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What is CSR?

Corporate Social Responsibility (CSR) is an internal and external activity of corporation regarding to the effective of social in the near and far future of which are applying an internal and external resources for a usual socialization compromising. The Figure 1 below shows the CSR circle and layer of all concerns.

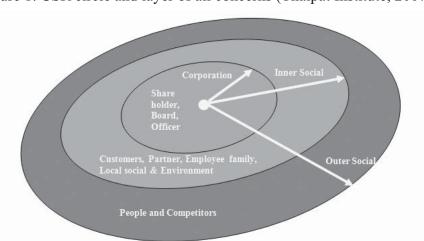


Figure 1: CSR circle and layer of all concerns (Thaipat Institute, 2007)

The above mentioned activities will be included thinking, speaking and taking action amongst the process of planning, making a decision, communication/ announcement, management and corporation proceeding and we would classify the activity of Thai Toshiba into 5 levels regarding to CSR as follows:-

- 1. Customer Level: mainly produce such a higher quality products than its price, responsible for their products toward consumer, provide actual information about the products and corporation and good & honest services.
- 2. Business partner Level: share resources and become a business alliance also be fared each other.
- 3. Social & Environment Level: support and assist inner social especially the activity which is/ are concerned the environment.
- 4. Community Level: coordinate with others community in order to maintain a human right even complete and accept all public hearing/ discussion.
- 5. Business competitor Level: manage and monitoring a competition in the way of honest and legal.



The Importance of CSR for Corporation

Main objective of CSR is to keep the corporate for long-term business and based on moral principle and well become "Goodness" within the corporate including the donation and also gathering, the fact is, we all Thai have never called these activities as CSR.

Type of CSR:

Kindly refer to Prof. Phillip Kotler and Nancy Lee (2005) who classified the CSR into 6 business processes as follows:-

- 1. Cause Promotion is a mobilization of fund, materials and/or others resources in order to enlarge have more consideration on the social problems and would jointly take action with another organisation.
- 2. Cause-Related Marketing is to donate some parts of the profit (from product retailing) in order to support and unite the team for certain social problem resolution program which is generally setting up a certain time, also providing consumers with donation channel without any extra cost through their products' retailing indeed.
- 3. Corporate Social Marketing is to support and convince employees and business partners for "Behaviour Change" and also promote an acknowledgement of social problem which will become Awareness.
- 4. Corporate Philanthropy is a direct providence of support to social problem directly which are requested or organized externally such as a fund and/or goods donation, but does not relate to the target or mission of corporation.
- 5. Community Volunteering is to support and encourage employees and business partners to participate in problem resolution events.
- 6. Socially Responsible Business Practices is to manage business with the most scrutiny in a sense of protect and avoid the social problems in order to increase social happiness and take care of environment.

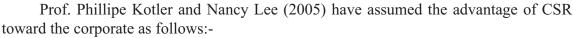
After taking a look at the above mentioned Business process in the Corporate Driven CSR we will divide them into "CSR in process" and "CSR after process", on the other hand, we can also classify the above mentioned business process by order for the first three processes which are about the marketing communication activities and mainly applied Social-driven CSR, another three processes are about action behaviour which is applied Corporate-driven CSR.

Advantage of CSR

The appliance of CSR within the corporate will be shining its advantage in term of the extra profit, increment of market share and reduction of cost of which are called Tangible advantage, also an extra bonus such as better Brand Positioning and Corporate Image will be called as Intangible Advantage.

Apart from the Tangible and Intangible advantage, corporate can be resuming a Sustainability Report in order to widespread the corporate activities in sense of Economic, Social and Corporate environment as of the format and direction of Global Reporting Initiative (GRI).





- 1. Increment of sales volume and customer relationship.
- 2. Brand building and strengthening.
- 3. Strengthening a good corporate image and authority.
- 4. Increment of human resources performance and employees' appreciation.
- 5. Corporate cost reduction.
- 6. Encouragement of extra investment toward share holder and financial analyst.

Case Study

Main purpose of the study is to verify the business management of Thai Toshiba based on Corporate Social Responsibility (CSR) regarding to the following reasons:-

- Thai Toshiba is a joined venture company with Japanese company also Japan is the one in third companies in the world who keep paying a great attention on the corporate social responsibility.
- Thai Toshiba is an ordinary and independent company who is not lined up with Thailand Stock Exchange, so they will fully have an authority to manage their business without any interference.
- Business path of Thai Toshiba is a full Thai family business and contained a typical Thai CSR.
- Thai Toshiba has been awarded by Thailand and international business award for example: 2-consecutive year of Toshiba CSR Award (2005-2006), second to the champion award of Philosophy of the Sufficiency Economy (2005).
- Thai Toshiba is running their business respectfully under the law-term of Thailand and international and granted by International Organisation for Standardization such as ISO 14001, ISO 9002, ISO 9001 and Thai Industrial Standards such as TIS/OHSAS 18001 and TLS 8001

We are applying the theory of Qualitative Research in order to analyze a tangibility of business management with CSR, the study will be completed in the main 2 processes as:-

- 1. Consideration of documentation such as Annual report, Finance (audit) report, report of the proceeding on business, social and environment, etc.
- 2. In-dept Interviewing top management (3-4 persons) of Thai Toshiba in order to get close to tangible information which is the most important process of the study.





Vision and Strategy: Communication with Internal and External Stakeholder	
Environment Management	Management of Social area of action of CSR

Operation Environment Protection	Interest of Employee
Operation Environment Protection in the supply chain	Working Condition and human right in the supply chain
Ecology Product Responsibility/	Consumer protection and
Integrated product policy	Consume interest

Involvement in shaping the regulatory framework (including	Commitment to the community; charitable giving,
lobbying)	sponsorship, employee release for volunteer. Etc.,
Combating Corruption.	Corruption

They are dividing the proceeding into 3 processes as follows:-

- Governance and Management System which is considering the policy vision and other related management philosophy.
- Area of CSR activities in central business process.
- Area of CSR activities outside central business process.

Result of Case Study: Thai Toshiba Electric Industries Co., Ltd. Milestone:

Since 1969, Dr. Korn Suriyasat and Lady Niramon Suriyasat have joined with Japanese company named Tokyo Shibaura Electronics Co., Ltd. and established Thai Electrical Industries Co., Ltd. in order to serve Thai market with worldwide quality standard of the electrical equipments.

Thai Toshiba Electric Industries Co., Ltd. is one of subsidiary company of Thai Toshiba group Co., Ltd. who mainly produce and marketing a household electrical equipments such as electric fan, refrigerator, motors, microwave, rice cooker, pan, iron, automatic coin machine, plasma & LCD television and dish washer machine.

Thai Toshiba now has become a holding company consisting of:-

- Thai Toshiba Co., Ltd. is running the business on the production and marketing of household electrical equipments.
- Toshiba Thailand Co., Ltd. is running the business on the marketing and retail sales of the whole products of the holding.
- Thai Toshiba Fluorescent Lamp Co., Ltd. is running the business on the production and marketing of the light bulbs and lamps.
- Thai Toshiba Lighting Co., Ltd. is running the business on the production of the electrical lamp and ballast.
- Bangkradee Industrial Estate Co., Ltd. is running the business on the industrial estate serving to Toshiba holding and others customer in the estate.



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Vision of the corporate for a good quality business management:

The leader has announced clearly that vision of the corporate is "1 day Cycle time, 1 week Inventory for 80% of products by 2008", nowadays, Toshiba keep focusing on the production planning based on just in time quantity and high quality management which is lined up with the meaning of the endurance development of United Nation's World Commission on Environment and Development (UNWCED) who mentions that the endurance development is the development that meet the needs of present without compromising the ability of future generation to meet their own needs.

The former has decreed the mission of the corporate as "To bring good things to life", they keep managing the business in the way of fairness to all every concerns both inside and outside the corporate such as management team/ board, employee, social, customer and supplier, including responsible for the goodness of social and environment.

"Consideration for bringing the best things to Thai social and worldwide is actually made us to think about the best way to avoid every possibilities of the cause of badness which would reflect to the social" is a said of one of director.

The corporate keeps encouraging their employees to believe in their own asset in 3 main areas and sink that belief into the heart of employees:-

- 1. Global Profexcellent Manufacturer is the main area concerning a high quality standard of production, reliability and acceptability of products in a view of consumer.
- 2. Fighting Spirit is the second area concerning a confidentiality of employee, patience, diligence, industrious are the most key point for working and living.
- 3. Contribute to our Society and Honor Justice is the last main area concerning society and social support and also democracy administration which is maintained the fairness and justice of the business society and social.

The former keeps managing on the CSR management in order to set up a Strategy Management System and earn the most efficiency of management even put themselves on the social responsibility for the following reasons:-

- International corporate.
- Business for a good social and continually manage for the most faithfulness then become a global reliability of the products.
- Realize not to take advantage on the global resources.
- Keep developing social, corporate and human.

The above 4 reasons have been composed and announced CSR management vision as "We bring together the spirit of innovation with our passion and conviction to help protect the global environment, our share heritage. We foster close relationship, root in trust and respect, with our customer, business partners and communities around the world."

Corporate takes the above mentioned CSR management vision to manage and develop their top management level as follows:-





Executive of CRS Management
To ensure the Toshiba group or richly deserving of society's trust
 Strong concern about organisation not responding to social and environment issues.
 Quality of corporate philosophy and CSR is becoming even more important of survival.
To be a "Good corporate Citizen and global entity"
To take a leading role in preserving the environment by contributing to the sustainable development of society.
To respect the cultures and customs of the community where we do business

After considering the Executive of CSR Management, we come across that the most important of CSR for business management is as follows:-

- The respect of human right, country law and regulation.
- Leading in the social activities for global environment.

Join and support CSR business management in both country and global scales. Presence and providence of the truth and honest communication.

CSR Activity with the internal major business strategy:

1. Importance and Valuation of Employee with Development of Performance:-

Apart from the development of products and production process, former also keeps moving on the "Human Development" and almost treat them as the first priority for example:-

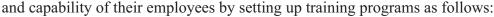
- a) Announce the policy of local labor employment in Nonthaburi and nearby.
- b) Rolling on the labor regulation wages.
- c) Persuade and support employee to develop their knowledge, skill and ability as of a word of Senior Manager, Human Resources department "The most important thing in business is to grow working and living popularity and stay on the promise that we will take care of living standard of people and keep moving toward global society".

In addition, there is some important popularity that the corporate keeps growing:

- a) Customer Appreciation is the most answer to the requirement which is based on law and regulation of the country.
 - b) Production and Technology will reflect to the products' quality and safety factor.
- c) Warranty is to maintain customers' appreciation and will be proving a safety of goods.
- d) Marketing and Sales is another key to the success in the way of faith and fairness.
- e) Procurement is the way to make a good understanding and confidence with suppliers in order to see the business eye to eye.
- f) Environment is the biggest concern for business in order to run the production on the environment carefulness.

Apart from major CSR activities, the corporate keeps developing knowledge, skill





- Orientation Program (new employees)
- Fire Extinguishing Program
- Reduction of Accident program
- Sex abuse program
- Application of Computer program
- Language program
- Profession and safety in the workplace program
- Wellbeing program

Also support and spread over the application of Philosophy of Sufficient Economy in order to improve employees' living standard commonly and not only the insider can be attended the programs, but, the opportunity is also open wider to the outsider who might be an state or private officer, student and trainee.

2. Importance and Valuation of Environment both Internal and External:-

The former keeps fully encouraging and supporting every conservation activities which are related to the energy and environment for example:

- 1. Promoting and growing a consciousness about the environment in order to improve and develop employees, sub-coordinators and suppliers.
- 2. Respecting and following a law, regulations and others related condition such as RoHs and EASTER.
- 3. Supporting and encouraging an activities which are related to the environment protection and become an objective of activity as follows:-
 - Protect and reduce air pollution.
 - Encourage the energy saving program.
 - Decrease all the possibilities which would ruin the environment.
 - 4. Support every activity which are saving and protecting the environment.
 - Encourage and advice every suppliers.
 - Team up with local and country society to improve and develop the environment.
 - Encourage and support the voluntary environment development program.

According to the environment policy of the corporate, they set up a slogan for the environment as "Toshiba group production mark" in order to encourage the activity until the end of year 2010 and even mention about the strategy of production as:

- 1. Improve value of products in every process of production to reduce the affectation to environment.
- 2. Improve sales volume and reduce the affectation to environment with the following policy:
 - Production of goods with a consideration for safety and steadiness.
 - Make the most convenience of product usage.
 - Reduce global warming problem.





- Make the most benefit of the resources.
- Manage and control the chemical usage.

We would like to pick up some exemplariness of tangible activities concerning the environment protection program as follows:

- Announce a safety and sanitary profession policy annually.
- Improve production process and reduce the waste from production and also reduce 50% of quality complaint.
- Set up the "Air Pollution Control Project"
- Reuse the treatment water in the toilet.
- Reuse the heat (from production) in the foaming process.
- Apply solar cell for water heating system.
- Apply the most energy saving air conditioner.
- Apply LPG gas instead of gasoline and bunker oil.
- Campaign the energy saving behaviour of employee (both at work and home).
- And many others environment saving programs.

3. Importance and Valuation of all concerns:-

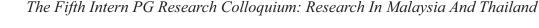
The ideology of corporate is "Intend to be the no.1, Compliment the justice, Encourage the ability and Support the development of the country", and in order to get the activity onto the same direction then the former has mentioned about the "Moral of Toshiba Group" as follows:

- Benefit protection is to keep the privacy and confidentiality of the corporate.
- Refrain from corruption is to stop the unusual benefit persuasion.
- Image protection is to maintain such a good image of the corporate.
- Believe in the honesty is to act honestly.
- Get closer to the commander is to discuss about the problem (if any).

After considering for the internal and external beneficiary, the former has determined "Toshiba International Standard of Conduct" (SOC) which is concerned the promise to the public and promise to the future even separate into 3 categories:-

Category 1: Working Standard for Business Activity

- 1.1 Customer appreciation
- 1.2 Production, Technology and Quality Guaranty
- 1.3 Marketing and Sales
- 1.4 Procurement
- 1.5 Environment
- 1.6 Export policy
- 1.7 Law and Regulation Merchandise
- 1.8 Official Transaction
- 1.9 Unusual payment
- 1.10 Engineering Morality
- 1.11 Right in the Intellectual Property





- 1.12 Accounting
- 1.13 Communication of the corporate
- 1.14 Advertisement

Category 2: Working Standard for relationship amongst the corporate and individual

- a) Human Resources
- b) Corporate information and property

Category 3: Working Standard for social relationship

- a) Relationship of the society
- b) Political support

CSR Activity with the external major business strategy:

- 1. Social Development Program/ Project
- a) "This hour for a child"
- b) Assistance for inundation deserves
- c) Give up drinking for Buddhist Lent
- d) Drunk no drive
- e) White factory
- f) Orphan support
- g) General Buddhist activities
- h) Distribution and support the activity about Integration Philosophy of Sufficient Economy
- i)General voluntary program for social support
- j)Donation activities

2. Relationship Activity Program

Main purpose of the activity is to increase a relationship amongst top management and employees regarding to Thai cultural events such as Song-kran, Floating vessel and New Year party for instance.

- 3. Energy Saving Program
- a) "T-Chan" low pollution materials and components
- b) Recycling garbage
- c) Turn the green to the forest

4. Human Rights Activity Program

The former keeps encouraging and supporting their employees on the democracy activities.



Summary and Discussion

According to the information mentioned earlier, we would like to summarize the study of CSR management of Thai Toshiba Industries as follows:

1. Vision of the corporate for a good quality business management

The Philosophy of administration such as Visions Mission Values of the organisation and the policy of business process of management and operative department to co-operate the mobilizing of the organisation activities shows that not only the concerning on the quality of products but also caring all of the stake holders in the firms; focus on the moral practicing in daily life as known that the most values of their life is faithfulness which truly important to Thai society and all community. It is necessary and important that all members of Thai Toshiba Industrial have been formal and informal socialized about self and social-environmental consciousness by the seniors, became the good practices for sustained development to mobilize on promoting social responsibility of environmental reservation amongst Thai society.

2. CSR Activity with the internal major business strategy

The complete process of CSR includes the values on the members of organisation, the human resources development such as promoting on career, recruit process, values on environmental consciousness of internal and external organisation especially the considerations on production and service. Moreover, process of the environmental problem solving and the administration on the urgent environmental requirement is included. Notice that the important of clarify on policy, action plan and general activities. The organisation values to all the stake holders both internal and external, such as administrative members, officers, and worker in every level include customers, suppliers, business alliances and public.

- 3. CSR Activity with the external major business strategy:
- The categories of the activities are the following:
- Social development activity
- Participatory of workers for the relationship between administrators and workers.
- Preservative of energy and environment projects includes the important activities and program to promote human rights.

The summery of studying on CSR strategies in Thai Toshiba Industrial indicates that the good images creation for public relation on the social responsibility organisation is not the main objective of this project, that is every process seriously developed caring and monitoring on business concerns, human rights concerns, fair- employed regulations, business justice, consumer concerns, environmental concerns and social- community sharing.



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Determination of Policy Determination of duty structure Good understanding on the preliminary of CSR Integrate to the Vision, Mission, Policy and Strategy Develop Adjustment Communication and on business Management & beneficiary cooperation Action Plan plan Report Plan Execution Monitoring and Evaluation

Figure 2: The Implementation process of CSR

8 Steps of CSR Management of Thai Toshiba

1. Determination of corporate policy on the responsibility for social

Social Responsibility is the important strategies of Thai Toshiba Industrial, to mobilize the management process sustainable, such as the products management, cost and marketing. The organisation starts to promote from all of administrative and operative levels. The executive of CSR Management is to determine of policy from top level of the administrative in organisation. The important process is to identify of responsibility of CRS co-operative members together with the planning and human resource units which implement from policy and input the necessary resources to the management for the initiate the development and improvement.

2. Good understanding on the preliminary of CSR

To understand the concept of CSR from CSR team and co-operative studying to



clarify all about the CSR in term of regulation, principal and process follow with the organisation review.

The actual contexts of CSR:

- To Priority of human rights, follow to law enforcement and the regulation of each country.
- To be the leader in organize the Social- environment activities.
- To co-operate and support the CSR organisation.
- To present, to inform and to communicate in appropriate way faithfully.

Even though the 4-component of Social Responsibility but the details and the practices of those 4 components relate to ISO 2006 which is divided into 7 items such as

- Good governance in organisation
- Human Rights priority
- Labor regulation
- Environmental cares& concerns
- Fair Business
- Consumer concerns
- Social& Community sharing
- 3. Identify the stake holders and analyze the expectation of them to the organisation

The stake holders such as committee, employees, consumer, the government officer, the suppliers, etc. are identified the relationship in each group that is the lines of co-operative between organisation and stake holder. We are considered the lines of co-operative to approve the activities such as the management of meeting, the employee trainings and the relatives of important subject such as the Law, the human rights concerns, etc.

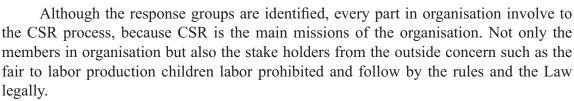
4. Integration of CSR in the vision, mission, policy and strategy

After the clarified of CSR in organisation, the next step to promote CSR is integrating with the strategic plans of the administration part. The CSR plan which clearly determined all of the visions and missions of CSR that the committee of CSR will co-consider the appropriate of proposal that integrated on social responsibility and the action plan of organisation to make the final decision from administrative part in organisation, then adjust to be the new proposal and make the declaration to organisation and the stake holders will focus on this way.

5. Development of CSR Management and Action Plan

To manage the CSR plan effectively, we must develop the managing plan and operative plan that should be the same. The equilibrium of management and manage of conflicts is also important. When the organisations select the main ideas of social responsibility, the determination of action process and procedure must be clear. The operations follow to the plan always systemic and controllable.

Moreover, successful also relate to provide the resources such as budgeting, manpower, and the other necessity which include the determination of indicators and the effective evaluation.



6. Execution of plan:

The execution of the plans will be initiated after the agreement of the administration follow by the committee and all of members in organisation. To get to succeed on CSR, identify responsible group to the CSR committee and then provided the resources such as the budgets, knowledge and information, etc. The key to success are:

- 1. Considerate on knowledge management to extend the most of ability for the employees onto the necessary topics those are trainings, the manual scripts, etc.
 - 2. Communications among the relatives on Social Responsibility
- 3. The application on planning procedure is priority on the indicators from each plans and activities. Even the confrontation of the difficulty or problems, the process will be on going and follow by those indicators.

7. Monitoring and Evaluation:

This is the most important process of CRS in opinions of Thai Toshiba Industrial. To evaluate the prior activities, the outcome expectation and to show up the problems and difficulties that will be improved.

The utility of evaluation is indirectly human development and indicate to be knowledge exchange and learning process. The organisations frequently follow up and evaluate focus on perceptions of the outcomes in each activity then continuing improved.

8. Report:

This is the process of communications about CSR to the stake holders and to the public, which is CSR report dose not separate from Annual report.

Discussions

Considering on the CSR strategies of Thai Toshiba Industrial was found the completely CSR process, CSR Award are Guarantee the quality. The first runner up prize of the sufficient economics philosophy also received.

- Key Success Factors of Thai Toshiba on the CSR strategy:
- Determination of The Master Plan
- Clarification the Formal Policy
- Running the Business with Social Consciousness.
- Encouraging the stake holders for the participatory learning process
- The Executive Agreement and Priority.
- Setting Organisation Visions and strategy plan for sustained development
- The Opportunity for Participatory Learning to Social Networks
- Promoting the Life Quality of Employees as the Family Members
- Human Development along with the Alliance Development
- The Opportunity for Community Participation Action to Develop Surrounding.



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- Systematic Environment Management, Purity Technology Development and Evaluation on Life Cycle of Products in Industrial Process.
- Constructing the concept of the Most Valuing Resources Using.
- Review the Circumstances of Social and Environmental Situation and the Industrial Production Roles
- The Organisation Cultures in CSR for Sustained Development
- Sincerity and Continuity on CSR Development

Suggestions

The researchers would like to encourage all concern organisations to study all details (of Case Study) as shown and spread over their own organisation, and also apply to their own business.

During the fluctuation of world economic even getting worse, many of investors have to develop their business strategy especially the investor(s) who is/are rolling on electrical and electronic equipments even quality of products is the most important key to serve market demands though the international trade regulation are needed for keeping them as a leader.

In order to maintain such the most appreciation of consumers, it also seems to have an excellent after sales service which is a must for challenging a leader in product innovation rolling on a big step forward technology development of which are reflecting to a high business competition apart from a high oversea business competition with a low cost countries such as China.

Therefore, business survivor will continually need to have a strong development including a providence of welfare to their employee and responsibility to social, so in the near and far future all those people will become their strong customer base and strengthening their own basis. On the other hand, standard and principle of business management are needed to comply with international trade terms (Office of the Royal Development Projects Board, 2007, pp.137-138).

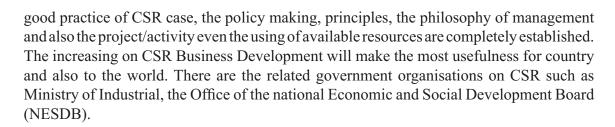
According to strong business competition, Corporate Social Responsibility; CSR are recently become a main business strategy and more likely a world inspiration in a "Globalization"

(Secretarial Office of Thailand Business Council for Sustainable Development; TBCSD, 2007, pp.10)

After taking a look at the most firm companies in Thailand who has become a public listed company such as Siam Cement Group (SCG), Petroleum Authority of Thailand (PTT), Bang-Chak Petrochemical (BCP), we are impressed that they all keep paying their great attention onto social responsibility of which are expected by the public, even once we review a business strategy of Thai Toshiba Industrial who is a joined venture company between Thai and Japanese (but not listed) and 1 of 3 big leading company in the world who try to apply CSR in Thai version in order to present their responsibility for social and now is a worth for the case study.

The study of Thai Toshiba Industrial on CSR strategies process shows that it is the





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