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To: Salakjit Ninlaphay, Apichai Mahatham

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SOCIAL RESPONSIBILITY DISCLOSURE QUALITY AND ONGOING FIRM SUSTAINABILITY: EVIDENCE FROM ISO 14000 BUSINESSES IN THAILAND

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ABSTRACT

The objective of this study is to investigate the effects of social responsibility disclosure quality on ongoing firm sustainability through mediating influences of corporate reputation. Additionally, this research investigates the effects of executive proactive vision, accounting transparency mindset, and corporate governance culture on social responsibility disclosure quality, and examines the moderating effect of regulation force on the aforementioned relationships. Data were collected by survey questionnaires administered to the heads of accounting departments of ISO 14000 businesses in Thailand; 80 completed questionnaires are used in the analysis. The results show that social responsibility disclosure quality has a significant positive effect on corporate reputation, and corporate reputation has a significant positive association with ongoing firm sustainability. Likewise, executive proactive vision and corporate governance culture are the antecedent of social responsibility disclosure quality. Moreover, the results show that stakeholder force is not moderating variables. The implication, suggestions for further research, and limitations are discussed.

Keywords: Social Responsibility Disclosure Quality; Corporate Reputation; Ongoing Firm Sustainability; Executive Proactive Vision; Accounting Transparency Mindset; Corporate Governance Culture; Stakeholder force

1. INTRODUCTION

Currently, information relating to business have been interested and have greater need than the past, both quantitative and qualitative information. This information is useful to information user to consideration in the decision making. When users receive more information and that is important information, it will help reduce the risk of a mistake. Information source that useful to the users is annual report. The content of annual report does not only financial statement information and financial data, but there are also other information related to the activities of business. In particular, information about the social impact caused by the business operation, both positive and negative, that may affect the reputation and image of firm (William and Ho Wern Pei, 1999). In the past, this information unlikely receives attention and are less disclose. While currently information relating society or the social responsibility to get more attention from all stakeholders. Corporate social responsibility represents responsibility arising from any act of their business that has an impact on individuals, communities and the environment. Moreover, corporate social responsibility is the concept that businesses have inserted a matter of concern to society and environment into the business (Schoitens, 2008) and the interaction between businesses with stakeholders.

Corporate social responsibility represents care fullness and generosity of firm to society around them including environment, employee, or people in communities where these businesses are located. For abroad has attention and study this subject seriously and has developed into “Social Responsibility Accounting”. Social responsibility accounting is disclosure related to society in the form of statement of value added, human resources accounting, environmental accounting, company reports, and other reports related. These information disclosures affect the reputation and image of firm, lead to firm performance and firm value (Schoitens, 2008). The concept of social responsibility of corporations has engendered considerable interest in Thailand in recent years but not develop accounting rule and regulation related to social responsibility accounting. There will only disclosure information related to social responsibility arising from the business operation in the form of description. From the aforementioned discussion, this is an origin of motivated reasons. Therefore, this research investigates the relationships between antecedents

(Admin by Dr. Sukrit, Niphat)
and consequences of social responsibility disclosure. The objective of this study is to examine the
effect of social responsibility disclosure quality on corporate reputation and ongoing firm
Furthermore, this research investigates the effects of executive proactive vision, accounting
transparency mindset, and corporate governance culture on social responsibility disclosure, and
examines the moderating effect of stakeholder force on the aforementioned relationships.

The remainder of this study is organized as follows. The theoretical foundation shows in next
section. The third provides the literature review and hypotheses developments. The fourth
describes the research methods, sample and procedure, and variable measurements of each
construct. The next shows the results and discussion following by the contributions and direction
for future research. Finally, the seventh provides the conclusion of the study.

2. THEORETICAL FOUNDATION
There are two main theories employed in this study: stakeholder theory and legitimacy theory.
Both help elucidate and the principles of social impact.

Stakeholder Theory
Stakeholder theory is a theory of organizational management and business ethics that addresses
morals and values in managing an organization. This theory involves the stakeholders of a firm
which a firm has accountability to their stakeholder for they benefit as required (Mitchell, Agle,
and Wood, 1997). The responsibility or accountability starts from operation policy, procedures
and process of operation which the stakeholders are satisfied and confident that they will benefit
most from the operation of firms, especially, information disclosure to stakeholder. Disclosure of
corporate social responsibility is voluntary and beneficial to stakeholder. Thus, stakeholders
usually view social responsibility information disclosed to them as one of the criteria for
measuring an organizations reliability and legitimacy (Reynolds, Schultz and Hekman, 2006; Kuo,
Yeh, and Yu, 2012).

Legitimacy Theory
This theory describes the right to use of existing resources which firms are empowered to gain
access to the resources by the society. A firm is a part of the social systems which corporate
system should be consistent with the system of large social system. This theory is based on
social theory to determine the distinct line of firms and members of society which is considered
for the survival of firms (Carnegie and Napier, 2010). This theory is based on the assumption that
is a social contract between the organization and its social and environment. Societies need the
company to voluntarily report information about the business activities. Therefore, firm must
operate in accordance with the expectations of society: and one of society expects is disclosure
quality, especially, the social responsibility disclosure. Because accounting performance of firms
that affects multiparty. Thus, for firms to survive and to comply with the expectations of society,
firms must have a social and environment responsibility.

3. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
The research model of this study is illustrated in Figure 1. The research model presents the
relationships among social responsibility disclosure quality, corporate reputation and ongoing firm
sustainability. In addition, there are three antecedents of social responsibility disclosure quality,
including executive proactive vision, accounting transparency mindset, and corporate governance
culture. Moreover, stakeholder force is as the moderators.
3.1 Social Responsibility Disclosure Quality and Corporate Reputation

Social responsibility expresses the interest, concern, empathy, and responsibility for the effect of business operation on social around them, environmental, community, employee, or product and service of firms (Crowther and Hosking, 2009). Social responsibility accounting has developed because of the interest of all stakeholders. Social responsibility accounting as a part of social accounting, it covers the role of management accounting, employee report, human resources accounting, and statement of value added. In addition, the social responsibility accounting also means "Social Responsibility Disclosure" and "Corporate Social Reporting" (Matthews, 1993; Parker, 1994). Social responsibility defined as voluntarily taking actions that go beyond compliance with laws and regulation on environmental and social issue (Rekker, Benson, and Faff, 2013). Moreover, corporate social responsibility refers to some good acts beyond the interest of the firm and the applicable law and regulation (Lee, Seo, and Sharma, 2013). In this research, social responsibility disclosure quality is defined as the process of communicating information about the impact on social and environment of the action of firm to stakeholders, focusing on measuring, analyzing, and reporting the social performance. It also includes a role in the maintenance of environment. Information related to employee, goods and consumer, community service, and preventing and reducing environmental impact (William, 1999; Branco and Rodrigues, 2008; Rahahleh and Sharari, 2008; Schollens, 2008).

Although social responsibility disclosure is rapidly becoming a worldwide phenomenon, in Thailand, according to some studies, the research corporate social accounting disclosure have been classification the type of corporate social accounting into three categories that are employee disclosure, environmental disclosure, and community involvement disclosure. The subjects of employee disclosure are education for employee, fringe benefits for employee, loans to employee, bonuses to employee, provident and pension funds, health and safety in the workplace, and other. The majority of those firms disclosing employee information provide some detail on education of their employee and provident and pension funds. The subjects of firms' environmental disclosure are water treatment plant, air pollution control, waste disposal, ISO and 14000 and 14001, recycling, energy savings, R&D for environment, physical environmental conservation (forest re-plantation and environment educational program). The majority of those firms disclosing environmental information are water treatment plant (Kuasiriukun and Sherer, 2004)

Academicians have responded to this interest in corporate social responsibility and examined its impact on corporate financial performance (Lee, Seo, and Sharma, 2013). Many research
posed that firms can benefit from a competitive advantage created by CSR (Branco and Rodrigues, 2008; Rahahleh and Sharairi, 2005; Scholtens, 2006; Lee, Seo, and Sharma, 2013). In additional, corporate social responsibility can also benefit to financial performance such as increasing product recognition, enhancing employee motivation, creating positive employee attitudes, and improve firm’s image. At the same time, some the past research found that corporate social responsibility has a negative impact on financial performance because corporate social responsibility is an additional costs to the firm (Lindgreen & Swane, 2010; Lee, Seo, and Sharma, 2013). Disclosure quality is the presentation of financial information and other information through in the financial statements, including footnotes, supplementary schedules, or other. It means, the quality of information disclosure has a significant positive impact on corporate reputation, customer acceptance and stakeholder credibility means (Kongpunya, Ussahawanitchakit, and Khankaew, 2011). Moreover, environmental and social strategies of firms not only to fulfill legislative requirements, but also to improve corporate financial performance and financial value (Nikolaou and Evangelinos, 2010).

Hence, social responsibility disclosure quality is a potential possibility that affects corporate reputation. Therefore, the aforementioned relationships are hypothesized as shown below.

**Hypothesis 1:** The greater the social responsibility disclosure quality is, the more likely that firms will gain greater Corporate Reputation.

### 3.2 Corporate Reputation and Ongoing Firm Sustainability

Social responsibility of firm has become a very important to businesses and lead to competitiveness and a company’s ability to survive and firm success (Mustafa, Othman, and Perumal, 2012). Thus, social responsibility disclosure quality is to help create a good image, build the reputation of firms, and the firm can survive sustainably. According to the reputation perspective, corporate social responsibility has external effects on corporate reputation. Internal reputation or business reputation is business stakeholders’ perception on the firm activities. These business stakeholders comprise of worker or employees, manager, shareholders, customers, allies, and suppliers. External reputation or social reputation is the external stakeholders’ perception on firm activities. External reputation is the public in general that not as close to the firm for example society and community (Iwu-Egwuonwu, 2011). The good image or reputation will increase corporate worth and sustained competitive advantage.

Previous research has described the component of corporate reputation for example Schweiger (2004) identify ten component of corporate reputation that is quality of employee, quality of the management, financial performance, quality of products and services, market leadership, customer orientation or focus, attractiveness or emotional appeal of the organization, social responsibility, ethical behavior, and reliability. Martin de Castro (2006) classifies the corporate reputation into eight component include managerial quality, financial strength, product and service quality, innovation, use of corporate assets/efficiency, capability to gather, develop, and retain talented people, social responsibility among the community, and value of long term investment. In this research, corporate reputation is define as the confidence, recognized, appreciated, and admired from stakeholder and the third parties on the quality and efficiency of operational by adherence to social responsibility (Weankaoe and Ussahawanitchakit, 2011).

Good corporate financial performance leads to a good corporate reputation and results in good CSR (Mustafa, Othman, and Perumal, 2012). Disclosure quality enabled the firm to maintain sustainable (Kongpunya and Ussahawanitchakit, 2011). In this study, corporate reputation is a mediating variable of the social responsibility disclosure quality-ongoing firm sustainability relationships. Many prior researches studied about the corporate reputation, most studies found that corporate reputation positive impact on firm performance (Iwu-Egwuonwu, 2011; Kongpunya and Ussahawanitchakit, 2011; Mustafa, Othman, and Perumal, 2012), but some research found that the corporate reputation no relationship with financial performance (Inglis, Morley, and Sammut, 2006). There, to confirm the research finding in the past, this research tests the relationship between corporate reputation and ongoing firm sustainability. Hence, corporate
reputation is a potential possibility that affects ongoing firm sustainability. The aforementioned relationships are hypothesized as shown below.

**Hypothesis 2:** The greater the corporate reputation is, the more likely that firms will gain greater ongoing firm sustainability.

### 3.3 Social Responsibility Disclosure Quality and the Antecedent

The factors that affect the social responsibility disclosure include size, type of industry, profitability, and corporate culture (Grey et al., 2001, William, 1999). Additionally, the past research also found that the manager has influenced on the practice of social responsibility (Junguera and Ordiz, 2002). Thus, this research has three antecedent variables including executive proactive vision, accounting transparency mindset, and corporate governance culture. The details of each variable are as follows:

**Executive Proactive Vision**

Executive style demonstrates the pattern and process of operations. Executive proactive vision is the active executive management style appropriate for the current environment. Proactive executive is the characteristics of a leader to set goals for procedures or operations for concept change which improves the current situation and constantly develops efficiency. The traits of a proactive executive include strategic thinkers, leaders, empowerers, risk takers, and process-oriented individuals. Executive proactive vision involves six components: strategic planning, making the strategic plan work, continuously improving quality, strengthening referral bases, collaborating with other firms, and meeting community needs (Johnsson, 1991). From the review mentioned above, executive proactive vision refers to a set goal to follow procedure or operation concept changes which improve the current situation and constantly develop efficiency (Ninapakhay, USSAHAWANICHAKIT, and Boonlae, 2012). Executive proactive vision has six key elements, namely, strategic planning, making the strategic plan work, continuously improving quality, strengthening referral bases, collaborating with other firms, and meeting community needs (Johnsson, 1991; Adams, 1993). The characteristic and vision of executive have influence the practices on social and environment of business as well as the information disclosure. Hence, executive proactive vision is a potential possibility that affects social responsibility disclosure quality. Therefore, the aforementioned relationships are hypothesized as shown below.

**Hypothesis 3:** The higher the executive proactive vision is, the more likely that firms will gain social responsibility disclosure quality.

**Accounting Transparency Mindset**

Transparency is the complete, correct, and timely disclosure of information. Information transparency permits shareholders, analysts, and other financial report users to gain more understanding of an operation and the activities of a company (Gramling, 2007). Transparent process must be able to easily understand and show clearly the scope of rights and obligations. Transparency is divided into two types, that is, internal transparency and external transparency. External transparency is related to the results of communication behavior to outside. Moreover, the disclosure is representation of transparency, which enhances transparency and improves information leading to the more efficient allocation of resources. Particularly in accounting, financial reporting transparency is considered crucial in helping users understand and can be summarized as the current state of business (Billings and Capie, 2009). In this research, accounting transparency mindset is accounting practices that aware of transparency can be verified, to focus on the accessibility of the information, and disclosure completely and (Bushman, Piotrowski and Smith 2004; Street and Meister, 2004). Hence, the hypotheses are proposed as follows:

**Hypothesis 4:** The higher the accounting transparency mindset is, the more likely that firms will social responsibility disclosure quality.
Corporate Governance Culture

Corporate governance is a major tool to build confidence and transparency of firms. In the past, corporate governance mechanisms were divided into two groups, that is, internal and external, internal corporate governance mechanisms including board of directors and managerial compensation plans. External corporate governance mechanisms include laws and regulations, shareholder monitoring, debt holder monitoring, market for corporate control, labor markets, and product markets. Corporate governance culture is unique in each firm but with similar objective that can protects customer and shareholder's benefits (Ekanayake and others, 2009). Thus, corporate governance policy refers to environment of trust, ethics, moral value and confidence that guide people to behave at work (Aras and Crowther, 2008; Jenning, 2008). Governance practice has an important impact on corporate disclosure. Firms with more governance practice seem to provide greater disclosure quality and achieve higher accounting sustainability (Ussahawanitchakit, 2011)

Hypothesis 5: The higher the corporate governance culture is, the more likely that firms will gain social responsibility disclosure quality.

3.4 Moderating Effect of Stakeholder Force

Stakeholder of firm can divided into two groups including internal and external stakeholders. Internal stakeholders comprise employees, manager, and owners. External stakeholders comprise suppliers, society, government, creditors, shareholders, financiers, communities, and customer. Environmental and social strategy of firm affects the economic, overall environmental, and social performance. The pressure from stakeholders, firm must comply with the expectations of stakeholders (Reynolds, Schultz and Hekman, 2008; Nikolaou and Evangelinos, 2010). Social responsibility disclosure is one that stakeholders expect to receive from the firm. From the above mentioned, the stakeholder force is crucial to achieving the social responsibility disclosure quality. Hence, the hypotheses are proposed as follows:

Hypothesis 6: Stakeholder force positively moderates the relationships between executive proactive vision and social responsibility disclosure quality.

Hypothesis 7: Stakeholder force positively moderates the relationships between accounting transparency mindset and social responsibility disclosure quality.

Hypothesis 8: Stakeholder force positively moderates the relationships between corporate governance culture and social responsibility disclosure quality.

4. RESEARCH METHODS

4.1 Sample Selection and Data Collection Procedure

The population of this study is 376 firms of the ISO 14000 businesses in Thailand. Because they are the business group that operation of business process impact on society and environment. These businesses must to focus on social and environment responsibility, including the community, and all stakeholder involvement. A mail survey procedure via the questionnaire was used for data collection. The key participants in this study were heads of accounting departments. The questionnaire is mailed directly to each the heads of accounting departments of the ISO 14000 businesses in Thailand. With regard to the questionnaire mailing, 2 surveys were undeliverable because some firms were no longer in business or had moved to unknown locations. Deducting the undeliverable from the original 376 mailed, the valid mailing was 374 surveys, from which 80 responses were received. Of the surveys completed and returned, only 80 were usable. The effective response rate was approximately 21.39%. According to Aaker, Kumar and Day (2001), the response rate for a mail survey, without an appropriate follow-up procedure, is greater than 20% is considered acceptable.

To test potential and non-response bias and to detect and consider possible problems with non-response errors, the assessment and investigation of non-response-bias were centered on two different procedures: (1) a comparison of sample statistics and known values of the population,
such as number of employees, number of years in business, and amount of capital invested, and (2) a comparison of first wave and second data recommended by Armstrong and Overton (1977). Neither procedure showed significant differences.

For general information of respondents, females represented approximately 77.5% of the returned questionnaires. The average age was between thirty to forty years old (46.2%) and with more than fifteen years of accounting experience (47.5%). The firm's demographic data indicated that the majority respondents were industrial (36.2%) with the total assets more than 2,000 million Baht (58.6%) and with between 100 to 500 employees (36.2%).

4.2 Variables Measurement
All variables were obtained from the survey and measured by Liker's five-point scales, ranging from 1 (strongly disagree) to 5 (strongly agree). Measurements of dependent variable, independent variables, moderating variables and control variable were adapted from literature and described as follows.

4.2.1 Dependent Variables
Ongoing Firm Sustainability refers to the ability of organizational operations to secure wealth, survive, and sustain business operations (Mozilo, 2001). In addition, sustainability is used to describe the economical, social, and environmental orientation of the firm. The firm integrates the sustainability principle into their corporate strategy, needing to take environmental and social aspects into account to maximize future long-term earnings (Lackmann, Ernstberger, and Stich, 2010). Ongoing firm sustainability is measured using three items relating the ability of firms to secure wealth, survive, and sustain business operations (Mozilo, 2001). This construct is developed from Mozilo (2001).

4.2.2 Independent Variables
The independent variable of this study, Social Responsibility Disclosure Quality, and it is a core construct. Social Responsibility Disclosure Quality refers to the process of communicating information about the impact on social and environment of the action of firm to stakeholders, focusing on measuring, analyzing, and reporting the social performance. It also includes a role in the maintenance of environment, information related to employee, goods and consumer, community service, and preventing and reducing environmental impact. This construct is developed as a new scale and measured by six items.

Corporate Reputation is mediating variable of the social responsibility disclosure quality-ongoing firm sustainability relationships. Corporate reputation is measured by four items; focus on to be recognized, praise, and reliance on the integrity and accountability to stakeholder (Weankao and Ussahawanitchakit, 2011).

4.2.3 Antecedent Variables
The antecedent's variables that effect of social responsibility disclosure quality are executive proactive vision, accounting transparency mindset, and corporate governance culture. The detailed of measure of each construct as bellow.

Executive Proactive Vision (EX) is measured using five items relating strategic planning, following the strategy, quality improvement, and establishing and maintaining continuous operations long-term. This construct is developed as a new scale based on its definition (Ninlaphay, Ussahawanitchakit, and Boonlua, 2012).

Accounting Transparency Mindset (AT) is developed as a new scale with four items, focus on the transparent accounting procedures, the accessibility of accounting information, accounting operations verification, and disclosure of information relevant to the decision completely and timely (Bushman, Pietrowski and Smith 2004, Street and Meister, 2004).
Corporate Governance Culture (CG) is measured using four items relating the operating by principles of good governance, business ethics, respect for the rights, duties, and responsibilities, and compliance with law and regulation.

4.2.4 Moderating Variables
Stakeholder force is moderating variables. It is key factors that lead to social responsibility disclosure quality. Four items were measured in this construct relating understanding and comply with the demands of the stakeholders.

4.2.5 Control Variables
This study uses firm age and firm size as control variables, they may cause problem by influencing the hypothesized. Firm age and firm size may affect the disclosure quality (Biddle, Hillary, and Verdi, 2009; Ussahawanitchakrit, 2011). Thus, we controlled firm age by operating number of years since firm has been in operation as the proxy, and controlled firm size by total asset of firm.

4.3 Methods
This study utilized confirmatory factor analysis to examine the validity of data in the questionnaires. It is used to investigate the underlying relationship of a large number of items and to determine whether they can be reduced to a smaller set of factors. The factor analyses conducted were done separately on each set of the items representing a particular scale due to limited observations. This analysis has a high potential to inflate the component loadings. Thus, a higher rule-of-thumb, a cut-off value of 0.40, was adopted (Nunnally and Bernstein, 1994). All factor loadings are greater than the 0.40 cut-off and are statistically significant.

Table 1 shows factor loading scores ranging from 0.55 to 0.95. The reliability of the measurements was evaluated by Cronbach alpha coefficients. In the scale reliability, Cronbach alpha coefficients are greater than 0.70 (Nunnally and Bernstein, 1994). Alpha coefficients of constructs are illustrated in Table 1 with the value ranging from 0.84 to 0.91.

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loadings</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Firm Sustainability (OS)</td>
<td>0.86 – 0.88</td>
<td>0.85</td>
</tr>
<tr>
<td>Social Responsibility Disclosure Quality (SQ)</td>
<td>0.55 – 0.89</td>
<td>0.84</td>
</tr>
<tr>
<td>Corporate Reputation (CR)</td>
<td>0.68 – 0.89</td>
<td>0.84</td>
</tr>
<tr>
<td>Executive Proactive Vision (EX)</td>
<td>0.67 – 0.95</td>
<td>0.86</td>
</tr>
<tr>
<td>Accounting Transparency Mindset (AT)</td>
<td>0.69 – 0.82</td>
<td>0.86</td>
</tr>
<tr>
<td>Corporate Governance Culture (CG)</td>
<td>0.86 – 0.91</td>
<td>0.90</td>
</tr>
<tr>
<td>Stakeholder Force (SF)</td>
<td>0.80 – 0.94</td>
<td>0.91</td>
</tr>
</tbody>
</table>

The ordinary least squares (OLS) regression analysis is used to test and examine the hypothesized effects of social responsibility disclosure quality on ongoing firm sustainability via corporate reputation as mediators. Moreover, this research also tests antecedent variables that effects on social responsibility disclosure quality. Since, all variables in this study were neither nominal nor categorical data; therefore OLS is deemed appropriate method for examining the hypothesized relationships (Aulakh, Kotabe and Teegen, 2000). The established research models were presented as follows:

**Equation 1:** \[ CR = \beta_{01} + \beta_1SQ + \beta_2FA + \beta_3FS + \varepsilon \]

**Equation 2:** \[ OS = \beta_{02} + \beta_4CR + \beta_5FA + \beta_6FS + \varepsilon \]

(ยังรู้จัก ดร.สัมฤทธิ์ นิลมาะ)
Equation 3: \[ SQ = \beta_{03} + \beta_{13}EX + \beta_{14}AT + \beta_{15}CG + \beta_{16}FA + \beta_{17}FS + \epsilon \]

Equation 4: \[ SQ = \beta_{04} + \beta_{13}EX + \beta_{14}AT + \beta_{15}CG + \beta_{16}SF + \beta_{17}(EX*SF) + \beta_{18}(AT*SF) + \beta_{19}(CG*SF) + \beta_{20}FA + \beta_{21}FS + \epsilon \]

5. RESULTS AND DISCUSSION
The descriptive statistics and correlation matrix for all variables are shown in Table 2. As a result, the potential problems related with multicollinearity, all correlation coefficients of independent variables are smaller than 0.80, and all variance inflation factors (VIFs) values range from 1.02 to 5.07 well below the cut-off value of 10 as recommended by Neter, Wasserman and Kutner (1985), meaning the independent variables are not correlated with each other. Therefore, there are no substantial multicollinearity problems encountered in this study.

The results of OLS regression of the relationships among antecedent and consequent of social responsibility disclosure quality are presented in Table 3. The first hypothesis focuses on the relationship between the social responsibility disclosure quality (SQ) and corporate reputation (CR). The finding indicated the social responsibility disclosure quality has a positive effect on corporate reputation (\( \beta = 0.74, p < 0.01 \)). Thus, Hypothesis 1 is supported. It means the quality of social responsibility disclosure express the interest, concern, empathy, and responsibility for the effect of business operation on social around them lead to good image and reputation from stakeholder (Bebbington, Larrinaga, and Moneva, 2007; Crowther and Hosking, 2009).

Hypothesis 2 testing is investigating the relationships between corporate reputation (CR) and ongoing firm sustainability (OS). The findings shown in Table 3 (EQ2), indicate that corporate reputation has a positive effect on ongoing firm sustainability (\( \beta = 0.80, p < 0.01 \)), then Hypothesis 2 is supported. These findings support that the firms with higher corporate reputation have more ongoing firm sustainability. Consistent with the past research found that corporate reputation positive impact on firm performance and enabled the firm to maintain sustainable (Kongpunya and USSahawanitchakit, 2011).

<table>
<thead>
<tr>
<th>Variables</th>
<th>OS</th>
<th>SQ</th>
<th>CR</th>
<th>EX</th>
<th>AT</th>
<th>CG</th>
<th>SF</th>
<th>FA</th>
<th>FS</th>
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<tr>
<td>Mean</td>
<td>4.20</td>
<td>4.10</td>
<td>4.11</td>
<td>4.22</td>
<td>4.31</td>
<td>4.30</td>
<td>4.06</td>
<td>3.64</td>
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<td>s.d.</td>
<td>0.53</td>
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<td>0.57</td>
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<td>OS</td>
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<td>CR</td>
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<td>.73**</td>
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<td>EX</td>
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<td>.75**</td>
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<tr>
<td>CG</td>
<td>.75**</td>
<td>.68**</td>
<td>.77**</td>
<td>.83**</td>
<td>.81**</td>
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<tr>
<td>SF</td>
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<td>.62**</td>
<td>.71**</td>
<td>.64**</td>
<td>.63**</td>
<td>.69**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FA</td>
<td>-.04</td>
<td>-.05</td>
<td>-.06</td>
<td>-.04</td>
<td>-.09</td>
<td>-.09</td>
<td>-.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FS</td>
<td>.22</td>
<td>.31**</td>
<td>.20</td>
<td>.23</td>
<td>.27</td>
<td>.15</td>
<td>.29**</td>
<td>.13</td>
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</tbody>
</table>

**p<.05, ***p<.01
### TABLE 3
RESULTS OF OLS REGRESSION ANALYSIS

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
<th>EQ1:CR</th>
<th>EQ2:OS</th>
<th>EQ3:SQ</th>
<th>EQ4:SQ</th>
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<tr>
<td>SQ</td>
<td></td>
<td>0.74***</td>
<td></td>
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<tr>
<td></td>
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<td>(0.08)</td>
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<td>CR</td>
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<td>0.80***</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>(0.06)</td>
<td></td>
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<tr>
<td>EX</td>
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<td></td>
<td></td>
<td>0.50***</td>
<td>0.52***</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td>(0.14)</td>
<td>(0.15)</td>
</tr>
<tr>
<td>AT</td>
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<td>-0.14</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.13)</td>
<td>(0.13)</td>
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</tr>
<tr>
<td>CG</td>
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<td></td>
<td></td>
<td>0.32**</td>
<td>0.23</td>
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<td></td>
<td></td>
<td>(0.16)</td>
<td>(0.16)</td>
</tr>
<tr>
<td>SF</td>
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<td></td>
<td>0.15</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(0.11)</td>
<td></td>
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<tr>
<td>EX*SF</td>
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<td>(0.20)</td>
<td></td>
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<tr>
<td>AT*SF</td>
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<td>0.23</td>
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<tr>
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<td>CG*SF</td>
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<td>(0.21)</td>
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<td></td>
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<tr>
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<td></td>
<td>(0.11)</td>
<td>(0.09)</td>
<td>(0.11)</td>
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<tr>
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<td></td>
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<td>0.04</td>
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<td>0.13**</td>
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<td>(0.06)</td>
<td>(0.05)</td>
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<td>Adjusted R²</td>
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<td>0.54</td>
<td>0.66</td>
<td>0.57</td>
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</table>

*p<.10, **p<.05, ***p<.01, *Beta coefficients with standard errors in parenthesis.

To test the relationship between social responsibility disclosure quality and its antecedent (executive proactive vision, accounting transparency mindset, and corporate governance culture) also show in Table 3 (EQ3). The finding demonstrates that executive proactive vision ($\beta_7 = .50$, $p<.01$) and corporate governance culture ($\beta_9 = .32$, $p<.05$) has a positive effect on social responsibility disclosure quality. While, remaining antecedent variable (accounting transparency mindset) is not related to social responsibility disclosure quality. Thus, the Hypothesis 3 and 5 are supported but Hypothesis 4 is not.

Finally, the sixth to eighth hypothesis focuses on hypothesized moderating effect of stakeholder force on the relationship between social responsibility disclosure quality and antecedent. The results shown in Table 3 (EQ4), EQ4 indicate that stakeholder force is not moderator of the relationship between social responsibility disclosure quality and its antecedent (executive proactive vision, accounting transparency mindset, and corporate governance culture). Thus, the Hypothesis 6, 7, and 8 are not supported.

In summary, the results indicate that social responsibility disclosure quality is associated with corporate reputation and ongoing firm sustainability. These findings support that social responsibility disclosure quality enhances corporate reputation. Moreover, the result found that executive proactive vision and corporate governance culture are an antecedent of social responsibility disclosure quality. Consistent with past research found that social responsibility disclosure can enhance good image and reputation of firm and achieve the social goal. Moreover, the quality of social responsibility disclosure is important factor to financial performance, firm performance, and firm survival (Weankaeo and Ussahawanitchakit, 2011; Iwu-Egwuonwu, 2011; Kongpunya and Ussahawanitchakit, 2011; Mustafa, Othman, and Perumal, 2012). Furthermore, stakeholder force is not moderator effect on the relationship between social responsibility disclosure quality and company...
disclosure quality and its antecedents. The result also shows that the stakeholder force is not moderator effect on the relationship between social responsibility disclosure quality and its antecedents.

6. CONTRIBUTIONS AND FUTURE DIRECTIONS FOR RESEARCH

6.1 Theoretical Contribution and Future Directions for Research
This study is intended to provide a clearer understanding of the relationships among antecedent and consequent of social responsibility disclosure quality. It provides unique theoretical contributions expanding on previous knowledge and literature of social responsibility disclosure quality, corporate reputation, and ongoing firm sustainability. According to the results of this study, social responsibility disclosure quality has associations with corporate reputation and corporate reputation has associations with ongoing firm sustainability. In addition, this research focuses on the effect of executive proactive vision, accounting transparency mindset, and corporate governance culture on social responsibility disclosure quality. Executive proactive vision and corporate governance culture are antecedent of social responsibility disclosure quality. Moreover, this study attempts to investigate the impact of the moderators on social responsibility disclosure quality in the new model, but the result of research do not find the effect. Thus, future research should study the new moderating variable that is expected to affect the social responsibility disclosure quality for example change stakeholder force to antecedent variables. Also, future research is needed to collect data from different groups of sample in order to verify the generalizability of the study and increase the level of reliability. In addition, future research may study to compare the social responsibility disclosure quality of sample more than two groups.

6.2 Managerial Contribution
For the implication for owners, executives, and managers, this study helps organizations to understand that social responsibility disclosure quality is significant to enhance corporate reputation and ongoing firm sustainability. Firm should maintain and enhance their social responsibility disclosure quality because it is of the public and stakeholder interest. In addition, the organization should aware and emphasize social responsibility disclosure quality that lead to good image and external reputation and the firm can be sustained.

7. CONCLUSION
Social responsibility of firm has become a very important to businesses and lead to competitiveness and a company’s ability to survive and firm success. Thus, to obtain firm success, companies should express social responsibility and disclosure such information. The objective of this study is to investigating the effect of social responsibility disclosure quality on ongoing firm sustainability through mediating influences of corporate reputation. This study chose data from ISO 14000 business in Thailand. The results of OLS regression analysis show that social responsibility disclosure quality has a significant positive effect on corporate reputation, and corporate reputation has a significant positive association with ongoing firm sustainability. Likewise, executive proactive vision and corporate governance culture are the antecedent of social responsibility disclosure quality. Moreover, the results show that stakeholder force is not moderating variables. Finally, this study suggests that the firms should be developing social responsibility disclosure quality to enhance the image and reputation and firm performance.

8. REFERENCES


Jennings, M. M., K. Pany and P. M. J. Reckers. 2008. Internal control audits: Judges’ perceptions of the credibility of the financial reporting process and likely auditor liability.* Advances in Accounting, incorporating Advances in International Accounting, 24: 182-190.


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