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# Corporate Social Responsibility (CSR) Practices and Firm Performance: Empirical Evidence from Hotel Industry in Thailand

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## Abstract

The main purposes of this study are (1) to investigate the extent and level of corporate social responsibility (CSR) practices of the hotel in Thailand, (2) to test the different level of CSR practices of the hotel between CSR-in-process and CSR-after-process, and (3) to examine the effect of CSR practices on hotel's performance measured by balanced scorecard (BSC). This study employs survey data collected from 402 owners and executives of hotels in Thailand. Descriptive analysis, paired sample *t*-test, correlation matrix, and multiple regression were used to analyze the data from the mailed questionnaire. The results show that both CSR-in-process and CSR-after-process practices of hotels were at a high level. However, the level of CSR-in-process practice of hotels was significantly higher than CSR-after-process practice. Moreover, the study found the positive effect of both CSR-in-process and CSR-after-process practices on hotel performance measured by BSC. The results of sensitivity analysis also show the positive effect of CSR-in-process and CSR-after-process practices on each of all six perspectives of BSC. The findings of this study can point to the reasonable reason why hotels should implement CSR practices into their business strategies. In addition, the study demonstrates that stakeholder theory can explain the effect of CSR practices on corporate performance.

**Keywords:** CSR Practice, Firm Performance, Balance Scorecard, Hotel Industry, Thailand

**JEL Classification Code:** M10, M14, M41, N15

## 1. Introduction

Corporate social responsibility (CSR) has been used as a management tool of corporations for over a half-century (Limroscharoen et al., 2018). Most corporations include CSR practices in their strategic planning, vision and mission setting, and internal control (Thaipat Institute, 2018). It is because the corporations are one of the units in a board of society; thus, their actions and activities are done to serve social expectations as well as stakeholder needs. Moreover, they cannot be survived, if they focus on only their economic perspective by ignoring social and environmental impacts from their actions and activities (Hsu, 2014). Therefore, corporations need to balance economic, social, and environmental perspectives together. All perspectives can make the corporations have sustainable development, which is the leading business goal in today's world (Holcomb et al., 2007). CSR practices are mainly divided into two practices as CSR-in-process and CSR-after-process. On the one hand, CSR-in-process practice is CSR practice included in the corporate processes (Li & Chiu, 2010). The CSR-in-process practice is included human resource management responsibility, well-being, and safety in the workplace, an adaptation of economic, social, and policy changes, corporate resource and internal environmental management, and corporate governance. On the other hand, CSR-after-process practice is a CSR practice that is excluded by the corporate processes such as supplier and shareholder management responsibility, customer responsibility, and social and community responsibility (Lev et al., 2008).

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In order to perform CSR practices, the corporations have to focus on long-term rather than short-term performance as well as emphasizing the maximization of wealth rather than profits (Kantabutra, 2010). Further, performance under CSR practices is based on the notion that all stakeholders' demands are attended. Therefore, the advantage of applying CSR in practice is that it leads enterprises to better financial and non-financial performance. The most common performance measurement tool by which both financial and non-financial performance can be measured is the balanced scorecard (BSC) developed by Kaplan and Norton (1992). BSC aims to evaluate business performance based on both its financial and non-financial aspects, taking into account strategic planning and management (Kaplan & Norton, 1996) and the notion of sustainable development. Moreover, the BSC can provide an excellent platform that is easily enhanced for the firms to focus on all stakeholders rather than some groups of stakeholders (Deegan, 2001). BSC is divided into six perspectives in today's world: financial, customer, internal process, learning, social, and environmental. BSC is thus concerned with the social and environmental impacts of the actions and activities of business enterprises (Garrison et al., 2015).

Although the advantage of CSR practices was an increase in firm performance and most previous related studies found that there was a positive effect of CSR practices on corporate performance (Kang et al., 2010; Nguyen & Tu, 2019; Somset, 2011), those studies had focused only financial performance (Lee, 2020; Pattanachak, 2011; Raksasuk, 2011; Suttipun, 2014) rather than non-financial performance (Suttipun & Sittidate, 2016). This may be because financial performance is easy to calculate and compare and can serve the firm's main stakeholders such as shareholders, investors, and creditors. In addition, financial performance is set as a mandatory practice by governance organizations. However, there are some limitations of financial performance such as lack of future prediction, not serving all stakeholders, and not considering sustainable development. The other reason that can be mentioned as a research problem is that there were mixed results of related literatures on CSR outcomes (Kang et al., 2010; Lee & Park, 2009; Rodriguez & Cruz, 2007; Somset, 2011; Somset et al., 2013). On the one hand, CSR practices can earn more reputations and images and serve more and various groups of stakeholder demands. The results made the corporations having higher performance, value, and sustainability (Rodriguez & Cruz, 2007). On the other hand, CSR practices may cost corporations in terms of higher costs and expenses. It may result in lower performance (Lee & Park, 2009, Kang et al., 2010). Moreover, there were fewer pieces of evidence investigating the effect of CSR practice on corporate performance measured by BSC (Hetthong, 2017; Kang et al., 2015).

There are some important ideas why CSR practices and hotels' management in Thailand need to have belonged together (Pattanachak, 2011; Somset et al., 2013). Firstly, the tourism and hotel industry is one of the main industries in Thailand that provide income distribution and give labor jobs (Somset, 2011). Secondly, however, the Thai tourism and hotel industry has typically sold for natural resources and environment rather than cultural tourism and the way of living tourism (Hetthong, 2017). Therefore, society and the environment will be influenced by the industry rather than the other industries. Third, there are several problems of social and environmental impact coming from tourism and the hotel industry, such as the changes of living way, foreign labor problem, and conflict of interest between local people, tourists, and entrepreneurs (Pattanachak, 2011). Finally, the Thai government aims the tourism and hotel industry as one of the main export product to the world population.

From the research problems above, this study aimed (1) to investigate the extent and level of corporate social responsibility (CSR) practices of hotels in Thailand, (2) to test the different level of CSR practices of the hotel between CSR-in-process and CSR-after-process, and (3) to examine the effect of CSR practices on hotel performance measured by balanced scorecard (BSC). There were three main questions which are (1) What is the extent and level of CSR-in-process and CSR-after-process practices of Thai hotels? (2) Is there a different level of CSR practices of hotels in Thailand between CSR-in-process and CSR-after-process? (3) Which CSR practices can affect Thai hotel performance measured by BSC?

The study can be expected to provide several contributions. In terms of its theoretical contribution, the study can demonstrate that stakeholder theory can explain the advantages of businesses putting CSR into practice to satisfy their stakeholders' demands. The study will also shed light on hotels using CSR practices in an emerging economic nation. In terms of its practical contribution, by demonstrating the positive effect of putting CSR into practice on both financial and non-financial performance as measured by BSC, businesses will be encouraged to pursue the goal of sustainable development.

## 2. Theoretical Perspective

The theoretical perspective most often adopted to explain the motivation for businesses to put CSR into practice is stakeholder theory (Islam & Deegan, 2010; Suttipun, 2015). This is because stakeholder theory is concerned with the ways that businesses manage their stakeholders (Gray et al., 1998; Limroscharoen et al., 2018; Rattanajongkol et al., 2006) by focusing on the relationship of a business's owners and its top management with its diverse stakeholders, and their responsibility towards those stakeholders (Cheng & Fan, 2010). A good relationship can result in a positive reputation, higher firm value, competitive advantage, and better performance. The main

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reason is that all stakeholders have something at risk in a business and have the power to affect that business, its actions, activities, decisions, policies, or even management practices (Collier, 2008). Stakeholders are defined as those who can influence or be influenced by the achievement of business policies, goals, and decisions. Each stakeholder group has a right to receive information from the business in which it is interested, even though stakeholders may not use that information or directly influence the business (Deegan, 2001). Different groups of stakeholders have different degrees of power to compel and influence business actions and activities and different interests in business practices, and a business will tend to satisfy the demands of those stakeholders that are most important to its ongoing survival (Joshi & Gao, 2009). Therefore, this study was conducted under the assumption that CSR is put into practice by Thai hotels in order to satisfy stakeholders and to maintain good relationships with them.

The concept of CSR practices in Thailand is accommodated by corporate stakeholder theory (Rattanajongkol et al., 2006; Limroscharoen et al., 2018) because Thai businesses focus not only on the demands of certain stakeholder groups, such as investors, shareholders, and creditors, but they also need to attend to and satisfy the demands of other stakeholder groups, such as customers, employees, suppliers, competitors, society and communities, and environmental lobbies. Moreover, both CSR-in-process and CSR-after-process practices require different groups of stakeholders who have different and various demands. For example, CSR-in-process practice is used to serve the internal stakeholder demands such as employees and shareholders. In contrast, CSR-after-process practice is used to satisfy external stakeholder demands such as customers, competitors, society and communities, and environmental lobbies. To explain the effect of CSR practices on the performance of hotel in this study, once hotels try to provide the actions and activities serving their stakeholders' demands in various groups such as employee, environment, and society and community, those stakeholders will pay back to the hotel with higher performance in both financial and non-financial performance (Suttipun, 2014).

## 3. Literature Review and Hypothesis Development

There are three sections in this part: corporate social responsibility practices in Thailand, performance measured by the balanced scorecard, and hypothesis development.

### 3.1. Corporate Social Responsibility Practices in Thailand

CSR practices in Thailand are promoted and supported by government and government organizations (Suttipun, 2014).

One important organization run by a government that promotes and encourages CSR practices in Thailand is Thaipat Institute (2012). The main aim of the institute is for corporations to balance their economy, society, and environment, and to reach sustainable development (Thaipat Institute, 2018). Moreover, Thaipat Institute would like to change the corporations from having only CSR-after-process practice into CSR-in-process practice. This is because CSR-after-process is not included as a corporate management tool. It is used for public relations, integrated marketing communication, and tax benefit. Examples of CSR-after-process are included CSR activities and spending, charitable and educational donations, and social and community foundations. On the other hand, CSR-in-process practice is included as a corporate management tool under strategic plans and policies (Limroscharoen et al., 2018). Moreover, CSR-in-process has focused on long-term performance, allowing corporations to reach sustainable development, while CSR-after-process has aimed only at corporate short-term performance and reputation.

Therefore, CSR practices used in this study are divided into two practices: CSR-in-process and CSR-after-process. On the one hand, CSR-in-process practice is CSR practice included in the corporate processes (Li & Chiu, 2010). The CSR-in-process practice is included human resource management responsibility, well-being, and safety in the workplace, an adaptation of economic, social, and policy changes, corporate resource and internal environmental management, and corporate governance. On the other hand, CSR-after-process practice is a CSR practice that is excluded by the corporate processes such as supplier and shareholder management responsibility, customer responsibility, and social and community responsibility (Lev et al., 2008).

### 3.2. Performance Measured by Balanced Scorecard

In the past, business performance was exclusively measured by financial performance because it can be easily expressed in monetary units. The results can be compared with competitors in the same industry. However, there are several limitations of reporting only financial performance, including that: (1) it does not take account of competitive advantage, (2) it does not focus on long-term performance, (3) it cannot be used for business forecasting, and (4) it does not encourage sustainable business development (Suttipun & Sittidate, 2016). Therefore, non-financial performance has become a more common means of measuring corporate performance, but it is hard to express because it does not use monetary units. It is also hard to compare a company's non-financial performance with that of other enterprises because there are many different ways of gauging non-financial performance. Despite the difficulties in comparing

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non-financial performance between companies, an effective method using both financial and non-financial performance is still a must (Truong et al., 2020).

There are a number of performance measurement tools currently used to accommodate non-financial performance reporting, such as triple bottom line performance and BSC. This study used BSC as its performance measurement tool because it is a more commonly used measurement tool in Thailand than triple bottom line performance. BSC was introduced by Kaplan and Norton (1992) as a means of measuring both financial and non-financial performance, which can support enterprises' strategic planning and management. Within BSC, as originally envisaged, there were four perspectives: financial, customer, internal process, and learning (Kaplan & Norton, 1992). However, to accommodate the concept of sustainable development, Garrison et al. (2015) extended the model to incorporate an environmental perspective into BSC. Thus, the present study used the six perspectives of BSC to assess the reporting of corporate performance: financial, customer, internal process, learning, social, and environmental.

## 3.3. Hypothesis Development

Within three objectives from the research gap in this study, there are also three hypotheses that are developed and explained. Different levels of CSR practices between CSR-in-process and CSR-after-process will be the first hypothesis, while the effect of both CSR-in-process and CSR-after-process practices will be stated as the second and third hypotheses.

CSR-in-process has focused on long-term performance, allowing corporations to reach sustainable development, while CSR-after-process has aimed only at corporate short-term performance and reputation (Holcomb et al., 2007). This is because CSR-after-process is not included as a corporate management tool. It is used for public relations, integrated marketing communication, and tax benefit. Examples of CSR-after-process have included CSR activities and spending, charitable and educational donations, and social and community foundations (Limroscharoen et al., 2018). Although CSR-after-process was common CSR practice in the past, it cannot answer corporate sustainable development and long-term performance. Therefore, in today's world, many corporations pay attention to CSR-in-process rather than CSR-after-process because it can sustain them. In addition, CSR-in-process practice can balance their economic, social, and environmental perspectives. From this idea, many scholars tested whether there was a difference in terms of level and disclosure between CSR-in-process and CSR-after-process practices. Most prior related studies found that CSR-in-process practice was more common level than CSR-after-process

practice (Holcomb et al., 2007; Kang et al., 2010; Lee & Park, 2009). However, there is no literature on testing the different levels of CSR practices between CSR-in-process and CSR-after-process of hotels in Thailand. Therefore, the study hypothesizes that:

*H1: There is a different level of CSR practices of hotels in Thailand between CSR-in-process and CSR-after-process.*

The logical reason for the positive effect of CSR practices on hotels' performance measured by BSC is mainly because when the hotels try to provide the actions and activities to serve stakeholders' demands and expectations in various groups by using CSR practices to their employee, environment, and society and community, those stakeholders will pay back the firms with higher performance (Suttipun, 2014). Moreover, the link between CSR practices and performance measured by BSC was mentioned by Kang et al. (2015) as "the BSC can be leveraged to support the CSR view of corporate management." The BSC can also provide an excellent platform easily enhanced for the firms to focus on all stakeholders rather than some groups of stakeholders (Deegan, 2001). However, fewer evidence examined the effect of CSR practices on performance measured by BSC (Hetthong, 2017; Kang et al., 2015). This study divides CSR practices into two processes as CSR-in-process and CSR-after-process.

The CSR-in-process practice is included as a corporate management tool under strategic plans and policies (Limroscharoen et al., 2018). Therefore, there is a strong and appropriate reason that CSR-in-process practice can positively influence corporate performance. Most previous studies found a positive effect of CSR-in-process practice on corporate performance (Hsu, 2014; Lai & Chiu, 2010; Limroscharoen et al., 2018; Rodriguez & Cruz, 2007). This is because corporate performance under CSR-in-process practice is based on the notion that all stakeholders' demands are attended. Therefore, the advantage of applying CSR-in-process in practice is that it leads enterprises to better financial and non-financial performance (Garrison et al., 2015). Therefore, to find out the answer to the research question, the study hypothesizes that:

*H2: CSR-in-process practice has a positive effect on performance measured by BSC.*

Although CSR-after-process will not be included as a corporate management tool, it is used to serve and satisfy the external stakeholders such as customers, government, society, and community. Therefore, if CSR-after-process practice can satisfy corporate stakeholder needs, the corporations will earn better outcomes such as reputation and image, competition, and performance (Thaipat Institute, 2018).

Moreover, most prior related studies found the positive effect of CSR-after-process practice on corporate performance (Holcombet et al., 2007; Lev et al., 2008; Limroscharoen et al., 2018). Therefore, the study aims to hypothesize that:

**H3:** *CSR-after-process practice has a positive effect on performance measured by BSC.*

## 4. Methodology

The population was all hotels in Thailand (Ministry of Tourism and Sports, 2019). Using simple random sampling by lottery method, 402 hotels were selected as the study sample (Department of Provincial Administration, 2019). Mail questionnaires were used to collect data from each sample from January to April 2019. The questionnaire was adapted by the previous related studies (Plaisuan, 2015; Somset, 2011; Suttipun & Nuttaphon, 2014). The questionnaire was answered by either owner, CEO (top management), CSR manager, human resource manager, or general manager. The questionnaire was separated into three sections that are (1) general information of hotels such as the number of room, age of the hotel, ownership status, and accommodation type, (2) the extent and level of CSR-in-process and CSR-after-process practices, and (3) the extent and level of performance measured by BSC which consists of financial, customer, internal process, learning, social, and environmental perspectives.

There were three groups of variables used in this study which are CSR practices as independent variables, corporate performance measured by BSC as the dependent variable, and corporate characteristics as control variables. In terms of independent variables, CSR practices were separated into two variables as CSR-in-process and CSR-after-process practices (Holcomb et al., 2007; Hsu, 2014; Lai & Chiu, 2010; Lev et al., 2008). Corporate performance as the dependent variable in this study was measured by BSC (Hetthong, 2017; Plaisuan, 2015). Moreover, corporate characteristics such as the size of the hotel, age of the hotel, ownership status, and accommodation type were measured by the prior related studies (Limroscharoen et al., 2018; Plaisuan, 2015; Suttipun & Nuttaphon, 2014). All variables' measurement used in this study was indicated in Table 1.

The independent variables and dependent variable were measured by five Levels of the Likert scale, measuring by 5 as the highest level, 4 as high level, 3 as moderate level, 2 as low level, and 1 as lowest level (Srisa-sard, 2010). The interpretation of the responses to the second and third parts of the mailed questionnaire was based on the mean score of the responses to the Likert-scale items interpreted on the rating scale shown below (Srisa-ard, 2010).

**Table 1:** Variable's Measurement

| Variables | Notation | Measurement |
|---|---|---|
| **Independent Variables** | | |
| CSR-in-process practice | CSRIN | Five-point Likert scale |
| CSR-after-process practice | CSRAF | Five-point Likert scale |
| **Dependent Variable** | | |
| Hotel's performance | BSC | Five-point Likert scale |
| **Control Variables** | | |
| Hotel size | SIZE | Number of room (No. Room) |
| Hotel age | AGE | Age of hotel (Year) |
| Ownership status | OWNER | Dummy variables as 1 = family business, and 0 = otherwise |
| Hotel type | TYPE | Dummy variables as 1 = hotel, and 0 = otherwise such as hostel, service apartment, and guesthouse |

The average score of 1.00–1.50 defined as at the lowest level

The average score of 1.51–2.50 defined as at a low level.

The average score of 2.51–3.50 defined as at a moderate level.

The average score of 3.51–4.50 defined as at a high level.

The average score of 4.51–5.00 defined as at the highest level.

The draft questionnaire was sent to four experts to review its reliability and creditability and to ensure that it fully covered all aspects of this study. The questionnaire was then revised based on the experts' suggestions and then reviewed by the experts before being finalized and sent to the hotels' sample. In addition, the questionnaire was tested to establish the Cronbach (1951) coefficient alpha, which was 0.842, which is higher than 0.60, indicating the satisfactory reliability of the questionnaire.

Within the three main objectives of this study, descriptive analysis was used to investigate the extent and level of CSR practices as well as performance measured by BSC of hotels in Thailand. Next, paired sample *t*-test was used to test the different levels of CSR practices between CSR-in-process and CSR-after-process. A correlation matrix was used to test for multicollinearity between the variables. Finally, multiple

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regression was used to test for CSR practices on performance as measured by BSC of Thai hotels. The regression equation used was as follows:

$$\text{BSC} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

In addition to the main model, a sensitivity analysis was also conducted using each of the perspectives of BSC (financial, customer, internal process, learning, social, and environmental), and the six additional regression equations adopted were as follows:

$$\text{Finance} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

$$\text{Custom} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

$$\text{Internal} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

$$\text{Learn} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

$$\text{Social} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

$$\text{Environ} = a + b_1 \text{CSRIN} + b_2 \text{CSRAF} + b_3 \text{SIZE} + b_4 \text{AGE} + b_4 \text{OWNER} + b_5 \text{TYPE}$$

## 5. Results and Discussion

From the 402 samples used in this study, 222 respondents (55.22 percent) were hotels, while 180 respondents (44.78 percent) were the other service accommodations such as hostels, service apartments, guesthouses, and apartments. Moreover, 115 firms (28.61 percent) were run by the family business, and 287 firms (71.39 percent) were organized by the non-family business. To investigate the extent and level of CSR practices of hotels in Thailand, Table 2 indicates that although CSR-in-process practice was the most CSR practice common by the hotels in Thailand, both CSR-in-process and CSR-after-process practices were at a high level. In terms of performance measured by BSC of Thai hotels, all perspectives of BSC were also at a high level. Besides, the most common performance was social perspective following by environmental, learning, customer, internal process, and financial perspectives.

To test for a different level of CSR practices between CSR-in-process and CSR-after-process, Table 3 indicates a significantly different level of CSR practices between CSR-in-process and CSR-after-process at 0.01 level. Moreover, CSR-in-process practice was adopted by Thai hotels rather than CSR-after-process practice. This is because CSR-in-process has focused on long-term performance, which will let corporations reach sustainable development,

**Table 2:** The Extent and Level of CSR Practices and Performance Measured by BSC

| | Mean | SD | Min | Max | Level | Rank |
|---|---|---|---|---|---|---|
| **CSR Practices** | | | | | | |
| CSR-in-process | 3.987 | 0.499 | 2.25 | 5.00 | High | 1 |
| CSR-after-process | 3.682 | 0.602 | 1.75 | 5.00 | High | 2 |
| **Balanced Scorecard** | | | | | | |
| Financial | 3.681 | 0.661 | 1.00 | 5.00 | High | 6 |
| Customer | 3.866 | 0.599 | 1.33 | 5.00 | High | 4 |
| Internal Process | 3.788 | 0.628 | 1.67 | 5.00 | High | 5 |
| Learning | 3.872 | 0.568 | 1.67 | 5.00 | High | 3 |
| Social | 3.948 | 0.586 | 1.67 | 5.00 | High | 1 |
| Environmental | 3.92 | 0.633 | 1.67 | 5.00 | High | 2 |
| Average BSC | 3.848 | 0.478 | 1.78 | 5.00 | High | – |

**Table 3:** Paired Sample *t*-Test and Independent Sample *t*-Test

| Paired Sample *t*-Test | Mean | SD | *t* | Sig. |
|---|---|---|---|---|
| CSR-in-process | 3.987 | 0.499 | 10.523 | 0.000** |
| CSR-after-process | 3.682 | 0.602 | | |

\*\* is Significant at 0.01 Level, and \* is Significant at 0.05 Level.

while CSR-after-process has aimed only at corporate short-term performance and reputation (Holcombet et al., 2007). Moreover, in today's world, many corporations pay attention to CSR-in-process rather than CSR-after-process because it can sustain them (Limroscharoen et al., 2018). In addition, CSR-in-process practice can balance their economic, social, and environmental perspectives (Lev et al., 2008). Thus, H1 is supported.

Before conducting the multiple regression analysis, the assumptions that the data were normally distributed and no multicollinearity among the variables included in the analysis were first tested. Table 4 shows the correlation matrix used to test for multicollinearity between the seven variables used in this study, consisting of one dependent variable, two independent variables, and four control variables. Based on a fixed-effects model for panel testing, the values of variance inflation factor (VIF) between the variables were under 2, which indicates that there was no multicollinearity, which would be indicated by a VIF exceeding 10 (Gunno & Penawuthikul, 2018). The low coefficients in the correlation

**Table 4:** Correlation Matrix

|  | **BSC** | **CSRIN** | **CSRAF** | **SIZE** | **AGE** | **OWNER** | **TYPE** |
|---|---|---|---|---|---|---|---|
| BSC | 1 | 0.620** | 0.622** | –0.034 | –0.109* | 0.111* | 0.113* |
| CSRIN |  | 1 | 0.458** | –0.008 | –0.119* | 0.050 | 0.119* |
| CSRAF |  |  | 1 | 0.040 | –0.078 | 0.112* | 0.117* |
| SIZE |  |  |  | 1 | –0.049 | 0.140** | 0.205** |
| AGE |  |  |  |  | 1 | 0.019 | 0.121* |
| OWNER |  |  |  |  |  | 1 | –0.005 |
| TYPE |  |  |  |  |  |  | 1 |
| Mean | 3.848 | 3.987 | 3.682 | 79.341 | 12.933 | 0.714 | 0.552 |
| SD | 0.478 | 0.499 | 0.602 | 66.579 | 8.697 | 0.452 | 0.497 |
| VIF | – | 1.291 | 1.287 | 1.076 | 1.044 | 1.036 | 1.093 |

** is Significant at 0.01 Level, and * is Significant at 0.05 Level.

**Table 5:** Multiple Regression

| **Variables** | ***B*** | **Beta** | ***t*** | **Sig.** |
|---|---|---|---|---|
| –Constant– | 1.030 | – | 6.968 | 0.000** |
| CSRIN | 0.399 | 0.416 | 10.670 | 0.000** |
| CSRAF | 0.335 | 0.421 | 10.825 | 0.000** |
| SIZE | 0.000 | –0.063 | –1.782 | 0.076 |
| AGE | –0.002 | –0.035 | –0.995 | 0.321 |
| OWNER | 0.056 | 0.053 | 1.528 | 0.127 |
| TYPE | 0.031 | 0.032 | 0.893 | 0.372 |
| *R* Square | 0.535 | | | |
| Adj. *R* Square | 0.528 | | | |
| *F*–value (sig.) | 75.816 (0.000**) | | | |

** is Significant at 0.01 Level, and * is Significant at 0.05 Level.

matrix between the variables used in the study also indicated that multicollinearity was unlikely to be a problem in the multiple regression (Vanstraelen et al., 2012). Based on the correlation coefficients between the seven variables used in this study, there were significant positive correlations between BSC, CSRIN, CSRAF, OWNER, and TYPE at either 0.01 or 0.05 levels. At the same time, there was a negative correlation between BSC and AGE at 0.05 level. However, there was no correlation between BSC and SIZE at 0.05 level.

To examine the effect of CSR practices on performance measured by BSC of hotels in Thailand, Table 5 indicates that both CSRIN and CSRAF had a positively significant effect on BSC at 0.01 level. However, there was no significant relationship between control variables used in this study (i.e., SIZE, AGE, OWNER, and TYPE) and BSC at 0.05 level. The model provided a high level of independent and control variables' ability to forecast dependent variables because *R* square and Adjust *R* square were 53.50 and 52.80 percent. The finding of a positive effect of CSR-in-process practice on corporate performance was consistent with (Hsu, 2014; Lai & Chiu, 2010; Limroscharoen et al., 2018). It is because CSR-in-process practice is included as a corporate management tool under strategic plans and policies (Limroscharoen et al., 2018). Therefore, there is a strong and enough reason that CSR-in-process practice can influence corporate performance.

The result of the positive effect of CSR-after-process practice in this study was consistent with (Holcombet et al., 2007; Lev et al., 2008; Limroscharoen et al., 2018). This is because although CSR-after-process will not be included in corporate management tool, reason on the positive effect of CSR practices on hotels' performance measured by BSC is mainly because when the hotels try to provide the actions and activities to serve stakeholders' demands and expectations in various groups by using CSR practices to their employee, environment, and society and community, those stakeholders will pay back the firms with higher performance (Suttipun, 2014). Thus, both H2 and H3 are supported.

Table 6 shows the results of the sensitivity analysis relating to the effect of CSR practices on performance as measured by BSC for each perspective of performance. Both CSRIN and CSRAF still had a positive effect on each perspective of BSC, which consists of financial, customer, internal process, learning, social, and environmental perspectives, at 0.01 level.

## 6. Conclusion

Within three main questions (1) What is the extent and level of CSR-in-process and CSR-after-process practices of Thai hotels? (2) Is there a different level of CSR practices

**Table 6:** Sensitivity Analysis

| Variables | Financial Model | | Customer Model | | Internal Process Model | | Learning Model | | Social Model | | Environmental Model | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **B** | **t (sig.)** | **B** | **t (sig.)** | **B** | **t (sig.)** | **B** | **t (sig.)** | **B** | **t (sig.)** | **B** | **t (sig.)** |
| Constant | 0.892 | 3.577** | 0.589 | 2.855** | 1.378 | 5.621** | 1.147 | 5.441** | 1.447 | 6.557** | 0.722 | 3.282** |
| CSRIN | 0.277 | 4.395** | 0.499 | 9.576** | 0.378 | 6.107** | 0.452 | 8.486** | 0.335 | 6.011** | 0.450 | 8.095** |
| CSRAF | 0.447 | 8.567** | 0.329 | 7.627** | 0.274 | 5.348** | 0.243 | 5.521** | 0.330 | 7.156** | 0.388 | 8.434** |
| SIZE | −0.001 | −1.290 | 0.000 | −0.902 | −0.001 | −1.440 | 0.000 | 0.377 | 0.000 | −1.023 | −0.001 | −2.591** |
| AGE | 0.000 | −0.101 | 0.002 | 0.613 | −0.007 | −2.196* | −0.002 | −0.697 | −0.003 | −1.106 | −0.001 | −0.299 |
| OWNER | 0.149 | 2.387* | 0.096 | 1.856 | 0.070 | 1.149 | 0.051 | 0.962 | −0.049 | −.897 | 0.023 | 0.410 |
| TYPE | −0.031 | −0.534 | 0.020 | 0.413 | −0.030 | −0.530 | 0.010 | 0.195 | 0.104 | 2.022* | 0.112 | 2.192* |
| *R* Square | 0.307 | | 0.422 | | 0.259 | | 0.330 | | 0.310 | | 0.413 | |
| Adj. *R* | 0.297 | | 0.414 | | 0.248 | | 0.320 | | 0.300 | | 0.404 | |
| *F* (sig.) | 29.202** | | 48.132** | | 23.028** | | 32.472** | | 29.609** | | 46.225** | |

** Is Significant at 0.01 Level, and * Is Significant at 0.05 Level.

of hotels in Thailand between CSR-in-process and CSR-after-process? and (3) Which CSR practices can affect Thai hotel performance measured by BSC, the study found that both CSR-in-process and CSR-after-process practices were at a high level? However, CSR-in-process practice was the most commonly CSR practice done by hotels in Thailand. Moreover, there was a significantly different level of CSR practices between CSR-in-process and CSR-after-process. The study also found the positive effect of CSR-in-process and CSR-after-process practices on hotel performance measured by BSC. In addition, using the sensitivity analysis, CSR-in-process and CSR-after-process practices still had a positive effect on each perspective of BSC, which is financial, customer, internal process, learning, social, and environmental perspectives.

The study's findings provide several contributions and implications. First, this is the first study examining the effect of CSR practices on corporate performance measured by BSC of hotels in the Thai context where there have been no previous studies. Second, the study's findings can explain how and why the stakeholder theory can be used to test the influences of CSR practices on firm performance measured by BSC whether stakeholders have a right to be responded by hotels' actions and activities. The benefit of corporate responsibility is a more significant reputation and loyally as well as better performance and value. The study results, thirdly, can provide the guide for hotels' key staffs such as CEO, marketing manager, human resource manager, and general manager to look at the CSR practice as a benefit for increasing and improving their performance, especially to take more corporate responsibility to employee, environment, and society and community because they can provide

the greater performance and value to the hotels. Fourth, the study's findings also guide the policymakers who can regulate the appropriate and specific CSR regal for hotels. Finally, the results contribute that the business organizations can balance their economic responsibility along with social and environmental responsibility as corporate sustainable development.

There are some limitations to this study's findings. Firstly, the use of a mailed questionnaire must be mentioned as a limitation because it included only closed-end questions and did not include open-end questions. Therefore, in-depth interviews are considered as a measurement tool to collect data from the open-end questions of BSC practice as well as hotels' performance. Finally, all control variables used in this study did not affect hotels' performance measures by BSC; thus, the other control variables from hotel's characteristics such as hotel rating, location, international ownership, CSR award and will be used in the future study.

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