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Corporate social responsibility disclosure—choices of report and its determinants: Empirical evidence from firms listed on the Stock Exchange of Thailand

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ABSTRACT

This research investigated the report choices used for corporate social responsibility (CSR) disclosure and the determinants of CSR disclosure of firms listed on the Stock Exchange of Thailand (SET). Since 2014, firms listed on the SET have been required to disclose CSR in either an annual registration statement or a separate report called a sustainability report. It was, therefore, noteworthy to examine the choices these firms chose in the first year of disclosure. The independent variables were hypothesized under three dimensions—shareholder power (government ownership), corporate visibility (firm size and age), and economic performance (profitability and leverage). The results revealed that government-owned firms or large firms are more likely to prefer the sustainability report. In addition, content analysis of CSR disclosure was conducted in three industries: resources, technology and industrial products. Nine CSR components with 43 indices were developed and used to score the disclosure of firms in the three industries. The three highest CSR disclosure items found were declaring concerns of human rights and equality, having a policy of anti-corruption, and generous giving. Moreover, this study found a positive relationship between the number of CSR disclosure items and government ownership; however, neither firm age nor economic performance in the year before was related to the CSR disclosure. These research findings support the proposition of the stakeholder theory affirming that firms carry out CSR activities because of their stakeholders' influence, and regardless of economic performance. In Thailand, stakeholders' influence and corporate visibility are significant determinants of the CSR disclosure.

Introduction

Since corporate social responsibility (CSR) is a voluntary initiative, it is of interest to study why firms engage in CSR. Pioneering researchers explained the phenomenon by adopting such theories as the positive accounting theory (Belkaoui & Karpik, 1989) and the stakeholder theory (Carroll, 1991; Roberts, 1992). Empirical evidence has being supplied (Gamerschlag, Möller, & Verbeeten, 2011; Reverte, 2009). However, most of the empirical evidence was conducted in developed countries. Since CSR components in developing countries differ from those in developed countries (Visser, 2008 as cited in Prayukvong & Olsen, 2009), the existing empirical evidence may not be relevant in developing countries. A study into CSR in the developing countries is, therefore, necessary. Thailand was chosen in this study because since 1 January 2014, the Securities and Exchange Commission, Thailand (SEC) has

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mandated listed companies to disclose their CSR activities in either an annual registration statement called Form 56-1 or a separate report known as a sustainability report. A firm's selection in the first year after this requirement was implemented is of interest because the choice would be expected to be influenced more by internal than external factors. As Form 56-1 is regularly prepared by listed firms and making a sustainability report tends to create extra cost, the researcher was interested in finding out what types of firms chose the sustainability report. In addition, because CSR implementation is voluntary, but the SEC requires listed companies to report any such activities, two questions were also raised regarding the kinds of CSR information those firms reported and the determinants of CSR disclosure.

Literature Review

Report Choices for CSR Disclosure

Since 1 January 2014, listed firms on the SET have been required to disclose their CSR components using either Form 56-1 or a sustainability report. CSR disclosure using Form 56-1 tends to costs less because the firms already prepare it each year; however, the form may not be as outstanding to investors as preparing a sustainability report where there is more specific detail. It is, therefore, of interest to study what types of firms preferred the sustainability report choice. Cormier and Gordon (2001) suggest that corporate ownership, firm size, and the risks faced in capital markets affect a firm's reporting strategies. Gamerschlag et al. (2011) found that the probability of a firm choosing the sustainability report choice increases when the firm has high company visibility. In Thailand, there is no evidence concerning the rationale behind the firms' voluntary choice of creating a stand-alone sustainability report. Consequently, attention in this research was paid to the report choice and the characteristics of firms choosing the sustainability report choice.

Components of CSR Disclosure

The components of CSR disclosure comprise many aspects depending on the originators. Prayukvong and Olsen (2009) gathered the CSR components required by the SEC and compared them to other global organizations—the United Nations Global Compact (UNGC), the Organization for Economic Cooperation and Development (OECD), the International Organization for Standardization (ISO), and the Global Reporting Initiative (GRI) (Figure 1). It should be noted that the current research added anti-corruption to the SEC column because in 2014, the SEC (2013) included anti-corruption in their Sustainability Development Roadmap for listed companies, which was not current at the time Prayukvong and Olsen (2009) did their survey.

In Figure 1, there are nine CSR components relevant to listed companies in Thailand. Compared to those of other organizations, the SEC has more CSR components than other organizations. However, how Thai-listed companies disclose and implement CSR components has not been well documented. Janamrung and Issarawornrawanich (2015) surveyed the CSR components based on the KLD (2003) criteria, but they focused only three themes—community, employee, and environment. Recently, Thanasanborrisude and Phadoongsitthi (2015) surveyed CSR disclosure by firms listed on the Market for Alternative Investment (MAI), but they focused only on the environment component. Because previous studies in Thailand have not yet covered all the components of CSR, this research aimed to survey the disclosure taken in all the nine components of the SEC.

Theoretical Perspective on CSR

Stakeholder Theory

Why does a firm include CSR in its operation? Freeman (1984) suggests that it is because of the firm's stakeholders. Freeman (1984) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the firm's objectives”. Stakeholders include shareholders, creditors, employees, customers, suppliers, regulators, and public interest groups. The expectations of each stakeholder can be different, so corporate management must best match corporate resources and policies with the stakeholders' interests. A CSR model is then developed to include the external influences which assume adversarial positions to the firm's; for example, regulatory and special interest groups, such as NGOs. The origin of CSR then primarily involved obligations to society (Pintea, 2015). More recently, CSR has involved more parties. Therefore, the CSR model now encompasses both internal and external stakeholders. Internal stakeholders usually comprise employees and suppliers, while external stakeholders can include communities and the public.

Positive Accounting Theory

The positive accounting theory or the agency theory (Watts & Zimmerman, 1986) is another theory used to explain CSR. It was first applied to the CSR disclosure context by Belkaoui and Karpik (1989). The agency theory defined a firm as a nexus of contracts between various economic agents. Managers, who are considered an agent of shareholders, can act opportunistically for three reasons—to maximize their bonus (bonus plan hypothesis), to misstate a financial report in order to avoid debt covenant violation (debt-equity hypothesis), and to apply accounting methods to make the profit numbers not attractive to politicians or the government (political cost hypothesis). In the CSR context, image-building and public interest concerns may govern the managers' decision to spend on social performance and to disclose social information. However, the social performance expenditures reduce net income. Therefore, the firms that prefer conducting social performance and disclose it are more likely to have lower contracting and monitoring costs, and to have high political costs. Belkaoui and Karpik (1989) suggested that the decision to disclose social performance is positively correlated with social performance, economic performance, and political visibility, and is negatively correlated with contracting and monitoring costs.

CSR component	UNGC	OECD	ISO	GRI	SEC
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	✓	✓	✓		✓

Figure 1 CSR component comparison
Source: Prayukvong and Olsen (2009) with one addition

Hypothesis Development for CSR Disclosure

Under the stakeholder theory, there are three dimensions for the determinants of social responsibility disclosures: stakeholder power, strategic posture, and past and current economic performance (Roberts, 1992). On the other hand, a positive model for the determinants of social disclosures under the positive accounting theory comprises social performance, economic performance, political visibility, and contracting and monitoring costs (Belkaoui & Karpik, 1989). Although these two theories were derived based on different fundamental assumptions, there are some similarities in the determinants. The determinants involve three themes: shareholder power, corporate visibility, and economic performance (Reverte, 2009). Rather than seeing them as competing perspectives, the current study considered them comprehensively to explain how firms decide to disclose different kinds of CSR information to the public. The three dimensions of determinants were tested.

Stakeholder Power

Stakeholder power includes the influences from owners, creditors, and regulators (Roberts, 1992; Walls, Berrone, & Phan, 2012). Walls et al. (2012) found a relationship between institutional shareholders and CSR activities. However, the samples of Walls et al. (2012) were US firms, where ownership is dispersed and governance effectiveness is relatively high (Shleifer & Vishny, 1997). When tested with concentrated ownership firms, CSR disclosure is not statistically associated with ownership, such as in Spanish firms (Reverte, 2009). It is perhaps that firms with concentrated ownership are less motivated to disclose CSR information. Ownership in Thai firms is highly concentrated (Claessens, Djankov, & Lang, 2000), so a motivation of major shareholders may not drive CSR disclosure. Rather, the current study paid attention to government ownership because government-owned firms receive more attention from the public and, therefore, they are expected to be transparent and commit to the community (Cormier & Gordon, 2001). In relation to this, Ghazali (2007) found a positive relationship between government ownership and CSR disclosure in Malaysian firms. The first hypothesis is, therefore, that:

H1. There is a positive relationship between government ownership and CSR disclosure.

Corporate Visibility

Cowen, Ferreri, and Parker (1987) suggested that larger companies tend to receive more attention from the public and, therefore, they are under greater public pressure to exhibit social responsibility. Roberts (1992) added that when a corporation matures, its reputation and history of involvement in social responsibility become entrenched. Empirical studies found that CSR disclosure is positively associated with firm age (Roberts, 1992) and firm size (Rahman, Zain, & Al-Haj, 2011; Reverte, 2009; Thanasanborrisude & Phadoongsitthi, 2015). Therefore, the following hypotheses are proposed.

H2. There is a positive relationship between firm age and CSR disclosure.

H3. There is a positive relationship between firm size and CSR disclosure.

Economic Performance

Previous researchers have found that the corporate economic performance directly affects the financial capability to undertake CSR programs. The better economic performance of a company, the greater its social responsibility activity and disclosures (Roberts, 1992). Profitable companies tend to be more interested in explaining CSR activities and manage the costs of disclosures (Gamerschlag et al., 2011). However, Belkaoui and Karpik (1989) found that if the company had a large amount of debt, this could limit CSR activities and their disclosure. Two hypotheses regarding the economic performance are, therefore, proposed.

H4. There is a positive relationship between profitability and CSR disclosure.

H5. There is a negative relationship between leverage and CSR disclosure.

It could be seen in existing literature that CSR disclosure is associated with the same set of determinants of CSR disclosure (corporate ownership, company visibility, and financial performance), when measured by both report choice (Cormier & Gordon, 2001; Gamerschlag et al., 2011) and by the content of disclosure (Rahman et al., 2011; Reverte, 2009). Accordingly, this research tested all the hypotheses by using the same set of variables in the two parts of the analysis. Some control variables were also included.

Control Variables

Prior research has found a positive relationship between disclosures and the "Big 4" audit firms (Deloitte, Ernst & Young, KPMG, and PricewaterhouseCoopers) (Wallace, Naser, & Mora, 1994). In Thailand, a firm that uses a Big 4 audit firm is more likely to participate in the Private Sector Collective Action Coalition Against Corruption of Thai Institute of Directors (Chuekaew, 2015). This anti-corruption campaign was one of the SEC's CSR components. In addition, firms with a high environmental impact, such as those involved in the oil and gas and chemical industries, have greater incentive to disclose CSR information to reduce impending costs (Deegan & Gordon, 1996; Reverte, 2009). Consequently, being a client of the Big 4 and industry dummies were included in the analysis as control variables.

Method

Sample and Data Collection

The population consisted of all companies listed on the SET in 2014. However, this study excluded the companies listed on MAI, an alternative stock market for small and medium-sized enterprises, for two reasons. Firstly, recent research by Thanasanborrisude and Phadoongsitthi (2015) has already studied the association between firm characteristics and CSR disclosures for MAI companies. Secondly, since MAI firms are smaller, investments in CSR disclosures may not be comparable to the SET firms. Therefore, the SET firms were the main focus; however, some SET firms with missing data were excluded. The final sample comprised 451 firms. In light of the content analysis of CSR disclosure, because the data had to be collected manually, this research focused on three industries that were considered high environmental impact industries (Deegan & Gordon, 1996): resources, technology, and industrial products. This resulted in a sample of 137 firms.

All data were secondary data. Data of the report choices and firm ownership were gathered from companies' websites and the SET database. CSR disclosures for 2014 were collected from Form 56-1 and 2014 sustainability reports, if any. Both reports were filed and announced in early 2015. The financial data were gathered from DataStream by Thomson Reuters.

Analysis of Data

Content Analysis on CSR Disclosure

A set of CSR indices was developed by the researcher to score the samples' CSR disclosure. The indices were integrated from three sources—KLD (2003) index, CSRI (2007), and Janamrung and Issarawornrawanich (2015). The indices were in line with the nine CSR components of the SEC. They comprised 43 items for CSR components. To compare with the US-based KLD (2003) criteria, the indices in this research included the addition of a religious activity index, but excluded the items relevant to alcohol, gambling, weapons, military, and nuclear power.

Multiple Regression Analysis

Multiple regression analysis was used to examine the choices of report and determinants of CSR disclosure. Due to the different dependent variables, two regression approaches were used. Logistic regression analysis (Equation (1)) was used to examine the relationship between firm characteristics and report choice, while ordinary least squares (Equation (2)) was used to examine the determinants of CSR disclosure practices. Similar to Roberts (1992) and Chiu and Wang (2015), a time lag between measures of the explanatory factors and social disclosure was designated in the regression models, namely that strategic planning on CSR for year *t* should be driven by the factors in year *t-1*, with the exception of firm age and industry dummies that should be the status of firm in the current year. The regression models are detailed below.

Logistic Regression Model

$$CSRD_{i,t} = \alpha 0 + \beta_1 GOWN_{i,t-1} + \beta_2 AGE_{i,t} + \beta_3 SIZE_{i,t-1} + \beta_4 NITA_{i,t-1} + \beta_5 LEV_{i,t-1} + \beta_6 BIG_{i,t-1} + \sum_{K=1}^{7} \beta_K IND_{i\in K,t} + \varepsilon_{i,t} \quad (1)$$

where:

t = The current fiscal year for firm i
CSRD = A dichotomous variable of 1 if the firm chooses to disclose CSR in a sustainability report; 0 if the firm chooses to disclose CSR in Form 56-1. Where a firm provided a sustainability report, it stated a reference of the sustainability report in Form 56-1, and a score of 1 was given to this firm.
GOWN = A dummy variable of 1 if the government is one of the top-10 major shareholders; 0 otherwise.
LEV = Ratio of total debt to total assets.
NITA = Ratio of net income to total assets.
AGE = The number of years since the firm was established until year of study, 2014.
SIZE = The natural logarithm of market capitalization; transformed data with right skew.
BIG = Dummy variable of 1 if auditor is one of the Big 4 audit firms; 0 otherwise.

IND = Array of seven industry dummies, where each firm falls into one of the seven categories (Agro and Food, Resources, Technology, Finance, Services, Industrials, Property and Construction), with Consumer Products being arbitrarily omitted to avoid perfect multicollinearity.

OLS Regression Model

$$CSRQ_{i,t} = \alpha 0 + \beta_1 GOWN_{i,t-1} + \beta_2 AGE_{i,t} + \beta_3 SIZE_{i,t-1} + \beta_4 NITA_{i,t-1} + \beta_5 LEV_{i,t-1} + \beta_6 BIG_{i,t-1} + \beta_7 RESOURCE_{i,t} + \beta_8 INDUSTRIAL_{i,t} + \varepsilon_{i,t} \quad (2)$$

where:

t = The current fiscal year for firm i
CSRQ = The number of CSR disclosure items. It scores one when a firm has one CSR item. The possible maximum score is
RESOURCE = A dummy variable of 1 if the firm is in resource industry; 0 otherwise.
INDUSTRIAL = A dummy variable of 1 if the firm is in industrial industry; 0 otherwise.
ε = The regression residual.
GOWN, LEV, NITA, AGE, SIZE and BIG are similarly defined to those in Equation (1).

Results and Discussion

This subsection details the research results (Tables 1–6) and discussion. Table 1 shows the distribution of report choices by industry.

Table 1 illustrates the report choice by industry. Of 451 firms, 88 firms (19.51%) separately disclosed CSR in a sustainability report, while 363 firms (80.49%) disclosed using Form 56-1. Comparing industries, those in resources chose to disclose using a separate report (40% of firms in RESOURCE industry) more than other industries, while firms in property (PROPERTY) rarely chose to make a sustainability report (8.33% of firms in their industry). A test of an association between the report choice and industry was conducted and Pearson χ^2 was 17.5651, $p = .014$. Therefore, there is a statistically significant association between sustainability report choice and industry.

Table 2 illustrates the top-10 CSR disclosures from the 43 indices based on 137 firms in three industries. The three highest CSR disclosures were: declaring concerns of human rights and equality (72%), having a policy of anti-corruption (70%), and generous giving (69%). In relation to this, generous giving ranked third in the sample. This finding is in line with Prayukvong and Olsen (2009) who proposed that philanthropy ranked highly in developing countries.

Table 3 provides descriptive statistics of the variables. Panel A shows the descriptive statistics of continuous

Table 1
Distribution of CSR report choice by industry ($n = 451$)

Industry	Sustainability report		Form 56-1	Total
	Freq. (%)	% of 88	Freq. (%)	Freq.
RESOURCE	12 (40.00)	14	18 (60.00)	30
TECHNO	9 (24.32)	10	28 (75.68)	37
AGRI	8 (19.05)	9	34 (80.95)	42
CONSUMER	7 (17.95)	8	32 (82.05)	39
FINANCE	10 (18.18)	11	45 (81.82)	55
INDUSTRIAL	19 (26.03)	22	54 (73.97)	73
PROPERTY	7 (8.33)	8	77 (91.67)	84
SERVICE	16 (17.58)	18	75 (82.42)	91
Total	88 (19.51)		363 (80.49)	451

Table 2
Components of CSR disclosure ($n = 137$)

Rank	CSR disclosure	Frequency	% of 137
1	Declaring concerns of human rights and equality	98	72
2	Having a policy of anti-corruption	96	70
3	Generous giving	94	69
4	Health and safety in workplace	87	64
5	Competency training	67	49
6	Anti-bribery	65	47
7	Commit to energy efficiency program and alternative fuel uses	63	46
8	Education support for schools and children in communities	62	45
	Religious and cultural activity participation	62	45
9	Controlling pollutants	60	44
10	Fair practices with partners, suppliers, contractors, and competitors	57	42

Table 3
Descriptive statistics

Panel A: continuous variable	Mean	SD	Min	Max	n
CSRQ	11.985	7.515	1	39	137
AGE	32.772	15.620	2.418	114.998	451
SIZE	8.655	2.437	4.984	26.656	451
NITA	0.051	0.095	−0.768	0.463	451
LEV	0.450	0.229	0.004	0.980	451
Panel B: dummy variable	**Proportion**	**SD**	**n**		
CSRD	0.195	0.397	451		
GOWN	0.078	0.268	451		
BIG	0.605	0.489	451		

CSRQ: The number of CSR disclosure items. AGE: The number of years since the firm was established until year of study, 2014. SIZE: The natural logarithm of market capitalization. NITA: Ratio of net income to total assets. LEV: Ratio of total debt to total assets. CSRD: A dichotomous variable of 1 if the firm chooses to disclose CSR in a sustainability report; 0 otherwise. GOWN: A dummy variable of 1 if the government is one of the top-10 major shareholders; 0 otherwise. BIG: A dummy variable of 1 if auditor is one of the Big 4 audit firms; 0 otherwise

Table 4
Pearson's correlations for continuous variables ($n = 137$)

	CSRQ	AGE	SIZE	NITA	LEV
CSRQ	1				
AGE	−0.0369	1			
SIZE	0.2049**	−0.0274	1		
NITA	0.0072	−0.0042	0.1122*	1	
LEV	0.1275	−0.0149	0.2123**	−0.2887**	1

**, and * denote significance at the 1%, and 5% levels, respectively
CSRQ: The number of CSR disclosure items. AGE: The number of years since the firm was established until year of study, 2014. SIZE: The natural logarithm of market capitalization. NITA: Ratio of net income to total assets. LEV: Ratio of total debt to total assets

Table 5
Logistic regression analysis for report choice

Variable	Hypothesis (expected sign)	Coefficient	z-statistic
GOWN	H1 (+)	1.677[a]	4.02
AGE	H2 (+)	−0.002	−0.23
SIZE	H3 (+)	0.137[a]	2.78
NITA	H4 (+)	2.182	1.28
LEV	H5 (−)	0.962	1.38
BIG		0.421	1.45
RESOURCE		0.008	0.01
TECHNO		−0.449	−0.72
AGRI		−0.293	−0.49
FINANCE		−0.857	−1.37
SERVICE		−0.483	−0.92
INDUSTRIAL		0.271	0.53
PROPERTY		−1.436[a]	−2.36
Constant		−3.197[a]	−4.42
Observations		451	
p value of the model		<0.0001	
Pseudo R^2		0.1341	

Dependent variable is CSRD, a dichotomous variable of 1 if the firm chooses to disclose CSR in a sustainability report; 0 otherwise. GOWN: A dummy variable of 1 if the government is one of the top-10 major shareholders; 0 otherwise. LEV: Ratio of total debt to total assets. NITA: Ratio of net income to total assets. AGE: The number of years since the firm was established until year of study, 2014. SIZE: The natural logarithm of market capitalization. BIG: A dummy variable of 1 if auditor is one of the Big 4 audit firms; 0 otherwise. An array of industry dummies includes RESOURCE, TECHNO, AGRI, FINANCE, SERVICE, INDUSTRIAL, PROPERTY, with the consumer products industries being arbitrarily omitted to avoid perfect multicollinearity

[a] Denotes significance at the 1% level (two-tailed test)

Table 6
Linear regression analysis for determinants of CSR disclosure

Variable	Hypothesis (expected sign)	Coefficient	t-statistic
GOWN	H1 (+)	4.221[a]	2.07
AGE	H2 (+)	−0.019	−0.33
SIZE	H3 (+)	0.397	1.24
NITA	H4 (+)	−0.728	−0.09
LEV	H5 (−)	3.502	1.02
BIG		3.261[a]	2.52
RESOURCE		4.203[a]	2.26
INDUSTRIAL		4.480[a]	2.95
Constant		1.925	0.51
Observations		137	
p value of the model		0.0011	
Adjusted R^2		0.1288	

Dependent variable is CSRQ, the number of CSR disclosure items. GOWN: A dummy variable of 1 if the government is one of the top-10 major shareholders; 0 otherwise. LEV: Ratio of total debt to total assets. NITA: Ratio of net income to total assets. AGE: The number of years since the firm was established until year of study, 2014. SIZE: The natural logarithm of market capitalization. BIG: A dummy variable of 1 if auditor is one of the Big 4 audit firms; 0 otherwise. RESOURCE: A dummy variable of 1 if the firm is in resource industry; 0 otherwise. INDUSTRIAL: A dummy variable of 1 if the firm is in resource industry; 0 otherwise

[a] Denotes significance at the 5% level (two-tailed test)

variables, while Panel B describes those of dummy variables. In Panel A, the CSR disclosure (CSRQ) was approximately 12 items on average. The maximum CSR disclosure items was 39, while one firm disclosed only one item. The average age was 32.7 years (AGE). Firm size (SIZE) was transformed into the natural logarithm for market capitalization. The highest market capitalization in the sample was 26.7 (THB 377,184 million), while the smallest was 4.984 (THB 146 million). The average firm size was 8.7 or THB 5,741 million. Profitability (NITA) was about 5 percent of the total assets on average, while the average leverage ratio (LEV) was 0.45. In Panel B, 19.5 percent of the 451 firms made a sustainability report (CSRD). Seven percent of the sample had the government as one of its top-10 shareholders (GOWN) and 60 percent of the samples employed one of the Big 4 audit firms (BIG).

Table 4 shows Pearson's correlations for the continuous variables. The number of CSR disclosures (CSRQ) positively correlates with firm size (SIZE). Profitability (NITA) positively correlates with firm size (SIZE), but negatively correlates with leverage ratio (LEV). These correlations are in the directions of the hypotheses.

Table 5 shows the logistic regression analysis for report choices and indicates that there is evidence to support two alternative hypotheses (H1 and H3). CSR sustainability report choice is positively associated with government ownership (GOWN) and firm size (SIZE). Therefore, the probability that a firm chooses to report CSR activities in a sustainability report increases when the firm has the government in the top-10 major shareholders or when the firm is getting large. The coefficient of the PROPERTY control variable was significant and negative, which is consistent with the narrative result in Table 1 which shows that the smallest proportion of firms providing sustainability report appears in the property industry category. Nevertheless, there is no evidence to support the hypotheses on firm age (H2) and economic performance (H4 and H5).

Table 6 shows the regression results when the dependent variable is CSR disclosure items. Of the five hypotheses, only the first hypothesis regarding government ownership was statistically proven correct. Although firm size was correlated with CSR disclosure in Table 4 and was a significant determinant of the sustainability choice in Table 5, it was not statistically significant in the multiple regression analysis in Table 6. Nonetheless, the positive sign is in accordance with prior studies (Rahman et al., 2011; Reverte, 2009; Thanasanborrisude & Phadoongsitthi, 2015). The coefficients of control variables were statistically significant. An additional t-test was done on firms' auditors (BIG) and revealed that firms with Big 4 auditors had an average CSR score of 13.4 items, while firms with non-Big 4 auditors had 9.8 items. The difference between the two averages was statistically significant (t-statistic 2.77, $p < .01$). Therefore, a Big 4 auditor is an important determinant of the CSR disclosure items in the sample. In addition, the average CSR scores of firms in resources, industrial products, and technology were 14.4, 12.25 and 9.58, respectively. A one-way ANOVA test showed that the three average numbers were statistically different ($F(2,134) = 3.44$, $p = .035$). Accordingly, firms in resources and in industrial products industries disclose more on CSR activities. Neither profitability (NITA) nor leverage (LEV) was associated with CSR disclosure, in line with Reverte (2009) and Chiu and Wang (2015). Like Rahman et al. (2011), firm age was not statistically associated with CSR disclosure.

Overall, based on the evidence from prior studies (Chiu & Wang, 2015; Reverte, 2009; Thanasanborrisude & Phadoongsitthi, 2015) and the current study, shareholder power and corporate visibility are significant determinants of CSR disclosure, while economic performance is not. Therefore, it can be concluded that the stakeholder theory (stakeholder-oriented) is more relevant than the positive accounting theory (economic-oriented) in the context of CSR. Firms engage in social responsibility because they want to be accountable to their stakeholders and society.

Conclusions

The empirical evidence from this research fulfills the understanding on CSR in developing countries. This study supports the proposal by Pintea (2015) that philanthropy is apparently chosen by firms in developing counties. In addition, the stakeholder theory is supported by the current Thai sample. In Thailand, large firms or firms with government ownership or both are more likely to provide a stand-alone sustainability report. In addition, firms with government ownership disclose more on CSR activities. Economic performance is not a significant determinant of CSR disclosure. Perhaps firms are forced by shareholders and communities to conduct and disclose CSR activities, no matter what their financial status.

Nevertheless, this research has some limitations. Firstly, the research results on CSR disclosure items were based on the data from firms in three industries. Therefore, generalization of the results may be misleading. Secondly, since the research intended to compare the data among firms at the same time, a document-based source of data was preferred. There are some other media that firms use to disclose their CSR performance, such as company websites and advertisements and analysis of these is left for future research.

Conflicts of Interest

There is no conflict of interest.

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