Drivers of Corporate Social Responsibility Leading to Sustainable Development

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ABSTRACT

Organizational dedication to corporate social responsibility (CSR) is set off by a number of driving forces, such as enhancing corporate financial performance, concern for the environment, regulatory compliance, and social equity. This article aims to ascertain the uptake of CSR among firms in the Philippines and Thailand leading to the attainment of sustainable development. The results revealed that CSR is carried out by the companies primarily to enhance their competitive advantage and legal compliance, which are deemed essential to the firms' existence. This study seeks to contribute to understanding how companies undertake their operations based on socially responsible practices so that the theoretical conceptualizations of sustainability can be developed. By determining what prods companies to pursue CSR, it will shed light on the mechanism that promotes the existence of sustainable organizations, linking it with CSR and the companies' objectives and strategies.

Keywords: Corporate Social Responsibility, Sustainable Development, Drivers of CSR, Economic Performance Regulatory Provisions

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1. INTRODUCTION

Business is widely viewed as one of the most powerful institutions in society. Within this context, it is inevitable that business organization becomes the subject of considerable scrutiny as to its role in addressing the economic, social, legal, and environmental concerns of the community. The seamless link between business and society hinges on the doctrine of corporate social responsibility (CSR).

CSR is considered by many as an integral part of an organization's existence that defines its roles and adherence to the various standards set by society (Lindgreen and Swaen, 2004; Luo and Bhattacharya, 2006). It is viewed as the commitment that firms make to achieve sustainable development, compelling them to balance and improve environmental and social impacts without compromising economic performance. From this perspective, organizations provide the drivers that can lead to a better world (Friedman and Miles, 2002) while at the same time experiencing pressures to manifest accountable corporate practices (Pinkston and Carroll, 1994). Companies at present are not only obliged to deliver profits to their shareholders, they are also constrained to demonstrate a balanced business outlook by integrating social and environmental concerns into their operating mandate which are above and beyond the normal call for accomplishing the economic and legal accountabilities.

The philosophy of corporate social responsibility has moved from ideology to reality, and it represents an important dimension of contemporary business practices. Despite the acceptance of a context specific relevance of CSR (Matten and Moon, 2008), its design and implementation processes remain largely unexplored. Companies across countries exhibit a variety of CSR principles, policies and practices (Baughn *et al.*, 2007; Kusku and Zarkada-Fraser, 2004) with different levels of intensity (Welford, 2005; Maignan and Ralston, 2002). These

pose questions as to what are the similarities or differences in CSR procedures across political boundaries, why CSR strategies change over time and what brought about these changes.

On the bases of the said factors, this study intends to provide a better perspective on the institutional environment and diverse determinants that are driving CSR practices among various corporate entities in the Philippines and Thailand in order to design a clear policy strategy and enforcement mechanisms in the areas of economic performance, environmental concerns, and social issues to enhance the sustainability of the firms' existence. In the findings section, attention is given to similarities and differences in the CSR practices among the various firms in the two countries. This article draws on the pyramid model of CSR by Carroll (1991) to determine the extent to which the various drivers influence the CSR orientation of the firms. The discussion segment presents the institutional determinants that affect the uptake and practice of social responsibility activities among the respondent companies. Such study is crucial in analyzing the role and capacity of CSR to address sustainable development in both countries and to assist the top management of the different organizations to develop an integrative framework to ensure the success of their CSR programs. Moreover, the paper seeks to clarify on the contributions made by the different companies toward society by mapping out the theoretical and practical perspectives on responsible activities to determine the efficacy of command and control regulations, market measures, and voluntary practices.

2. THEORETICAL BACKGROUND

2.1 Concepts of Corporate Social Responsibility and Sustainable Development

This study hinges on the theory espoused by Swanson (2008) who said that "Corporate Social Responsibility accentuates the moral obligations that business has to society." These responsibilities are implied by the terms of the social contract, which legitimizes business as an institution with the expectation that it serves the greater good by generating commerce while adhering to society's laws and ethical norms. In short, CSR is an operating mantra where corporations strive to meet stakeholders' interests in order to effectively contribute to the firms' success in the long run.

CSR represents the continuing commitment of business to contribute to sustainable development, working with employees, their families, the local community and society at large to improve their quality of work life (Lawrence et al., 2005; Margolis and Walsh, 2001; Williams, 2002). This indicates that a corporation should be held accountable for any of its actions that affect people, their communities and the environment. It implies that harm to people and society should be acknowledged and

corrected if at all possible. In short, it is important that organizations develop, update programs and policies in an attempt to measure their social and environmental performance, while engaging in consultation with their various stakeholders.

The advent of globalization has seen the renewed interest for companies particularly the multinational corporations to play a positive role, thereby contributing to sustainable development. These businesses undertake a vast array of CSR activities that benefit the environment, their workforce and the wider community. Over the past few years, many of the companies have been primarily engaged in initiatives which seek to balance the benefits to be gained against the costs of achieving those benefits. It is an accepted fact that both business and society gain when firms actively strive to be socially responsible. Being socially responsible does not mean that a company must abandon its other missions. Organizations are not only expected to provide profits to shareholders but are often subjected to broader stakeholder interests and the need to demonstrate a balanced business perspective (Maon et al., 2009; Pearce and Doh, 2012).

The challenge for management then is to balance its various responsibilities into a comprehensive corporate strategy while not losing sight of its obligations (Whetten et al., 2002). What is needed is that companies must develop their corporate values leading to the creation of an organizational philosophy that is open to change and can sustain a CSR strategy over the long run. Integrating CSR and sustainable development posits a challenge to how global businesses conduct their operations which transcend beyond mere compliance (Rodriguez et al., 2006), advancing a social cause of sacrificing profits in a matter of social interest (Reinhardt et al., 2008). This operating mantra stimulates companies to actively align CSR strategies to core sustainable activities thereby enabling them to earn the license to operate in various cultural and conventional settings.

Sustainable development encompasses balanced growth and efficacy in society. Balance does not imply compromise, but it calls for adaptation to change which necessitates becoming good steward of the resources ensuring that they can be consumed and preserved not only for the present but for all the forthcoming generations (Brauer, 2011). The concept of sustainable development increasingly impacts the nature of the firms' operations. Whereas sound economic performance in the past was expected to guarantee corporate success by companies and its shareholders, at present, more businesses are guided in their operations by the so called 'triple bottom line' of economic prosperity, environmental integrity, and social equity as the three essential pillars of a company's sustainable existence.

The sustainability framework illustrates that the organization's pursuits can produce present and future values anchored on its internal operations and external broader market base. This brings light to the notion that socially sustainable companies add value to the commu-

nities within which they operate by enhancing the human capital of various partners as well as promoting the societal capital of these communities (Dyllick and Hockerts, 2002). The corporate entities manage their social capital in a manner that its various stakeholders can understand the reasons for its existence and can align their activities with the company's value systems.

The concept of sustainable development provides the basis for a company to adopt and pursue CSR. This premise hinges on the belief that if an organization aspires to achieve long-term success, it has to configure its operations and strategies within the framework of economic, ecological, and social views—otherwise known as the three pillars of sustainable development. As the firm operates within a complex system of interdependencies in its external and internal environment, the CSR drivers serve as the mechanism through which an organization can realize its goals to maximize shareholders' returns, achieve social equity, protect the environment, and mitigate the occurrence of ecological footprints. Within this context, CSR drivers are used as a social strand for a company to realize its sustainable development goals

This study is adapted from Manner's (2010) identification of CSR initiatives pursued by different firms anchored on Carroll's (1991) pyramid of CSR. From Carroll's perspective (1999), CSR involves managing a firm in a way that it can be 'economically profitable, law abiding, ethical and socially appropriate.' This is founded on the triple bottom line philosophy of sustainable development or commonly known as triple P—people, planet, and profit. It calls for companies to focus on the social, environmental and economic dimensions of business activities in order to help shape the (sustainable) future of societies worldwide (Henriques and Richardson, 2004; Kolk, 2010).

2.2 Carroll's Drivers of Corporate Social Responsibility

2.2.1 Economic responsibilities

The business's economic responsibilities are to produce goods and services that society wants and to sell them at fair prices—prices that society thinks represent the true value of the goods and services delivered. Furthermore, such practices provide businesses with profits adequate to ensure their survival and growth to reward their investors (Carroll, 1991). The popular view among many people is that socially responsible firms are more financially profitable. To those who advocate the concept of social performance, it is evident that it is a driver of financial performance and shapes the corporation's reputation. This notion views the corporation's social responsibility to its shareholders (Lawrence et al., 2005).

Being socially responsible by meeting the public's changing demands requires effective leadership at the top of the corporation. Companies which have the ability to recognize profound social changes and anticipate

how these will affect operations have proven to be survivors (Lawrence et al., 2005). They get along better with government regulators, are more open to the needs of the company's stakeholders and often cooperate with legislators as new laws are developed to cope with varying social problems. Companies that are guided with enlightened self-interest often see the link between social and economic values in terms of the long-term operations of the firm. This strategy is designed not only to fulfill economic and financial self-interests of the firm but also to serve the needs of its different stakeholders. Economic responsibility means how a business respects and ethically promotes the welfare of its shareholders and society in general.

2.2.2 Legal responsibilities

Just as society has imposed sanctions on the economic system by permitting business to assume the productive role as a partial fulfillment of the social contract, it has also laid down the ground rules—the laws—under which business is expected to operate. As a member of society, a firm must abide by the laws and regulations governing the society. Legal responsibilities reflect the society's views of 'codified ethics' in the sense that they embody basic notions of fair practices as established by lawmakers (Carroll, 1991).

Laws and regulations are enacted to ensure socially responsible conduct by businesses. These help create a level playing field for businesses that compete against one another. The state establishes policies which act as a coercive mechanism for CSR uptake while industries establish soft conventions to which their members voluntarily comply (Campbell, 2007; Marquis et al., 2007). It is within this context that different regulatory systems are enacted, leading to the creation of various forms of CSR practices which normally require the active vigilance of all societal components to ensure the effectiveness of the regulatory institutions (Moon and Vogel, 2008). This is attributed to the fact that although laws are deemed important to regulate the business operations, they do not embrace an all encompassing context whereby each component of the business activity is adequately covered by rules and sanctions. In most cases, legislation and other regulatory policies serve as the key driver for firms to pursue CSR initiatives.

2.2.3 Ethical responsibilities

Since laws are important but not sufficient, ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are codified into laws. Ethical responsibilities embody the full scope of norms, standards, and expectations that reflect what consumers, employees, shareholders, and the community regard as fair, just and in keeping with the respect for or protection of stakeholders' moral rights (Carroll, 1991). Changes in ethics or values precede the establishment of laws because they become the driving forces behind the initial crea-

tion of laws and regulations.

Normative elements are the values and the social norms that define the 'rules of the game' what is right to do around here (Marquis *et al*., 2007). The framework sets the standards for and encourages conformity to, that which is deemed to be acceptable corporate behavior (Campbell, 2006). Normative values and ethical practices set by a variety of social factors compel corporations to become socialized into role expectations (e.g., acting as good corporate citizens) which they must conform in order to remain socially relevant (Brammer and Millington, 2004). These values are set by various social sectors, such as the media, non-government organizations, professional associations to mention a few which are geared towards legitimizing organizational practices.

2.2.4 Philanthropic responsibilities

Voluntary, discretionary or philanthropic responsibilities of companies are viewed as such because they reflect current expectations of business by the public. These behaviors are voluntary, guided only by the business's desire to engage in social activities that are not mandated or required by law and are not expected of business in an ethical sense. Nevertheless, the public has an expectation that business will engage in philanthropy, and thus this category has become a part of the social contract between business and society (Carroll, 1991). Social responsibility within this context is justified in terms of the moral duty of the firm toward helping the less advantaged members of society through organized charity and stewardship (Marquis *et al*., 2007).

Corporate values play critical roles as prerequisites for proactive CSR. In order to improve organizational fit, a CSR program must align with the values, norms and mission of the organization (Maignan *et al*., 2005) which demands awareness and understanding of the firm's vision and customs as well as the relationships to the organization's core business practices. In turn, it becomes relevant to recognize the organizational values and norms that are likely to have implications for CSR. Since they guide behaviors and decisions within the organization, corporate values support organizational efficiency in the organization's efforts to reach its goals and objectives. By enunciating corporate values and embedding them in management practices, organizations may hope to "reinforce behaviors that benefit the company and communities inside and outside the firm, which in turn strengthen the institution's values" (Van Lee *et al*., 2005).

2.2.5 Environmental responsibilities

Another driver of social responsibility involved in this study is the management of the environment. Growing public interest in protecting the environment has prompted political and corporate leaders to become increasingly responsive to environmental issues. Political systems in various nations have moved toward greater resilience on market-based mechanisms rather than command and control regulations to achieve environmental

goals. Parallel to this, business organizations have become more proactive and pioneered new/innovative approaches to manage the environment more effectively, thereby leading to a competitive advantage. In short, many companies at present develop new technologies and formulate practices that are not only intended to realize their environmental goals but, most importantly to support sustainability (Hahn, 2011; Lawrence *et al*., 2005; Waddock *et al*., 2002).

The overriding principle of corporate social responsibility is based on the imperative for a corporation to take into account not only the financial or economic dimensions of its decisions and actions, but also the social and environmental consequences. Environmental responsibility is the theoretical foundation of the notion that commercial enterprises are holistically responsible for the interests of society including not only the customers, employees, and shareholders, but also the communities and environment in which they operate (De-George, 1986; Sharma, 2000).

In a nutshell, a firm can focus its particular CSR activities to best effect by identifying the areas of social context with the greatest strategic value rather than merely acting on well-intentioned impulses or reacting to outside pressure. By setting an affirmative CSR agenda, companies can produce maximum social benefits as well as gains for the business and its various stakeholders leading to sustainable development.

3. OBJECTIVES OF THE STUDY

This study seeks to investigate how CSR is understood and implemented among various companies in the Philippines and Thailand. Specifically, the overarching aim of the research is to look into the key areas that shape the development of CSR among the firms by analyzing the drivers that motivated the companies to engage in various CSR projects leading to sustainable development, what difficulties/barriers that they encountered and the possible intervention schemes that can be employed to strengthen the concretization of the CSR objectives among the participating organizations.

4. METHODOLOGY

4.1 Survey Development

Survey development and design was conducted in accordance with Dillman's Tailored Design Method (2006). The researcher first developed a draft questionnaire based on an in-depth literature survey rooted on Carroll's pyramid of CSR. Grounding the theoretical model in the literature of CSR permitted the author to adapt existing scales to measure the constructs by means of a four-point Likert scale to measure the degree of

importance placed by the various firms in terms of the five drivers of CSR involved in this study. A list of 34 statements was provided on a scale ranging from 'very important' (4) to 'not important' (1). The second set of questions was a listing of difficulties/obstacles that the companies experienced in the course of implementing their CSR projects/programs. A total of 16 statements were given for the respondents to rank such problems in accordance with its occurrence and extent of severity by means of a four-point Likert scale ranging from 'strongly agree' (4) to 'strongly disagree' (1). A complete list of the questions used in the survey is provided in Appendix 1.

In validating the measurement instruments, the researcher conducted a focus group discussion with seven directors in charge of corporate social responsibility implementation from a variety of manufacturing companies in the Philippines. The objective was to obtain qualitative feedback on the research instrument. The directors were asked to evaluate the content, relevance and clarity of the survey questions. Based on the responses of the pilot survey, preliminary analyses demonstrated reliability and unidimensionality of the scales and thus the appropriateness of full sample survey administration. Afterwards, the survey questions were also evaluated by a panel of experts in CSR to measure their validity prior to the actual implementation of the questionnaires to the identified respondents.

4.2 Reliability and Validity of Measures

The content validity of a construct addresses the degree to which its operationalization covers the domain that it is purported to measure. To foster a common understanding in the determination of the level of importance of each driver of CSR, the scales used were gleaned from the literature review for which reliability and validity have been previously established (Flynn *et al.*, 1990). Scales for this study have been derived from existing scales, modified to capture the respondents' perspectives. Internal reliability of the scale was determined using Cronbach's α (Venkatraman and Grant, 1986). The Cronbach's α coefficient of 0.82 indicated reliability well over the 0.60 threshold recommended by Nunnally and Bernstein (1994).

A confirmatory factory analysis (CFA) was conducted to establish convergent validity, in that measures that are supposed to be theoretically related are demonstrated to be related. The CFA model was analyzed in the RAMONA application available in SYSTAT ver. 12. The model provided a reasonable fit, as determined by recommended fit indices ($\chi^2 = 295.76$; $df = 28$; $\chi^2/df = 1.85$; RMSEA = 0.085; CFI = 0.95) (Shah and Goldstein, 2006). Results of the CFA served to assess item validity.

4.3 Sampling

This study made use of purposive sampling in identifying the respondents of the study. Purposive sampling is the deliberate selection of specific settings, people or events in order to collect pertinent field data that cannot be obtained from other participants (Maxwell, 1996). The firms were identified from published sources (Global Compact and Trade directories), specifically, those in the manufacturing sector and ranked as top 10 in each country. The survey was structured on the basis of the variables related to CSR in the Philippines and Thailand for our current theoretical framework. Only two countries were involved in this study due to financial constraints confronting the researcher. Email invitations were sent to the identified companies and out of the twenty organizations singled out, only seven (three from the Philippines and four from Thailand) acceded to the invitation to take part in the study. The emails contained an introductory letter and a confidentiality statement.

4.4 Data Collection

The researcher requested for an appointment with the personnel in charge of the implementation of the CSR programs of the companies which agreed to take part in the undertaking. Once approval was granted, the researcher personally administered the survey instruments through on site interviews to these individuals. In order to learn more about the drivers that prodded the companies to pursue CSR activities, in depth interviews were conducted to serve as the secondary source of information for this study. The in-depth interviews are deemed a powerful and revealing method for gaining a deeper understanding of a participant's experience with a phenomenon (McCracken, 1988).

The personnel assigned to oversee the CSR programs of the participating companies were given the freedom to openly discuss topics and take the interviews in any reasonable direction. In order to truly discover their sentiments on the drivers of CSR and the accompanying problems within their company setting, the participants were asked to describe their experiences in order to avoid leading questions. The interviews lasted between 30 minutes to 1 hour and were audio taped. The interview results were then transcribed verbatim. To concede to the request of the companies to maintain confidentiality in the presentation of the data, interview transcriptions were coded so as to avoid any biases or revealing information which might affect the integrity and reputation of the respondent companies. In the data analysis, all companies were coded with letters to ensure the confidentiality of the data gathered. The responses derived from the survey instruments were computed using the simple weighted mean.

5. RESULTS AND ANALYSIS

To determine how the various drivers of CSR were manifested among the participating companies, the researcher analyzed the corporate websites, publications,

Table 1. Summarized data on the drivers of corporate
social responsibility (n = 29)

Diver	Factor mean	Interpretation
1 Economic Responsibility	3.82	Very important
2 Ethical Responsibility	3.03	Important
3 Legal Responsibility	3.37	Very important
4 Philanthropic Responsibility	3.07	Important
5 Environmental Responsibility	3.11	Important
General mean	3.28	Very important

Interpretation ranges are 'very important' (3.26–4.00), 'important' (2.51–3.25), 'less important' (1.76–2.50), and 'not important' (1.00–1.75).

Table 2. Barriers in implementing corporate social
responsibility (n = 29)

Barrier	Factor mean	Interpretation
1 No clear sustainability vision and goals	3.11	Agree
2 People are too busy to take part in the CSR projects	3.00	Agree
3 Lack of capability/knowledge among the implementers	2.90	Agree
4 Lack of market incentives for CSR programs	2.86	Agree
5 Lack of government support	2.86	Agree

CSR: Corporate Social Responsibility.
Interpretation ranges are 'strongly agree' (3.26–4.00), 'agree' (2.51–3.25), 'disagree' (1.76–2.50), and 'strongly disagree' (1.00–1.75).

interview results as well as the survey responses to decipher the degree of importance that the firms placed on the different drivers anchored on Carroll's pyramid model of CSR (1991) and the barriers that the companies encountered in the course of pursuing their CSR programs. The findings are summarized in Tables 1 and 2 and are analyzed in the succeeding sections.

5.1 Drivers of Economic Responsibility

A business entity is deemed as an economic institution. As such, its orientation is to produce goods and services that society wants and sell them at fair prices—prices that society thinks represent the true value of the goods and that provide business with profits adequate to ensure its growth and survival (Carroll, 1991).

The results revealed that economic responsibility was considered to be a very important driver of the participating companies' CSR programs as revealed by the factor mean of 3.82. It can be gleaned from the findings as well as the interview results that all the participants agreed that their companies were performance driven (Interview results, October 2013). Basically, the CSR programs of the companies were designed to improve

the firms' financial performance and competitive posture. According to the key informants of the study, when their companies pursue socially responsible activities, attaining financial success was not a difficult feat to attain. The respondents indicated that their organization was able to embark on higher levels of social performance since they have the means to pursue these activities compared to those firms which are not doing well in terms of financial endeavors (Interview results from companies B, D, and E, October 2013).

Increased revenue was deemed as a very important economic driver of CSR by all the participants. The profit maximizing objective served as an important stimulus for the investors to pour in their funds to the company which enhanced the value of the organization among its existing and potential shareholders. This provided an advantage to the firms in terms of social performance which is best explained by positive synergies through available funding (Preston and O'Bannon, 1997).

Moreover, the key informants averred that CSR creates competitive advantage for their companies which inadvertently help them achieve sustainable above-average performance compared with industry peers who are not into CSR programs. According to the respondents, embarking on CSR related programs have spurred their companies' growth in terms of building brands, attracted qualified workers and strengthen its relationships with the various stakeholders that it sought to serve (Interview results from companies B, C, and G, October 2013).

Data analysis clearly shows that the respondent's decision-making frames are significantly influenced by the economic responsibilities. These economic-based sentiments are expressed in a variety of remarks, such as "the basic premise in which our operations is anchored upon is to gain competitive advantage through enhanced productivity and maintaining cost effective supply chains" (Interview results from 4 personnel in charge with CSR from two Thai companies and one Filipino firm).

5.2 Drivers of Ethical Responsibility

Ethical responsibility is said to begin where the law ends. It is seen as an analytical tool that compels managers and others to understand, conceptualize and legitimize the moral status of corporate policies, strategies and programs (Visser *et al.*, 2010). These are the values that drive business decisions.

The results showed that all the firms through their official representatives considered the various drivers of ethical responsibility as important in evaluating business activities as can be gleaned from the factor mean of 3.03. According to the representatives from the companies based in the Philippines "the ethical values define the rules of engagement in the conduct of their business operations—what is the right thing to be done." These standards set the framework for the companies to pursue acceptable corporate behavior to remain socially relevant (Interview results, October 2013). The drivers of

ethical responsibility that motivated the firms to pursue CSR ranged from the promotion of diversity in the workplace, assertion of ethical leadership and employee behavior as well as commitment to transparency and equality.

Observance of ethical and moral values in all aspects of the business operations was regarded as a very important driver of ethical responsibility as reflected in the results of the survey. This implies that the company respondents uphold an integrity management system requiring all personnel from all levels of the hierarchy to act in accordance with the values of the organization, such as honesty, openness, accountability, and trustworthiness (Interview results, October 2013).

Against the backdrop of increasingly complex demands on companies to account for their power and influence, ethical responsibility helps business executives to frame and justify their CSR actions (Interview results, October 2013). This can help the managers to improve making ethical decisions with the appropriate knowledge and mechanisms that will permit them to properly identify, diagnose, analyze and provide solutions to the ethical issues and dilemmas they are confronted within the context of CSR (Crane, 1991).

5.3 Drivers of Legal Responsibility

Legal responsibilities refer to organizational behavior which respects the letter and the spirit of the laws under whose jurisdiction the organization falls. The rise of the regulatory system is intended to protect the environment and public from environmental hazards or industrial wastes (Tan *et al*., 2014). Engagement in the drivers of legal responsibilities was considered very important by all the firms as can be gleaned from the factor mean of 3.37.

The respondents pointed out that regulation has a significant impact on their operations. This was attributed to the desire of the companies to maintain business continuity rather than to be seen as socially good. Though there was no clear indication that legislation was the main catalyst in shaping their companies' behavior, still it is very obvious that for the respondents, compliance with laws is taken seriously and is always a part of each firm's business environment. This is an intrinsic part of CSR. Regulatory frameworks set by the government, though not generally prescribing CSR as mandatory are designed to manage a wider economic and political process towards more responsible business practices. However, the presence of inefficient legal systems and vague regulatory agenda that allow for differing interpretations and compliance require the companies to be more vigilant in the conduct of their operations (Interview results from the representatives of Companies A, D, and F, October 2013).

Though CSR is anchored on the principle of volunteerism, legal compliance is deemed as a voluntary activity pursued by most firms to avoid sanctions and penalties from the regulatory body. Within this context, the respondents opined that CSR and regulations are in a complementary relationship (Interview results, October 2013). According to Matten and Moon (2008), CSR and regulation can be considered as two different ways of attaining the same goal that business assumes and lives up to its societal expectations. Drivers of ethical responsibility for the seven respondent companies range from fulfillment of all contractual obligations, adoption of equal employment opportunity for all workers, adherence to the notion of corporate governance as well as honoring warranties/guarantees. All these drivers of legal responsibility were deemed generally important by the representatives of the different companies (Interview results from representatives of companies D and G, October 2013).

5.4 Drivers of Philanthropic Responsibility

Philanthropy is an altruistic action intended to further the good of society. In the CSR milieu, philanthropy falls into the social sphere, but outside of a firm's core operations. In Carroll's model (1991), philanthropy is a phase of the CSR mandate which has the other operational aspects of CSR as a prerequisite.

From the perspectives of the representatives of the seven companies, they all stated that adhering to the drivers of philanthropic responsibility was important as indicated by the factor mean of 3.07. According to the respondents from Companies C and D, "their companies strongly believe in giving something back to the community to which they owe their existence." The representatives from companies A and G reiterated that from their organizations' end, "they consider it their commitment to support and assume an active role in the development of the community where they do business. Investing in community development is geared at mobilizing not only money, but also the company's people, products and services to help support and strengthen local communities and non-profit partners" (Interview results, October 2013).

Drivers of philanthropic responsibilities which prompted the respondent firms to pursue socially responsible activities ranged from making donations to charity and non government organizations, providing support services for community development, offering scholarship programs to poor but deserving students and engaging in other community outreach projects aimed at improving the quality of life of the people in the place where the business was located (Interview results, October 2013). It can be gleaned from the findings that the drivers of philanthropic responsibility can connect a company with the communities in which it operates and helps create a culture that will lead to the improvement of the various sectors of the community where the company is situated. For the respondents, pursuing philanthropic projects

within the framework of CSR are considered to be fundamentally good for their business rather than an added expense (Interview results from the representatives of companies C, F, and G, October 2013).

5.5 Drivers of Environmental Responsibility

In the CSR context, the environment is seen in terms of both responsibility and opportunity. It is a fundamental constituent of sustainable development and social responsibility. Environmental responsibility serves as a yardstick to measure whether companies voluntarily pursue activities to preserve, protect and conserve the environment beyond compliance activities (Crane and Matten, 2010). One common strategy in which a company can enhance its environmental responsibility is through strengthening green innovation. This method is viewed to have a positive influence on environmental operational performance (Chen, 2014).

For the respondent companies, pursuing environmental responsibility was deemed to be important in terms of attaining sustainability in their operations as revealed by the factor mean of 3.11. According to the respondents from companies B and E, their organizations do not view their business activities from the economic and commercial aspects only, since its multifaceted impacts require them to be environmentally responsible in terms of policy, operations, and delivery levels. For the representatives from companies C, G, and H, the performance of their economic activities were aligned with the essential ecological processes and life support systems because of the inherent paradox that the activity itself can lead to the destruction of the natural resources primarily used in the production of the goods or services (Interview results, October 2013). It can be surmised from the interview results that the respondent companies, though they agree that their activities generate benefits to the society/community, irresponsible processes combined with unwise utilization of resources and inadequate management systems lead to many negative environmental impacts.

Drivers of environmental responsibility management for the seven respondent companies consist of operations that cover waste management program, effective energy utilization, recycling, re-use and efficient consumption of non-renewable resources, adhering to the green business concept, and reduction of natural resource exploitation (Interview results, October 2013). To create legitimacy for their environmental activities, the respondents averred that their organizations formulated and adopted environmental policies aimed to delineate a set of principles to guide management and serves as a framework for continuous improvement. This acts as the baseline for which environmental goals, targets, and operating systems are derived indicating a signal for environmental commitment (Interview results from the representatives of companies A, B and C, October 2013).

5.6 Barriers to Corporate Social Responsibility

This study also seeks to identify the obstacles that confronted the companies in the course of pursuing their corporate social responsibility programs. Common barriers that hindered the companies from realizing their CSR goals are itemized and the respondents were asked to indicate whether they agreed that such statements were actual stumbling blocks that posed difficulties in their quest for attaining socially responsible activities. Table 2 shows the five significant obstacles that the firms encountered in implementing their CSR programs.

The respondents agreed that the absence of clear sustainability vision and goals as reflected by the factor mean of 3.11 was the most significant obstacle they encountered in the implementation of their CSR agenda. This was followed by the employees' busy schedule which prevented them from taking part in the CSR project implementation of respective organizations ($\mu = 3.00$). Lack of capability/knowledge among project implementers ($\mu = 2.90$) was likewise considered to be a significant weakness which deterred the firms from attaining their CSR mandate. Due to this deficiency, more often than not, the implementation of the projects lacks direction and focus. Insufficient market incentives for CSR programs and government support ($\mu = 2.86$) was another challenge for the companies.

Most of the time, the firms opted to perform their CSR activities without involving the public sector since they knew they cannot get any form of support from the government. By pursuing their projects voluntarily, the companies were assured that their plan of action will not be derailed in any way due to the indifference of the local authority in their quest for helping the communities to become self-sufficient. All these results are reflected in Table 2. It represents the composite result of the rankings made by all the respondents who participated in the study.

A major concern shared by the respondents was that the CSR thrust of their companies was not complemented with well articulated and clearly delineated processes which will help in ensuring the sustainability of the CSR programs pursued by each entity. In most cases, the top management of the firm respondents adopted a fragmented strategy in the implementation of their CSR goals leading to the failure of many of these programs (Interview results, October 2013). In terms of the actual implementation, according to the representatives from companies B, C, and G, whenever they invited their employees to take part in the projects, the latter opted not to volunteer under the pretext that they had a lot of things to do at home or Sunday is a Sabbath day for them (Interview results, October 2013).

Since CSR is deemed to be a voluntary program, the top management of the companies cannot compel their constituents to participate actively in the said activities. Another barrier confronting the companies was that the people assigned to oversee the CSR projects

were not adequately prepared to assume such responsibility in terms of knowledge and competencies. Hence, the projects were not systematically implemented leading to the occurrence of conflicts with the communities where the business was located (Interview results, October 2013).

Lastly, according to the representatives of companies A, B, D, E, and F, lack of market incentives and government support were two obstacles that their companies encountered in pursuing their CSR programs. Incentives and government support are needed to implement CSR activities effectively, but in many instances, these two factors are not available as priorities of the government may change depending on the pet projects undertaken by the policy makers. Thus, even if the firms wish to implement CSR and sustain its adoption, the indifference of the public sector in providing support to these meaningful undertakings dampen the initiatives of the firms to continue such programs (Interview results, October 2013).

6. CONCLUSION AND CONTRIBUTIONS

The findings of the study revealed that companies in the Philippines and Thailand demonstrate diverse levels of awareness and commitment to CSR as can be gleaned from the degree of importance they place on the various drivers of CSR and the range of CSR processes they adopt leading to sustainable development. Evidently, one implication of this research is that economic responsibility is the overriding criterion that drove companies to pursue CSR. The drivers of economic responsibility were anchored on cost reduction, increased profits, broader market share, performance efficiency, and satisfying stakeholders' needs which are all predicated on Carroll's (1991) pyramid of CSR. The analysis shows that all the respondent firms through their official representatives are driven by 'business performance' motives in their quest to pursue CSR as a means of ensuring the sustainability of their operations.

Another implication of this study is that CSR practices of the companies are also driven by regulations as a manifestation of the legal responsibilities of the organizations. Based on the interview results, the CSR practices of the firms were significantly planned to achieve compliance, motivated by the goal to ensure business continuity rather than to be regarded as socially responsible. Rules and regulations serve as the catalysts in shaping the corporate behavior of the respondent firms. It serves as a mechanism to bridge the gap between the firm's profit-oriented goals and its interests on society.

In this study, the barriers to CSR implementation are also analyzed. Though the results indicated that CSR was deemed to be important by the companies, they were confronted with challenge in attaining their CSR objectives. These intricacies involved the availability of

financial and human capital which were needed to address the responsibility issues of society where the firms are situated. Within this purview, there is a need for the businesses to look at CSR in a more proactive manner in order to truly bring out the ideals of the concept in the mainstream of the companies' activities.

This paper has several contributions to both the academe and industry, particularly in the Southeast Asian region. In terms of research, this paper addresses the call to analyze the driving forces that motivate firms to pursue CSR at the organizational level and configure this to the transformation of companies and societies in a sustainable economy to ensure that all stakeholders will be able to meet their needs not only for the present but, most importantly, for the future generations to come. The findings of this research can help the policy makers, academic leaders and business executives to coordinate their efforts in fostering the spirit of stewardship among societies in attaining economic development and growth.

Secondly, the results of the study reveal that companies should transcend beyond the traditional goals of attaining superior financial performance and complying with regulatory provisions. With the growing importance of the Asia Pacific region, the global market will be considerably shaped by the economic and social transformation among the different countries in the region. This development will provide the impetus for the organizations with global reach to embed CSR philosophy in their operating mandate to ensure that they can sustain their operations amidst the presence of varied cultural values and societal norms.

Thirdly, this article bridges the gap on the limited extant literature in exploring the relationship between CSR and sustainable development. The data from this study will add value to the efforts of academicians (researchers), business managers and policy makers to come up with a viable and comprehensive framework to support the call for balanced growth and development within and across borders.

Lastly, this study serves as a springboard for other researchers to explore prospects for improving social responsibility, sustainability and growth among the different countries other than those in the Asia Pacific region.

This article concludes that the uptake of CSR among the companies in the Philippines and Thailand is largely driven by the need to conform to certain norms dictated by various Stakeholders or mimic 'best practices' for legitimacy reasons. However, this study revealed that, in most cases, the economic goals of profit maximization to satisfy their shareholders' demands is the dominant driver that motivates companies to employ socially responsible activities. Parallel to this goal is the aim to conduct its operations within the realm of the rules of engagement as dictated by the laws of the land. In a nutshell, even though CSR is gaining ground among many enterprises in the Philippines and Thailand, there is a need for these institutions to pursue a paradigm shift to

convey the real value and significance of the CSR philosophy and its implication in building a sustainable economy

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Appendix 1. Research Questionnaires

Personal Information: Your position (Please check the appropriate item)

_____ Manager/Director
_____ Supervisor
_____ Rank and File

DRIVERS OF CORPORATE SOCIAL RESPONSIBILITY SURVEY FORM

This instrument is formulated to determine the factors that motivate a company to engage in corporate social responsibility and how important are these determinants. Each question in the form is followed by a number of responses. Corresponding to each item are four numbers with the following qualitative equivalents.

4–Very Important (VI): means that the factor indicated is always considered in the business operations as part of the company's social responsibility mandate leading to sustainable development.

3–Important (I): means that the factor indicated is often considered in the business operations as part of the company's social responsibility mandate leading to sustainable development.

2–Less Important (LI): means that the factor indicated is seldom considered in the business operations as part of the company's social responsibility mandate leading to sustainable development.

1–Not Important (NI): means that the factor indicated is never considered in the business operations as part of the company's social responsibility mandate leading to sustainable development.

Please encircle the number which best represents your answer to each item.

A. Drivers of Economic Responsibilities:

1.	Increased revenue	4	3	2	1
2.	Enhanced Productivity	4	3	2	1
3.	Greater Customer loyalty	4	3	2	1
4.	Competitive advantage	4	3	2	1
5.	Cost effective supply chains	4	3	2	1
6.	Quality products/service	4	3	2	1
7.	Others, please specify _____	4	3	2	1

B. Drivers of Ethical Responsibilities:

1.	Promotion of diversity in the workplace	4	3	2	1
2.	Integration of the company values and code of conduct	4	3	2	1
3.	Adoption of work-life balance policy	4	3	2	1
4.	Implementation of gender balance throughout the company	4	3	2	1
5.	Commitment to transparency and equality	4	3	2	1
6.	Observance of ethical and moral values in all aspects of the business operations	4	3	2	1
7.	Adherence to safe workplace ethics	4	3	2	1
8.	Others, please specify _____	4	3	2	1

C. Drivers of Legal Responsibilities:

1.	Compliance with regulatory standards/legislation	4	3	2	1
2.	Honor warranties/guarantees	4	3	2	1
3.	Fulfillment of all contractual obligations	4	3	2	1
4.	Observance of equal employment opportunity	4	3	2	1
5.	Adherence to corporate governance principles	4	3	2	1
6.	Workplace practices meet relevant labor laws	4	3	2	1
7.	Others, please specify _____	4	3	2	1

D. Drivers of Philanthropic Responsibilities:

1.	Donations to charity and other organizations	4	3	2	1
2.	Community engagement is linked to business success	4	3	2	1
3.	Engage in volunteerism	4	3	2	1
4.	Be a good corporate citizen	4	3	2	1
5.	Provision of programs supporting community	4	3	2	1
6.	Provision for community development	4	3	2	1
7.	Offers scholarship programs to deserving but poor students	4	3	2	1
8.	Others, please specify _____	4	3	2	1

E. Environmental Responsibilities:

1.	Development of green products/services/policies	4	3	2	1
2.	Maintains waste reduction program	4	3	2	1
3.	Toxic waste management	4	3	2	1
4.	Using sustainable technologies	4	3	2	1
5.	Efficient energy utilization	4	3	2	1
6.	Reuse and recycle materials	4	3	2	1
	Provision of Material recovery facility	4	3	2	1
	Provision of Rainwater catchment facility	4	3	2	1
	Monitoring of effective material utilization	4	3	2	1
	Use only biodegradable/recycled materials	4	3	2	1
7.	Utilization of environmentally friendly packaging	4	3	2	1
8.	Reduction of natural resource consumption	4	3	2	1
9.	Others, please specify _____	4	3	2	1

BARRIERS TO CSR QUESTIONNAIRE

This form is intended to assess what are those factors that impede the companies from attaining their CSR mandate. Each statement in the instrument is followed by a number of statements. Corresponding to each statement are numbers with the following qualitative interpretation.

4–Strongly Agree (SA): means that the factor indicated deters the company from attaining its CSR objectives in all cases.

3–Agree (A): means that the factor indicated deters the company from attaining its CSR objectives in many cases.

2–Disagree (D): means that the factor indicated deters the company from attaining its CSR objectives in a few cases.

1–Strongly Disagree (SD): means that the factor indicated does not deter the company from attaining its CSR objectives.

Please encircle the number that best represents your answer to each statement.

1.	Lack of resources	4	3	2	1
2.	Short term projects override long term strategy	4	3	2	1
3.	Conflicting priorities	4	3	2	1
4.	Lack of capability/knowledge among the implementers	4	3	2	1
5.	Lack of market incentives for CSR programs	4	3	2	1
6.	Lack of government support	4	3	2	1
7.	Unsupportive reward structures for participants	4	3	2	1
8.	No clear sustainability vision and goals	4	3	2	1
9.	Adherence to the culture of 'business as usual'	4	3	2	1
10.	People are too busy to take part in the CSR projects	4	3	2	1
11.	Public exposure of company risk	4	3	2	1
12.	Increased training cost required for implementers	4	3	2	1
13.	Time consuming	4	3	2	1
14.	No measurable targets for monitoring CSR performance	4	3	2	1
15.	Pressures from the community	4	3	2	1
16.	Lack of management support	4	3	2	1
17.	Others, please specify _____	4	3	2	1

Thank you very much for your time and cooperation.