The relationship between corporate social responsibility disclosure and financial performance: evidence from Thailand

Wisuttorrn Jitaree  
*University of Wollongong, wj150@uowmail.edu.au*

Sudhir C. Lodh  
*University of Wollongong, slodh@uow.edu.au*

Shyam S. Bhati  
*University of Wollongong, sbhati@uow.edu.au*

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Abstract
This study examines the relationship between corporate social responsibility (CSR) disclosure and financial performance in Thailand during the period 2009-2011. Four measures of financial performance were used based on data extracted from the annual reports of 232 firms listed on the Stock Exchange of Thailand. A CSR disclosure index was constructed to measure the extent and dimensions of CSR disclosure. Overall, the results from the empirical analysis provide some evidence of positive relationship between financial performance and CSR disclosure. This study adds further evidence to the literature on the relationship between the CSR and financial performance in an emerging country. In particular, it is found that there is a strong positive relationship between CSR and financial performance in Thai listed firms. As well, CSR disclosure is not related to market based performance when tested using pooled OLS but it is found to be significant when instrumental variables estimation is carried out.

Keywords
disclosure, relationship, responsibility, financial, performance, social, evidence, corporate, thailand, between

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THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AND FINANCIAL PERFORMANCE: EVIDENCE FROM THAILAND

Wisuttorn Jitaree* 
School of Accounting, Economics and Finance 
University of Wollongong, Australia 
wj150@uowmail.edu.au

Sudhir C. Lodh 
School of Accounting, Economics and Finance 
University of Wollongong, Australia 
slodh@uow.edu.au

And 
Shyam Bhati 
School of Accounting, Economics and Finance 
University of Wollongong, Australia 
sbhati@uow.edu.au

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This study examines the relationship between corporate social responsibility (CSR) disclosure and financial performance in Thailand during the period 2009-2011. Four measures of financial performance were used based on data extracted from the annual reports of 232 firms listed on the Stock Exchange of Thailand. A CSR disclosure index was constructed to measure the extent and dimensions of CSR disclosure. Overall, the results from the empirical analysis provide some evidence of positive relationship between financial performance and CSR disclosure. This study adds further evidence to the literature on the relationship between the CSR and financial performance in an emerging country. In particular, it is found that there is a strong positive relationship between CSR and financial performance in Thai listed firms. As well, CSR disclosure is not related to market based performance when tested using pooled OLS but it is found to be significant when instrumental variables estimation is carried out.