

FACTORS AFFECT TO CORPORATE SOCIAL RESPONSIBILITY IN VIETNAM PAPER CORPORATION

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ABSTRACT: Nowadays, in the global integration context, the implementation of corporate social responsibility (CSR) is a vital requirement for business. It is becoming a necessary "soft requirement" for enterprises in the integration process that enterprises need to fulfill social responsibilities (Tsai et al., 2012). This is very important and mandatory for businesses to survive and develop sustainably. This paper analyzed the effect of the factors to CSR in Vietnam paper corporation (Vinapaco) and proposed governance implications for managers to create appropriate policies to well implement CSR.

KEYWORDS: Corporate Social Responsibility, Vietnam paper corporation

I. INTRODUCTION

Today, finance is not the only motivation to promote the activities of a corporate. Besides that enterprises do not only use the resources of businesses for the benefit of shareholders but also need to pay attention to stakeholders as well as operate with an ethical point of view (Freeman, 1984).

Vietnam paper corporation (Vinapaco) is one of the companies that have contributed greatly to the economy. It is characterized by a sector that employs a lot of unskilled labor; the production process of enterprises directly affects the environment and involves many industries; High level of competition in the market.

However, the implementation of CSR in Vinapaco reveals its limitations. Enterprises have not actively investigated the factors affecting the motivation to implement CSR. Businesses implement under the pressure of the legal regulations; pressure from stakeholders. The corporation has not built its reputation to convince and receive the confidence of consumers, partners, the community, and society.

For Vinapaco to actively implement CSR, it is essential to identify the factors affecting CSR implementation of enterprises. Therefore, research on factors affecting CSR implementation of Vinapaco is very necessary and meaningful.

II. THEORETICAL OVERVIEW

* *CSR and its components.* According to Carroll, CSR covers four main areas: responsibility for economic growth, compliance with the law, ethical issues, and ultimately volunteerism. Responsibility for economic growth is the most important factor, the second is the responsibility to comply with the law, followed by moral responsibility, and finally the volunteer responsibility (Carroll, 1979). According to Carroll, economic responsibility is the first and foremost responsibility of enterprises, it is nature. Enterprises are assumed to be responsible for producing goods and services that society wants (Galbreath, 2010), then sell them to make a profit (Carroll, 1979) and thereby increase economic growth in general (Galbreath, 2010). Legal responsibility. society wants businesses to fulfill their economic duties within the legal frameworks, in other words, to meet their economic and legal responsibilities simultaneously (Carroll, 1979, Galbreath, 2010). Ethical responsibility. Although both economic

responsibilities, as well as legal responsibilities, represent a certain aspect of moral responsibility (Carroll, 1979). However, ethical responsibilities still have differences that are the expectations of society that are not regulated by laws, requiring businesses to meet the requirements and standards higher than the law (Carroll, 1979).) that are ethical rules, and they define behaviors that are considered social norms of conduct (Galbreath, 2010). The final aspect is voluntary responsibility, which is the responsibility that requires the compliance of businesses less than moral responsibility. Voluntary responsibility is the responsibility that society does not require, the law does not require, even completely no harm to morality if not implemented (Galbreath, 2010, Carroll, 1979). These can be charitable contributions, training for those who are unable to work, helping drug addicts (Carroll, 1979), investing in local welfare projects (Galbreath, 2010).

* CSR and CSR implementation. In this article, the author uses the concept of CSR of Maignan et al, built on Carroll's view of the composition of CSR, whereby "the CSR of an enterprise is the extent to which it meets the economic, legal, ethical and other voluntary responsibilities that the related persons expect from them" (Maignan and Ferrell, 2000, Maignan and Ferrell, 2001, Galbreath, 2010).

* *Factors affect CSR implementation.*

Strategic planning is considered under two important trends: internal-oriented strategic planning and external-oriented strategic planning, which are also two important components of strategic planning (Galbreath, 2010, Kalyar et al., 2012). Stakeholders such as customers, suppliers, social organizations, regulatory agencies, shareholders, employees, etc., require businesses to implement CSR by requiring enterprises to strengthen strategic planning towards them (Galbreath, 2010, Carroll and Hoy, 1984). Through, assess internal and external environmental, businesses will enhance the implementation of several non-market issues, such as behaving CSR to the community and the natural environment (Fineman and Clarke, 1996). Firms develop research on the business environment, then incorporate into their strategic direction and at the same time provide appropriate responses by implementing CSRs (Carroll and Hoy, 1984).

Corporate culture is a factor that strongly influences the enterprise's CSR implementation (Galbreath, 2010, Wood, 1991). Corporate culture refers to the values and beliefs that enterprise members hold (Kalyar et al., 2012). These values shape the extent to which responsible or irresponsible business practices are implemented (Kalyar et al., 2012), reflecting a sense of responsibility to stakeholders as a condition and a premise for businesses to succeed in sustainable business and ensuring ethical behavior (Sinclair, 1993). Corporate culture along with the humanistic cultural orientation of business affect the overall performance of the enterprise and the two most important parts are the cultural orientation and cultural intensity both affect the implementation of the enterprise's CSR (Galbreath, 2010). Consequently, the needs and interests of the community and stakeholders are likely to be overlooked and associated with a low CSR implementation level (Galbreath, 2010, Kalyar et al., 2012). Humanities culture is more constructive, cooperative rather than competitive, making the relationships between members of enterprises and between businesses and stakeholders more friendly and pleasant. Therefore, when human culture is focused, businesses are not only interested in their own needs and interests, but also interested in taking actions that benefit society and stakeholders (Galbreath, 2010) and this is the basis for implementing CSR in enterprises (Kalyar et al., 2012).

Operation time, the number of employees, revenue. Large firms tend to implement CSR frequency because of their social impact greater than small businesses (Cowen et al., 1987). Often the size of the enterprise is expressed in two main angles: the number of employees and the size of the capital. These two factors are strongly influenced by the firm's operating time. the longer the firm's operating time, the larger the firm's size (Zheng and Zhang, 2016), and the operating time of an enterprise is usually calculated by years of operation of the enterprise (Pasricha et al., 2018). These factors often act as important control variables affecting the firm's CSR implementation (Pasricha et al., 2018, Schouten et al., 2014, Shnayder and Rijnsoever, 2018). Besides, the implementation of CSR by Vinapaco enterprises is highly dependent on the laws of the country where the enterprises export their products, so the larger the size of the revenue, the more businesses will be affected by the side. customers, governments of importing countries on CSR implementation (Galbreath, 2010, Maignan and Ferrell, 2000, Maignan et al., 1999)

III. METHODOLOGY OF RESEARCH

Qualitative research was conducted by an in-depth interview method, with the main subjects identified as middle and high managers of some Vinapaco enterprises. Conducting reliability testing of scales by Cronbach's Alpha technique; Statistical analysis and Regression analysis.

IV. RESEARCH RESULT

Descriptive statistics on CSR implementation in Vinapaco enterprises

Factors of CSR implementation in Vinapaco enterprises were evaluated through 05 observed variables represented for 5 scales measuring CSR implementation. The results showed that the implementation of CSR in Vinapaco enterprises was currently relatively good with the average value of 3,761 points and the average value of the scales ranging from 3,605 to 3,850 points, all of which were at level 4 (Agree).

Table 1: Descriptive statistics on CSR implementation in Vinapaco enterprises

Scale	Minimum	Maximum	Mean	Std. Deviation
SR1	2.0	5.0	3.850	.3545
SR2	2.5	4.5	3.605	.3576
SR3	2.0	4.1	3.720	.4364
SR4	2.4	4.8	3.830	.3915
SR5	2.0	5.0	3.803	.4442

Source: Data processing results on SPSS software

The results showed that in general, Vinapaco enterprises had a sense of self-awareness in implementing CSR at all levels of responsibility. In particular, the implementation of economic CSR was always concerned and voluntarily implemented. In which, the value of the scale: "The company always contributes to the economic development of the Vietnamese economy" with the highest value of 3,850 points. In addition, Vinapaco has been paid great attention and voluntarily in implementing ethical and humanitarian responsibilities, with the average value of the two scales: "The business always complies with ethical codes, standards of socially appropriate conduct" and "The business often comply to ethical issues even though it is not expected in terms of business, duties, or laws required" are respectively 3,830 points and 3,803 points. The scale "The business always meets the best in the ability of customer needs" received the lowest value of 3,675 points. These showed that the corporation has not really strived to the best to meet the needs of customers.

Descriptive statistics on external-oriented strategic planning factor

The factor of external-oriented strategy planning includes 05 observable variables representing 5 scales. The results showed that the observed variables of factor "external-oriented strategy planning" were assessed at an average level with 3,026 points and the average value of the observations ranged from 2,824 to 3,234 points. In which, the highest scale was "Political, legal issues always strongly influence on the strategic planning of the company" with 3,234 points, while the lowest scale "The environmental issues always strongly influence on the strategic planning of the company" with 2,831 points.

Table 2: Descriptive statistics on external-oriented strategic planning factors

	Minimum	Maximum	Mean	Std. Deviation
EO1	2.0	4.1	2.845	.4972
EO 2	2.0	5.0	2.824	.4825
EO 3	1.8	4.8	3.102	.4576
EO 4	1.8	4.4	3.168	.4852
EO 5	2.0	4.5	3.234	.4357

Source: Data processing results on SPSS software

The result showed that the political, legal issues always strongly affected on the strategic planning of the company at the highest level with the value of 3,195 points. This is understandable when the legal policies are still unstable, which makes businesses easy to fall into policy risks. Besides that, the impact of the speed of technological change, and the economic status were also assessed to affect the company's strategic planning at a high level with a score of 3.168 and 3.102. This proved awareness of Vinapaco on the impact of technology on productivity and competitive advantages was getting better. They assessed the importance of the speed of technological change that would affect business' competition and business strategy in the future. "The community issues always strongly influence the strategic planning of the company", "The environmental issues always strongly influence the strategic planning of the company" has not been evaluated appreciatively and received a relatively low average value of 2.845 points and 2,824 points.

Descriptive statistics on internal-oriented strategic planning factor

Factor "internal-oriented strategic planning" has 04 component observation variables. The observed variables were evaluated at a relatively high level with the average value of the factor reaching 4.309 points and the average value of the observations variables were equally and ranged from 4,065 to 4,532 points. In which, the scale "Issues of internal capacity always strongly influence on the strategic planning of the company" with the highest value of 4,532 points. While the lowest scale is "Human resources issues always strongly influence the strategic planning of the company" with a value of 4,065 points.

It showed that Vinapaco highly appreciates the influence of investors and human resources issues on strategic planning. When the scale "The company always analyzes the issues of shareholders and investors when plan strategies" reached 4,142 points. The scale "Human resource issues always strongly influence on the strategic planning of my company" and "The strategic planning of the company always considers attracting and retaining high-quality employees" were respectively received 4,064 points and 4,112 points.

Table 3: Descriptive statistics on internal-oriented strategic planning factors

Scale	Minimum	Maximum	Mean	Std. Deviation
IO1	2.5	5.0	4.532	.4926
IO 2	3.0	5.0	4.065	.5257
IO 3	2.5	5.0	4.346	.3812
IO 4	3.0	5.0	4.296	.5216

Source: Data processing results on SPSS software

Descriptive statistics of law and law enforcement factors

The results showed that Vinapaco highly appreciated the role of "Law and law enforcement" in the CSR implementation when the average value of this factor reached 4,341 points and the average value of the scale ranged between 4,256 - 4,423 points.

Table 4: Descriptive statistics of law and law enforcement factors

Scale	Minimum	Maximum	Mean	Std. Deviation
LE1	3.0	5.0	4.345	.5492
LE2	2.5	5.0	4.423	.4792
LE3	3.0	5.0	4.256	.5167
Average	2.83	5.0	4.341	.5150

Source: Data processing results on SPSS software

The results showed that to implement CSR, the role of "Law and law enforcement" was very necessary. They said that the law on CSR must be strictly and transparent to promote the business to implement CSR. Besides, Vinapaco also emphasized that the strict law on CSR was not enough, it would be very important that law enforcement had

to be very strict. Therefore, Vinapaco assessed the scale "The implementation of CSR laws (such as environmental law, natural resource law, labor law ...) is strict" at a high level of 4,221 points.

Descriptive statistics of business' humanity culture factors

This factor includes 04 scales, with the average value of 2,563 points. The result showed that corporate' humanity culture has not been highly appreciated and the needs of individuals were less concerned in Vinapaco. The scale "The Company's culture is often concerned about the needs of stakeholders" only received 2,634 points. Encouraging employees to participate in decisions within the company was low (2,578 points). Therefore, enterprises had not encouraged employees to think to solve problems at work (2,586). Hence, the resolution of conflicts and problems in enterprises was not really constructive.

Table 5: Descriptive statistics of business' humanity culture factors

Scale	Minimum	Maximum	Mean	Std. Deviation
BH1	2.0	4.0	2.586	.5643
BH2	2.0	4.0	2.634	.5946
BH3	1.5	4.0	2.578	.5424
BH4	1.0	4.0	2.452	.5998

Source: Data processing results on SPSS software

Analyze the influence of factors affect on implementation CSR at Vinapaco

Table 6: Analyze the influence of factors affect implementation CSR at Vinapaco

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.628a	.396	.383	.2465	1.986

a. Predictors: (Constant), Tbinh_BH, Tbinh_LE, Tbinh_IO, Tbinh_EO

b. Dependent Variable: Tbinh_CR

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.078	4	1.034	15.884	.000b
Residual	6.434	101	.062		
Total	10.346	105			

Source: Data processing results on SPSS software

The above model explains 38.3% (adjusted R² = 0.383) the change of CSR implementation in Vinapaco was caused by independent variables in the model, the remaining 62.8% of the change was explained by factors outside of the model. It showed that there were 04 independent variables positively affect on implementation of Vinapaco's CSR and the reliability was 97.3% (MaxSig = 0.027).

Table 7: Importance of factors

Scale	Independent variables	Standardized Coefficients Beta	Percentage (%)
1	EO	0.245	27,98
2	IO	0.223	25,54

3	LE	0.212	23,21
4	BH	0.215	23,27
Tổng		0.895	100.00

Source: Data processing results on SPSS software

The result showed that the factors affected on implementation of Vinapaco's CSR. It could be sort by order of impact from high to low as follows: The strongest impact was "external-oriented strategic planning" with $\beta_1 = 0.245$, accounting for 27.98%; the second was "Internal-oriented strategic planning" with $\beta_2 = 0.223$, accounting for 25.54%; the third is "Humanities culture of enterprises" with $\beta_4 = 0.215$ accounting for 23.27%; and finally, "Law and law enforcement" has $\beta_3 = 0.212$, accounting for 23.21%.

V. ADMINISTRATION IMPLICATION

Appreciate the role of corporate humanity culture; Law and law enforcement for the implementation of CSR. The influence of business' humanity culture factors on the implementation of CSR was promoted from the inside. While the legal regulations were bound by external legal aspects. Therefore, the human culture of businesses was more closely related than the factor of law and law enforcement. The managers need to spend a lot of time listening to the ideas of the employee to better understand their aspirations and resolve disagreements through dialogue, and negotiation. In business, it is required to ensure a harmonious settlement of interests of stakeholders, linking the interests of businesses with the interests of consumers and the community. Attaching importance to the performance of enterprises associated with CSR implementation.

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