

# อิทธิพลของกลยุทธ์การบริจาคเพื่อการกุศลที่มีผลต่อ การดำเนินงานของอุตสาหกรรมอาหารและเครื่องดื่ม ในประเทศไทย

## THE INFLUENCE OF STRATEGIC CORPORATE PHILANTHROPY ON FIRM PERFORMANCE OF FOOD AND BEVERAGE INDUSTRY IN THAILAND

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จิราภา จันทร์บัว\*  
Jirapa Junbua\*  
สุวนานา บุญเหลือ\*\*  
Sutana Boonlua\*\*  
ปกรณ์ สุจจพงษ์\*\*\*  
Pakorn Sujchaphong\*\*\*

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\* นักศึกษาปริญญาเอก สาขาวิชาการจัดการ คณะกรรมการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

\* Ph.D. Candidate, Doctor of Philosophy Program in Management, Mahasarakham Business School, Mahasarakham University

\* Email: jirapa\_tucky@hotmail.com

\*\* อาจารย์ คณะกรรมการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

\*\* Lecturer, Mahasarakham Business School, Mahasarakham University

\*\* Email: sthanyakhan@gmail.com

\*\* อาจารย์ คณะกรรมการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

\*\* Lecturer, Mahasarakham Business School, Mahasarakham University

\*\*\* Email: pakorn.s@msu.ac.th

## บทคัดย่อ

การศึกษาครั้งนี้พยายามที่จะอธิบายผลกระทบของกลยุทธ์การบริจาคเพื่อการกุศลต่อความได้เปรียบทางการแข่งขันขององค์กรที่นำไปสู่ผลการดำเนินงานขององค์กร ในอุตสาหกรรมอาหารและเครื่องดื่มในประเทศไทยจำนวน 251 กิจการ ใช้แบบจำลองสมการโครงสร้าง (SEM) ในการวิเคราะห์ข้อมูล การศึกษาครั้งนี้เป็นการยืนยันและขยายความเข้าใจบริบทของกลยุทธ์การบริจาคเพื่อการกุศลด้วยทฤษฎีการแข่งขัน ผลการวิจัยพบว่า กลยุทธ์การบริจาคเพื่อการกุศลมีส่องด้าน คือ การเป็นอาสาสมัครขององค์กรและมูลนิธิขององค์กรมีความล้มเหลวในเชิงบวกต่อความสามารถในการแข่งขันขององค์กร นอกจากนี้ความสามารถในการแข่งขันขององค์กรมีความล้มเหลวทันทีที่มีผลการดำเนินงานขององค์กร โดยสรุปแล้วกลยุทธ์การบริจาคเพื่อการกุศลเป็นแหล่งสำคัญของความสามารถในการแข่งขันขององค์กร และผลการดำเนินงานขององค์กร

**คำสำคัญ:** กลยุทธ์การบริจาคเพื่อการกุศล ความได้เปรียบทางการแข่งขันขององค์กร ผลการดำเนินงานขององค์กร

## Abstract

This study attempts to explain the impact of strategic corporate philanthropy on firm competitiveness leading to firm performance. In this study, 251 food and beverage firms in Thailand is the sample of the study. Structural equation model (SEM) is employed to analyze in this study. This study confirms and expands understanding the context of strategic corporate philanthropy with competitive theory. The results showed two dimensions of strategic corporate philanthropy includes corporate volunteering and corporate foundations have positive significant on firm competitiveness. Furthermore, firm competitiveness significantly related to firm performance. In summary, strategic corporate philanthropy is the key source of firm competitiveness and firm performance.

**Keywords:** Strategic Corporate Philanthropy, Firm Competitiveness, Firm Performance

## Introduction

In the past decade especially in a business environmental crisis that direct and indirect effects the organizational strategy, the remaining indicators of effective are social responsibility which includes the economy, society, and the environment for improve quality of life (Selvi, Wagner & Türel, 2010). The prior management research has categorized the type of corporate social responsibility (CSR) which consist of cause-related marketing, cause promotion, socially responsible business practices and developing and delivering affordable products and services, corporate philanthropy, corporate social marketing, community volunteering (Lee & Kotler, 2009). Thus, the strategic corporate philanthropic activities show that organizations are responding to people and communities. Philanthropic activities develops a way to enhance the competitive advantage of a firm because corporate philanthropy would improve the long-term firm image (Wei, Ouyang & Chen, 2018).

Research on philanthropy has recently begun to debate how the connection of organization goals and what society shows up in this concept increases the competitive position of the company (Maas & Liket, 2011). Therefore, strategic corporate philanthropy is an important practice of a firm that involves choosing how it will voluntarily allocate benefit resources in charitable. Additionally, the other viewpoints of strategic corporate philanthropy have got the potential to result in a win-win situation with a positive impact on both social and profit of the firm.

The context of food and beverage industry is the industry with the highest value in terms of numerous productivity, number of establishments and labor in the industry. Food and beverage industry is generating more benefits to the country. Additionally, food and beverage industry are based on ethical principles and the awareness of social activities (Office of Industrial Economics, 2018). Moreover, numerous firms in food and beverage industry have advertised and connected activities that benefit the society more than in the past, which would not have been issued or exposed to social media (Kotler, Hessekiel & Lee, 2012). Thus, the way which organization reaction to publics is corporate social responsibility activities that organizations used philanthropy by giving the money, resource or many activities that can generate the benefit for society (Thaipat Institute, 2018).

This study attempts to explain the impact of strategic corporate philanthropy on competitive corporation leading to firm performance. Additionally, this study used competitive advantage theory to explain the relationship among variables. This can be gained by offering clienteles better and greater value (Porter, 1985).

## Objective of the Study

The main purpose of the study is to investigate the effects of strategic corporate philanthropy includes three dimensions: 1) corporate giving 2) corporate volunteering and 3) corporate foundations on firm competitiveness and firm performance.

## Literature Review and Hypothesis Development

The initiation of strategic philanthropy was born in the 1980's many Chief Executive Officers (CEOs) began to connect their firms to various social causes strategically viewing this handing as a way to differentiate their products to consumers. The business movement involving charitable giving and reflecting the highly competitive environment of business has been termed

“strategic philanthropy.” It involves corporate giving that encourage dual purposes: contributing needed funds to charitable causes while simultaneously benefiting the firm’s financial bottom line and enhancing business political legitimacy (Wulfson, 2001). The concept of strategic corporate philanthropy as argued by scholars such as Peloza and Shang (2011), recommends that corporate philanthropy is part of a firm’s citizenship activities as a dominant category of CSR. In addition, improved corporate reputation is often stated as the main business goal of philanthropic activities. This concept of strategic corporate philanthropy is included in corporate social responsibility (CSR) (Gatt & Seele, 2014).

In this study strategic corporate philanthropy is used in the main construct. This study empirically explores the understanding of how strategic corporate philanthropy is shaped and how it influences competitive corporation and firm performance. However, the previous management literature, mostly focus on a business of ethics which have studied and investigated corporate social responsibility (CSR), also there are few empirical researches on strategic corporate philanthropy based on the strategies of firms that create firm performance (Brammer & Millington, 2006). In fact, there are little past studies on the new dimension of strategic corporate philanthropy create firm competitive leading to firm performance. Therefore, this study proposes the characteristics of strategic corporate philanthropy through three dimensions (corporate giving, corporate volunteering, and corporate foundations) leading to firm competitiveness and firm performance. Furthermore, this research makes efforts to integrate competitive advantage theory that support the relationships among strategic corporate philanthropy and consequences. Thus, the conceptual model presents the relations between strategic corporate philanthropy to firm competitiveness and firm performance as shown in Figure 1.

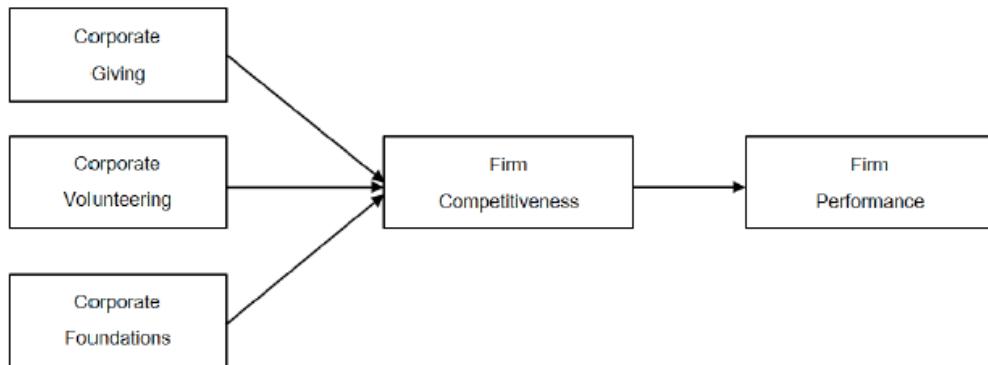


Figure 1 Conceptual Model of strategic corporate philanthropy on firm competitiveness and firm performance

#### Competitive advantage theory

Competitive advantage is perhaps the most widely used term in strategic management and it is also being put to in operation. Barney (1991) suggests that the company has a competitive edge when it adopts a value creation strategy in combination with its current or potential competitors. Consist with Porter and Millar (1985) stated competitive advantage is at the heart of a firm’s

performance in competitive markets and goes on to say that object of his classic book on the subject is to show "how a firm can actually create and sustain a competitive advantage in an industry, and how it can implement the broad generic strategies." Therefore, this study needs to profoundly understanding in utilization of competitive advantage theory explain the relationship between strategic corporate philanthropy, firm competitiveness and firm performance. In addition, competitive advantage theory could explain the manipulation of strategic corporate philanthropy to create opportunities for social awareness. Thus, increasing the level of confidence for the organization and being reliable over other competitors which resulted in the organization being famous make the overall image in the performance better continuously.

### Corporate Giving

Corporate giving is a significant phenomenon that has a various impact on society, the business, and public policy; and has been written about as to the social significance of charitable action (Leclair & Gordon, 2000). Moreover, compared to a large volume of prior research on the impact of corporate giving research on the factor of strategic corporate philanthropy that has been limited in specific for large firms and developing countries or developed economies (Peloza, 2009). Giving is to focus on the decisions of charities to non-profit organizations, and society in general, making it simple to understand why this is a suitable topic. Corporate giving is provided as evidence of corporate social responsibility (CSR) from a meta-analysis of how CSR activities have been represented in corporate reporting literature, the result shows how and what would once have been termed corporate philanthropy is now presented as CSR. Corporate giving is a get more attention activity for a view of corporate givers, their shareholders, charities that compete to get these funds and the society that is the ultimate beneficiary of the funds (Brammer & Millington, 2005). Additionally, corporate giving has been largely accepted by many firms to create their social conscience and has also attracted massive attention from business academia (Gardberg & Fombrun, 2006). Hence, this study defines corporate giving refers to firm support of donation activities which is resources allocation of the firm for resources giving to community and society including cash, material and product donation to people in the society (Wang & Qian 2011).

Future more, Brammer and Millington (2005) found that corporate philanthropy linked to firm reputation which is one of the main goals and advantages. Consistent with, Marquis and Lee (2013) stated that the competitive advantages of strategic corporate philanthropy, many academic and executives have become attentive in the tools that may account for the increased adoption of philanthropy into business strategies. From the literature reviewed above, corporate giving is expected to be able to enhance firm competitiveness. Hence, the hypothesis is proposed as the following:

**Hypothesis 1:** Corporate giving has positively influence on firm competitiveness.

### Corporate Volunteering

Management scholars have endeavored to explain this growth in corporate volunteering issue as a form of corporate social responsibility. These programs are a strategic response to community institutions, pressure, and organization norms to form and maintain a reputation as an organization and as a good corporate citizen (Marquis, Glynn & Davis, 2007). Moreover, the importance of corporate volunteering answers the call for an employee-centered understanding

relate with CSR activities leads to enhancement of employee awareness in participation such as giving time, using skills for volunteer activities with care and compassion (Wood, 2016). For example, prior research has focused on an individual's predispositions and internal motivations to good volunteer as well as personal and work-related outcomes of their volunteering (Mojza, Sonnentag & Bornemann, 2011). Therefore, activities of volunteering focus on the communities, society, and businesses (Muthuri et al., 2009).

Muthuri et al. (2009) adduced that corporate volunteering intends at enhancing connection businesses communities and employee relationship. Volunteering programs formally sponsor and subsidize employees efforts to operate community service and outreach activities (Boccalandro, 2009). Therefore, this study defines corporate volunteering refer to firm, employees and business partners are willing to give time and effort to promote and support various activities leads to maximize benefits for society. This volunteering encourages people in the community to have a better quality of life and a better environment. From the literature reviewed above, corporate volunteering is expected to be able to enhance firm competitiveness. Hence, the hypothesis is proposed as the following:

**Hypothesis 2:** Corporate volunteering has positively influence on firm competitiveness

#### **Corporate Foundations**

One of the most compelling reasons for each business to become involved in corporate philanthropy activity is because it is the ultimate goal in their own best interest. In addition, the returns which company would ultimately get is firm reputation and good image in the long run. Consistent with, Werbel and Carter (2002) stated that the major role of the corporate foundation for strategic corporate philanthropy is constantly evolving and this is why one should consider starting a foundation from inside the corporation. Also, Westhues and Einwiller (2006) found that a corporate foundation can support responsible communication and dialogue with stakeholders for enhancing satisfaction. Moreover, Fan (2005) stated that organization foundations which can help strengthen the corporate social responsibility because of communities believe a good help organization. Therefore, it can be claimed that strategic corporate philanthropy improve the image and reputation of the organization. Therefore, strategic corporate philanthropy can improve organization image and reputation.

Herlin and Pedersen (2013) suggest the firm focuses on is closely linked to the corporate foundations' implementation activities by the focus on the communities for increasing social trust. This study defines corporate foundations referring to foundation of firm or other foundation as firm supports, promote and donating money. The charitable institution will support and promote social activities. The role of corporate foundations can play an important role which creates a firm reputation and more importantly delivering valuable insights into the needs of stakeholders. From the literature reviewed above, corporate foundation is expected to be able to enhance firm competitiveness. Hence, the hypothesis is proposed as the following:

**Hypothesis 3:** Corporate foundations has positively influence on firm competitiveness

### Firm Competitiveness

The concept of competitiveness has started to be interesting because become globalization has shed a new kind, new skill, new strategy on the role of influencing highly competition. Competitiveness has been described by many scholars as a multidimensional and relative concept which the concept has a view that reflects the competition. Korka (2005) claimed that firm used corporate social responsibility (CSR) activities such as volunteering, and giving as special tools for enhancing firm competitiveness in the domestic market. Additionally, Williams and Barrett (2000) verified the relationship between philanthropy and firm reputation results showed positive which means that activities performed by the organization can increase confidence in the community. Hence, firm competitiveness in this study is defined as superior firm practice more than competitor when compared with others in the same industry such innovation capability, firm's operations, respond the expectations of the customers about goods and services rapidly more than competitors, given the proper evaluation of the firm's internal and external environment, as well as respective transparent, fair and effective actions. Moreover, firm competitiveness is the capability of the firm to outwit its competitors based on specific competitive advantages through either lower costs or maximized business opportunities (Hove-sibanda et al., 2013).

### Firm Performance

In prior literature, firm performance has been the dominant model in management strategy research. Additionally, firm performance may be defined as the firm's overall outcome which reaches goals with effectiveness. Moreover, points of view on scholars are connecting to explore the rationality of strategic corporate philanthropy by clarifying the relationship between philanthropy and the effect on the organization. Additionally, the scholars Selvarajan et al. (2007) defined firm performance as an organization's overall outcomes that are better when comparing the past years, in which the organization can reach an organizational goal such as increased firm income, sales increase that maintains market share, continual profitability, and position over competitors. Therefore, this study defines firm performance referring to the perception of the firm to overall outcome and goal achievement in both the financial and non-financial performance (Marimuthu, Arokiasamy & Ismail, 2009). From the literature reviewed above, firm competitiveness is expected positively relate to firm performance. Hence, the hypothesis is proposed as the following:

**Hypothesis 4:** Firm competitiveness has positively influence on firm performance.

## Methodology

### Sample Selection and Data Collection Procedure

The population and sample for this study are the food and beverage industry in Thailand. The sampling frame was gathered from website department of industrial works (<http://www.div.go.th>), lists of the food and beverage in Thailand (as of June, 2018). The total number of food and beverage industry obtained from this source is 6,424 firms. Additionally, the questionnaire was sent to directly distribute to the key informants: CEOs, general managers or CSR managers of the food and beverage business in Thailand. Thus, an appropriate sample size is 377 recommended by Yamane (1973). Finally, 251 questionnaires were useable for statistical analysis. The effective response rate was 22.06%.

### Instrument Tests

To verify and testify the quality of the study instrument, two states of factor analysis, discriminant power and scale validity and reliability are considered. Firstly, content validity used the item-objective congruence (IOC) from three experts in the management academic field to evaluate each item and use the summation to calculate score. The item-objective congruence (IOC) is 0.652 ( $\geq 0.50$  is acceptable) indicating that acceptably congruent with the objectives (Turner & Carlson, 2003).

Table 1 Results of Exploratory Factor Analysis (EFA)

Items	Factor Loading	Communality	Bartlett's test of Sphericity	p	Kaiser-Meyer-Olkin (KMO)
Corporate Giving (COG)			676.599	0.000**	0.834
COG2	0.854	0.867			
COG4	0.771	0.744			
COG1	0.762	0.704			
COG3	0.757	0.816			
Corporate Volunteering (COV)			529.623	0.000**	0.827
COV2	0.836	0.822			
COV4	0.748	0.763			
COV1	0.737	0.744			
COV3	0.705	0.655			
Corporate Foundations (COF)			694.659	0.000**	0.826
COF4	0.845	0.861			
COF1	0.782	0.768			
COF3	0.751	0.813			
COF2	0.611	0.733			
COF4	0.845	0.861			
Firm competitiveness (FIC)			919.433	0.000**	0.875
FIP3	0.857	0.734			
FIP5	0.850	0.723			
FIP2	0.847	0.718			
FIP4	0.837	0.700			
FIP6	0.829	0.688			
FIP1	0.704	0.595			
Firm performance (FIP)			729.962	0.000**	0.838
FIC3	0.816	0.742			
FIC2	0.850	0.722			
FIC4	0.837	0.700			
FIC5	0.826	0.683			
FIC1	0.816	0.666			

Note: \*\*p<0.01

Table 1 presents the result of Exploratory Factor Analysis (EFA). As a result, all variables have Bartlett's test of sphericity chi-square significance indicated that the population correlation matrix was not an identity matrix (Larose, 2006). Additionally, Kaiser-Meyer-Olkin (KMO) is more than 0.80 (Beavers et al., 2013). Finally, Hair et al. (2010) recommend factor loading estimates should be higher than 0.50 is acceptable loadings (0.595-0.867). From all results indicated the data are suitable for the next step analysis.

**Table 2** Results of Confirmatory Factor Analysis (CFA)

Variables	Factor Loadings	CR	AVE
Corporate Giving (COG)	0.755-0.935	0.908	0.712
Corporate Volunteering (COV)	0.555-0.769	0.882	0.652
Corporate Foundations (COF)	0.733-0.950	0.904	0.704
Firm Competitiveness (FIC)	0.695-0.883	0.891	0.580
Firm Performance (FIP)	0.552-0.871	0.877	0.591

Table 2 according to the rule-of-thumb, the acceptable cut-off score is 0.50, as a minimum (Hair et al., 2010). The results show all variable have a factor loading more than 0.50. In additionally, the results shown Composite Reliability (CR) more than 0.70 is acceptable (Hair et al., 2010). Consequently, Average Variance Extracted (AVE) more than 0.50 is acceptable (Hair et al., 2010).

The acceptability of Cronbach's alpha coefficients is higher than expected, to and exceed 0.70 indicates high reliability (Hair et al., 2010; Nunnally & Bernstein, 1994). The results are Corporate Giving (COG) including 4 items, Cronbach's alpha is 0.904. Corporate Volunteering (COV) including 4 items, Cronbach's alpha is 0.877. Corporate Foundations (COF) including 4 items, Cronbach's alpha is 0.906. Firm Competitiveness (FIC) including 5 items, Cronbach's alpha is 0.893. Firm Performance (FIP) including 6 items, Cronbach's alpha is 0.904.

## Results and Discussion

Table 3 shows descriptive statistics and correlation matrix for all variables. Accordingly, the evidence suggests that there are significant relationships among three dimensions of strategic corporate philanthropy, firm competitiveness and firm performance between 0.428 and 0.738 ( $p < 0.01$ ). Thus, the results confirm that multi-collinearity is not a problem for the analysis of all constructs. This research does not have a multicollinearity problem because the coefficients of all variables are below 0.80 (Hair et al., 2010).

This study used structural model assessment for evaluating causal hypotheses. One of the benefits of using structural model assessment is it clarifies correlation and indicates the strength of a causal hypothesis. Using this method can estimate both the magnitude and significance of causal connections between variables.

**Table 3** Results of descriptive statistics and correlation matrix

Variables	FIP	FIC	COG	COV	COF
Mean	3.807	3.987	3.884	3.825	3.756
S.D.	0.666	0.593	0.791	0.794	0.793
FIP	1				
FIC	0.715**	1			
COG	0.428**	0.428**	1		
COV	0.486**	0.513**	0.678**	1	
COF	0.494**	0.488**	0.709**	0.738**	1

Note: \*\* significant level at 0.01

**Table 4** Structural Parameter Estimates for Three Dimensions of Strategic Corporate Philanthropy Firm Competitiveness and Firm Performance Model

Hypotheses	Standardized Parameter Estimate	S.E.	t	p-value	Results
H1: COG → FIC	.076	.069	1.032	.302	Not Supported
H2: COV → FIC	.280	.073	3.610	.001**	Supported
H3: COF → FIC	.235	.075	2.907	.004**	Supported
H4: FIC → FIP	.979	.110	11.937	.001**	Supported

Note: \*\* significant level at 0.01

The criteria for assessing fit indices present a goodness of fit model Chi-square test, AGFI, GFI, SRMR and RMSEA. In addition, p-value of Chi-square should be more than 0.05 to not reject the null hypothesis (Bollen, 1993; Diamantopoulos & Siguaw, 2000). Moreover,  $\chi^2/df$  should be lower than 2 to indicate that it is goodness of fit (Arbuckle, 2013; Diamantopoulos & Siguaw, 2000). AGFI and GFI should be higher than 0.90. Standardized RMR should be lower than 0.05 (Thompson, 2007). In addition, RMSEA should be lower than 0.10 (Thompson, 2007). According to, the results of model fit assessment of this study is Chi-square=1.072, df=2, p=.585,  $\chi^2/df$  =.536, GFI=.998, RMSEA=.000, AGFI=.987, SRMR=.050. Thus, these indicators demonstrate a good fit.

Table 4 shows firstly, the results were found that corporate giving (COG) is not significant with firm competitiveness (FIC) ( $\beta=.076$ ,  $p>0.01$ ). As a result, this is possible that because of the corporate giving has a direct cost on the firm such as cash, and material and product donation to people in the society. The excessive of philanthropy that cannot be readily justified in the eyes of stakeholders may lead them to withhold critical resources from the firm. Therefore, corporate giving does not enhance for firm competitiveness. This argument thus suggests that corporate involvement in philanthropy generally does not enhance a firm or its shareholders, but

may only enhance top managers' personal reputations in their social circles or enable them to further their political and career agendas (Barnett, 2007). From the reason above, there is an appropriate explanation for the reason why there is no relationship between corporate giving and firm competitiveness. Thus, Hypothesis 1 is not supported.

Secondly, it is found that corporate volunteering (COV) (the second dimension) is significantly and positively affect to firm competitiveness (FIC) ( $\beta=0.280$ ,  $p<0.01$ ). Consistent with Plewa, Conduit, Quester and Johnson (2015) found that corporate volunteering positively impact firm competitiveness. However, an effective corporate volunteering program needs to be managed and looking for the creation of shared value. It should generate benefits, for society as a whole and for the firm itself. From the reason above, there is an appropriate explanation for the reason why there is an association between corporate volunteering and firm competitiveness. Thus, Hypothesis 2 is supported.

Thirdly, the findings suggest that corporate foundations (COF) (the third dimension) has significant, positively affect with firm competitiveness (FIC) ( $\beta=0.235$ ,  $p<0.01$ ). Consistent with Westhues and Einwiller (2006) found that corporate foundation positively impact firm reputation. Therefore, firms can directly contribute to charities or make donations to their sponsored foundations because foundation will support and promote social activities. Therefore, corporate foundation is one tool for strategic corporate philanthropy because foundation can support responsible communication and dialogue with stakeholders. From the reason above, there is an appropriate explanation for the reason why there is an association between corporate foundations and firm competitiveness. Thus, Hypothesis 3 is supported.

Fourthly, the results indicate that firm competitiveness (FIC) had a significant effect on firm performance (FIP) ( $\beta=.979$ ,  $p<0.01$ ). This finding is consistent with previous research in that firm competitive advantage and indirect through the firm performance (Abushaiba & Zainuddin, 2012). Accordingly with, Testa, Iraldo and Frey (2011) who found firm competitiveness affects the way in which various stakeholders behave towards an organization that, influence, for example, employee retention, customer satisfaction, and customer loyalty. From the reason above, there is an appropriate explanation for the reason why there is an association between firm competitiveness and firm performance. Thus, Hypothesis 4 is supported.

## Contributions

This study proposes the relationships among dimensions of strategic corporate philanthropy. Firstly, competitive advantage theory is used to explain in the relationship among dimensions of strategic corporate philanthropy (corporate giving, corporate volunteering and corporate foundations), firm competitiveness, and firm performance. Strategic corporate philanthropy is a strategy to build social tolerance through activities or the foundation of the organization which corresponds to the concept of Barney (1991) who suggests that the company has a competitive edge when it adopts a value creation strategy in conjunction with its current or potential competitors. Thus, when an organization can make a difference or have a strategic advantage, it leads to outstanding results for company over the competitors.

Secondly, the study provides useful contributions and implications to Chief Executive Officers (CEOs), managers, CSR managers for creating strategic corporate philanthropy into the firm performance. Chief Executive Officers (CEOs), managers, CSR managers should be recognizing the quality of society in decision of firms planning to improve the quality of life in the community and society. In addition, organization should consider the potential, possibility, and results of operations that affect both the society and firm. Additionally, Chief Executive Officers (CEOs), managers, CSR managers should be encouraging employees to recognize the importance of activities that benefit society and participate in bringing benefits to society. Because it instills employees to feel a responsibility both to themselves and the organization.

## Conclusion

This study proposes the relationships among dimensions of strategic corporate philanthropy and consequences that are firm competitiveness and firm performance. The results indicated that corporate volunteering and corporate foundations have a significant positive association with firm competitiveness and firm performance. Interestingly, corporate giving is not significant on firm competitiveness. Because giving money is quite sensitive, which may have latent benefits later. The study provides useful contributions and implications to CEOs, managers, and CSR managers should be aware of strategic corporate philanthropy because strategic corporate philanthropy is a direct effect on a social responsibility activity. Moreover, CEOs, managers, and CSR managers should provide importantly, continuous operational development because strategic corporate philanthropy improves firm reputation which effect to firm competitiveness and finally has the greatest direct influence on firm performance.

This study has limitations and some suggestions for further research are provided. Firstly, in this study, the collection of samples that have a direct impact on the community, which may make the answers to questions by the organization biased. Thus, future research should be explored with samples that do not directly affect communities such as information technology industry, electronics industry. Second, this research used only a single industry group. Therefore, the comparison between the industry groups should be discovered to make more reliability of the strategic corporate philanthropy topic for future study. Finally, adding some variables to create more links such as mass media communications or society diversity in antecedents.

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