

# Corporate Social Responsibility in VietNam

Giang Cao Tran

**Abstract—** Corporate Social Responsibility (CSR) is the harmonious combination of environmental and social factors in the decisions and activities of the business to ensure that enterprises manage the benefits effectively. Different of individuals, business and society. Since the 1980s, CSR has become an important business strategy. More and more businesses are realizing that they can not only aim to maximize profits but also carry out social responsibilities. This paper aims to clarify key elements of CSR, the trend of CSR, and guide the integration of Human Resource Management (HRM) into CSR.-

**Index Terms—**About four key words or phrases in alphabetical order, separated by commas.

## I. INTRODUCTION

Successful implementation of Corporate Social Responsibility strategy is an important precondition for the success of an enterprise because the implementation of CSR brings great benefits such as increased sales and labor productivity, The rate of staff quitting, attracting skilled workers or expanding the market. However, CSR strategy is relatively new in Vietnam so corporate governance activities are not really linked to CSR. Therefore, the implementation of CSR so far is still limited. To find a solution for this fact, the author has conducted research on the trend of CSR and guided the integration of HRM activities with CSR. Businesses can follow these guidelines to create sustainable benefits for employees, businesses and the public.

## II. CONCEPT

### A. Corporate Social Responsibility

There are many definitions of CSR. Every organization, company, government recognizes CSR in its own terms and view, depending on its conditions, characteristics and level of development. Many business executives agree with a famous statement by Milton Friedman in 1970 that "there is one and only one corporate social responsibility - that is, to use our resources and engage in activities. To increase profits. "This statement asserts that the primary goal of the business is to satisfy the needs of shareholders.

However, more and more businesses argue that a company can not function well if it only maximizes profits but also has obligations to its stakeholders and beyond. With society (EIC, 2005). Keith Davis (1973) put forward the notion that "CSR is the concern and response of businesses to issues beyond satisfying legal, economic and technological requirements."

Meanwhile, Carroll (1999) argues that CSR is broader: "is all the economic, legal, ethical and other issues that society expects in business at every moment. certain."

According to Matten and Moon (2004): "CSR is a cluster concept that embraces many other concepts such as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility." So, the nature of CSR is the commitment of businesses to contribute to sustainable economic development, through activities that improve the quality of life of workers and their family members, plus Copper and the whole society, in a way that benefits both the business as well as the overall development of society.

What are the specific benefits of CSR activities for businesses? In the short run, the benefits that CSR can bring are orders from purchasing companies that require CSR standards. However, the cost of implementing a CSR program can affect the company's business results. Therefore, visionary leaders will seek solutions to change society in a better way and vice versa, their businesses will have conditions for sustainable development.

The long-term benefits of CSR are for the business itself, such as improving business relations, creating corporate culture values, reducing accidents, reducing staff turnover, increasing productivity. labor. In addition, CSR also enhances the reputation of the company in relation to its customers and partners, creating competitive advantage and facilitating investment, especially foreign investment.

### B. Manage personnel

When it comes to HRM, people will immediately think of managing people - the invaluable assets of the business - working in the most suitable way to create competitive advantage for the business. However, Schuler (1995) argues that HRM is the use of activities to ensure that human resources are effectively managed to create benefits for individual workers, businesses and society. Mondy, Noe and Premeaux (1999) define HRM as the use of human resources for the achievement of corporate goals.

Meanwhile, Armstrong (2006) argues that HRM involves recruiting, training and employing employees in jobs that generate profits, followed by pay and bonus to the workforce. Thus, the nature of HRM is the review of activities related to recruitment, training and development, compensation, health and safety policies and internal labor relations. Businesses are aimed at the benefit of all stakeholders in the business.

## III. THE TREND OF CORPORATE SOCIAL RESPONSIBILITY

CSR has become a serious and growing topic in the world. As of the date this article was published, if we look at the terms "corporate social responsibility" in English on Google, we will see over 20 million results (not including phrases About CSR in other languages). A lot of articles, research, books, magazines, forums, web sites of universities, academia, non-governmental organizations, businesses, the

media and the government discuss this topic. Consumers in developed countries not only care about product quality, but also respect the way in which companies produce the product, which is environmentally friendly, Religious and healthy or not.

Many consumer and environmental protests have been strong, such as the boycott of cancer-causing adjuncts to monosodium glutamate companies and dairy companies; The movement to boycott fur-based products, boycott the labor exploitation of children for Nike or Gap; Equality movement for laborers to ensure labor safety and raw material purchase prices of farmers in Third World countries ... Before the pressure from society, most large companies have taken the initiative Consider CSR as an important strategy of the company. Many programs have been implemented such as energy savings, carbon emissions, renewable materials, solar energy, improved water supplies, illiteracy, school construction, Disaster victim support, gender equality, labor safety, labor rights, fair pay, training and staff development.

There are some leading names in such activities as Google, Intel, Unilever, Coca-Cola, GE, Nokia, HSBC, Levi Strauss, GlaxoSmithKline, Bayer, Toyota, Sony, UTC, Samsung, Gap, BP. ExxonMobil ... Nowadays, most of these multinational companies have developed a CSR strategy and propaganda to all employees around the world. The benefits gained through specific CSR activities have been recognized. CSR strategy not only improves the image of the company in the eyes of the public and local people, but also helps the company implement more favorable investment procedures, increase labor productivity and increase sales. Credit and branding, attracting many good workers. CSR can be said to have a firm footing in the perception of business in developed countries and tend to grow more and more worldwide.

CSR, however, is still very new in Vietnam, focusing mainly on foreign-invested sectors due to their requirements. It can be seen that barriers and challenges to the implementation of CSR in our country such as limited conceptual understanding of CSR, productivity are affected when multiple sets of policies and activities are implemented at the same time. Finance and technology to implement CSR standards, or confusion due to differences between CSR and Labor Code ... Clearly, when Vietnam is a member of the World Trade Organization, Vietnam goods will have to compete equally with goods from other member countries.

Currently, many large enterprises in Vietnam are aware that corporate social responsibility has become one of the indispensable requirements for businesses. Because in the context of globalization and international integration, if enterprises do not comply with social responsibility, they can not access the world market.

A recent survey conducted by the Institute of Labor Science and Social Affairs of Vietnam on 24 enterprises in the two sectors with the highest percentage of foreign investment in footwear and textiles indicated that, thanks to the implementation of programs Corporate social responsibility, turnover of these enterprises increased by 25%, labor productivity also increased from 34.2 million dong to 35.8 million dong / worker / year; The share of exports increased from 94% to 97%. So which strategy can help domestic

businesses gain advantages in a difficult battle in this market, where the advantage of cheap labor or rich resources is no longer Vietnam's own anymore? Is it CSR can be the answer if the business really understands the meaning and make CSR into culture, thinking and working methods.

#### IV. ATTACH HRM TO CORPORATE SOCIAL RESPONSIBILITY

Recognizing the importance and benefits of social responsibility in the context of globalization and international integration, in addition to the tax liability to the state, some large Vietnamese enterprises have registered To carry out social responsibility in the form of social commitments to protect workers, to create a sense of belonging and satisfaction of the employees.

As stated in the concept, HRM activities aim to help businesses mitigate negative impacts and promote positive effects on business and society. Hence, the HR manager plays a very important role in determining employee interests, economic benefits and social benefits and then harmonizing the interests of the groups. Related to create a better business image in everyone's eyes.

However, there are very few guidelines for HR managers and strategic managers in coordinating the use of HR practices to promote CSR or corporate social responsibility. The following suggestion steps can partly help HR managers get an overview of the approach and apply it to promote CSR in the business.

##### Step 1:

Vision of CSR strategy development Successful CSR enterprises will achieve significant benefits including cost reduction, increased sales, increased brand value, reduced staff turnover, increased productivity Productivity and opportunity to access new markets. So when business leaders recognize the importance of CSR, they will support it. CSR must be rooted in the leader. If managers do not believe in the importance of CSR, if they do not proactively pioneer or support CSR at the grassroots level, if they do not show integrity and honesty in their work as well as in Personal life, CSR can not be successful. Businesses only apply CSR when there is commitment of management, truly understand the importance and benefits of CSR in the long run and make CSR a part of corporate culture. The mission of a human resources manager is to tailor the vision and commitment of management by giving consideration to the presence of human resource management practices in the development process. Contest CSR strategy. Vietnamnet's largest survey of 500 largest enterprises in 2017 shows that the CSR implementation of these enterprises has really contributed to attracting and retaining talented people as well as enhancing the image of enterprises in the community. Dong.

##### Step 2:

Establishing an internal code of conduct The Human Resources Department is responsible for developing an internal code of conduct for employees in implementing CSR. This rulebook is not only an opportunity for enterprises to make commitments to implement corporate CSR, but also as a business incorporating CSR values into corporate culture. Therefore, the design of this code of conduct is not

rigid, mechanistic and ambiguous, confusing for employees in the business. Here are some examples of how Toyota Vietnam Company launched the program "I love Vietnam," Microsoft Vietnam and HP Vietnam jointly launched a support program " Study TOPIC 64 "... In addition, enterprises can set up a department to monitor the implementation of CSR throughout the organization in order to make adjustments to the problems that arise.

Step 3:

Integrate the plan and recruit staff with CSR Competent labor force is critical to productivity and product quality. In developing countries, the number of employees is high, but the workforce is of high quality. Hence, recruiting, attracting and retaining highly qualified and committed employees is a challenge for businesses. Successful implementation of CSR programs involves paying fair and equitable salaries, giving employees the opportunity to receive training, health insurance and a clean working environment capable of attracting and recruiting. And keep the staff good. Therefore, the human resources department needs to integrate the results of the implementation of CSR in the recruiting program, encouraging and promoting the benefits of a socially responsible work environment. Ha Tinh Rubber Company is an example of attracting local workers to work, contributing to poverty reduction for people living near forests, remote areas.

Step 4:

Orientation and integration of training programs with CSR The commitment of the management to CSR will play an important role in the behavior of employees at the enterprise. Therefore, HR departments need to guide employees, especially new employees, about the vision, goals and underlying values of CSR. In particular, the HR department should provide employees with information regarding the CSR programs that businesses and shareholders are undertaking, how businesses measure and evaluate CSR programs, and CSR reports. Or simply the department where employees can find out more information about CSR programs. In addition, businesses need to provide CSR training programs for all employees, such as ethics training, energy efficiency, emissions and pollution reduction, or how to create an environment for doing Safety.

Step 5:

Incorporate pay and reward with CSR Once the commitment of management is in place to implement and apply CSR, the HR department will have to develop or revise the employee assessment system for the whole enterprise. There are indicators related to the CSR implementation of employees aimed at encouraging and rewarding timely employees with social responsibility. In addition, HR departments also need to support and advise their departments on setting specific CSR targets. Compensation schemes and non-financial incentives should also be linked to CSR values and strategies. For example, when employees have the initiative to save energy or reduce emissions of pollutants, the company can reward and reward cash for that group of employees.

Step 6:

Incorporating change management with CSR Changing the number and structure of labor through mergers, equitizations, corporate restructuring or meeting new export standards should be coordinated with Business strategy as well as corporate CSR. Therefore, human resource management plays an important role in the management of change in the enterprise when the enterprise wants to change the number of employees or the behavior of employees. HR departments need to communicate new strategies, policies or programs after the change to the entire staff. Next, the Human Resources Department will organize the programs they have just announced, such as the organization of retraining programs for some under-skilled employees, For example, most orders from Europe, the United States or Japan require garment or footwear businesses. Apply good labor (SA 8000 standard). Therefore, in order to receive orders, they are required to integrate human resource management with CSR.

Step 7:

Measure and evaluate CSR programs The benefits and added value of implementing CSR should be included in the performance of the business. Human resources departments need to measure and evaluate CSR activities at regular business level to timely adjust and encourage individuals and organizations to contribute effectively to CSR implementation as well as to praise and gender. Introduce models to all employees. In addition, a CSR report should be introduced to introduce to employees and the public what their commitment to CSR is and will continue to be.

## CONCLUSION

The benefits of implementing CSR have been widely recognized around the world. However, the CSR strategy is relatively new in Vietnam, so the application and implementation of CSR in enterprises to date is still limited. This article, therefore, pioneered the research, proposed a process of guidance for HR managers and coordinated strategy managers in integrating HRM policies with CSR for the purpose of promoting And create benefits for both business and society.

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**BIOGRAPHY**

Giang Cao Tran, Ph.D had graduated from Tarlac State University, Philippines. He had MBA of HELP University, Malaysia and BBA of Open University HCMC, Vietnam.