Ethical stakeholder engagement: Exploring the relationship between corporations and NGOs in Thailand, Romania, and the UK

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Abstract
The under-theorised field of ethical stakeholder engagement is explored in a three-country study of business-NGO relationships. The influence of the relationships upon the formation of corporate social responsibility (CSR) practice and theory is considered through discussion of stakeholder theory and ethical stakeholder engagement and the practices of business-NGO linkages in Romania, Thailand and the United Kingdom. The study applied a qualitative approach with 32 in-depth interviews with senior CSR and NGO practitioners. The outcomes include the conceptualisation of business-NGO relationships in three different cultures, the management of engagement and the preparation of CSR communication for relevant stakeholders.

Introduction
In the last decade organisations have focused on stakeholder identification (Clarkson, 1995; Donaldson & Preston, 1995; Henriques & Sadorsky, 1999; Mitchell, Agle & Wood, 1997; Wheeler & Sillanpaa, 1997; Werther & Chandler, 2006) and evaluated a multitude of complementary or conflicting stakeholder claims (Greenwood, 2007). Although stakeholder engagement is relevant to businesses, publics or society at large (Jeffrey, 2009), the field is under-theorised (Greenwood, 2007) and there is little understanding as to the meaning of ‘ethical stakeholder engagement’. The purpose of this study is to explore the relationship between corporations and NGOs in Thailand, Romania and the UK. In order to distinguish the nature of this relationship and the manner of ethical stakeholder engagement construction, 32 in-depth interviews (53 hours of data in total) with CSR managers and NGOs representatives were conducted.

Firstly, this study discusses the main conceptualisations related to CSR and ethical stakeholder engagement, business-NGOs relationships and CSR theory and practice in Thailand, Romania and the UK. After this section, research methodology is outlined. Our findings show the main differences and similarities between the three countries and propose a concept for the nature of engagement between corporations and NGOs.

By undertaking an international approach, this research contributes to knowledge in several ways: we offer a description of business-NGO relationships and their role in shaping CSR practice in three different countries; we investigate the role of CSR and NGO practitioners in the development of CSR activities; and, finally, we consider the stakeholder groups that organisations engage with. In summary, investigating the perception and practice of CSR through comparisons between countries with diverse cultural backgrounds and significantly different economic growth offers in-depth understanding of global variations in CSR and demonstrates how CSR practice varies according to different national contexts.

Literature review
Social responsibility and ethical stakeholder engagement
The link between business ethics and corporate social responsibility is far from being straightforward. This has led to the development of normative conceptualisations of social responsibility, which attempt to address different stakeholders’ interests and
society more broadly. Specifically, CSR involves voluntary commitment (Fransen, 2013) and acknowledgment on the organisation’s part that, besides financial accountability, there are other wider social, environmental and economic concerns for which an organisation should show responsibility for (Blowfield & Murray, 2008). On the other hand, instrumental conceptualisations of CSR are mainly linked to financial performance (Margolis & Walsh, 2001; Luo & Bhattacharya, 2006). Dominant in the literature is the proposition that CSR might create and consolidate competitive advantage (Porter & Kramer, 2006).

Carroll’s widely-cited work proposed four domains of CSR: economic, legal, ethical and discretionary expectations (Carroll, 1979). This later evolved into a potentially hierarchical pyramid of CSR (Carroll, 1991) with the aim of emphasising the relationships between these domains as aggregative and additive (Jamali, 2008). Economic and legal responsibilities are mandatory, whilst ethical responsibilities refer to societal norms for businesses and philanthropic activities are considered only as desirable (Carroll, 1991; Windsor, 2001; Wood, 1991; Jamali, 2008). Carroll’s pyramid was criticised for depicting economic criteria at the base and building upward (Clarkson, 1995; Windsor, 2001), in effect taking what was an expansion of business responsibilities back to an emphasis on finance (c.f. Friedman, 1962).

The motives for CSR vary and are strongly related to the meeting of stakeholder expectations (Di Norcia & Larkins, 2000; Groza, Pronschinske & Walker, 2011; Adi & Grigore, 2015), building organisations’ reputation/image through altruistic causes like corporate philanthropy (Sánchez, 2000) or investing in additional environmental causes (Uecker-Mercado & Walker, 2012), protecting from possible issues that may arise (Brønn & Vidaver-Cohen, 2009; Pendse, 2012) and meeting legal requirements (Brønn & Vidaver-Cohen, 2009).

**Stakeholder theory**

Carroll (1991) and Carroll and Shabana (2010) argue that there is a natural link between the idea of social responsibility and stakeholder theory, and there is extensive academic work to identify relevant stakeholder groups and how organisations can integrate their conflicting interest in the businesses’ core activity (Clarkson, 1995; Donaldson & Preston, 1995; Mitchell et al., 1997; Wheeler & Sillanpaa, 1997; Henriques & Sadorsky, 1999; Werther & Chandler, 2006). Stakeholder theory was mentioned first in Johnson’s (1971) definition of social responsibility, where a company has the capacity to balance out a multitude of interests and it is not only profit-oriented, but also considers the value delivered to the employees, suppliers, local communities and society at large. Deemed as an altruistic gesture beyond the economic interests (McWilliams & Siegel, 2001), social responsibility is also regarded as an investment, conferring the company a fine tuning with the way the world works and a way to engage salient stakeholders within the organisational culture (Waddock & Graves, 1997; Carroll, 1991; Griffin, 2008).

Two classic definitions of stakeholders are offered by Freeman (1984) as “those groups without whose support the organisation would cease to exist” (p. 31) and “any group or individual who is affected or which can affect the achievement of organisational objectives” (p. 46). Definitions of stakeholders are abundant and can be seen as narrow or broad (Freeman, 1984) or can portray stakeholders as either moral or strategic (Greenwood, 2007). Individuals or groups are considered to be the stakeholders of a company if they meet one of the following criteria: (1) when they are positively or negatively affected by the activity of a company or when they are preoccupied by the company’s impact on their well-being or the well-being of other individuals/groups, (2) when they can supply or acquire the essential resources for their activities or (3) when they are valued in the organisational culture (Ferrell, Gonzalez-Padron, Hult & Maignan, 2010).

Whether they act formally or informally, individually or collectively, stakeholders represent a key element in the analysis of the organisational environment, which influences its activities (Murray & Vogel, 1997). At the basis of stakeholder theory there is the premise according to which the interests of all stakeholders have an intrinsic, essential and equal value, which implies that there is no
group to dominate the others (Clarkson, 1995; Donaldson & Preston, 1995). This view has been contested and is considered to be deceiving and utopian (Gioia, 1999). The terms of any cooperation or transactions are set by the party, which has more power, therefore it might be wrong to assume that the organisation and different stakeholder groups are equal (Greenwood, 2007). When stakeholder theory is applied in communication management, it is necessary for practitioners to identify those stakeholder groups that are relevant for the organisation when an issue arises, to show genuine concern for their interests and take action to solve the claims (Polonsky, 1995; Polonsky & Speed, 2001; Polonsky & Jevons, 2009).

Stakeholder engagement

According to Wijnberg (2000), the descriptive aspect of stakeholder engagement refers to consideration of interests or expectations that stakeholders might have. The instrumental aspect explores the relationship between practising stakeholder management and achieving corporate goals, while the normative aspect suggests that stakeholders are of intrinsic value. Stakeholder management involves the detailed mapping between all interests ‘at stake’ and all stakeholder groups when a decision is made.

Greenwood (2007) suggests that stakeholder engagement is an under-theorised area and defines the concept as “practices that the organisation undertakes to involve stakeholders in a positive manner in organisational activities” (p. 318). Greenwood (2007) observes that, in human resources, social and environmental reporting fields, stakeholder engagement has been associated with social responsibility.

As Noland and Philips (2010) suggest, the key concept arising from stakeholder theory and stakeholder management is engagement or, as Dawkins (2014) puts it, engagement deriving from good faith. Engagement highlights the necessity for a close dialogic relationship with the stakeholders when managing CSR (O’Riordan & Fairbrass, 2008), suggesting that superficial interaction is not sufficient (Noland & Philips, 2010). Once the corporation’s stakeholders are defined (Roloff, 2008), the communication process through which stakeholders experience and evaluate a CSR response must be implemented (O’Riordan & Fairbrass, 2008). There are indications that businesses which are perceived as ethical corporations create a certain level of trust with their stakeholders (Greenwood & Van Buren, 2010). Stakeholder engagement aims to give a cooperative advantage (Strand & Freeman, 2013).

Business-NGOs’ relationships

Businesses now look in various ways to be more socially responsible, just as civil society looks to be more commercial (Laasonen, Fougère, & Kourula, 2012). For example, NGOs are developing new tactics for engaging with businesses (Doh & Teegen, 2003), and in doing so they acquire abilities to implement business-like practices in their activities (Kourula & Laasonen, 2010). At the same time, corporations engage with social responsibility in order to minimise their negative impact on society (European Commission, 2014a), so they act in a way that supports social and environmental causes, just as an NGO does. NGOs might easily be seen as naturally socially responsible, defined so by their constitutions as they provide goods and services for beneficiaries, instead of commercial clients, and form partnerships with corporations to support social or environmental causes or to promote different CSR projects or social change (Arenas, Lozano, & Albareda, 2009). It is argued that business-NGO relationships have potential to shape strategic options available to corporations and NGOs (Burchell & Cook, 2013) and as a result can model our understanding and development of CSR theory and practice.

Social responsibility in Thailand, Romania and the UK

Thailand

Over the past decade CSR has risen up the business agenda in Thailand with strong support from the royal family and leading business organisations (Prayukvong & Olsen, 2009; Rajanakorn, 2012; Nation, 2013; Srisuphaolarn, 2013). The Royal Foundation founded a CSR department which “led many in
the business community and civil society to take up the cause” (Prayukvong & Olsen, 2009, p. 15). A CSR Institute (CSRI) has been formed by Stock Exchange of Thailand (Prayukvong & Olsen, 2009; Srisuphaolarn, 2013) and there are annual national awards for “best Thai company in corporate social responsibility” (Nation, 2009).

Thailand is predominantly (more than 90% of the population) a Buddhist country (Sthapitanonda & Sinsuwarn, 2013). The religion “has ‘giving’ as one of its principal precepts” (ibid., p. 4) and is part of “the Buddhist tradition of merit-making, which is usually done through philanthropy, charity, sponsoring, volunteering or sharing” (Prayukvong & Olsen, 2009, p. 15). Thus CSR as a concept is not new in Thai society (Pimpa, 2013).

Thailand has long practiced a ‘patron-client’ culture (Uppatum) in which the higher ranking members of society have to provide for the welfare of the lower ranking, while the lower ranking members give service, respect and loyalty in return.


Sthapitanonda and Sinsuwarn (2013, p. 5) also comment that CSR is not a new phenomenon and this “helps confirm that it is a ‘must-do’ for all business to give their hand to responsibly help local community”. There is, however, little extant research on the relationship between Thai corporate entities and NGOs, which are perceived as just one of many stakeholders. CSR in Thailand is discussed in the literature in terms of the practices of multinational corporations (MNC) and leading national businesses. There is also little theorisation possibly because of the religious and cultural contexts. Prayukvong and Olsen (2009) comment that there is “no real consensus of CSR among business leaders about the definition, focus or scope of CSR in Thailand” (p. 18). Pimpa et al. (2014) state that the understanding of CSR remains unclear while Kraisoromkhasinee and Swierczek (2006, p. 55) say “CSR practice in Thailand is at an early stage”.

The role of non-governmental organisations (NGOs) has had minimal consideration in the literature with only one paper (Lim & Cameron, 2008) specifically considering the role of NGOs.

**Romania**

As a new member of the European Commission, Romania has no tradition of developing social responsibility in practice (Zaharia & Grundey, 2011). Most organisational efforts focus on philanthropic activities or community relations and are driven by multinational enterprises (Anghel, Grigore, & Rosca, 2011; Zaharia & Grundey, 2011; Stoian & Zaharia, 2012). In this post-communist economy, CSR has developed through several channels centred on managers’ backgrounds and previous experience: *exogenous* CSR (employees with international work experience or working in multinationals), *endogenous* CSR (employees with experience of socialist system) or *hybrid* CSR (an interaction between exogenous and endogenous CSR) (Stoian & Zaharia, 2012).

Moreover, with the pressure from the EU (see EU’s Cooperation and Verification Mechanism for Bulgaria and Romania Reports, EU, 2015) and civil society (UNDP, 2011), organisations are becoming aware of the need to implement CSR in their core activities and adopt responsible behaviour that considers and integrates the interests of various stakeholder groups (for example, a worrying increase in air pollutants in urban areas, European Environment Agency, 2013). A testament to the development in the CSR practice and theory in Romania is the large number of conferences, special issues of academic journals and professional bodies awarding prizes for CSR good practices (Albu, Nicolae, Girbina, & Sandu, 2011). All these efforts address external pressures to modernise structures in Romania and bring them to acceptable EU standards, as Romania is in last place in the EU for standard of living, pollution levels, specific consumptions (Zaharia, Stancu, Stoian, & Diaconu, 2010) and has a very poor record on corruption (European Commission, 2014b; Transparency International, 2014).
The UK

The UK is perceived as leader in CSR practice for reasons ranging from the impact of the Industrial Revolution, thriving accounting and insurance industries, well-publicised NGO-business engagement and international positioning (Ward & Smith, 2006). The UK even appointed a Minister of CSR in 2000, demonstrating the importance of voluntary CSR in the UK agenda, even though the 2010 coalition government dropped this post (Idowu, 2011).

During the Thatcher era from 1979 to the early 1990s large UK companies were reporting CSR initiatives with employee-related, community and environmental disclosures being the most common (Gray, Kouhy, & Lavers, 1995). CSR has been professionalised, focusing on the effects of specialist activities and reporting in many industries ranging from gambling (Jones, Hillier, & Comfort, 2009), hospitality (Jones, Comfort, & Hillier, 2006b), fashion (Perry & Towers, 2009), employability assurance (Jones, Hillier, & Comfort, 2014) to construction industry (Jones, Comfort, & Hillier, 2006a). Jones, Wynn, & Comfort (2007) observed that the main areas of CSR reporting focus on environment, marketplace, workplace and community. Moreover, a hybrid non-profit organisation, the Business in The Community (BITC), has been running for almost 30 years in the UK “working to shape a new contract between business and society, in order to secure a fairer society and a more sustainable future” (Business in the Community, 2014).

Methods

Our study adopts a qualitative approach to explore the relationships between corporations and NGOs in three countries: Thailand, Romania, and the UK. Qualitative research helps generate meaning through collaboration between the researcher and participants (Denzin & Lincoln, 2002) and the researcher is an “active sense-maker” (Daymon & Holloway, 2011, p. 7). A benefit of interviews is that the data collected are situated within their own social context (Daymon & Holloway, 2011, p. 221), which makes this methodology appropriate for the exploration of social impacts upon CSR practices.

The following research questions were explored:

RQ1: How do practitioners from corporations and NGOs experience social responsibility in Thailand, Romania, and the UK?

RQ2: How do business-NGOs relationships structure the practice of social responsibility in these three countries?

RQ3: What are the key stakeholder groups that practitioners engage with?

RQ4: What are some ethical aspects that affect engagement with stakeholders?

Overall, interviews explored how participants experience CSR and how their organisation engages with stakeholders. Participants were also asked to identify, expand and reflect on personal CSR success, stories from their field of practice (i.e. cosmetics, pharmacy, banking, management consultants, charities and a non-profit chamber organisation).

In the first part of the interview, we asked participants to offer information about their backgrounds (hobbies, lifestyles, family, previous work experience). In the second part, participants were asked to describe their role in the current organisation (daily activities, who they work with, what are some projects they are involved with, CSR projects implemented in partnership, salient group of stakeholders relevant to their work). Finally, in the last section CSR managers and NGO practitioners were encouraged to reflect upon the interview, their role within the organisation, and were given an opportunity to add comments related to CSR activities they are involved in.

Across the three countries, 32 in-depth interviews were conducted. In total 53 hours of data was collected across the three countries (18 hours in Thailand, 21 hours in Romania and 14 hours in the UK). See Table 1 for information on the sample structure including role, organisation and gender.
Table 1: Participants in Thailand, Romania, the UK

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Sector</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp 1</td>
<td>Assistant VP Corporate Communication</td>
<td>Retailing</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 2</td>
<td>Managing Director</td>
<td>Media Business</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 3</td>
<td>Senior VP, Corporate Branding &amp; Communication</td>
<td>Banking</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 4</td>
<td>Chairman, Community Relations &amp; CSR</td>
<td>Property Development</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 5</td>
<td>Corporate Communications Director</td>
<td>Building products</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 1</td>
<td>Communication Officer</td>
<td>Consumer Rights</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 2</td>
<td>General Secretary</td>
<td>Environmental</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 3</td>
<td>Manager</td>
<td>Medical</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 4</td>
<td>Project Manager</td>
<td>Environmental</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 5</td>
<td>Director</td>
<td>Environmental</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 1</td>
<td>Community Affairs Manager</td>
<td>Banking</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 2</td>
<td>Communication Manager</td>
<td>FMCG</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 3</td>
<td>CSR Manager</td>
<td>Cosmetics</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 4</td>
<td>Corporate Communication Manager</td>
<td>Cosmetics</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 5</td>
<td>Communication Manager</td>
<td>B2B</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 1</td>
<td>Programme Coordinator</td>
<td>Minority Groups</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 2</td>
<td>Organisational Strategy Manager</td>
<td>Health and Community</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 3</td>
<td>Project Manager</td>
<td>Human rights</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 4</td>
<td>Director</td>
<td>Environmental</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 5</td>
<td>Corporate relations manager</td>
<td>Sustainability</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 6</td>
<td>President</td>
<td>Environmental</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 7</td>
<td>President</td>
<td>Minority groups</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 1</td>
<td>Head of Corporate Responsibility</td>
<td>Cosmetics</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 2</td>
<td>Senior Adviser on Sustainability and Climate Change</td>
<td>Business services</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 3</td>
<td>Global Corporate Communications</td>
<td>Business services</td>
<td>Male</td>
</tr>
<tr>
<td>Corp 4</td>
<td>Internal Communication Manager</td>
<td>Automotive</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 5</td>
<td>Head of Strategy and Reporting</td>
<td>Banking</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 6</td>
<td>Head of Compliance</td>
<td>Cosmetics</td>
<td>Female</td>
</tr>
<tr>
<td>Corp 7</td>
<td>Head of Reporting</td>
<td>Banking</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 1</td>
<td>Fund Raiser</td>
<td>Charity</td>
<td>Female</td>
</tr>
<tr>
<td>NGO 2</td>
<td>Member</td>
<td>Chamber</td>
<td>Male</td>
</tr>
<tr>
<td>NGO 3</td>
<td>Head of Charter</td>
<td>Chamber</td>
<td>Female</td>
</tr>
</tbody>
</table>

Note. Developed for the needs of the study

Each set of interviews was analysed by at least two researchers; firstly data analysis was done interview by interview, then across interviews, and finally across sets of data from the three countries. Our aim was to identify main themes that emerge in CSR practice and in the relationship between corporations and NGOs.

Our themes cover areas such as: conceptualisation of business-NGO relationships across three countries, management of engagement and aspects related to CSR communication towards relevant stakeholders.

The interviews in Thailand and Romania were conducted in a foreign language and then translated into English by accredited translators. Moreover, in order to make sure that the essence of translated interviews and themes was kept as closely as possible to the original transcript, an English speaker was involved in data analysis. Data collection and
storage followed Bournemouth University ethical procedures.

Thailand

In terms of methodological approaches, in-depth interviews have been used in several recent Thai CSR research papers either as the sole method of investigation (Kraisornsuthasinee & Swierczek, 2006, 2009) or jointly with other methods (Virakul, Koonmee, & McLean, 2009; CSR Asia Center, 2010; Srisuphaolarn, 2013). The sample comprised 10 interviews with five (each) of middle to senior level staff in Thai corporations and NGOs who have responsibility for CSR programmes, policy and communication, or their implementation. NGOs interviewees held leadership or senior management positions. All the corporate interviewees were reporting upwards to the executive level of their organisations.

The 18 hours of interviews were undertaken by a senior professorial researcher and conducted in June and July 2014. Most of the corporations were highly ranked in national industry studies of CSR performance, with four rated from first to 11th in a national ‘sustainability rating’ study (CSR Asia Center, 2010). The five NGOs are among the 10 best-recognised organisations of their type in Thailand. All interviewees were sent Thai language transcripts for approval. The approved transcripts were then translated into English and analysed by two researchers.

Romania

The sample included 12 in-depth interviews with five senior corporate communicators from various industries and seven NGO executives. In total 21 hours of data were collected in November and December 2013. Interviews were conducted in the work environment of participants or in coffee shops. During the interviews it became apparent that most had spent between two and 10 years in their current roles, and were in charge of social responsibility activities and developing partnerships with each other.

Corporate senior communicators were working in industries such as cosmetics, FMCG, banking and business-to-business; NGO executives, on the other hand, were working for organisations that support people with disabilities, freedom of speech in media communication, victims of domestic abuse, and minority communities. Interviews were recorded, transcribed, translated into English and then analysed by two researchers.

The UK

The sample consisted of 10 in-depth interviews with seven senior managers having a key role in the CSR strategy and three senior NGO practitioners. The interviews were conducted between April and July 2014. A total of 14 hours of data were collected. Seven interviews were conducted in the interviewees’ working environment while three were conducted via Skype. Interviews were transcribed and analysed.

Findings

Thematic findings of each country are presented separately, as we recognise that CSR has different manifestations and expressions across different national, religious, social and economic contexts (Jamali & Neville, 2011). We highlight similarities and differences in how practitioners experience CSR in Thailand, Romania and the UK, how business-NGO relationships shape the practice of CSR, the key stakeholders that organisations engage with, and some ethical considerations of this engagement.

Thailand

As the research was focused on the relationships between corporations and NGOs, the major outcome is the conceptualisation of that relationship supported by insights on the stakeholder engagement and communication of CSR.

Business-NGOs: Conceptualisation of relationships

Interviews found that there were shared values between the corporate interviewees and NGO counterparts of the Buddhist principles of giving and sharing, and seeking to undertake good deeds. This acceptance of cultural and religious values placed an ethical floor beneath the discourse that evolved, although perceptions would vary from the corporate and NGO viewpoints.
The responses from the interviewees give an understanding of relationships from the desired to the operational, and thus led to the conceptualisation of engagement as a ‘managed distance’. The desired relationship is indicated by the frequent use of terms and concepts such as ‘friends’ and ‘friendship’ – “We want to be their friends” (Corp 1); ‘win-win’, mutual benefit, partners, ‘join hands’ – “Then we can join hands on the project” (NGO 5); interdependence – “we support or consult one another as friends” (Corp 3).

The operational relationships were expressed differently as ‘balance’, retention of control of decision-making and reputation, avoidance of conflict – “We act like a facilitator. We listen to the problem, find out the draft solution, invite stakeholders to join hands in solving the problems” (Corp 5) and “Balance distance between (the) organisations” (NGO 1). The ‘distance’, however, was expressed in a paternalistic manner by some corporate interviewees who presented their organisations as having the solutions to societal and community problems, and only desiring NGO support to have them implemented – “We help NGO to learn about the situation in real life” (Corp 1), “we believe they (farmers) need an inspiration” (Corp 5), and “the support to make them stand by themselves. We need to help them smartly stand in the community. It is better than boycotting them or ignoring them” [authors’ emphasis] (Corp 5). This ‘corporates know best’ or ‘them factor’ is not necessarily unethical as there may be benefits for communities and society. It is more in the spirit of corporate philanthropy paving the way for corporate interests than the dialogue-based evolution of CSR policies and projects. However, NGOs recognise they have less power in these relationships and focus on maintaining independence by taking a wary view of relationships with corporates – “I believe that the corporations begin with the idea that giving money to a local NGO can stop (it) from advocating issues or saying badly about the corporation” (NGO 4) and “be selective to work with the ethical organisation, not the dictator’s organisation” (NGO 2).

Although there is an idealised view of relationships between corporates and NGOs in Thailand, the operationalised concept was of a ‘managed distance’ between the two sides in which one tries to drive the relationship in a paternalistic manner, while the other maintains a reserve that gives it room to manoeuvre.

**Management of engagement; CSR communication**

The management of the corporations’ relationships with NGOs was undertaken at a level below the main executive level. This analysis was confirmed by the interviews, which found that most policy formation was ‘top-down’ with implementation undertaken by public relations and corporate branding departments or mid-level managers. NGOs are aware of this reality: “Though PR people have no power to lobby to stop the dam, it helps them understand us” (NGO 4). Communication about CSR projects was an action to be taken after activity had taken place, rather than as publicity for campaigns or projects were being launched – “We need to act before we speak … make sure CSR is CSR, not PR. Launch PR activities as benefit arises from successful CSR” (Corp 5).

**Romania**

From interviews with Romanian participants, it became apparent that most of their efforts were directed at implementing a large number of small projects. In corporations, social responsibility mobilises organisational and employees’ efforts, often in tactical and sporadic ways. Directors or presidents of NGOs indicated that their social or environmental cause acts in the same way, as a force that activates employees and resources (material or non-material, such as emotional involvement), by directing them towards ‘something good’, but frequently ‘local’, temporally limited and often beneficial to the individuals involved (in a context where legislation is perceived as being unclear, media is perceived as being ‘bought’ and the government and other institutions being corrupt). Participants craved their work to be perceived as ‘dynamic’ and provided stories of moving rapidly from one job to another, and from one project to another. Moreover, they sought ‘ideal leader figures’, who through individual qualities, resources and reputation, appeared to inspire participants.

**Ethical engagement v. corruption**

Where ethics and ethical stakeholder engagement were discussed, they were linked with obligation to obey laws, monitor and control employee behaviour within the organisation and to protect organisations from corruption. Several participants suggested that they had direct experience of corruption; others chose their words carefully, but alluded to corruption in the use of funds and in auditing and inspection. They also referred to incompetence and inefficiency in bureaucracy.

NGO 1, executive director of an environmental NGO, explained that he didn’t trust the media, labelling them as largely corrupt and aligned with political interests. NGO 2, project manager at human rights NGO, explained how specific organisations attempt to work with journalists in order to improve reporting standards, but in the context of what he sees as a largely corrupt media. Despite attempts at integrity, journalists pressured him not to highlight corruption that might damage EU relations:

[they asked me] ‘you are being funded by the EU to do investigations which might actually damage the EU’s image? Don’t you think that’s a conflict?’ And I slammed the application in their face and told them: ‘please show me where I wrote that I want to do PR for the EU, for one. And secondly, please show me if these investigations damage the image of the EU or actually disparage the image of the Romanian state? In fact, the Romanian state is a thief, corrupt, stupid and imbecilic. It’s NOT about the EU’ (NGO 2).

He also gave a detailed account of specific problems experienced because of ‘irregularities’ in accounting for how EU money got spent, including with NGOs:

…this happened during the Boc administration…they gave contracts and projects to friends, associates, they didn’t look twice, and obviously, if a project wasn’t seriously analyzed, including if the applicants’ competence wasn’t properly evaluated…the whole mechanism got stuck. Because the money stopped being spent, or got spent with irregularities…faked auctions, frauds, unjustified expenses and so forth, the Commission sent monitoring, they found problems, and they said: ‘we’ll suspend everything. Get things in Order!’ (NGO 2).

Corruption in Romania seems present. NGO 3 also complained about corruption, and the controls and audits of his activity.

Management of engagement and conceptualisations of business-NGO relations

From the conversations with participants it was also evident that Romanian NGOs are reliant on EU funding and corporate funding as a key source of revenue. However, the relationship between businesses and NGOs in Romania seems to occur without any strategic long-term aspect, but is a short-term alignment of ‘opportunities’. Corporate managers and NGOs executives often found it difficult to articulate the integration of CSR in their mission or organisational objectives and explain how partnerships come to life. The focus for the interviewee was not so much on the social or environmental cause, community, other stakeholder groups or society more broadly, but rather on their own personal achievements within the organisation or the industry.

To illustrate the lack of strategic direction in CSR projects and in the relationship between businesses and NGOs, Corp 1, communications manager working in FMCG, said that she initiated a local project after being inspired by what colleagues were doing internationally. This might be seen as exogenous CSR (Zaharia et al., 2010), where employees with international work experience or working in multinationals instil their understanding and beliefs of CSR practice in the current workplace:

We went: ‘WOW, what a nice project, let’s do it here too!’… and we said, OK … let’s come up with an example in Romania… we did some local surveys, and we asked people how much food they’re throwing away, how much they shower, and so on, precisely so we’d have local examples… (Corp 1)
Where stakeholders were discussed, their importance was recognised. Employees, consumers, government, civil society, and social and environmental causes were key stakeholders mentioned by participants. Implementation of philanthropy and relations with communities stand as evidence that CSR practice in Romania is still in the early stages of development. This was also reflected in the attitude towards social reporting which was seen as a short-term communication tool. Social reporting involves the communication of social and environmental activities (Chapple & Moon, 2005). In our case, participants claimed that social reporting is a way of gaining visibility for the organisation or personal recognition.

The UK

It became apparent from interviews that socially responsible behaviour as practiced by for-profit organisations and NGOs was led by individuals who are passionate about the concept of their organisation acting in a socially responsible manner. The reasons for this passion may vary from being a ‘natural tree-hugger’ and ‘survival’, to ‘ticking the box’ for future appraisals. All participants have either socially responsible behaviour in their future professional (and occasionally personal) agenda or are committed to develop long-standing organisational responsibility traditions. Despite their knowledge and focus on socially responsible behaviours, participants were reluctant to use the term CSR, with an NGO that referred to companies with an interest in socially responsible behaviour as “CSR industries”. Some participants distinguished between environmentally friendly or responsible behaviour and CSR.

Business-NGOs: Conceptualisation of relationships

Businesses attempt to balance the needs of all stakeholder groups identifying clearly NGOs, media, consumers and employees as key groups relevant to their success. Understanding the role of the media and the implications of negative stories, businesses prefer NGOs to be “incredibly helpful as critical friends” (Corp 1) who offer a fresh insight in their operations. Rather than being idealists, NGOs were typified as organisations “with their own business model” which may sometimes change in order to achieve funding or support (if that is the case). Despite the desire for an open relationship, businesses have a wary view of NGO motives:

Some of them cunning and some of them not very cunning, sometimes they just ask for money, they appeal to your good will...I think they're getting a bit more, a bit smarter than that, the best ones now are really smart and say, well, what would value look like to [organisation]...how could my NGO work best with [it], what value could I bring? Could I bring value in terms of connecting [it] to other networks, could I bring value in terms of engaging the employees or changing...so they're thinking, in a business-like way about the value that they can bring to our relationship rather than just saying ‘give us your money’. (Corp 2)

Corporate participants expressed respect when talking of the work of NGOs and the results they have with their campaigns when forming policies.

We have relationships with a whole raft of NGOs...and very little of this gets publicised for the simple reason that it’s an open transparent relationship where we help each other, it's not just one way. (Corp 2)

In the UK element of this three-country research, NGOs were more difficult to recruit for interviews. However, the indication for all interviewees was that NGO managers in the CSR and social responsibility areas are realists who understand that their funding depends upon direct and indirect support from companies and that these businesses are sometimes overwhelmed with funding requests and therefore need to align social responsibility projects with businesses objectives. NGO 1 commented that businesses want something which links with their brand very well and sends a message to their customers. One unexpected outcome of the interviews, which showed market orientation, was that NGO participants used business terminology as they talked about competition with other NGOs for
funding, the value of being a ‘big’ NGO which makes fund-bidding easier and the need to generate brand awareness for the NGO. NGO 1 added, “we’re trying to be more, um, clear about our brand”.

NGOs were reliant on public relations methods to promote their cause or a fundraising event. NGO 2 commented that the organisation has continuing relations with media such as television and radio, adding “we do articles in local newspapers, but that’s like the main way with PR on the projects and we try to...communicate/raise awareness”. This drive for new sources of funding and the creation of media visibility, according to business interviewees, was because government and business funding has reduced since 2008, “so they’ve been forced to look more towards the private sector” (Corp 2).

Management of engagement: a professional approach

The management of engagement between business and NGOs has moved away from philanthropy and simple giving. It no longer relies on the CEO’s attitude because of corporate investment, governance and reputation needs. Corp 1 indicated that personal beliefs no longer informed decisions: “For us the key is about strategic relevance, so how do we demonstrate to our stakeholders that we are doing this because it’s relevant to our business.” Corp 2 confirmed the professional, business orientation: “it’s really about developing strategies that are very much like our business strategy and practice (and) how can we do that in a way that really integrates this responsible business to the mainstream business”.

Discussion

Having considered three countries (Thailand, Romania and the UK), there is great diversity in economic, historic, political and social experiences. The aim of this paper was to explore how practitioners experience CSR in these different contexts, how business-NGO relationships shape CSR practice, to identify the key stakeholders engaged when implementing CSR activities, and make ethical considerations of such engagement. This is a unique study that highlights different manifestations and expressions of CSR practice in developed and developing countries, as it is recognised that this is an under-theorised area in CSR and there is a need for more comparative studies looking at developed vs. developing contexts (Jamali & Neville, 2011). It also addresses a need for more research in ethical stakeholder engagement and how such practice is shaped by social responsibility activities (Greenwood, 2007). We now highlight similarities and differences between these countries.

Thailand is a constitutional monarchy, has never been a colony and bases much of its social behaviour on Buddhism with its tenets of ‘giving’ and hierarchic respect (Prayukvong & Olsen, 2009; Sthapitanonda & Sinsuwarn, 2013). It is no longer considered a ‘developing’ nation because of the rapid development of its economy in the past 30 years. Romania, on the other hand, is a relatively new democracy having emerged from Soviet bloc rule barely a quarter of a century ago (Stoian & Zaharia, 2012); it is now heavily reliant on European Union funding for aspects of its economy. The United Kingdom is a long-established constitutional monarchy with centuries of parliamentary democracy and has been a leader in espousing social responsibility in business (Gray et al., 1995; Ward & Smith, 2006; Idowu, 2011).

This diversity has been expressed in our multi-sited research. Even though stakeholder engagement incorporates to an extent the value of good faith (Dawkins, 2014), the experience of social responsibility is perceived differently by practitioners and highlights variations, which might result from the national contexts. Ethics are also contextual and perceived differently in these three countries, and so is the engagement with stakeholders, which might influence organisational activities (Murray & Vogel, 1997).

Two of the nations, Thailand and Romania, appear to be at an early stage of development of social responsibility (Sthapitanonda & Sinsuwarn, 2013; Stoian & Zaharia, 2012), while the UK is at a more developed, mature level (Idowu, 2011). In Thailand, Buddhist ethics appear to drive understanding of CSR...
and the relationship between corporations and NGOs, which has a paternalist flavour from corporations, which was typified as ‘them factor’, and wariness by NGOs of becoming too closely engaged with corporations for fear of contamination of reputation and loss of control. The Romanian social responsibility is episodic, temporary and tactical aligned with EU funding and it presents a lack of organisational strategic approach often materialised in short-term relationships between businesses and NGO. Practitioners undertake social responsibility projects as a way to achieve personal recognition and success, in separation from any CSR mission that the organisation might have. Ethics are seen as internal regulation of employees’ irresponsible behaviour in a national context, which is perceived as corrupt and manipulated by the media.

In the UK, there was evidence of developed corporate approaches to CSR and social responsibility strategies and action, although ‘CSR’ was a term being put aside by practitioners. In comparison with Thailand and Romania, the UK data show that corporations have respect for NGOs and want to work closely with them while respecting their need to be autonomous. As one corporate interviewee commented, they wanted NGOs to be “incredibly helpful as critical friends” and assist businesses to maintain or improve their socially responsible stance. This was different from the ‘corporates know best’ attitudes from Thailand and is indicative of a more collaborative relationship. The NGO attitudes, while data was limited, had a pragmatic view of relations with business and were driven by the need to attract new funding sources. It was notable that NGOs were increasingly using business terminology, such as ‘brand’, in developing their external activities.

While Thailand and, to a lesser extent Romania, still see philanthropy as primary CSR activities (Prayukvong & Olsen, 2009; Anghel et al., 2011; Stoian & Zaharia, 2012), the UK is taking a more professionalised approach and seeks to link social responsibility strategy and actions with business strategy “because it is relevant to our business” (UK Corp 1).

From the Thailand data, we introduced the notion of ‘managed distance’ as theorisation of the engagement between NGOs and corporations. That ‘distance’ in the UK could be similar to ‘cooperative advantage’ (Arenas et al., 2009; Burchell & Cook, 2013; Strand & Freeman, 2013) in that the relationship between corporations and NGOs is becoming inter-dependent: businesses are taking strategic approaches to social responsibility and NGOs are altering the nature of their relationship by seeking to offer “value” (UK Corp 1) to businesses, while retaining their campaigning stances. Ethical engagement could thus be both collaborative and cooperative in mature CSR practices. Romania’s context, with implicit and explicit corruption, however, reveals social responsibility shaped by opportunistic, short-term relations between corporations and NGOs, where the value is driven by and sought for individual purposes.

In addition to Strand and Freeman’s (2013) notion of cooperative advantage, the nature of ethical engagement found resonance in Thailand and the UK where the inter-relationship between NGOs and corporations demonstrated examples of wary respect. It also franked the need for authenticity in these relationships, as recommended by O’Riordan & Fairbrass (2008) and Noland & Philips (2010). Thus, while there are differing cultural and social frameworks and CSR practices that have different stages for maturity in Thailand and the UK, there are some theoretical frameworks that can be considered further.

Conclusion

This three-nation study has identified diverse relationships between corporations and NGOs in CSR and social responsibility practice and wide variations in the nature of ethical stakeholder engagement. We suggest that the ‘managed distance’ as an operational concept could be explored further. In line with Jamali and Neville’s (2011) call, we also recognise a need for more comparative studies between developed and developing countries to highlight different context-dependent expressions of social responsibility.

Limitations

The sample in each country provided rich insight. However, it may lack sample size for...
generalisation. Another limitation, arising from the application of qualitative methodology, is that different topics were raised in each country, leading to a variety of results, which could not be compared on a whole-of-sample basis. However, it is acknowledged that social responsibility varies by context (Jamali & Neville, 2011), therefore this variety and differences in results highlight opportunities for further research in order to address developed and developing or emerging nations and variations in conceptualisations and practices.

Recommendations for future research

Future research looking into local and national CSR practices in order to develop a better understanding of the concept is recommended. As noted in the previous section, concepts proposed in this paper need further research with larger samples in the three countries or with other national samples outside the Anglo-American business world. Further investigation into the business-NGO relationship that explores motives and ethical perspectives more deeply is also suggested.

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