

CSR-IN-PROCESS: A CASE STUDY OF DIARY HOME COMPANY, LIMITED

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Abstract

The objectives of this study are 1) to survey the perception of employees toward the CSR-in-process practices of the Company, 2) to contrast the different levels of perception of the CSR-in-process practices of the employees along socio-economic variables of job position, job tenure, and education level, 3) to survey the perception of CSR-in-process of organic dairy farmers of member farms. The sources of data are from 50 executives and employees of the Company and farmers from 7 diary farms.

The descriptive statistics of the Company sample are mainly male (54 percent), with age range of 25-34 (42 percent), attaining below bachelor degree education (82 percent) and being operation employees (88 percent). The highest level of perception toward CSR-in-process practices is on the policy and goals of CSR-in-process (score of 4.39), followed by the CSR-in-process practices (4.36) and the employee participation (4.17) respectively. On the differences between the subgroups, those with executives and supervision positions, of six or more years of job tenure, and attaining higher-secondary education or bachelor degree are found to have higher level of perception toward CSR-in-process practices than those with operational job positions, of five or less years of job tenure, and attaining primary or lower-secondary education.

The respondents from the member farms are mainly male, being founders, with age range of 41-50, attaining technical/diploma education, married, and 3-4 members in the family. Their level of perception of the CSR-in-process practices is highest with respect to the production process not applying toxic chemical being harmful to consumers and workers (4.90), followed by the environmental management within the farm being sustainable, with efficient use of resources (4.60)

Keywords: CSR, ISO 26000, CSR-in-process

1. Introduction

Good health has been of great concern worldwide including Thailand. The health problems of the population have cost every country a great deal of resources to take care and cure. The maintenance of good health is thus very important and has to be undertaken continuously to prevent illnesses as stated by King Bhumibol Adulyadej "Good physical health is a factor supporting economic progress and social security of the country because it leads to good mental health. Physical and mental fitness enable the individual to effectively serve the nation while refraining from imposing burdens on the nation" (Thailand's Sustainable Development Sourcebook, 2015: 169).

Organic food is thus considered as a solution to good health because in the process of organic farming no chemical substances are involved leaving no toxic residue in the agricultural output, as well as in the soil, water, air, plant, animal, and human. The

consequences of organic agriculture are high quality products, good health for the farmers and consumers, as well as better environmental conditions. Organic agriculture could be taken as a means of social responsibility practices fostering balance and sustainability for society and the environments. This is supported by Viriyapan (2014) finding that the farmers who did not use chemicals in their farming would not only be steered clear of debt, but produces agricultural products being safe for the health of the farmers and the consumers.

The increasing trend for better health with the increasing popular consumption of organic food has led many firms to produce and market organic food and organic agricultural products commercially. According to the Kasikorn Research Centre, the market for organic agricultural products in 2008 was at 50,000 U.S. dollars, 9.6 percent increase from 2007. Organic vegetables, fruits, milk and milk products are the popular organic food among the health conscious consumers. Organic dairy products in foreign countries has increased over 30% during the past 5 years (Department of Livestock Development, 2010). This study is thus focused on the organic dairy products which are highly accepted by consumers as importance sources of protein and calcium valuable to the health of all ages and sexes. The market share of organic milk has increased steadily and The Dairy Home Company, Ltd. Is one of the top companies producing organic milk. In fact, the Dairy Home Company, Ltd. is the pioneer of the market for organic milk in Thailand and able to produce pasteurized milk meeting the organic standard certificate of the National ACFS. The study, therefore, is limited to the case of Dairy Home Company, Ltd. whose production and processing of milk is entirely organic. The objectives are to examine the perception levels on the CSR-in-process practices of company employees and those of the dairy farmers of member farms supplying milk to the Company.

2. Objectives of the Study

2.1 To examine the perception levels on CSR-in-process practices of the employees of the Dairy Home Company, Ltd.

2.2 To assess the differences of the perception levels on CSR-in-process practices of the sub-groups distinguished by job positions, job tenure, and education attainment.

2.3 To examine the perception levels on CSR-in-process practices of farmers in the member farms of the Company.

3. Expected Useful Outcomes

3.1 To improve and further develop the CSR-in-process practices of the Dairy Home Company, Ltd., and the member farms efficiently,

3.2 To apply the study results in devising further approach for the promotion of CSR-in-process practices for organizations in both the public and the private sectors.

4. Literature Review

Organic milk is the milk from the farm applying good farming management taking into account the environments and the animal welfare; and in every process of feeding and milking no synthetic chemical products or medicine are used, following food safety standards to be certified according to the organic livestock standards. (Organic Livestock Center, 2010). The transition to organic dairy production system is one of the projects implemented by the Department of Livestock Development in cooperation with the National Bureau of for Agricultural Commodity and Food Standards (NSTDA, 2014). As a part of this project, the

Diary Home Company, Ltd. and six member farms were supported by the Department to bring the organic dairy products up to the standards and to advance the standard of organic dairy cows of Thailand. The Company is the first one to market organic milk in Thailand and to produce pasteurized milk meeting the organic standard certificate of the National ACFS (Organic Livestock Center, 2010).

4.1 Corporate Social Responsibility (CSR)

There are three types of corporate social responsibility practices (Kotler & Lee, 2005):

1. CSR-in-process refers to practices for the society being in the main business process of the firm.
2. CSR-after-process refers to practices for the society in various aspects being undertaken outside the main business process of the firm.
3. CSR-as-process refers to the practices of firm for social benefit without seeking profit in every business process of the organization.

4.2 ISO 26000 - Social Responsibility

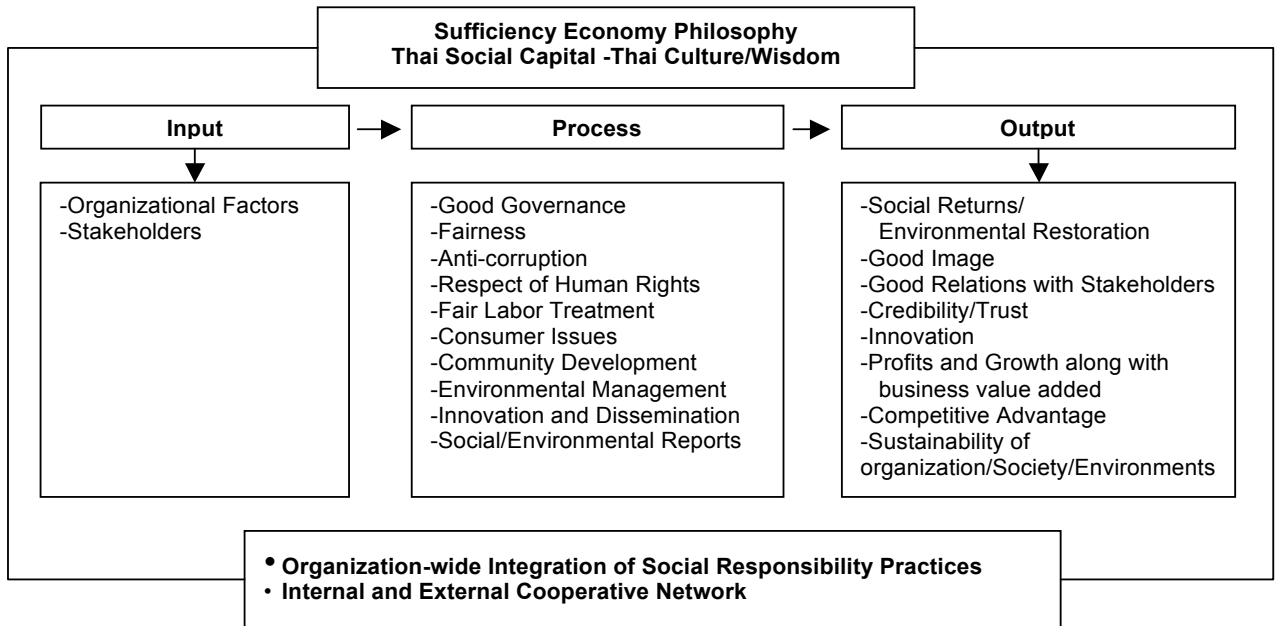
The ISO 26000 is developed by the International Organization for Standardization (ISO) covers the guidelines for social responsibility practices of organizations. The standard is for facilitation of wider implementation of socially responsible practice, with the belief that doing good should not be forced. There are seven areas of social responsible requirements in the ISO 26000, including good governance, human rights, labor relations, the environment, fair business practices, consumer issues, and community involvement and development.

4.3 CSR-in-process in accordance with the Sufficiency Economy

4.3.1 Philosophy (SEP)

To enhance value and welfare for the organizations and stakeholders, CSR practices are not only based on internationally recognized standards but also integrated with local knowledge and wisdom such as the Sufficiency Economy Philosophy, ethical principles of Buddhism and other religions, including Thai traditions and cultural values. This CSR awareness would be translated into socially responsible practices in the employees' daily working process as though it is the DNA of the organization and the employees. This would be most beneficial to the practitioners, the stakeholders, the society and the environment because the CSR practices would be consistent with the Thai way of life and its social context efficiently and effectively. The expected consequence would be a sense of public responsibility of the people at the instinctive level strongly contributing to the sustainable development of the people, organization, society and the nation as illustrated in Figure 1.

Figure 1: Social Responsibility practice based on Sufficiency Economy Philosophy (Viriyapan, 2011)



From Figure 1, the implementation of CSR-in-process practices consistent with Sufficiency Economy Philosophy would have to take a system approach incorporating all relevant factors from organizational factors to stakeholders both inside and outside of the organization. CSR-in-process practices refer to the implementation of socially responsible activities as parts of the normal business processes of the organization. This approach would be like having a compass to guide the organization's operation from the beginning to the last operation. (Viriyapan, 2011),

4.3.2 Policy and Goals of CSR-in-process practices

The leader of organization is the most powerful person in the implementation of the CSR-in-process practices (Walderman et al., 2006) because he has the role of setting the policy and goals of the organization which would be highly related to the success of the operation (Pangnirun, 2007). The policy of a business firm is the guideline and operation rules used by the executives for making decision wisely and intelligently, or it is the carefully considered actions of the executives for the communication of the direction of change for the organization or the society to allow the employees to understand the activity or action, the strategy of means, and the value and decision as framework for appropriate implementation for the achievement of the set goals. (Sarnrattana, 2005)

To provide guidelines and framework for CSR-in-process practices (Standard for Corporate Social Responsibility, CSR-DIW: 2554), the corporate policy would be instrumental in setting the direction for the CSR activities appropriately. The setting of policy should follow these 3 steps: 1) the executives need to realize and accept their CSR role by making corporate policy consistent with CSR guidelines, and communicate it to all employees; 2) compilation of all the information on roles and obligation regarding social responsibility; 3) the leaders and managers at all levels cooperatively determine the common understanding of the roles and practices considered to be socially responsible, stimulate interest within the organization for appropriate responsive actions, mobilize resources and

rearrange the operational system to accommodate CSR-in-process practices (Certo 1997: 61-63 cited in Luengtrakarnkul, 2009).

Implementation of CSR practices would have to begin with the corporate vision and serious support of the owner who is the person setting the policy and goals of the business in all aspects including CSR practices. The starting point should be the setting of vision, missions, policy, and strategies consistent with CSR principles, with clearly defined responsibility structure, stated goals and implementation procedures appropriate for the business and expectation of the target group, in line with the international standards, appropriate budget allocated, monitoring procedures and publicity plan (Laungtrakarnkurn, 2009).

4.3.3 Participatory Role of Employees

Participatory role refers to the voluntary actions of the employees (Pawuttinant, 1998: 41) participating in the decisions, the implementation, the enjoying of benefit, and the evaluation of results (Cohen and Uphoff, 1977: 219-222) resulting in solutions to problems, including creative initiatives for the implementation of various activities including the effective solution of the current problems for the benefit of the organization and the formation of common sense of responsibility (Masawaeng, 2008: 10).

The fostering of participative resolve should start with the determination of the plan, policy, objective, goals, budget, working rule and procedures, accountable persons, timetable and actions. With good policy and plan, the implementation would be smooth and successful; the plan would be recognized as important and willingly implemented because of the stated guidelines for behavior essential for achievement of the objectives. The subsequent stage would be the implementation of the plan by the organization of responsibilities according to the abilities, the taking up of given roles, the arrangement of communication system openly and meaningfully with common understanding for coordinated action to achieve the stated goals and the evaluation of the outcomes. Monitoring should be made periodically and at the end by various methods for making concluding evaluation and acknowledgement of problems and proposed recommended solutions for further improvement (Cheuyuenyong cited in Kaewchunant, 2000: 23).

4.3.4 Published Researches

Kornmathitsuk's (2010) study on "Development of Organic Milk in Thailand: A Study of Milk Quality, Health and Reproductivity of Organic Dairy Cow" The study examines the natural production using chemical-free animal feed, antibiotic for the maintenance of hormone to enhance milk production. The main purpose of the study is to analyze the quality of milk raised with environmental-friendly method and concern for animal welfare in observing the sanitary standards of farm and cow specified by the ACFS. The outcomes for the cows include the production of organic milk leading to the improved balance of energy of cow metabolism after giving birth, the milk from the organic farm shows low level of somatic cells (indicator of the health of udder) indicative of low probability of mastitis. The reduced incidence of dairy cows being sick physically as a result of mastitis and other health problems such as leg, hoof, acidity in the stomach, is partly due to the use of feed composing of greater amount of coarse grain/vegetable. The cow is less stressful, reducing the fertility problem. The culling rate is low increasing the fertility rate, and productive longevity. The milk from cows raised organically commands 30% higher selling price. These outcomes have enabled the dairy farmers to earn good income, to enjoy good

quality of life, to be more capable of operating the dairy farm, and to attain sustainability in the organic dairy farming occupation.

Siriwong Na Ayudhya (2007) conducted a study on “Corporate Social Responsibility of Thai Business Firms: Case of Toyota Motor (Thailand), Co. Ltd.” The results found that organization had set CSR policy and goals as a part of organization policy and philosophy and broadly communicated to employees at all levels for their awareness and participation. The driving force included both internal and external factors. There were three types of activities, corporate-driven CSR, social-driven CSR and both combined. The activities were taken place both inside and outside of the organization. The design and development of the CSR projects were based on the needs of the society with key performance indicators and goals, operating plans, and evaluation tools before, during and after the implementation. These were compile in “sustainable development report”. For future plan, they would concentrate on the continuance of their current activities with further development. The aspects to be selected would depend on the social issues of current interest.

Wasu-aree (2009) in “Perception of Employees of Amphol Foods Processing, Co. Ltd. on ISO 26000”, The results indicated that the overall perception was at high level especially with respect to the area of consumer issues. They concured that the company had observed the relevant laws and regulations, established appropriate culture and principle of non-discrimination in accordance with good corporate governance. The company also repected the rights of the employees and allow free expression with channel for feedbacks from stakeholders in line with the human right principles. Furthermore, the company had abided by labor regulations and environmental requirements, implemented fair business practices, responded seriously to consumer issues and social development. These perceptions did not differ for the subgroups of the sample when differentiated by work tenure, but differed with respect to gender, marital status, education attainment, line of operation, and training.

Angkatapimont (2009) in her research titled “Employee Participation in Corporate Environmental and Social Responsibility Activities of Bank of Ayudhya, Plc.” examined employees’ perception of social and environmental responsibility, participation in the social and environmental responsibility activities, and approaches for promotion of employee involvement in the social and environmental responsibility activities, collecting data from a sample of 165 employees of the Bank of Ayudhya Plc. Most of the respondents had participated in the social and environmental responsibility projects of the Bank such as donation of goods and fund for disaster relief. The perception level of the sample group concerning Bank’s social responsibility practices was high, but the level of participation in the activities was moderate. There were no difference between the general perception and the level of participation at statistically significant level of 0.05.

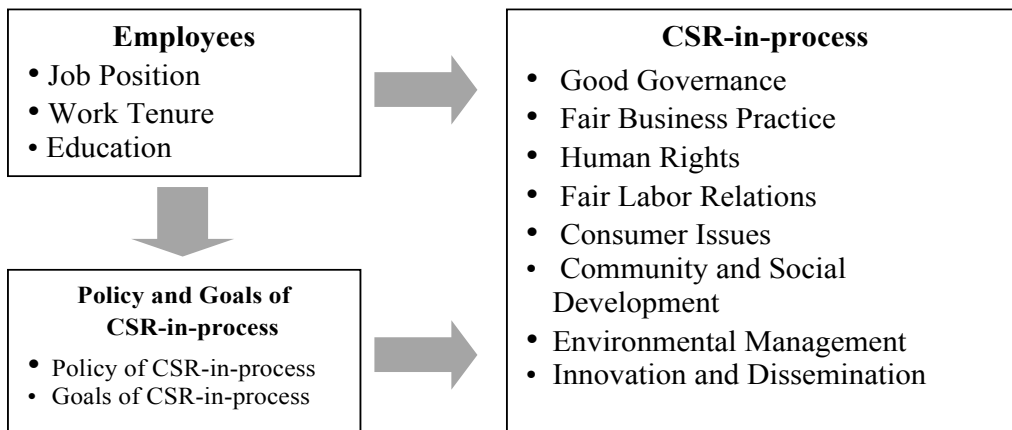
Laemlak (2010) conducted a study of the factors affecting participation of employee with respect to social responsibility of Bangkok Commercial Asset Management Plc. to examine the personal factors and motivation factor affecting the employees’ participation in the social responsibility activities of the company. The results obtained from the data collected from 300 employees indicated that motivational factor was highly related to the level of participation and it was more influential than hygienic factors. The employee participation was at moderate level in general, with the highest degree of involvelment in the outcomes, followed by the implementation, and lowest in the evaluation. Testing of statistical differences between the subgroups of the sample differentiate by sex, age, marital status, education attainment, job position, and income found no differences between the subgroups,

however the motivational factors and hygienic factors were positively correlated with social responsibility participation.

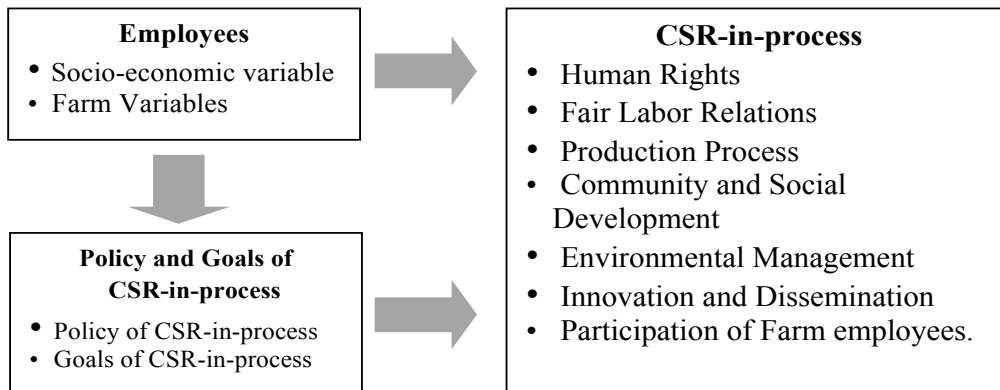
Lertchantueg (2011) conducted a study on the development of CSR-minded enterprises in the beer business with the objective of determining the business model of social enterprises appropriate for the beer business. As to the case of Singha Corporation, their CSR practices were in line with those of the four companies but still fell short in term of beer-related CSR activities while focusing on other areas. CSR practices for beer business should have two parts. The first part was the operation in accordance with legal requirements and international rules including environmental-friendly production process, product label warning of danger as specified by law, advertising with appropriate content and at specified time, or observing labor law in labor relations. The second part was CSR practices involving the beer product such as campaign against drink and drive, preventing minor from alcohol consumption, taking care of cirrhosis patients, etc. Additional issues for the beer business would be the inclusion of CSR in company policy and gaining support from the executives, and the involvement of stakeholders, monitoring and compiling of report which could be a good channel to communicate with all stakeholders in the society resulting in amicable understanding between the company and the society.

5. Conceptual Framework

Part 1: Executives/Employees of Dairy Home Co. Ltd.



Part 2: Dairy Farmers in Member Farms of Dairy Home Co. Ltd.



6. Research Method

6.1 Population and Sample

6.1.1 Total 50 Executives and Employees of Dairy Home Co. Ltd. making 100 percent

6.1.2 Dairy farmers from 11 member farms of Dairy Home Co. Ltd. supplying raw organic milk to the company. Convenience sampling was used obtaining respondents from 7 farms representing 63.64 percent.

6.2 Research Instrument

The instrument for this study is a carefully developed questionnaire of both closed-ended and open-ended consisting of two parts. The first part covers the variables regarding the respondents and the second part covers the CSR-in-process practices perceptions measured by the Likert's type rating scale of 5 levels. A structured list of questions is used for the in-depth interviews and the focus group in the field.

6.3 Data Collection

Two approaches of data collection were employed, primary data collection and secondary data collection. The secondary data are from relevant documents and publications from official organizations such as CSR approaches, organic dairy farm operation, etc.; and from printed media and websites.

6.4 Data Analysis and Statistics for the Study

The data were compiled and analyzed by statistical software based on statistical principles and method. Descriptive statistical analysis was performed giving statistics of percentage, frequency, mean, and standard deviation. Cross tabulations (Crosstabs) among the subgroups of the sample differentiated by job position, job tenure, and education attainment were undertaken to test the difference of perception levels for each of the variables. The qualitative data were analyzed by content analysis.

6.5 Limitation of the Study

The study is undertaken with limited time and dispersed locations of the member farms of the Company. Accessing the dairy farmers encountered difficulty with respect to long distances and the unavailability of respondents due to their need to spend the entire day for taking care of the cows closely.

7. Research Results

Part 1: Responses from Executives and Employess of Dairy Home Company, Ltd.

Of the 50 respondents, most are male (54 percent), of age range 25-34 (42 percent), with below bechalar degree education (82.0 percent), and in operation positions (88.0 percent) with job tenure of less than 2 years (48.0 percent) followed by 2-5 years (32.0 percent), 6-10 years (10.0 percent), and more than 10 years (10.0 percent).

7.1 Results of the perception levels on CSR-in-process practices of the employees of the Dairy Home Company, Ltd.

On the perception levels of the respondents with respect to the three factors of study, the perceptions for the policy and goals of CSR-in-process, and the CSR-in-process practices were at the highest levels with mean values of 4.39 and 4.36 respectively, while that for employee participation was at high level with 4.17 with the details shown in the table below:

| Factors/Items | Mean | SD | Meaning |
|---|-------------|-------------|----------------|
| Policy and Goals on CSR-in-process | 4.39 | 0.52 | Highest |
| 1. The Company has clearly defined CSR-in-process policy | 4.47 | 0.54 | Highest |
| 2. The Company has clearly defined goals and indicators for its CSR-in-process practices. | 4.39 | 0.61 | Highest |
| 3. The Company has encouraged employees to be involved in setting policy and goals on CSR-in-process practices. | 4.48 | 0.65 | Highest |
| 4. Company executives are involved in setting policy and strategies on CSR-in-process practices. | 4.63 | 0.64 | Highest |
| 5. Company executives have encouraged employees to take part in CSR-in-process practices seriously and concretely to improve company competitiveness. | 4.45 | 0.71 | Highest |
| 6. Company policy on CSR-in-process promotion is announced and communicated to all employees to be understood widely. | 4.14 | 0.71 | High |
| 7. The Company sets a policy to train employees and develop their capability to implement CSR-in-process practices. | 4.18 | 0.73 | High |
| 8. The Company has implemented measures to ensure the awareness of employees on Company policy and goals with respect to CSR-in-process. | 4.18 | 0.73 | High |
| 9. The Company sets a policy to ensure the health and safety of consumers and employees, by various protective and preventive measures including the fostering of ethical mind in related parties. | 4.31 | 0.74 | Highest |
| 10. The Company abides by relevant laws and international practices such as HACCP, GMP, ISO 26000, etc. | 4.55 | 0.65 | Highest |
| 11. The Company sets a policy to receive customer complaints and to give utmost importance to consumers' interests. | 4.51 | 0.62 | Highest |
| CSR-in-process Practices | 4.36 | 0.47 | Highest |
| 12. Company has good corporate governance, ethical purchasing practices, honesty, providing factual information, financial statements prepared in accordance with recognized accounting standards. | 4.24 | 0.62 | Highest |
| 13. Company implements fair business practices, not involved in intellectual property infringements, acting responsibly, no conflict of interest, setting rules on prohibition of propaganda, distortion of facts, open communication channel for complaints with appropriate reviews and protection of informants. | 4.36 | 0.83 | Highest |
| 14. Company sets a human right policy, protect and promote the practices in accordance with human right principles equally and these are communicated to the employees and related parties. | 4.14 | 0.64 | High |
| 15. Company implements fair labor relations, non-discrimination hiring practice, constant employee skill development, hiring of disable or | 4.24 | 0.72 | Highest |

| Factors/Items | Mean | SD | Meaning |
|--|-------------|-------------|-------------|
| senior employees. | | | |
| 16. Production process, use of machine and other equipment of company do not cause adverse impact on the health and the environments of people involved. | 4.38 | 0.65 | Highest |
| 17. Implementation of pollution control and reduction system in production and procedures to prevent and address possible negative impacts from operation promptly. | 4.32 | 0.68 | Highest |
| 18. Implementation of procedures to reduce wastes from production process appropriately in accordance with recognized principles. | 4.33 | 0.59 | Highest |
| 19. Change in production process to reduce natural resources inputs or replant. | 4.34 | 0.66 | Highest |
| 20. Non-use of toxic chemical harmful to the health of consumers and employees in the production | 4.57 | 0.74 | Highest |
| 21. Designing of products with consideration to risk of harmful impacts to consumers, society and the environments. | 4.59 | 0.57 | Highest |
| 22. Implementation of production standards to reduce possible harms from use of product. | 4.46 | 0.65 | Highest |
| 23. Product Label is carefully designed to provide complete information and warning of possible risk to consumers. In case of questions, staffs are capable of answering correctly, completely and easily understandably. | 4.38 | 0.67 | Highest |
| 24. Encouraging consumers to be conscious of the importance of using goods and services which are socially and environmentally friendly. | 4.38 | 0.75 | Highest |
| 25. Community and social development: Involvement in the development of community and society, supporting people in nearby communities or far away to develop their communities, providing mutual consultation on assistance of approaches for self-development sustainably relying on themselves, cooperating integrative with public or private organizations. | 4.27 | 0.67 | Highest |
| 26. Environmental management: Top executives are both team leaders and implementers on environmental conservation, by encouraging employees at all levels to utilize resources sustainably, i.e. worthily, valuably, efficiently and most economically. | 4.53 | 0.65 | Highest |
| 27. Innovation and dissemination of CSR-related innovation: Fostering of organizational values/culture openly and facilitating related people to be creative, supporting employees to develop new ideas or knowledge valuable to company and stakeholders, offering to both internal and external related parties, publicizing of benefits from the innovation to the public to instill pride among the employees. | 4.22 | 0.71 | Highest |
| Employee Participation | 4.17 | 0.46 | High |
| 28. You have a good understanding of CSR-in-process principles. | 4.22 | 0.62 | Highest |
| 29. Your office has applied the principles of CSR-in-process in every stages of operation. | 4.20 | 0.58 | High |
| 30. The CSR-in-process practices have made you proud of working for the good of the organization and the good sanitary health of people involved. | 4.29 | 0.61 | Highest |

| Factors/Items | Mean | SD | Meaning |
|---|------|------|---------|
| 31. CSR-in-process practices have contributed to improve work efficiency. | 4.27 | 0.64 | Highest |
| 32. You have cooperated and been a part of CSR-in-process practices of the Company consistently. | 4.31 | 0.68 | Highest |
| 33. You are satisfied for working with CSR-in-process practices, in delivering quality goods expressing responsibility and care to the consumers. | 4.43 | 0.54 | Highest |
| 34. You have the opportunities to make suggestions in the development of CSR-in-process practices. | 3.77 | 0.64 | High |
| 35. You have received awards or praises for your CSR-in-process practices. | 3.47 | 1.14 | High |

On the reasons for the difficulties in implementing CSR-in-process practices, the study found that the highest mentioned is that no clear communications from the executives on CSR-in-process practices (34 percent), seconded by executives/employees being satisfied in doing CSR-after-process activities (20 percent) and employees not aware of the importance and necessity of implementing CSR (20 percent), followed by lack of knowledge/understanding on clearly defined CSR practices (16 percent) and others/unidentified reasons (10 percent).

7.2 Results of the differences of the perception levels on CSR-in-process practices of the sub-groups distinguished by job position, job tenure, and education attainment.

Analyzing for the differences between the supgroups classified by job position, job tenure, and education attainment, the results are shown in the table below:

The differences between the supgroups classified by job position:

| Factors/Items | Job position | | | | | | | |
|---|-------------------|------|------------------|------|----------|------|-------|------|
| | operational group | | managerial group | | managers | | Total | |
| | Mean | SD | Mean | SD | Mean | SD | Mean | SD |
| <u>Policy and Goals on CSR-in-process</u> | | | | | | | | |
| 1. Company policy on CSR-in-process promotion is announced and communicated to all employees to be understood widely. | 4.19 | 0.70 | 4.00 | 1.00 | 4.00 | 0.00 | 4.17 | 0.69 |
| <u>CSR-in-process Practices</u> | | | | | | | | |
| 1. Change in production process to reduce natural resources inputs or replant. | 4.39 | 0.65 | 4.33 | 0.58 | 4.00 | 0.00 | 4.37 | 0.64 |
| <u>Employee Participation</u> | | | | | | | | |
| 1. Your office has applied the principles of CSR-in-process in every stages of operation. | 4.19 | 0.55 | 4.00 | 1.00 | 4.50 | 0.71 | 4.19 | 0.57 |
| 2. CSR-in-process practices have contributed to improve work efficiency. | 4.28 | 0.63 | 4.00 | 1.00 | 4.50 | 0.71 | 4.27 | 0.64 |

On Job position: With respect to the factor of Policy and Goals on CSR-in-process, the perception level of those in managerial positions (managers and heads of units) is higher than those in operational positions (operation employees/staff) for almost all items except that of “Company policy on CSR-in-process promotion is announced and communicated to all employees to be understood widely,” whose mean perception level of the managerial group is 4.00 less than that of the operational group of 4.19. With respect to the factor of CSR-in-process Practices, the perception level on the item “Change in production process to reduce

natural resources inputs or replant,” of the managerial group is 4.00 and 4.33 which is less than that of the operational group of 4.39. With respect to the factor of Employee Participation, the perception level of the managerial group is higher for almost all items except that of “Your office has applied the principles of CSR-in-process in every stages of operation,” having whose perception level mean of unit head of 4.00 less than the mean of 4.50 for managers compared to the mean of 4.19 for the operational group, and of “CSR-in-process practices have contributed to improve work efficiency”, having perception level mean of unit head of 4.00 less than the mean of 4.50 for the managers compared to the mean of 4.28 for the operational group.

The differences between the subgroups classified by job tenure

| Factors/Items | Job tenure | | | | | | | | | |
|--|------------------|------|-----------|------|------------|------|--------------------|------|-------|------|
| | Less than 2 year | | 2-5 years | | 6-10 years | | More than 10 years | | Total | |
| | Mean | SD | Mean | SD | Mean | SD | Mean | SD | Mean | SD |
| <u>Policy and Goals on CSR-in-process</u> 1. The Company sets a policy to train employees and develop their capability to implement CSR-in-process practices. | 4.43 | 0.51 | 3.75 | 1.00 | 4.40 | 0.55 | 4.40 | 0.55 | 4.18 | 0.76 |
| <u>CSR-in-process Practices</u> 1.. Change in production process to reduce natural resources inputs or replant, | 4.17 | 0.64 | 4.63 | 0.62 | 4.40 | 0.55 | 4.20 | 0.84 | 4.34 | 0.66 |
| <u>Employee Participation</u> 1. You have the opportunities to make suggestions in the development of CSR-in-process practices. | 3.96 | 0.56 | 3.50 | 0.72 | 3.80 | 0.45 | 3.75 | 0.96 | 3.77 | 0.64 |

On Job tenure: With respect to the factor of Policy and Goals on CSR-in-process, the perception level of those with Job tenure in the range of 6-10 years and of more than 10 years is higher than that of 2-5 years and less than 2 years for almost all items except that of “The Company sets a policy to train employees and develop their capability to implement CSR-in-process practices,” whose mean perception level of those with Job tenure of 6-10 years and of more than 10 years being 4.40, less than that of Job tenure less than 2 years being 4.43. For the item “Change in production process to reduce natural resources inputs or replant,” of the factor of CSR-in-process Practices, the mean perception level of those with Job tenure 6-10 years is 4.40, and of those with Job tenure more than 10 years being 4.20, which is less than that of 2-5 years being 4.63. For the factor Employee Participation, the mean perception level of the item “You have the opportunities to make suggestions in the development of CSR-in-process practices,” for those with Job tenure 6-10 years is 3.80, and that of more than 10 years being 3.75, which is less than that of those with Job tenure less than 2 years of 3.96.

The differences between the subgroups classified by Education Attainment

| Factors/Items | Education Attainment |
|---------------|----------------------|
|---------------|----------------------|

| | Primary | | Secondary | | Upper Secondary | | Diploma | | bachelor degree | | Total | |
|--|---------|------|-----------|------|-----------------|------|---------|------|-----------------|------|-------|------|
| | Mean | SD | Mean | SD | Mean | SD | Mean | SD | Mean | SD | Mean | SD |
| <u>Policy and Goals on CSR-in-process</u> 1. The Company sets a policy to train employees and develop their capability to implement CSR-in-process practices. | 4.00 | 1.00 | 4.29 | 0.73 | 4.25 | 0.86 | 4.00 | 0.00 | 4.13 | 0.64 | 4.18 | 0.76 |
| <u>CSR-in-process Practices</u> 1. Company has good corporate governance, ethical purchasing practices, honesty, providing factual information, financial statements prepared in accordance with recognized accounting standards. | 4.43 | 0.79 | 4.21 | 0.58 | 4.12 | 0.70 | 4.33 | 0.58 | 4.25 | 0.46 | 4.22 | 0.62 |
| <u>Employee Participation</u> 1. Your office has applied the principles of CSR-in-process in every stages of operation. | 3.67 | 0.52 | 4.14 | 0.53 | 4.35 | 0.49 | 4.33 | 0.58 | 4.38 | 0.74 | 4.21 | 0.58 |

On Education Attainment: With respect to the factor of Policy and Goals on CSR-in-process, the perception level of those with upper secondary/ technical college education, diploma/higher technical education, and bachelor degree education is higher than that of other education attainment for almost all items except that of “The Company sets a policy to train employees and develop their capability to implement CSR-in-process practices”, whose mean perception level of the upper secondary/technical education group is 4.25, that of diploma/ upper technical education being 4.00 and 4.13 for that of bachelor degree education, less than 4.29 for that of lower secondary education. With respect to the factor of CSR-in-process Practices, the mean perception level of those with lower secondary education, of those with upper secondary/ technical education, of those with diploma/ upper technical education, and of those with bachelor degree education is higher than those with other education attainment in almost all items except that of “Company has good corporate governance, ethical purchasing practices, honesty, providing factual information, financial statements prepared in accordance with recognized accounting standards”, whose mean perception level of those with lower secondary education is 4.21, those with upper secondary/ technical education being 4.33, and 4.25 for those with bachelor degree education, less than 4.43 for those with primary education. And for the factor of Employee Participation, the perception level of those with upper secondary/ technical education and of those with diploma/ upper technical education is higher than the perception of those with other education attainment for almost all items except that of “Your office has applied the principles of CSR-in-process in every stages of operation”, whose mean perception level of those with upper secondary/ technical education is 4.35, and of those with diploma/ upper technical education being 4.33, less than that of those with bachelor degree education being 4.38.

Part 2: Results regarding Member Farms of the Company

Of the 7 member farms being studied, 4 are run by founders and 3 by succeeding generation. Most of the respondents are male (71.4 percent), with age range of 41-50 years (57.1 percent), with diploma/ upper technical education (57.1 percent). All of them are married with 3-4 household members. Workers in 4 of the dairy farms are both family members and non-family members, while 3 of the farms do not hire any workers. The average life of the farms is 10.7 years with most of them operating less than or equal to 10 years. Most have been member farms of the Company for 5 or more years with an average of 5.86 years. The reasons for joining the network are having same vision and ideology, interest in organic dairy cow raising, and good healthy operation. The reason for choosing organic approach is to provide healthy outcomes for people and dairy cows as best as possible.

Most of the respondents earn additional income from other sources such as from artificial insemination service, raising local-breed chickens, and consignment of products with the Company. The utilization of land, which most of them are the owners, would be for feed growing more than the part for cow raising. The average number of cows per farm is 54 and 26 of which are producing organic milk at the average per day of 12.58 kilograms. The organic milk output is less than the amount raised by traditional method but the organic milk quality is much better, commanding the price of 18-20 Baht per Kg., higher than normal milk. This price is satisfactory, profitable and worthwhile for the organic dairy investment.

With respect to the CSR-in-process practices in the farm, the highest issue perceived by the respondents is that of “Non-use of toxic chemical harmful to the health of consumers and workers in the production process”, (4.90) followed by that of “Environmental management in the farm: utilization of resources sustainably, i.e. worthily, valuably, efficiently and most economically”, (4.60) and those of “The Company announced and communicated its policy to promote member farms to implement CSR procedures accountable to consumers and society continuously”, and of “Implementation of pollution control and reduction system in farm management and procedures to prevent and address possible negative impacts from operation promptly”, and of “Implementation of procedures to reduce wastes from cow raising process appropriately in accordance with recognized principles”, (4.40). On the lowest side the issues “Workers in the farm work in accordance with socially responsible principles improving the efficiency of dairy cow raising process”, is the lowest point (3.10) followed by “Innovation and dissemination of CSR-related innovation: Facilitating farm workers to be creative, supporting them to develop new ideas or knowledge valuable to the farm and stakeholders, and publicizing of the innovation to the public”, (3.30) the details of which appear in the Table below.

| Issues | Mean | Meaning |
|---|------|---------|
| Policy and Goals on CSR-in-process | | |
| 1. The Company announced and communicated its policy to promote member farms to implement CSR procedures accountable to consumers and society continuously. | 4.40 | Highest |
| 2. The Company sets a policy to ensure the health and safety of consumers and farm workers, by various protective and preventive measures including the fostering of ethical mind in related parties. | 4.30 | Highest |
| 3. The Company sets a policy to train farm workers and develop their capability to implement CSR-in-process practices efficiently. | 4.00 | High |
| CSR-in-process Practices | | |
| 4. Company sets a human right policy, protect and promote the practices in accordance with human right principles equally and these are | 4.10 | High |

| Issues | Mean | Meaning |
|--|------|----------|
| communicated to the related parties such as equal treatment of Thai and foreign workers. | | |
| 5. Company implements fair labor relations, non-discrimination hiring practice, constant employee skill development, hiring of disable or senior employees. | 3.60 | High |
| 6. Production process, use of machine and other equipment in the farm do not cause adverse impact on the health and the environments of people involved. | 4.30 | Highest |
| 7. Implementation of pollution control and reduction system in farm management and procedures to prevent and address possible negative impacts from operation promptly. | 4.40 | Highest |
| 8. Implementation of procedures to reduce wastes from cow raising process appropriately in accordance with recognized principles. | 4.40 | Highest |
| 9. Change in cow raising process to accommodate the use of existing natural resources such as not contaminating the soil, economically use of water, or recycle the water. | 4.30 | Highest |
| 10. Non-use of toxic chemical harmful to the health of consumers and workers in the production process. | 4.90 | Highest |
| 11. Community and social development: Involvement in the development of community and society, supporting people in nearby communities or far away to develop their communities, providing mutual consultation on assistance of approaches for self-development sustainably relying on themselves, cooperating integrative with public or private organizations. | 3.60 | High |
| 12. Environmental management in the farm: utilization of resources sustainably, i.e. worthily, valuably, efficiently and most economically. | 4.60 | Highest |
| 13. Innovation and dissemination of CSR-related innovation: Facilitating farm workers to be creative, supporting them to develop new ideas or knowledge valuable to the farm and stakeholders, and publicizing of the innovation to the public. | 3.30 | Moderate |
| Farm Workers Participation | | |
| 14. All workers in your farm take part in the development of the farm following the organic approach. | 3.60 | High |
| 15. Workers in the farm work in accordance with socially responsible principles improving the efficiency of dairy cow raising process. | 3.10 | Moderate |

The four most mentioned causes of obstacle on the implementation of CSR-in-process practices are “Not recognizing the importance and need of the CSR-in-process practices” followed by “More comfortable with CSR-after-process activities such as donations or social assisting events”, “Lack of knowledge/understanding of the CSR-in-process approach”, and “Lack of policy on CSR-in-process promotion”, respectively.

On the part of the dairy farm operation, the findings include: the cows health is generally good and strong with proper daily care; cows are vacinate 1-2 times annually; the overall organic milk output is 2,240 kilograms per day, or 12.58 kilograms per cow per day, and maximum of 19.23 kilograms per cow per day versus minimum of 8.33; the organic milk output is lower than that from traditional dairy farm especially during the period of change over; all respondents point to the better quality of raw organic milk, obtaining the price of 18-20 Baht per kilogram higher than normal milk; the price is satisfactory; the cost of feed is lower due to the use of less concentrated feed and more fresh grass; cost of farm management

is lower; but the farm has to invest more on planting of grass field and plant for feed, on grass cutting machine and fuel for the machine; the profit to be earned is satisfactory, thus it is a worthwhile investment, with no financial problem for the households and could be a sustainable occupation.

8. Conclusion and Discussion

8.1 The Dairy Home Company, Limited.

The results showing that the first 3 items with the highest mean perception level are 1) Company executives are involved in setting policy and strategies on CSR-in-process practices, 2) The Company abides by relevant laws and international practices such as HACCP, GMP, ISO 26000, etc., and 3) The Company sets a policy to receive customer complaints and to give utmost importance to consumers' interests are indicative of the importance given by the Company to the CSR-in-process practices starting from the level of policy to the operational level making the employees aware of CSR and applying in their practices. This is consistent with the provisions of the Standard for Corporate Social Responsibility (CSR-DIW: 2554) stating that business enterprises should set CSR policy and goals to ensure that the organization can follow the set directions and framework for the clear and fruitful implementation of CSR-in-process practices, and the results also consistent with Waldman et al. (2006) stating that the leader of business is the highly influential person in the implementation of CSR-in-process practices because he takes the role of setting policy and goals of operations in the organization necessary for the success of the business (Pangnirun, 2007). The policy of an enterprise is the guideline and procedure for the executives to make decision wisely and smartly, that is, it is the carefully thought out directions of the executives for communication of the desired approaches for the changes to occur in the organization of the society. It would enable employees to understand the activity or action, strategy or means and value and decision of the company (Saratana, 2005) for their appropriate implementation to achieve the set objectives. This would be in line with the recommendation of the Thaipat Institute that the CSR-in-process practices which would truly bring about happy co-existence in the society must be those activities combining business process practices with socially responsible activities as one and same action. The Thaipat institute has focused on the design and development of CSR-in-process practices consistent with the Thai social context.

On the lowest perception level for the item "Company policy on CSR-in-process promotion is announced and communicated to all employees to be understood widely," although at High level, this may be the consequence of the Company having no sufficiently efficient procedures to communicate its CSR-in-process promotion. Thus the executives of the organization should establish an efficient communication process to disseminate information on its policy regarding CSR-in-process to the employees in greater details. Employees would then be able to implement CSR-in-process practices to achieve the set goals increasingly, which would improve the efficiency of Company's CSR-in-process practices. The finding is not consistent with Certo (1997: 61-63 cited in Luengtrakarnkul, 2009) suggesting that the executives should set organization policy on CSR-in-process in the same way as policy for business operation in 3 steps being: 1) The top executives have to be aware and recognized the obligations to implement CSR-in-process practices by setting policy consistent with the obligations and duly communicated to all employees, 2) Compilation of all duties and obligations related to CSR-in-process, and 3) Leaders and executives at various levels cooperatively determine common agreement of organization members regarding its CSR duties and obligations, encouraging feedbacks within the organization to drive the efforts

appropriately, including management of resources and operation system to accommodate CSR activities.

For the factor of CSR-in-process Practices, almost all the items get the Highest perception levels with the top 3 being: 1) Designing of products with consideration to risk of harmful impacts to consumers, society and the environments, 2) Non-use of toxic chemical harmful to the health of consumers and employees in the production, and 3) Environmental management: Top executives are both team leaders and implementers on environmental conservation, by encouraging employees at all levels to utilize resources sustainably, i.e. worthily, valuably, efficiently and most economically. This reflects the Company's concrete implementation of CSR-in-process practices by giving importance to consumer welfare based on the idea of consumer rights, or the enterprise must produce goods and services that are trusted for consumers' safety health and living, having efficient consumer database system, implement customer relation marketing both before and after sale service, providing factual and adequate product information to the consumers including relevant information for purchasing decision making, conducting research and development to create innovative products and services giving importance to processes and actions beneficial to the society and the environment leading to sustainable consumption. With respect to the production process, the Company should take great care in the operation of machine and equipment in such a way not to cause negative impact on health and the environment of people involved, incorporating pollution control and reduction system; preventing and remedying potential negative impacts from operation promptly, implementing measures to reduce production waste in accordance with technical principles by reducing the use of natural resources or replanting, non-use of toxic chemicals harmful to the health of consumers and employees; designing of products taking into consideration the risk of harmful impacts to consumers, society and the environments, implementation of production standards to reduce possible harms from use of product; designing of Product Label carefully to provide complete information and warning of possible risk to consumers and in case of questions, staff being capable of answering correctly, completely and easily understandably; and for environmental management, top executives being both team leaders and implementers on environmental conservation, by encouraging employees at all levels to utilize resources sustainably, i.e. worthily, valuably, efficiently and most economically.

On the lower end of the perception level for the factor of CSR-in-process Practices, the item "Company sets a human right policy, protect and promote the practices in accordance with human right principles equally and these are communicated to the employees and related parties" gets the lowest mean of 4.14, although with high level. This is inconsistent with the approaches of Guidelines for Corporate Social Responsibility (CSRI: 2012) stating that business organization must set policy on human rights and facilitate the implementation of human right requirements equally, and communicate this to the employees and parties involved, including fair treatment of labor, non-discrimination policy on hiring, continuous employee training, and supporting the hiring of disables and senior persons.

With respect to the factor of Employee Participation, the perception of almost all items are at Highest level, the top 3 of which are: 1) Employees being satisfied for working with CSR-in-process practices, in delivering quality goods expressing responsibility and care to the consumers, 2) Having cooperated and been a part of CSR-in-process practices of the Company consistently, and 3) CSR-in-process practices having made employees proud of working for the good of the organization and the good sanitary health of people involved. This indicates that the Company employees implement the CSR-in-process practices from within themselves, consistent with Viriyapan (2011) proposition that any socially-responsible

business organization should undertake organization activities in the direction of socially responsible to the stakeholders both inside and outside of the organization whether it be shareholders, investors, executives/employees, trading partners, customers, communities, society, and the environment; starting with the fostering of organization values and culture emphasizing the importance of CSR then implanting them as parts of DNA of the organization and its members, in order to ensure that CSR practices are normal operations. In other words, the organization personnel are conscious of CSR duties and roles in their hearts. This would drive all actions, whether they be the setting of policy, strategies, plans, etc. consistently with the CSR approaches. Examples are work practices giving importance mainly to organization, economy, society, and the environment performed by employees with complete volition to contribute for public interest bringing happiness and welfare to people involved voluntarily and willingly, thus not only contributing to “Efficiency” and “Profit” for the organization, but also “Sustainability” for the society and the environment as well as Happiness for all the parties involved in all dimensions. This also fits with Cheuayeunong (cited in Kaewjunant, 2000: 23) stating that participation starts with planning, setting of policy, objectives, goals, budget, work procedures, and working instructions, responsible persons, schedule and tasks; and is consistent with Pavuthinant (1998) Ma-Sawaeng (2008) and Cohen and Upholff (1977) stating that participation means employees willingly take part in organization tasks voluntarily, in decision making, in implementation, in gaining the benefit, and in evaluation of outcomes, leading to solutions to problems including creativity, enabling the organization to accomplish various tasks and solve the current problems successfully for the benefit of the organization and fostering of common sense of responsibility.

The lowest mean perception level item in the factor of Employee Participation, although being at High level, is 3.47, being “Having received awards or praises for your CSR-in-process practices”. This is contradictory to the concept of employee participation because in order to foster employee participation in CSR-in-process practices, the employees must have a good understanding of CSR-in-process principles as the organization must apply the principles of CSR-in-process in every stages of operation, thus making them proud of working for the good of the organization and the good sanitary health of people involved, contributing to improve work efficiency; they must willingly extend cooperation and be a part of CSR-in-process practices of the organization, and be satisfied for working socially responsibly in delivering quality goods exhibiting social responsibility and care to consumers, as well as having opportunities to make suggestions in the development of CSR-in-process practices. Finally the organization must present awards or praises to employees for their CSR-in-process participation.

8.2 Member Farms Findings

With respect to the responses of member farms, the top 3 issues with highest means perception level are: 1) Non-use of toxic chemical harmful to the health of consumers and workers in the production process, 2) Environmental management in the farm: utilization of resources sustainably, i.e. worthily, valuably, efficiently and most economically, 3) three issues with equal means being: The Company announcing and communicating its policy to promote member farms to implement CSR procedures accountable to consumers and society continuously, Implementation of pollution control and reduction system in farm management and procedures to prevent and address possible negative impacts from operation promptly, and Implementation of procedures to reduce wastes from cow raising process appropriately in accordance with recognized principles. The results are indicative that the dairy farmers of the member farms of the Company implemented CSR-in-process practices consistent with the

principle of Care of organic agriculture approach indicating that all persons involved in the production process must take great care with good conscience in avoiding practices with the risk of damaging the health of the ecosystem and the quality of life of all beings, understand the ecosystem, agriculture, and nature of all things being linked in the food chain; thus the organic agriculture would make the non-use of chemicals, bio-engineered beings as the basic operating principle. The respondents are aware of the organic approach to dairy farming consistent with the organic agriculture principles. For example, they implement measures to prevent contamination in every production stages of their products of organic meat, milk, eggs offered to the market or through the entire production chain to the consumers. This contamination prevention is within the normal production process such as the separation of feed production, placing of raw materials, production, processing, transportation, and selling points, etc. It is consistent with the organic livestock principles pointing out that organic livestock means livestock production system in proper harmony with the soil, plant and animal, in accordance with physiological needs and animal behavior producing minimum stress to the animal, promoting good animal health, emphasizing disease prevention through the good management of farms avoiding use of chemicals and drugs (TACFS 9000-2003 PART 1). The important management principles and techniques of organic livestock include livestock production system incorporating the balance of soil, plant, and animal, the biodiversity of plant, animal, micro-organism and ecosystem, and the mutually supporting nature of the environment such as growing plants, raising animals, using plants and leftover as feed, animal dung used as fertilizer, and use of micro-organism, etc. Waste from the farm is treated such as the growing of plants for making feed fertilized by manure or the recycle of waste water from the dairy farm to water the plants, avoiding the use of chemicals and synthetic products including genetically-engineered feed that could have adverse impact on the environment. The finding also consistent with the principles of the Organic Livestock Center (2010) stating that organic milk means “milk produced by dairy farmers paying close attention to the environment and animal welfare, minimizing the stress of the animals to make them healthy, disease immuned, by arranging the dairy cows to happily feed themselves on the grass field uncontaminated by chemical fertilizer or pesticide but enriched with manure and a small amount of organic supplements made from non-GMO raw materials; and with good farm management which the cows have appropriate space, with clean and airy barn for rest, sleep, with open area for exercise; every stages of care and milking would avoid the use of chemical, drugs and synthetic substances; maintenance of biodiversity of local plants and animals such as herbal plants, birds, local chicken that would help eat ticks and worm eggs; the processing of organic milk must be at factories with production process capable of controlling contamination of chemicals with the organic quality of milk maintained throughout to the selling point; all processes following the food safety standard and certified according to the organic livestock standards”.

On the 2 issues with lowest means and only Moderate level of perception being 1) Workers in the farm work in accordance with socially responsible principles improving the efficiency of dairy cow raising process, and 2) Innovation and dissemination of CSR-related innovation: Facilitating farm workers to be creative, supporting them to develop new ideas or knowledge valuable to the farm and stakeholders, and publicizing of the innovation to the public, it could be because the member farms do not operate their CSR-in-process practices consistent with their product. This is in line with Lertchantueg (2011) finding for the case of Singha Corporation stating that “their CSR practices were in line with those of the four companies but still fell short in term of beer-related CSR activities while focusing on other areas”. On the other hand this is contrary to the Guidelines for Corporate Social Responsibility (CSRI: 2012) recommending that business organizations wanting to

implement CSR-in-process practices have to foster Innovation and dissemination of CSR-related innovation, instilling an open organizational values/culture, and facilitating involved parties to be creative, supporting them to develop new ideas or knowledge valuable to the organization and stakeholders with opportunities for both internal and external parties to participate, and publicizing of the innovation to the public to foster pride among the employees.

As to the mentioned causes of obstacles on the implementation of CSR-in-process practices being 1) “Not recognizing the importance and need of the CSR-in-process practices”, 2) “More comfortable with one-off CSR-after-process activities such as donations or social assisting events,” 3) “Lack of knowledge/ understanding of the CSR-in-process approach”, and 4) “Lack of policy on CSR-in-process promotion”., these are in line with Guidelines for Corporate Social Responsibility of Corporate Social Responsibility Institute (2012) pointing out that the approach of CSR according to the ISO 26000 stating that CSR practices should have an ultimate goal of achieving maximum outcome from the dedication of the enterprise to bring about sustainable development. The initiative to implement CSR efficiently and effectively must be basically built upon common understanding of CSR especially on the scope of CSR activities which often interpreted differently. In fact, CSR-in-process practices are very essential because these involve the stakeholders covering customers, trading partners, communities and the environment in the supply chain (the enterprise upstream) and the value chain (upstream through to downstream), not just the external society and the environment. The enterprise with the proper goals of CSR would be like having a compass help directing the business away from problems and obstacles caused by socially irresponsible practices at the initial stages, which could not be compensated with CSR-after-process. The findings are also consistent with the study of Lertchantueg (2011) on the Development of CSR Approaches for Beer Business, recommending the determination of CSR practices appropriate and linked to the product of the business.

The findings with respect to the dairy farm operation that the cows health is generally good and strong with proper daily care and that the milk output is of better quality and commanding higher price are consistent with Kornmathitsuk's (2010) finding that cows raised in organic dairy farms are generally more healthy and producing raw milk of better quality and commanding higher price of up to 30 percent.

The finding that organic dairy farm is a worthwhile investment, with no financial problem for the households and could be a sustainable occupation, thus could be confidently recommended to other farmers is consistent with the Fairness principle of International Organic Agriculture principles pointing out that organic agriculture should be built on relationships between farmers, producers, processors, distributors, and consumers that ensure fairness of exchange and rights of every organism. It would fit with the strengths of organic agriculture with respect to the reduction of cost, increase of revenue, expansion of opportunities, production of greater value-added products, and lowering cost of drugs and chemicals, and also be consistent with Kerdchuchuen's (2014) statement that the operation of organic dairy farm does not have higher cost but would incur lower cost, and although the milk output is lower, but the higher quality would command higher price. This also points along the principles of self-sufficiency offered by Tantivejkul (2006) being: 1) Spiritually, being self-dependent, maintaining high moral conscience, creating heavenly environment for oneself and the nation publicly; 2) Socially, members of each community supporting one another and forming network of communities for mutual assistance; 3) On natural resources, these being utilized intelligently looking out for means to increase the value added; 4) On

technology (local wisdom), these being employed logically because the development should be consistent with social conditions.

8.3 In-dept Interview Results

Mr. Phuethi Kerdchuchuen: Owner of the Dairy Home Company, Limited.

8.3.1 We are determined “to produce the best milk” with the expectation to see Thai farmers standing on their own, self-reliant and gaining increasing income.

8.3.2 Promoting Maug-Lek dairy farmers to alter their thinking, thus switching from industrial production system to that of organic agriculture or sustainable approach.

8.3.3 Incorporating clear CSR practices.

8.3.4 Adopting Sufficiency Economy Philosophy, such as operating according to own capacity, work within own skills and ability, not greedy, expanding at reasonable speed, extending of member farm network, generating immunity by a 50:50 selling of products by oneself and through other retails outlets, developing innovative products constantly to provide product diversity in response to consumers’ need, utilizing knowledge and information for decision making, conducting research and development in cooperation with education institutions, and being ethical, honest and responsible to the stakeholders from consumers, trade partners, communities, society, to the environment.

8.3.5 Utilization of Thai traditional wisdom in business operation such as substitution of herbal substance for antibiotics, forming network of member farms based on Thai culture of friendliness, mutual care and help, trusting in trading relationship without the need for signing of contract farming agreement.

8.3.6 Providing support for organic dairy farms of members by purchasing of their raw milk output at 30% above market price.

8.3.7 Application of green standard from upstream to downstream by the encouragement of organic dairy farming in accordance with international standards of GMP, HACCP, CODEX, etc.

9. Management Implications

9.1 Business organizations including dairy farmers could use the findings as guidelines for the promotion organic milk production and distribution, not only gaining acceptable returns from the investment, but also getting non-financial benefit in the form of valuable contribution from the CSR-in-process practices enabling consumers to benefit fully from the consumption of organic milk.

9.2 Business organizations or interested parties could apply the approaches of CSR-in-process practices for the sustainability of the organizations, social and environment.

9.3 For potential farmers, organic dairy farming has proven to be a feasible investment providing sufficient returns and at the same time providing good health and good quality of life for both consumers and producers as well as better environmental conditions.

10. Recommendations from the study

10.1 On Dairy Home Company, Limited.

10.1.1 The Company should make it an importance issue in dissemination of CSR policy and in fostering knowledge and understanding of CSR-in-process practices widely.

10.1.2 The Company should promote CSR-in-process practices among all employees, and provide opportunities for them to make CSR-relevant suggestions.

10.1.3 The Company should give awards or praises to employees taking actions on CSR-in-process practices, in order to stimulate employees at all levels to participate more in the CSR-in-process practices.

10.2 On Member Farms of the Company

10.2.1 The Company should communicate to the farm owners regarding the procedures and method to operate responsibly, socially and environmentally.

10.2.2 The Company should get involved in the development of CSR-in-process practices for the member farms, by setting practice guidelines consistent with organic dairy farm, thus allowing employees of the farms to operate with CSR-relevant actions concretely.

10.2.3 The Company should support member farms in the development of new ideas or knowledge for increasing the value-added of the farms, and promote the member farms implementing CSR practices as prototype farms to be publicizing to the general public.

11. Recommendations for Further Research

11.1 The study should be extended to CSR-in-process practices of all organic milk producers in great details, in order to be used as guidelines in the determination of CSR-in-process approaches appropriate for the product.

11.2 Similar researches should be undertaken on CSR-in-process practices of other organic agricultural farms, in order to be applied for the determination of CSR-in-process approaches appropriate for the products.

11.3 Studies should be made on the CSR-in-process practices of companies/farmers involved in the production or processing of each type of organic agricultural products, in order to formulate approaches for CSR-in-process appropriate for the respective products.

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