

CORPORATE SOCIAL RESPONSIBILITY TOWARD EMPLOYEES: CASE STUDY IN THUY VAN INDUSTRIAL PARK

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Abstract

Corporate social responsibility (CSR) to employees means well implementing the commitments to ensure the rights and interests of employees. The good implementation of CSR to employees will contribute to connecting employees with the enterprise, and at the same time contribute to the sustainable development of the business in the future. This study aims to determine aspects of corporate social responsibility for employees in Thuy Van Industrial Park. Data were analyzed using exploratory factor analysis and multiple regression models. The results showed the 9 most typical factors that constitute CSR appropriate to the context of the industrial park, including Working and rest time, Labor contract, Occupational safety and hygiene, Remuneration policy, Compensation and welfare policies, Training and development opportunities, Income guarantee, Collective bargaining - Trade unions, Social insurance. With the above research results, some solutions and recommendations are suggested to improve CSR for employees. This not only helps businesses develop sustainably but also protects the interests of workers in Thuy Van Industrial Park.

Keywords: CSR, Employees, Thuy Van Industrial Park, Phu Tho

1. Introduction

In the context of world economic integration, when the success or failure of businesses depends on their dealings with the community, CSR becomes an increasingly important issue. However, in reality, there are still not many research articles in Vietnam clarifying the factors affecting CSR, especially CSR for employees. Therefore, in this context, research on corporate social responsibility towards employees is extremely necessary and timely.

Thuy Van Industrial Park was established and the investment project approved under Decision No. 836/QĐ-TTg dated October 7, 1997, of the Prime Minister, is one of the oldest industrial parks in Vietnam, in Thuy Van commune, Viet Tri city. Having gone through two investment expansion phases, Thuy Van Industrial Park now has a total area of 323 hectares. Up to now, Thuy Van Industrial Park has attracted more than 100 projects. Thuy Van Industrial Park is one of the projects that owns housing and service infrastructure planning for workers with a total area of up to 20,16 hectares including housing areas, amusement parks, kindergartens, schools, and medical stations. When put into use, it can meet the living needs of more than 6,000 workers, helping them have a stable, settled, and happy life. However, workers here have to suffer because some businesses

extend the probationary period beyond the prescribed level, do not comply with the Law on Social Insurance, businesses cut allowances, and need to meet the requirements corresponding to their income. To find out what causes the above situation and find solutions to overcome it, it is necessary to research factors affecting CSR for workers in industrial parks. This research article aims to identify the elements that constitute corporate social responsibility towards workers in Thuy Van Industrial Park, which is extremely necessary in adjusting policies to improve CSR quality and ensure the rights and benefits of the workers

2. Literature reviews

2.1. Corporate social responsibility and corporate social responsibility to employees

In the context of integration, many researchers have mentioned environmental issues and sustainable development when discussing the concept of CSR. Experts of the World Bank (2003) commented: CSR is the commitment of enterprises to contribute to sustainable economic development, through activities to improve the quality of employees' life and their families, the community, and the whole society in a direction that benefits businesses as well as the general development of society.

Social responsibility to employees is a responsibility to the most important stakeholder of the business. That is to fulfill commitments to employees through the responsibility to ensure rights and benefits, thereby improving the quality of life for employees as well as ensuring the sustainable development of the business. That means businesses comply and implement legal commitments, rights, and benefits for employees; The enterprises orient their behavior to comply with the law, ensuring economic benefits in the direction of harmonizing the interests of workers according to the goal of sustainable development.

"CSR towards employees is understood as the implementation of rights by enterprises for officers, employees, and workers in general in the enterprise" (Thai Thi Hong Minh, 2007). This right is concerned with labor contracts, working conditions, rest, respect, fairness in wages, health care as well as material and spiritual life for workers.

In summary, the social responsibility of businesses to employees is to properly implement commitments to ensure the rights and benefits of employees in terms of working hours, health and labor safety, wages, and collective bargaining, as well as individual work relationships and internal communication.

Synthesizing concepts of CSR, based on the concept of CSR developed by the World Bank's Private Economic Development Group combined with the approach to CSR from the perspective of employees according to ISO 26000:2010 standards, The topic uses the concept of CSR for employees as follows: "The social responsibility of enterprises to employees is the commitment of enterprises to employees through the good implementation of activities: employment and labor relations, compensation and social protection, social dialogue, health and safety, training and development to improve the quality of life of workers, contributing to sustainable development sustainability of business and society".

2.2. Content of corporate social responsibility to employees

According to the ISO 26000 set of standards, the CSR content of businesses towards employees includes the following criteria: (1) employment and labor relations development; (2) remuneration and social protection regime; (3) social dialogue; (4) workplace health and safety; (5) training and developing employee capacity and is expressed as follows:

* Employment and labor relations development

The employment relationship refers to the rights and obligations of both employers and employees for the benefit of business and society. Businesses must ensure that all work is performed by both men and women, and they should not neglect any legal obligations imposed on them as employers. They must provide reasonable notice and timely information, and work together with employee representatives. Additionally, they should ensure equal opportunities for all their workers, take measures to guarantee contracted work only and provide good working conditions.

* Remuneration and social protection

Employers determine many working conditions. Working conditions play a crucial role in determining the quality of life of workers and their families, as well as the overall economic and social development of a nation. Therefore, businesses must ensure compliance with national laws and regulations that govern working conditions. In addition, they must follow relevant international labor standards to ensure that the rights of workers are protected and that they are treated fairly.. Create good working conditions in terms of wages, working hours, weekly breaks, holidays, health and safety, maternity benefits, and the ability to combine work with family responsibilities; pay salaries and other forms of bonuses according to law; comply with all obligations related to social protection regulations for employees in the country of operation; Respect workers' rights associated with normal or agreed working hours stipulated in laws, regulations or collective agreements..

* Social Dialogue

Social dialogue includes all forms of negotiation, consultation, or exchange of information between representatives of governments, employers, and workers on matters of common interest related to human rights concerns economic and social. Currently, social dialogue can resolve disputed issues in which parties can build a dispute resolution process. Social dialogue can also address complaints where grievance mechanisms play an important role, especially in countries where basic labor rights and principles are not properly protected...

* Health and safety at work

Health and safety at work is concerned with promoting and maintaining the highest level of physical, mental, and social health of workers and preventing harm to health caused by working conditions. Therefore, businesses need to develop, apply, and maintain occupational health and safety policies based on the principles of safety and health standards, analysis, and control of health

and safety risks. safety-related to business operations; Requires workers to comply with safety practices at all times and in all places; provides necessary safety equipment, including personal protective equipment, to prevent injuries, occupational diseases, and occupational accidents; building an enterprise's health, safety, and environmental management system based on the participation of relevant workers, recognizing and respecting the rights of workers, and report health and safety issues to appropriate authorities...

*** Employee training and development**

Businesses need to provide workers with access to skills development, training, and apprenticeships, as well as career development opportunities, on an equal and non-discriminatory basis at all stages in their work experience; ensure that, where needed, redundant workers are helped to access new employment support, training and advice; establish a labor-management program that promotes health and good living.

3. Research methods

To collect information, the author interviewed employees working in Thuy Van Industrial Park, Phu Tho with the questionnaire and used a 5-point Likert scale from 1 to 5 meaning from "1 strongly disagree" to "5 strongly agree" with a sample size of 300 elements. The data analysis will be analyzed using SPSS 22.0 software. Based on the TCVN ISO 26000:2010, CSR toward employees includes Working and rest time, Labor contracts, Occupational safety and hygiene, Salary and bonus policy, Compensation and welfare policy, Training and development opportunities, Income guarantee, Collective bargaining - Trade Union, and Social Insurance. The author adjusted to suit the actual conditions of the study area, experts, and employees who were working at Thuy Van Industrial Park, including:

The Employment and employment relationships scale includes 9 observed variables, from TG1 to TG4 (TG1. Working time does not exceed 8 hours/day; TG2. Overtime must not exceed 4 hours/day; TG3. Rest time of at least 30 minutes for 8-hour shifts/day; TG4. Employees are entitled to at least 1 day off during the working week).

The labor contract scale includes 4 observed variables from HD1 to HD4 (HD1, Seasonal labor contracts are only from 12 months to 36 months; HD2, Employees have the right to decide on the implementation, conclusion, and termination of contracts; HD3, Enterprises can not be allowed to keep original copies of employees' identification documents and diplomas; HD4, Employees have the right to comment on the development or amendment of internal regulations).

The occupational safety and hygiene scale includes 4 observed variables from AT1 to AT4 (AT1, Employees are equipped with personal protective equipment of the correct quality and specifications. AT2, Enterprises overcome and control dangerous factors for employees. AT3, Enterprises always have regulations on fire prevention and fighting. AT4, Employees always have a health check-up at least once a year).

The salary policy scale includes 4 observed variables from LT1 to LT4 (LT1, Enterprises pay salaries appropriate to the skill level of workers. LT2, Enterprises do not deduct more than 30%

of employees' monthly salary. LT3, The probationary salary is at least equal to 85% of the salary of that position after the probationary period. LT4, Enterprises must pay wages on time as committed in the labor contract).

Compensation and welfare policy scale includes 4 observed variables from PL1 to PL4 (PL1, Insurance regimes: Health insurance - Social insurance - Accident insurance. PL2, Welfare policies: sickness, weddings, the funerals for employees. PL3, Enterprises subsidize: shift meals, accommodation, and transportation for employees. PL4, Employees are still entitled to pay on holidays according to state regulations).

The training and development opportunities scale includes 4 observed variables from ĐT1 to ĐT4 (ĐT1, Enterprises must set goals for promoting positions for employees. ĐT2, Enterprises organize training courses for employees. ĐT3, Enterprises always encourage and motivate employees. ĐT4, Enterprises organize soft skills courses for employees).

The Social Insurance scale includes 4 observed variables from TN1 to TN9 (TN1, Enterprises pay employees higher salaries than the basic salary. TN2, Enterprises pay employees an additional amount of money at least equal to the deposit interest rate when they cannot pay salaries on time. TN3, Enterprises pay overtime wages to employees on weekdays at 150% or more of salary. TN4, Enterprises pay overtime wages to employees on weekly days off at 200% or more of salary. TN5, Enterprises pay overtime wages to employees on holidays and Tet at 400% or more of salary. TN6, In addition to the main salary, employees are entitled to allowances and benefits. TN7, Enterprises always pay harmful allowances to employees. TN8, Enterprises always pay overtime wages to employees at night with an additional 30% of normal working day wages. TN9, When businesses take annual leave, employees are given an advance payment at least equal to the salary for the days off).

The Social dialogue scale includes 6 observed variables, from TL1 to TL6 (TL1, Employees are notified at least 5 days in advance of the time for collective bargaining. TL2, Enterprises conduct collective bargaining at least once a year. TL3, Enterprises implement collective labor agreements. TL4, Enterprises respect the honor and dignity of employees. TL5, Enterprises allow employees to come up with solutions to improve labor productivity and product quality. TL6, Enterprises receive and resolve complaints satisfactorily).

Social Insurance includes 4 observed variables (BH1, Enterprises always pay mandatory social insurance, health insurance, and unemployment insurance for employees. BH2, Enterprises pay co-payment costs and costs not included in the list covered by health insurance for employees participating in health insurance. BH3, Every month, businesses pay a maximum of 1% of the salary fund as a basis for paying social insurance for employees. BH4, Enterprises pay benefits to employees within 5 days from the date of receipt of money transferred by the social insurance agency).

Total variable correlation coefficients are satisfactory (> 0.3).

4. Results and discussions

The results of Cronbach's alpha analysis showed that the scales were all reliable (satisfying the requirement that Cronbach's alpha coefficient is greater than 0.6, and the correlation coefficient with the total variable is greater than 0.3). Thus, all observed variables will be used in exploratory factor analysis.

The results confirmed that the measurement scales of all factor groups met the requirements. Specifically, all KMO coefficients satisfy the condition $0.5 \leq KMO \leq 1$, showing that the scale was designed to fit real data. Bartlett's Test has a value of $\text{Sig.} = 0.000 \leq 0.05$, showing that the observed variables are correlated with each other in each factor group.

Table 1: Summary of scale testing results

Variables	Coding	Cronbach's alpha	KMO	Barlett's p.value
Work and rest time	TG1 → TG4	0.875	0.826	0.00
Labor contract	HĐ1 → HĐ4	0.876		
Occupational safety and hygiene	AT1 → AT4	0.866		
Salary and bonus policies policy	LT1 → LT4	0.856		
Compensation and welfare policy	PL1 → PL4	0.836		
Training and advancement opportunities	ĐT1 → ĐT4	0.855		
Guaranteed income	TN1 → TN9	0.877		
Collective bargaining - Trade unions	TL1 → TL6	0.877		
Social insurance	BH1 → BH4	0.835		

Source: Summary of analysis results on SPSS 22, 2023

The results of exploratory factor analysis help identify 9 factors extracted at an eigenvalue of 1.001 and the total variance extracted is 88.695%. Running a regression between the dependent variable of CSR assessment level and the independent variables, we obtain the following results:

Table 2: Regression results

Variable	Standard	Normalization coefficient	Significance level

	error	Beta	Sig.
Work and rest time	.023	.057	.003
Labor contract	.023	.098	.000
Occupational safety and hygiene	.021	.568	.000
Salary and bonus policies policy	.021	.412	.000
Compensation and welfare policy	.021	.351	.000
Training and development opportunities	.023	.211	.000
Collective bargaining - Trade unions	.023	.108	.000
Income guarantee policy	.023	.260	.000
Social insurance	.023	.221	.000
F – value = 187.665; R2 = 0.825; Sig.F = 0.000			

Source: Summary of analysis results on SPSS 22, 2023

The regression results with the factors showed that the model with a 1% significance level and the factors explained 82.5% of employees' assessment of CSR. The above factors impact in the same direction on the level of employee satisfaction. The Beta coefficient (standardized regression coefficient) of the factor "Occupational safety and hygiene" has the highest value (0.568), which shows that "occupational safety and hygiene" has the highest influence on the level of employee evaluation. Similarly, the factors "Remuneration policy", "Welfare benefits", "Social insurance", "Income guarantee", and "Training and development opportunities" also have a positive impact on employees' level of assessment of CSR. The "Working and rest time" policy only accounts for a modest role for employees in CSR (Beta coefficient is 0.057). This showed that the poorer the "Working and rest time" policy, the lower the employee's assessment of social responsibility. Besides, the factors "Labor contract", and "Collective bargaining - Union" have a negative influence on the level of CSR assessment. Therefore, businesses need to focus on improving poor policies to contribute to improving CSR for employees.

5. Conclusion

The main purpose of this study is to explore the components of corporate social responsibility towards employees. This study also aims to examine the impact of these factors on the degree to which employees evaluate the social responsibility of the businesses where they work. The exploratory factor analysis method with related tests helped adjust the basic model into an official

model, consistent with the characteristics of the data collected through the survey in Thuy Van Industrial Park.

The results showed that CSR at Thuy Van Industrial Park was seen through factors, including: (i) working and rest time, labor contract, (ii) labor contract, (iii) safety and labor hygiene, (iv) salary and bonus policies, (v) remuneration and welfare policies, (vi) training and promotion opportunities, (vii) collective bargaining - trade unions, (viii) income guarantee, (ix) social insurance. This result suggests that businesses can improve CSR by re-evaluating and improving working and rest time policies, labor contract policies, and collective bargaining union policies. Pay more attention and improve issues of salary and bonus policies, compensation and welfare policies, training and promotion opportunities, income security, and social insurance. At the management level, policymakers also need to reassess and supplement legal regulations on Labor Law and Decrees on CSR, to create a clear, strict legal corridor and make CSR successful a mandatory content in Enterprise operations.

Finally, the study presented the concept of CSR and measured this implicit concept using a set of reliable scales through EFA tests. The results of this research hope to contribute to attracting the attention of researchers, businesses, and workers to this important field, indirectly promoting CSR in enterprise operations in Vietnam.

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