Dimensions Of Social Responsibilities In Vietnam

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Abstract: The article builds up a theoretical framework on corporate social responsibility, we learn about the development history of corporate social responsibility, thereby building the content of corporate social responsibility. Finally, we provide 6 aspects of responsibility by stakeholders including Staff, community, environment, investors, suppliers, and customers

Keywords: Corporate social responsibility, stakeholders, Vietnam

1. History of formation and development of social responsibility

What is CSR and how is it understood? If the CSR concept is relatively new and only mentioned in recent decades, according to Capron and Quairel - Lannoizelee (2009), it is quite the opposite, they think that interest in the consequences of operations Businesses of businesses have existed for a long time in the world. It can be understood that the demand for CSR is not a new concept. Typical of this view may be the consumer boycott of the sugar products harvested by slaves in England in the 1790s, the first large-scale boycott world. Within a few years, more than 300,000 Britons boycotted this sugar product. In addition, nearly 400,000 signed petitions have been sent to Congress asking for an end to the slave trade. So, the perception of CSR has been around for a long time in the world and through a period of time development and increasingly comprehensive and more meaningful. However, formal studies on CSR began to take shape in the 1950s.

In the period 1950-1969, the research on CSR was more interested in academia. The official term CSR first appeared in the book "Social responsibility of entrepreneurs" by Howard Rothmann Bowen (1953). At this time, CSR is understood to call for charity to compensate for the damage that businesses have caused to the environment and society. In this stage, CSR is primarily verbal rather than action. New corporate administrators are familiar with the concept of CSR and a small number of businesses have changed CSR awareness and implementation. And it was not until the late 1960s that researchers began to make efforts to clarify and correct the CSR concept. Typical scholars of this period were Keith Davis (1960), William C. Frederick (1960) and Clarence Walton (1967) scholars who all conceived concepts that contributed significantly to the foundation of the theory of CSR.

During the period of 1970 - 1999, this period of awareness about CSR gradually turned to do charitable activities for the society and world organizations such as the Sustainable Development Committee, which introduced social contracts to guide businesses. the industry operates in the direction of serving the needs of society - social satisfaction. At the same time, policies encourage businesses to implement CSR as a corporate social responsibility organization for social responsibility established to help companies behave more responsibly. The perception of CSR now has begun to formulate the influence of CSR on the profitability of businesses. And this relationship is still studied and debated today.

In the period from 2000 - now, research on CSR began to focus on small specialized topics in this area instead of generalizing the concept. At this stage, enterprises' awareness of CSR is more complete, and there are many scholars who suggest practical actions on CSR for more reference businesses such as Kotler and Lee (2005), giving 25 actions. fact about CSR. Businesses are more interested in CSR because some factors such as instability have occurred when business is only interested in profits like the scale of Enron and Worldcom, leading to the support of society for businesses to reduce. gradually, in addition to the increasing pressure from government fee organizations (NGOs), consumer associations, and importantly the perception of business
leaders. At this time, CSR gradually transformed into a business strategy and culture. However, there is no consensus about CSR awareness, in the academic circles, it is not uniform and especially for the fact that enterprises still have a great gap between large enterprises and SMEs in the same industry, or between different industries.

2. The contents of social responsibility

CSR is a multidimensional concept, so the more scientific the CSR content is developed, the more clearly the persuasion of research results. We explore the content of CSR as follows: (1) Approaches to CSR, (2) Aspects of CSR, (3) Benefits of CSR.

Any problem, a phenomenon of any phenomenon has different perspectives and approaches. CSR is also the same, in previous studies, the approaches to CSR include: (i) approaching CSR in terms of cost-benefit and (ii) approaching CSR according to stakeholders' perceptions.

a. Approaching CSR in terms of cost-benefit aspect:

Approaching CSR in this way is difficult to identify and analyze accurately because CSR activities are often unclear but can be mixed in normal business activities, the benefits that CSR offers are similar. These benefits are largely invisible benefits (Nguyen Hong Ha, 2016). Typical for this school are authors such as Luo and Bhattacharya (2006), Weber (2008), Drews (2010), Sprinkle and Maines (2010), etc. These studies are mostly in the form of research proposals or case studies and there are no studies conducted on a large number of businesses. According to Huang and Watson, (2015) when synthesizing CSR studies in accounting, these studies account for only a small amount of about 6% of research on CSR in the 13 most prestigious accounting journals. This is understandable, because when researching CSR according to this approach researchers have to go through many stages: Identify CSR activities and then identify costs, investments, The efforts to implement CSR including the opportunity cost for implementing CSR (this cost is difficult to price), with countries with full disclosure policies like the US, can gather investment costs for CSR on annual reports to shareholders. However, there are many important doubts about the validity of CSR investments that have been published, although it seems very attractive. For example, lack of consensus on what should be included (or excluded) in CSR investment (Margolis and Walsh 2003; Orlitzky, Schmidt and Rynes 2003; Tsoutsoura 2004). Very few companies have published CSR investments that are audited or verified from outside by third parties, etc. Next, the researchers measure the benefits that CSR offers, including benefits for businesses and the benefits of society, including the benefits measured in money and benefits that cannot be measured by money. And determine the duration of CSR project implementation as well as the actual interest rate of the CSR project implementation time. Finally, the researchers conduct the added value that CSR provides as in the classic investment function as follows:

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CSR \text{ Value Added} = \sum_{n=1}^{\infty} \left( B_n^{CSR} - C_n^{CSR} \right) \frac{1}{(1+i)^n}
\]

In which: - n: Duration of CSR project implementation
- \(B_n^{CSR}\): The benefits that CSR brings have converted into money
- \(C_n^{CSR}\): Costs spent (including opportunity costs) to implement the CSR project
- i: Actual interest rate in the period of CSR project implementation
- CSR Value Added: Added value of CSR

To implement the CSR study according to this approach requires a quite long time and quite large costs as well as the diversity of human resources. And most importantly, this approach is only suitable for the case studies of typical CSR projects, as in the study of Health Research Company Drews (2010) in the United States and the...
study also stopped at The level of analysis of possible benefits and costs of typical projects of the company and also not enough data to calculate the added value of CSR.

This approach is very difficult to implement and is suitable for developed economies, as well as perfect institutions that have publicly available information on sustainability reports of businesses. Therefore, we approached CSR according to the theory of stakeholders.

CSR approach according to the theory of stakeholders

Approaching CSR according to the theory of stakeholders, this seems to be the approach most used by scholars in research (Nguyen Hong Ha, 2016). The existence and success of a business depend on the ability to create wealth and satisfaction for key business stakeholders (Clarkson, 1995). The main stakeholders of business include employees, shareholders/investors/ lenders, customers, suppliers, communities and natural environments, etc. If any of the major stakeholders withdrew support for the business, the business performance was adversely affected (Clarkson, 1995). Businesses with good relationships with related parties in addition to financial benefits will increase their competitive advantage. This approach seems to be most used when studying CSR and CSR related topics.

Stakeholder theory suggests that businesses operate not only to satisfy shareholders, but also to please stakeholders, such as customers, suppliers, workers, etc. (Clarkson, 1995). According to Freeman (1984), when businesses have negative actions such as environmental pollution, employee abuse, etc. will lead to a backlash from stakeholders. Therefore, businesses must understand the needs of stakeholders.

Thus, derived from Carroll's concept of CSR (1999) and the theory of stakeholders, it can be seen that depending on the objectives of each specific object, aspects of CSR will be perceived by different levels. together. In addition, due to limited resources, enterprises cannot immediately fulfill all the above responsibilities, so the implementation of CSR will depend on the life cycle of the business and look forward to want to stakeholders. For workers, they are concerned about the legal responsibility of the first business, because when businesses perform well on their legal responsibilities, they can have other responsibilities voluntarily. Legal responsibilities such as full insurance, no forced labor, or child labor, etc.

3. Aspects of corporate social responsibility according to the theory of stakeholders

We define CSR for each stakeholder group such as organization's policies/activities, processes and practices for stakeholder groups. Previous studies have not tested CSR from the perspective of stakeholders (Andriof et al., 2002; Post et al., 2002). In the framework of the article, the authors study CSR policies and activities for 6 main stakeholder groups: Employees, customers, investors/lenders, communities, natural environments, and suppliers.

Firstly, CSR staff:

Favorable policies and actions for workers are considered as CSR indicators for workers. An employee-oriented enterprise will commit resources to improve employee welfare (Hooley et al., 2000). At the very least, employers respect employees’ rights (Donaldson, 1989). In a survey of 3,500 Americans, 85 percent of respondents said that better treatment of employees is a citizen's right to business (O’Brien, 2005). However, workplace issues such as poor working conditions, lack of equal opportunities and child labor/employment contracts, often attract the attention of the media, managers and the public. Therefore, ensuring good policies with employees will enhance CSR for employees. Include the following:

1. Working policy and fair promotion opportunities for employees
2. Policies prohibiting discrimination on gender, maternity, and marital status
3. Policy to ban sexual harassment
4. Policies to ensure employee welfare according to the law
5. Staff consultation policy in important decisions of the company
6. Freedom of association policy, collective bargaining of employees
7. Staff training and development policies
8. Policy on occupational health and safety

Second, CSR customers:

CSR for customers is the ability to provide better products and services of the company while maintaining the quality and reasonable price of the product. Solve problems such as restricting unhealthy consumption patterns between consumers, the safety of customers in the process of using CSR products and improving ethical advertising for customers. Include the following:

1. Policy to ensure the health and safety of customers when using products
2. Policy to satisfy customers
3. Competitive price and appropriate payment policies
4. Quality assurance policy according to the quality management process throughout the enterprise
5. Policy to ensure research and development and product innovation

Third, CSR investors/lenders:

Investors want to be associated with socially responsible businesses (Gillis and Spring, 2001). Enterprises implement policies, respectful actions, create credibility with investors/lenders such as: Provide annual information; Use intermediary companies to evaluate business activities such as Auditing, corporate credit rating organizations, etc. Such activities help enhance CSR with investors/lenders. Include the following:

1. Policies on investors' right to make decisions and access relevant information
2. Full reporting policy on financial and non-financial issues
3. The policy provides the necessary information for credit rating agencies
4. The policy of commitment to use independent auditors
5. The policy of satisfactory settlement of investors' complaints
6. Policy to engage in a large-scale dialogue between businesses and stakeholders

Fourth, CSR community:

Recent studies on the community often focus on Triple bottom line including People, planets, and profits. Ideas such as strengthening business-community partnerships (Johnson et al., 1995; Waddock, 2001) often provide cash benefits for businesses. Companies should develop social contracts with the community. That civic behavior of the business will be recognized by the community (Burke, 1999; Logsdon and Wood, 2002). Addressing issues such as charity, public-private partnerships, social and economic development of the community is the CSR description for the community. Include the following:

1. Policy to participate in charitable activities to help the community
2. Policy to support initiatives related to sustainable social development
3. Long-term social responsibility policies
4. Policy to maintain partnerships with organizations that work for social purposes
5. Policies to fully comply with obligations to the state
6. Policy prohibiting the use of child labor and prohibiting human rights violations

Fifth, CSR environment:

The Earth Summit in 1992 and the next focus on climate change have raised awareness about environmental issues around the globe. International standards such as ISO 14000, EMAS, and OHSAS 18000 together with environmental regulations in different countries have been developed. Studies have emphasized the importance of environmentally sensitive production activities of businesses (Gupta, 1994; Inman, 1999). Emphasize issues such as responsible waste treatment and emission standards, conserving "green" resources, training and developing environmental technologies that make enterprise CSR positively impact the environment. Include the following:

1. Policy to prevent pollution directly and indirectly on soil, water, and air
2. Environmental responsibility policies are clearly defined
3. Measurement and evaluation system for environmental performance
4. Policy to replace materials causing pollution and conserving raw materials
5. Reduce emissions during production, distribution, and use of products
6. Priority policy for purchasing environmentally friendly products
7. The mechanism to support research and development of environmental technology
8. Training on environmental protection and fire prevention for employees
9. Voluntarily updating environmental management information for stakeholders

Sixth, CSR provider:

Recently, researchers, as well as businesses, have in fact seen the growing importance of issues related to auditing social responsibility of suppliers (Arminas, 2005). By ensuring ethical procurement of suppliers' materials, ethical transactions with suppliers and elimination of child / human rights violations in suppliers. From there, businesses can enhance their CSR for suppliers. Include the following:

1. Policy to check the facilities of the provider on labor safety and environment
2. Friendly purchasing policy, ethical to provider
3. NCC's policy on prohibiting child labor, labor violence and human rights violations
4. The payment policy is consistent with market prices for provider
5. Provider's policy on social responsibility or sustainable development

4. The benefits of corporate social responsibility

The benefits of CSR with businesses include monetary benefits and non-monetary benefits. Monetary benefits include direct financial effects such as increased revenue and reduced costs. Monetary benefits also include benefits that do not directly lead to cash flow but can still be measured in monetary terms such as reducing the risk of implementing CSR or CSR to increase brand value. If analyzed from brand value, then brand value reflects the brand's financial value to a company (Gerpott and Thomas, 2004; Naderer, 2005). A direct financial effect is made when the brand is sold. However, if the brand is retained, the value of the brand will still show monetary benefits because it shows the improvement of the brand's market value that can be measured with money.

Non-monetary benefits are those that are not directly measured in monetary terms but still affect the
competitiveness and financial performance of the business. These benefits can be measured quantitatively. For example, repeat purchase rates can be measured to analyze the impact of CSR on customer attraction and retention or quantitative surveys that can help measure motivation and attraction improvements, and retain customers or employees. These benefits may also have qualitative properties. For example, qualitative indicators include the impact of CSR on business activities. In this regard, CSR can help businesses gain the trust of the community or stakeholders. Qualitative benefits can also include improving access to capital by attracting or retaining investors/lenders sensitive to social and environmental concerns. To measure these non-monetary benefits, Weber (2008) introduced a KPI indicator system. However, the assessment of CSR benefits of enterprises under KPI only assesses for each specific project and at each typical enterprise.

5. References


