounding communities, and society as a whole, then companies should engage in CSR. On the other hand, if

one holds the belief on deontological ethics, for publicly held corporations, doing CSR is immoral. This is because philanthropic CSR violates stockholder property rights, unjustly seizing stockholder wealth, and it bestows benefits for the general welfare at the expense of those for whom the company should care for, notably employees and customers. However, for private firm using its own resources, CSR activities are commendable because there is no duty owed to stockholders, according to [13].

In sum, using different approaches of ethics to decide whether companies should engage in CSR activities, the result of this study reveals that it depends on how companies get to see the side of CSR. Some various factors may come into conflict when one is making a decision. (See figure 1) .

	External Control	Internal Control
Utilitarian (Outcomes/Ends)	Social Values Stakeholder interests	Terminal Values Personal Standards Internalized interests of others
Deontology (Process/Means)	Norms Laws Codes of Conducts	Personal Values

Fig. 1. Factors Affects Ethical Decision Making.
(Data from Lantos, 2012)

6. CSR AT MEA

Given the research question and timeframe limitation, the researcher has selected MEA as a sample case based on ease of accessibility. This strategy saves time, money, and effort, however, it is important to note that this strategy has the weak rationale along with the lowest credibility. It may yield information-rich case because it is easy to access, however it may not represent the typical case and the findings do not bring the broad consensus.

At MEA (Metropolitan Electricity Authority), CSR concept is included in the corporate vision stating as “Moving towards a high performance organization (HPO) and becoming a leader in the power distribution business with excellence services, while enhancing the strength of related business, and being responsible for society and environment.” In addition to social and environmental responsibilities, the MEA management has approved several projects and activities, which are the social responsibility for normal business (CSR-in Process) and the social responsibility addition to normal business (CSR-after Process). The CSR activities of the year 2014 were classified as followings (See figure 2).



Fig.2 Five Dimensions of CSR Activities at MEA
(Data from MEA, 2014)

Environment

MEA aims to raise people awareness in the organization as well as establish a good environment for the society through the following activities.

- Waste Management Project: The MEA has provided its employees the training about the separation of different types of left materials, procedures, and operations which start from waste identification, storage, transport, and proper disposal as well as a hazardous waste disposal guide. Moreover, there have been a campaign to raise staff awareness and the exhibition called “MEA Environment” on 2014 World Environment Day.

- MEA Plant Preservation Project: The MEA has held a project called MEA Plant Preservation to help mitigate global warming. MEA volunteers and the local have joined this activity and planted trees to maintain the green areas along with to conserve the nature and places of 3 types of tree forests of residents and the public namely agroforestry farming forest, fresh water swamp forest and mangrove forests. The average survival rate of seeding is 97% and can reduce carbon dioxide (CO₂) up to 16.63 tons per year

- Protecting the Capital through Mangrove Project: The MEA has teamed up with Fort Chulachomklao, the Royal Thai Navy and the Office of the Vocational Education Commission in bringing students from the vocational institutions to participate in mangrove reforestation at Fort Chulachomklao for 200-Rai (or 80 acres) and to build a natural barrier that helps protect coastal erosion by covering electricity poles with used tires and placing them along with Fort Chulachomklao in Samut Prakarn province to trap sediments and build a coastal erosion fence line for 1,300 meters. Moreover, MEA has supported and maintained the World Mangrove Forests Center and natural walk paths for mangrove forests learning at Fort Chulachomklao by donating 360,000 Baht (or 10,000 USD). A 200-rai mangrove forest is able to reduce 60.16 tons of carbon dioxide (CO₂) per year.

Community and Society

MEA focuses on youths who are the future of the nation by promoting and developing youth potential on creating social and environmental awareness through the following activities so that they would have social and environment responsibilities.

- Young MEA Project: It aims to be the center which builds networks for young people and parents through website www.youngmea.com. It intends to raise the awareness of energy and ecology conservation among its member whose age is between 8 to 24 years. The members have been encouraged to participate in various activities concerning social aspects, environment activities, energy conservation, and sufficiency economy in 2014. In addition, MEA has televised its series of young MEA Dee Mission on the Royal Thai Army Radio and Television Channel 5 on Saturdays from 5.45 to 5.55 PM. The content of the program shows the stories of Young MEA members who joined the activities for the sake of the society and environment such as Following the Origin of Energy, New Generation Family Uses Energy Wisely, Young MEA Dee Project "I preserve the world", Young MEA ECO friendly, Energy Conservation Campaign with the US Embassy.

Energy Conservation

MEA puts emphasis on promoting energy conservation which has been related to missions and functions as part of organization operation. It has promoted general public accessibility to varieties of energy conservation technology that can be used on everyday life.

- Energy Mind Award Project: Since 2007 up to this year, MEA has been cooperating with the Faculty of Environment and Resource Studies, Mahidol University, School of Energy, Environment and Materials, King Mongkut's University of Technology Thonburi and Association for the Development of Environmental Quality (Thailand) to develop a standard of outstanding educational organizations in terms of energy by providing an award called "Energy Mind Award" to evaluate educational organizations annually. The teachers and students from the participating institutes have been given training, seminars, site visits, mobile exhibitions and permanent exhibitions. And the team of experienced committees and those from MEA have evaluated the outcomes of this project and provided the award. Then there were ongoing evaluation sessions and the membership would expand into their surrounding people. The educational institutes and their staff have relayed the knowledge to their energy consumption behaviors. Moreover, some of them have established energy conservation clubs and some of the educational organizations in this project volunteered to help other institutes which have not passed the evaluation, creating the network to invite other institutes to participate this project.

- Summer Air Conditioning Cleaning Project: Usage and proper maintenance of air conditioners can help reducing electricity usage. MEA offered annual summer air condition cleaning. In 2014, MEA has allocated its budget to maintain conditioning system for houses which

have joined this project. The total of air conditioners was 21,112 units. It aims to reduce energy consumption and electricity cost for customers. Besides, it helps reduce global warming by lowering carbon dioxide (CO₂) 1,857 tons a year.

- Improving Energy Efficiency Consumption in Building Project: MEA has organized a competition under the project called "Energy Saving Building Award". This competition has been an ongoing competition starting from 2012 to 2016 with the energy consumption criteria in Thailand Building or MEA Index (Management of Energy Achievement Index). In 2014, all buildings ranging from hotels to offices who participated in this competition were monitored in terms of the quality of energy use, calculating MEA Index before there was announcement for the winner which would be given the sign showing its energy efficiency use. -Work on 1 MWp Green Energy Rooftop Project: There has been a study on solar energy production implement 1 MWp solar energy system in the offices of MEA as a source of clean energy combined with the technology of energy building management. Also it has been intended to be a model of energy building management for other buildings, reducing energy consumption and the amount of carbon dioxide (CO₂) 270 tons a year.

- LED Street Light Project: LED (Light – Emitting Diode) is a lamp made of a semiconductor. It can emit light without incandescent bulbs and can be used to replace common light bulb. Its strengths are energy efficiency and being long life. MEA has conducted a study about LED public light which can replace common incandescent lamps in order to reduce energy consumption and emission of carbon dioxide (CO₂) 158 kg. per lamp annually. When compared with fluorescents, LED lamps are long life hence reducing maintenance cost and having light dispersion adjustability in each road condition and time period. In 2014, MEA bought and installed LED lamps on 12 tourist main roads to replace the common lamps. In the future, there will be a plan to install LED lamps in other areas with the development of automatic light control systems.

- LED Replacement for people and communities Project: There have been LED public lamp replacement and wire maintenance for safety. For example, Quartermaster Department of the Royal Thai Army in Bangpoo has installed 150 LED public lamps for the public on the occasion of 87th Birthday Anniversary of His Majesty the King. This can reduce 67% of energy consumption or 60,900 units a year and the amount of carbon dioxide (CO₂) 37.5 tons a year.

- Electrical Vehicles and Charging Station for MEA Operation Project: MEA has provided electric vehicles with charging stations for research purposes and operation. At the moment, MEA has bought 10 electric cars and rented 5 electric cars. In the near future, there will be a plan to provide more electric charging stations in order to promote the widespread use of electric cars, which can reduce pollution emission to the environment. In 2014, MEA reduced 45 tons of carbon dioxide (CO₂).

- Smart Energy Building Project: MEA has studied and

explore energy management systems in 15 MEA buildings from 2013 to 2016 to improve energy efficiency in buildings and to encourage their staff to have social and environmental responsibilities. In 2014, the system in the 4 following districts, Bangkok, Ratburana, Nontaburee, and Samsen were designed and will be ready for installation in 2015.

Safety

In order to be good citizen, MEA realizes its role in community care and social responsibility for a better quality of life and safety of life and property through public projects as the following.

- Ground Wire for Water Cooler Project: MEA has collaborated with schools under the office of the Basic Education Commission of Thailand (OBEC) and schools under the distribution areas of Bangkok Metropolitan Administration (BMA) on the installation and maintenance of ground wire for water coolers free of charge. In 2014, there was the installation at 50 more private schools and the maintenance for the schools receiving the installation from the previous year was conducted. At the moment, MEA has served 434 schools under the OBEC, 436 schools under Bangkok Metropolitan Administration (BMA) and 100 private schools.

- Knowledge on Safety for Community Project. MEA is concerned about people in various communities and realizes the possible danger from electricity hence in 2014 it cooperated with BMA to providing training courses concerning electrical knowledge and safety for representatives from industrial sectors and Social Welfare Department and Labor Protection. The representatives could be classified into 4 batches according to the following aspects: theoretical and practical proposes. The theoretical groups are the community from Saiyai Sub-district Administrative Organization: Samsen District; Taweewattana District and the community form Praksa Sub-district Administrative Organization. The practical groups are villages from the community from Saiyai Sub-district Administrative Organization, Roongsawang Village in Bangken District, Taveesook Village in Taweewattana District and Lully Ville in Praksa Sub-district Administrative Organization. This is to ensure that those people in the communities realize safe energy consumption and to enable them to help themselves and others while having flooding.

Sustainability

MEA has conducted the following 2 projects to develop the sustainability of the organization. The projects have been implemented according to Global Report Initiative (GRI G4) guidelines. In 2014, MEA planned to strengthen the sustainability using ISO 26000 and GRI gridlines as a framework for a sustainable operation of the MEA.

- Strengthening sustainability project according to ISO 26000 and GRI: MEA has focused on developing the organization according to sustainable factors of the MEA by analyzing information as well as preparing a roadmap

and Initiatives using the framework of the Global Reporting Initiative: GRI, which is recognized internationally. This covers the relevance of the stakeholders in the value chain, and the prioritization of sustainability issues that organizations should follow according to G4 Guidelines of GRI. In 2014, it had a plan to strengthen the sustainability using ISO 26000 and GRI guidelines as a framework for a sustainable operation of the MEA.

- MEA Green DNA: MEA has studied and implemented the International Standard ISO 26000, which is about social and environmental responsibilities. MEA has intended to deploy it with the main procedure of the organization. The procedure of MEA has been analyzed and reviewed according to ISO 26000 standards. Some training and seminars have been conducted to continuously educate the organizations involved in the procedure of MEA in order to raise the employees' awareness and participation. There have been some activities and preparation of volunteer information systems. In 2014, there was a contest called "GREEN INNOVATION MEA". In term of invention type, some inventions were selected such as clamp sticks, portable air compressors, and degree adjusters for safety, solar energy signal, etc. In terms of process improvement type, the following projects were selected: Online Work permit Management System (OWMS) Automatic Prescription System, Call Center Work Transfer Registration Control, Dissolved Gas Analysis Program, Improvement Document Transfer, Switching Order, and so on.

How MEA get employees involved in CSR?

The key persons responsible for MEA drive for CSR mission are change agents, which are categorized into 3 levels of role as follows.

- Level 1 Change Champion, which refers to the departmental director who plays a key role in increasing employees' awareness and understanding about management policy and direction. Function heads need to transfer knowledge and encourage employees to recognize CSR.

- Level 2 Change Agent (departmental representatives), which refer to assigned personnel who will help Change Champion drive the CSR mission. That is to say these advocates render their hands so the goal on leveraging for short-term win can be attained. Change Agent at this level may be either the same or different person of Change Agent in level 3.

- Level 3 Corporate Driver Change Agents, which refers to LO Agent, GCG Agent, 5S lecturer, or corporate culture successor representing a group of employees who help the Change Champion of Corporate Driver drive factors so that their department can reach the target as all factors are somehow related to the objectives.

Change Agents in these 3 levels are persons who support the goal achievement for both short-term and long-term that tied to organizational CSR mission. However, the organization is able to drive all the way through its vision only if MEA employee dedicated work hand in hand with support and encouragement from the 3

level of Change Agent. Such collaboration through Change Teams using scores of tools and components facilitates better work efficiency.

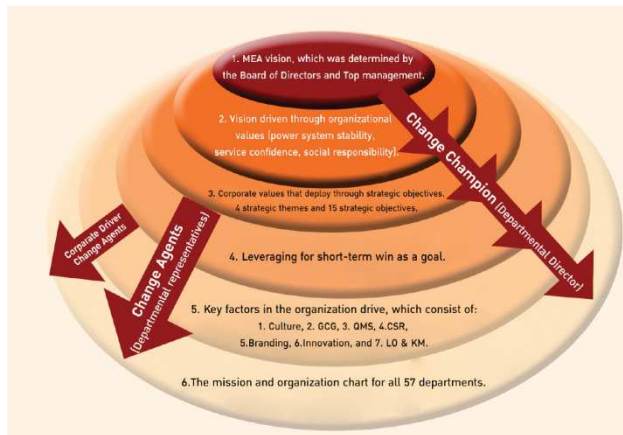


Fig.3 Circular Model
(Data from MEA, 2014)

Reference [14] stated that this organizational vision driven model was designed by MEA Governor, Mr.Somchai Roadrungrasinkul during his term as Deputy Governor acting for Governor. It was named “Circular Model” comprising of 6 circles as following details.

- Circle 1: Refers to MEA vision, which was determined by the Board of Directors and top management. It aims at (1) To be a HPO, (2) To be a leader in power distribution system, (3) To provide service excellence, (4) To strengthen related business, and (5) To be responsible for society and environment.

- Circle 2: Refers to vision driven through organization values (power system, stability, service confidence, and social responsibility).

- Circle 3: Refers to corporate values that deployed through strategic objectives. There were 4 strategic themes and 15 strategic objectives.

- Circle 4: Refers to leveraging for short-term win as a goal. This has been a result form a workshop among executives and departmental directors. The strategic objectives were used to determine the short-term (1 year) achievement.

- Circle 5: Refers to key factors in the organization drive, which consist of: (1) Culture, (2) Good Corporate Governance (GCG), (3) Quality Management System (QMS), (4) Corporate Social Responsibility (CSR), (5) Branding, (6) Innovation, and (7) Learning Organization and Knowledge Management (LO & KM). These factors are a part of MEA drive for achievement of organization vision.

- Circle 6: Refers to the mission and organization chart for all 57 departments. These involve primary routine works that drive the organization to reach its vision.

The “Circular Model” was and transferred to senior management and the team of change Agent in March 2014 in order to let them visualize the connection between work process and the role of driver in each circle. CSR mission is in the fifth circle and will be driven by group of change agents.

7. CONCLUSION

The lack of real understanding of Corporate Social Responsibility (CSR) has diluted its original purpose which leads to the criticism that CSR is really nothing more than just a corporate advertising and redirecting the resources for stockholders as well. This paper deploys qualitative research method to collect the evidences and seek to explore this argumentative issue in the light of ethical matters.

Using different approaches of ethics, the result reveals that it depends on how companies get to see the side of CSR will reflect how they engage in CSR. Based on deontological approach, business spent on CSR by managers is stealing of the rightful property of the owners. As the company has duties to make profit for their stockholders, spending money for CSR activities takes away the profits from stockholders. On the other hand, according to utilitarianism, morality is a matter of nonmoral good produced that result from moral action and rules. Therefore, based on utilitarian approach, CSR is an imperative to protect stakeholders’ continued support and to ensure a desired identification and reputation among customers, employees, shareholders, and government. Investments in CSR are expected to yield tangible benefits and trying to avoid the costs of CSR investment may lead to misconduct and a destroy company image or even a danger to the company existence. Therefore, to critique that CSR redirects resources away from stockholders might not be fully correct.

However, neither utilitarianism nor deontological ethics can deny that public expectation of business engagement on CSR is growing no matter what good or bad characteristic CSR possesses. Therefore, by using the operation term of CSR defined in this paper, the adoption of CSR practices is validating the business claims in positioning companies to better operate, better manage risks, and to exceed market performance, thus satisfying stakeholders, and yielding the benefits of optimized market performance in the process.

8. RECOMMENDATIONS

First, since the purpose of this research was to understand the perceptions and practices of CSR through the experiences of Thailand state-owned enterprise, MEA. The researcher is aware that the findings of this research are not appropriate to be generalized in the statistical sense or to be representative of all companies in Thailand. Therefore, future research can expand the sample to other types of companies in Thailand such as private companies and multinational companies in order to see whether there is any difference in their perceptions and practices.

Secondly, there is a gap to examine how and why CSR activities have been practiced by Thai companies, particularly from decision makers’ perspectives. Therefore, there also is a call for future research in examining the meaning, involvement, and motivations in CSR of Thai companies from both public and private executives’ perspectives.

Lastly, there is currently a tendency for companies use

public relations as a publicity function in informing and promoting CSR. Also, several companies discussed their decision in separating CSR from PR in their company's organizational structure. Future research should try to explore more of these reasons and the relationship between CSR and public relations.

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