# THE FACTORS IMPACT ON IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY OF FOREIGN DIRECT INVESTMENT ENTERPRISES

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## Abstract

*The implementation of social responsibility has not only become the basic operating principle of businesses but also their core value in the context of globalization. It highlights the importance of human rights, safety, health, community participation, and environmental protection in addition to the business benefits of the enterprises. In the article, the research team summarizes the views of Friedman, M. (1970), Davis, K. (1973), Carroll, A. (1991) on corporate social responsibility (CSR) and reviews the literature on factors affecting the implementation of corporate social responsibility such as research by Yeh, SL, Chen, YS, Kao, YH, & Wu, SS (2014), Tsuei, LL, & Wen, H, L (2018), Duyen, CTL, & Canh, NM (2013), Hoa, TTM, & Ngoc, NTH (2014), Lanh, NT, & Tram, Lab (2016), etc. Based on the model of Tsuei, LL, & Wen, H, L (2018) and related studies, the research team proposes the model of factors affecting the implementation of corporate social responsibility with 4 factors are: (1) CSR intention of leaders; (2) Business resources; (3) Industrial environment; and (4) Public motivation. These factors are measured by 23 observed variables. The findings show that the "CSR intention of leaders" is the most important factor to promote the CSR implementation of FDI enterprises. The analysis of the factors and their degree of impact will help foreign-invested enterprises better perceive and formulate practical measures in implementing corporate social responsibility.*

**Keywords:** *Affecting factors; Corporate Social Responsibility; Foreign Direct Investment Enterprises*

## 1. Introduction

Since the establishment of the World Business Council for Sustainable Development (WBCSD) in 1995, many associations in the world have discussed building strategies for improving corporate social responsibility (CSR). CSR, also known as corporate sustainability, sustainable corporations, business conscience, the responsibility of the business or responsible businesses, is a form of self-regulated business activity of corporations [Friedman, M. (1970)]. CSR has not only been the fundamental operation principle but also the core value of businesses, which highlights the importance of human rights, safety, health, community participation, and environmental protection in addition to business benefits of corporations. Corporations have to perceive and strictly implement CSR as well as make CSR a useful tool for creating business competitive advantages in the context of economic integration. Many scholars have studied and stated their viewpoints on corporate social responsibility, including Friedman, M. (1970), Davis, K. (1973), Carroll, A. (1991), etc. Besides, there have been a lot of studies on determinants on corporate social responsibility, namely, Yeh, S. L., Chen, Y. S., Kao, Y. H., and Wu, S. S. (2014*), Tsuei, L.L, & Wen, H, L (2018), Duyen, C.T.L, & Canh, N.M (2013), Hoa, T.T.M, & Ngoc, N.T.H (2014), Lanh, N.T., & Tram, P.T.N. (2016), etc.

In fact, CSR was introduced to the developing countries through FDI inflows in the 1990s [Goyal, 2005]. FDI enterprises have contributed investments, enhanced technology transfer, and improved management and production capacity in local countries. Under CSR, FDI enterprises usually build their general codes of business ethics to apply in different regions and markets. However, the existing problems include environmental pollution, business ethic violation, limited awareness of social responsibility, lack of finance and technology to practice social responsibility standards. On the theoretical background and literature review on determinants on CSR implementation, under the model of Tsuei, L.L, & Wen, H, L (2018), the researchers suggested the model of determinants on CSR implementation of FDI enterprises with 4 factors including *(1) CSR intention of leaders; (2) Business resources; (3) Industrial environment;* and *(4) Public motivation.* Due to limitations in time and resources, researchers utilized convenience sampling and surveyed 312 FDI enterprises in Viet Nam.

## 2. Theoretical background, research model, and hypotheses

### 2.1. Theoretical background

Corporate social responsibility means that enterprises have to fulfill their economic, legal, ethical, and philanthropic responsibilities with the current and future stakeholders towards sustainable development.

Base on this approach, corporate social responsibility is viewed as the increase in positive impacts and decrease in negative impacts on stakeholders towards sustainable

development. Corporate social responsibility is expressed in responsibilities with the markets and consumers; environmental protection; responsibilities with workers, the community, and the society.

In his study on corporate social responsibility, Galaskiewicz, J. (1985) stated that the considerations on CSR short-term strategies can be divided into three forces (1) Public relations: raising the consumers' awareness of an enterprise or products to stimulate sales is the most typical short-term target for an enterprise to participate in socially responsible activities; (2) Competition: in response to pressure from business peers, enterprises can invest passively in socially responsible activities to avoid the negative perception of consumers; and (3) Tax benefits: relevant regulations on tax incentives can reduce the enterprise's spending for socially responsible activities.

Yeh, S. L., Chen, Y. S., Kao, Y. H., and Wu, S. S. (2014) studied corporate social responsibility and its implementation by designing a CSR mind map in listed companies on Taiwan Stock Exchange (TWSE) and Gre Tai Securities Market (GTSM). The results show that *"Negligence of company leaders"* and *"Shortage of human resources"* are major obstacles to CSR implementation. Besides, the research indicates *"Support and assistance of company leaders"* and *"Changes in the mentality of CSR implementation of company leaders"* are important solutions to CSR implementation in Taiwan.

The study of Tsuei, L.L., & Wen, H, L. (2018) discussed factors affecting CSR implementation by exploring the literature and conducting field interviews with enterprises. The study compiles 4 factors and the weights among the factors. The first factor *"Leaders' knowledge on CSR"* indicates that business owners, board of directors, and board of management have comprehensive and diversified impacts on business decision-making; similarly, the decision-makers significantly impact the participation in public welfare activities. The second factor *"business resources"* refers to all elements that the company can use to create value for customers, including material and non-material elements that the company can mobilize. Thirdly, *"Industrial environment"* shows the relationship between the company and its stakeholders to understand the company's practices related to environmental issues and examine whether the company makes a significant contribution to the public. The fourth factor *"Public motivation"* examines a series of company activities following social norms. The results show that *"CSR intention of leaders"* has the highest degree of effects, followed by *"Business resources"*, *"Industrial environment"* and *"Public motivation."*

In Viet Nam, there have been some studies on CSR by Hoa, T.T.M and Ngoc, N.T.H (2014) in tourism; Yen, H.H (2016) in banking, Thao, N.T.P (2019) on customer groups of banks in Da Lat. However, they have all been qualitative research on customers instead of all stakeholders.

The study of Lanh, N.T., & Tram, P.T.N. (2016) used the research model of Yeh, S. L., Chen, Y. S., Kao, Y. H., and Wu, S. S. (2014) and indicated four factors affecting CSR implementation in companies, namely human resources, capital, mandatory institutions of the State and CSR knowledge. Binary Logistic regression shows that among four tested factors, two factors are affecting CSR implementation, namely human resources and capital. The results are also identical to the research findings of Yeh, S. L., Chen, Y. S., Kao, Y. H., and Wu, S. S. (2014) which states that *"human resources"* is the major determinant of CSR implementation of listed companies on Taiwan Stock Exchange.

Duyen, C.T.L, & Canh, N.M (2013), surveyed 88 small and medium enterprises in Can Tho City by a self-administered questionnaire. The research methods include descriptive statistics, frequency, average, Cronbach's Alpha, KMO & Barlett tests, Exploratory Factor Analysis (EFA). The results show that factors promoting the CSR implementation of small and medium enterprises include *"economic benefits"*, *"macro-economic policies"*, *"ethical responsibility"*, and *"public orientation"*, in which *"ethical responsibility"* is the most significant factor promoting the CSR implementation of small and medium enterprises in Can Tho City.

Despite a large number of studies on CSR, the research samples are mainly domestic companies, companies in general, or companies by size, or sectors instead of FDI enterprises.

In Viet Nam, there have been a few studies on CSR implementation of FDI enterprises. FDI enterprises are classified by investments in distinction with domestic-invested enterprises [IMF (1993), OECD (1996), UNCTAD (2012)]. In Viet Nam, 2014 Law on Investment (with effect on July 1, 2015) states that FDI enterprises are foreign-invested business organizations regardless of the equity ratio. Under the 2014 Investment Law, forms of investments include investment in the establishment of economic organizations (Article 22), investment in the form of contribution of capital to, or purchase of shares or capital contributions at, economic organizations (Article 24, and investment in the form of contracts. Accordingly, FDI enterprises are divided into three following groups:

(i) *100% foreign-invested enterprises:* are owned, established, managed, and controlled by the foreign investors in Viet Nam;

(ii) *Joint-stock enterprises*: are established under the partnership contract between two or more parties to operate in Viet Nam, the parties are only responsible for the committed capital contribution in the enterprise;

(iii) *Cooperation contracts:* are investments under the agreement on liabilities and business result distribution between a foreign investor and a domestic investor to conduct one or more businesses in the local country.

Accordingly, cooperation contracts do not set up a new legal entity (enterprise), thus, FDI enterprises in the study include 100% foreign-invested enterprises and joint-stock enterprises.

With the above-mentioned characteristics, the CSR implementation of FDI enterprises has been the topic of interest of many researchers. Mai, T.N. (2020) in her study built a model for analyzing CSR implementation of FDI enterprises in Viet Nam with a focus on the relation between CSR implementation and the company reputation. The researcher surveyed 208 valid questionnaires from such four stakeholders as government, workers, customers, and community. The study also explores the evaluation of FDI enterprises on their reputation by a self-administered questionnaire. The research methods include Data Envelopment Analysis (DEA), Cronbach's Alpha test, and Exploratory Factor Analysis (EFA). The results show that the corporate reputation is influenced by CSR implementation on all four stakeholders, in which, CSR implementation for the community has the highest degree of influence, followed by customers, government, and workers.

The research of Chau, T.N.H (2018) on CSR in business strategies of FDI enterprises examines the proportional relation between CSR implementation and the reputation, innovation, and capability to create the differentiation of companies by measuring 21 observed variables from the government and enterprise perspectives. However, the study uses a single-variable regression model, in which 21 observed variables have not been explored by components, so the reliability of research findings is still limited.

### 2.2. Research model and hypotheses

Based on the theoretical background and literature review on determinants of CSR implementation of FDI enterprises, researchers analyze the factors affecting CSR under the model of Tsuei, L.L, & Wen, H, L. (2018). The model of Tsuei, L.L, & Wen, H, L. (2018) covers the analysis of stakeholders of CSR implementation of FDI enterprises with four factors *"CSR intention of leaders", "Business resources", "Industrial environment"* and *"Public motivation."* The researchers build and develop the scale on the pyramid of corporate social responsibility of Carroll, A. (1991) with CSR implementation in 4 responsibilities, namely, *(1) Economic responsibility; (2) Legal responsibility; (3) Ethical responsibility;* and *(4) Philanthropic responsibility.* The researchers suggested another important component, i.e. *(5) Environmental protection responsibility* in combination with characteristics of *FDI enterprise form (*100% foreign-invested and joint-stock enterprises); *Years or time of operation;* and *Business sector* to measure the differences in corporate social responsibility. The research model is expressed as follows:
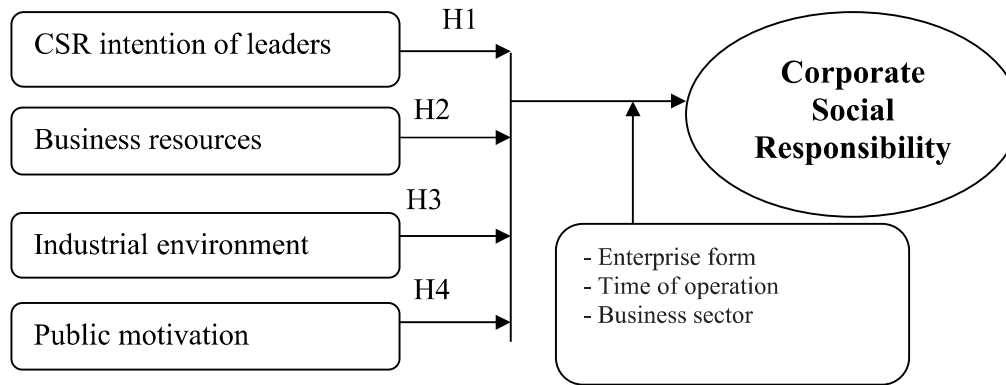
**Figure 1. The Proposed Research Model**

*(Source: the author research)*

*Hypotheses for the proposed research model include:*

H1: CSR intention of leaders has a directly proportional relation with CSR implementation of FDI enterprises.

H2: Business resource has a directly proportional relation with CSR implementation of FDI enterprises.

H3: Industrial environment has a directly proportional relationship with the CSR implementation of FDI enterprises.

H4: Public promotion has a directly proportional relationship with the CSR implementation of FDI enterprises.

## 3. Method

### 3.1. Variables and research samples

The study combines qualitative and quantitative research methods. First, the qualitative method is used to conduct preliminary research by discussing with 10 leaders of FDI enterprises in different sectors. The discussion is conducted by the scales with factors affecting the corporate social responsibility of FDI enterprises from previous studies. The participants can give their opinions on aspects of corporate social responsibility. The preliminary sample size is 10 (n=10). The results are used to complete the questionnaire and research model.

The quantitative method is used to collect opinions of enterprises on corporate social responsibility. The questionnaire is formulated based on the preliminary research results with Likert 5-point scale questions. Due to limited time, the authors use convenience sampling. The sample size is determined under the principle of Comrey and Lee (1992), concerning the principle of Hoang Trong & Chu Nguyen Mong Ngoc (2005). With 23 parameters (observed variables) to conduct factor analysis, the minimum sample size should be 23 x 5 = 115 samples; the respondents are company middle and top managers in FDI enterprises at industrial zones in Hanoi, Hai Phong, Bac Ninh, Bac Giang, Ha Nam, Da

Nang, and Binh Duong. Based on the required sample size and data collection capabilities, the researchers decide on the sample size n = 320. Over 320 questionnaires were sent to the survey subject by email, researchers collected 315 questionnaires with 312 valid ones for analysis.

**Table 2.1: Factor scales in the research model**

| Independent variables | | Observed variables | Reference |
|---|---|---|---|
| **1. CSR intention of leaders** | | | |
| LD1 | | Fulfillment of tax liabilities under legal regulations | Compiled and developed from the studies of Tsuei, L.L, & Wen, H, L. (2018; and Useem, M. (1988), |
| LD2 | | Equity structure and business performance | |
| LD3 | | Operating strategy towards CSR implementation | |
| LD4 | | Considerations of interests of stakeholders | |
| LD5 | | CSR awareness of corporate members | |
| **2. Business resources** | | | |
| BR1 | | Profitability performance | Compiled and developed from the studies of Tsuei, L.L, & Wen; Freeman, R. E. (1984); Shen, C. H., and Chang, Y. (2009) |
| BR2 | | Human resources quality | |
| BR3 | | Financial capacity | |
| BR4 | | Corporate facilities | |
| BR5 | | Management information system | |
| **3. Industrial environment** | | | |
| IE1 | | Peers' interests in CSR implementation | Compiled and developed from the studies of Tsuei, L.L, & Wen, H, L (2018) |
| IE2 | | Increasing popularity by CSR implementation | |
| IE3 | | Strengthening competitiveness | |
| IE4 | | Peers' benefits from CSR implementation | |
| **4. Public motivation** | | | |
| PM1 | | Laws and regulations on CSR | Compiled and developed from the studies of Tsuei, L.L, & Wen, H, L (2018) |
| PM2 | | Current socio-economic trends | |
| PM3 | | Social norms and value | |
| PM4 | | Information disclosure | |
| **5. Corporate social responsibility** | | | |
| CSR1 | | Economic responsibility | Built and developed on the pyramid of corporate social responsibility of Carroll, A. (1991) |
| CSR2 | | Legal responsibility | |
| CSR3 | | Ethical responsibility | |
| CSR4 | | Philanthropic responsibility | |
| CSR5 | | Environmental responsibility | |

*Source: Authors research*

### 3.2. Data analysis

The research data after collection will be adjusted and analyzed with the support of SPSS 20.0 software with analytical techniques:

**Descriptive statistics**: Describe the characteristics of the sample according to the identified signs.

**Reliability of the scale** (Cronbach's Alpha): This method evaluates the reliability of the scale by Cronbach's Alpha coefficient and removes the unsuitable variables. Variables whose correlation coefficient with the total variable is less than 0.3 will be rejected. The scale with Cronbach's Alpha coefficient over 0.6 is usable.

**Exploratory Factor Analysis EFA:** Factor analysis EFA allows the compaction of multiple correlated variables into representative factors. Kaiser-Meyer-Olkin (KMO) and Bartlett tests are used to measure the fit of the research samples. Factor analysis is significant if the KMO value > 0.5 and the value of sig <0.05; Factor loading must be > 0.5; In case an observed variable uploads both factors, the loading factors must be over 0.3, and this observed variable is included in the factor that it uploads the highest with the condition must satisfy the factor loading > 0.5.

**Correlation and Regression analysis:** After extracting the representative factors, the Pearson correlation coefficient is used to evaluate the linear correlation relationship between the factors in the model. If the sig < 0.05, the analytical result is significant; correlation coefficients > 0 represent variables with linear correlation. On that basis, the linear regression model is set up and the R2 coefficient is adjusted to indicate the suitability of the established regression model.

**Different impact of personal factor**: Independent - Sample T-Test and One-Way Anova test are used to consider the different influence of qualitative variables such as age, gender, seniority.

### 4. Results

### 4.1. Statistical results

The degree of corporate social responsibility by factors is expressed in Table 1. Under Likert 5-point scale with 1 (Strongly disagree) to 5 (Strongly agree), the CSR implementation is different under different aspects with the highest degree in legal responsibility of 3.8, followed by philanthropic responsibility (3.71), economic and ethical responsibility at 3.61 and 3.64, respectively. The lowest degree is corporate environmental responsibility at 3.54.

**Table 1. Statistical results of CSR**

| CSR | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Economic responsibility | 312 | 1 | 5 | 3.61 | .806 |
| Legal responsibility | 312 | 2 | 5 | 3.88 | .766 |
| Ethical responsibility | 312 | 1 | 5 | 3.64 | .802 |
| Philanthropic responsibility | 312 | 1 | 5 | 3.71 | .845 |
| Environmental responsibility | 312 | 1 | 5 | 3.54 | .955 |
| Valid N (listwise) | 312 | | | | |

*Source: Synthesis from questionnaires*

### 4.2. Reliability of the scale

Cronbach's Alpha coefficient test shows that all coefficients are over 0.7 (Table 2), Corrected item-total Correlation of observed variables is over 0.3. Accordingly, the research model is relevant and reliable. In five factor groups with the original observed variables Xm = 23 variables, Cronbach's Alpha coefficient test shows that all 23 observed variables are reliable for testing in the model.

**Table 2. Cronbach's Alpha test result**

| Scale | The number of an observation variable | | | Cronbach's Alpha |
|---|---|---|---|---|
| | Before testing | After testing | Removed observed variables | |
| 1. LD | 5 | 5 | None | 0.917 |
| 2. PM | 4 | 4 | None | 0.907 |
| 3. BR | 5 | 5 | None | 0.923 |
| 4. IE | 4 | 4 | None | 0.904 |
| 5. CSR | 5 | 5 | None | 0.822 |
| Total | 23 | 23 | | |

*Source: Synthesis from test results*

### 4.3. Factor Analysis EFA

EFA analysis with Varimax rotation is used to analyze 23 observed variables after Cronbach's Alpha reliability test.

According to EFA results, at Eigenvalue >1, with Principal Components and Varimax rotation, factor analysis extracted 5 representative factors from 23 observed

variables with variance extraction of 73.02% (>50%). KMO = 0.824 (>0.5) means that the analysis is significant. sig = 0.000 < 0.05 shows the correlation between observed variables in the model the relevance of EFA analysis.

**Table 3. Factor analysis EFA result**

| | Component | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| BR3 | .896 | | | | |
| BR2 | .877 | | | | |
| BR1 | .835 | | | | |
| BR4 | .786 | | | | |
| BR5 | .772 | | | | |
| LD1 | | .883 | | | |
| LD3 | | .881 | | | |
| LD4 | | .865 | | | |
| LD5 | | .816 | | | |
| LD2 | | .792 | | | |
| IE3 | | | .916 | | |
| IE2 | | | .875 | | |
| IE1 | | | .838 | | |
| IE4 | | | .819 | | |
| PM2 | | | | .871 | |
| PM1 | | | | .869 | |
| PM3 | | | | .856 | |
| PM4 | | | | .778 | |
| CSR4 | | | | | .799 |
| CSR2 | | | | | .747 |
| CSR3 | | | | | .729 |
| CSR5 | | | | | .690 |
| CSR1 | | | | | .663 |
| Eigenvalues | 1.756 | | | | |
| Total variance extraction | 73.02% | | | | |
| KMO | 0.824 | | | | |
| Sig. | 0.000 | | | | |

*Source: Synthesis from test results*

With Eigenvalues = 1,756 (>1), 23 original observed variables are grouped into 5 representative factors: CSR intention of leaders (LD); Business resources (BR); Industrial Environment (IE); Public Motivation (PM); Corporate Social Responsibility

(CSR) with total variance extraction = 73.02% (> 50%) which means that 73% of variability of variables are explained by these factors.

### 4.4. Analysis of linear correlation and regression

#### 4.4.1. Analysis of linear correlation

From Cronbach'Alpha and EFA analysis, there are 5 representative factors with 23 observed variables in the research model. Pearson correlation coefficient is used to test the correlation between factors in the model. Linear correlation results (Table 4) show that with 312 observations, all factors have correlation coefficient (r) >0, sig < 0.05, which means that the factors have linear correlation and significance.

**Table 4. Linear Correlation result**

|  |  | CSR | LD | BR | IE | PM |
|---|---|---|---|---|---|---|
| CSR | Pearson Correlation | 1 | $.639^{**}$ | $.647^{**}$ | $.591^{**}$ | $.673^{**}$ |
|  | Sig. (2-tailed) |  | .000 | .000 | .000 | .000 |
|  | N | 312 | 312 | 312 | 312 | 312 |
| LD | Pearson Correlation | $.639^{**}$ | 1 | $.257^{**}$ | $.196^{**}$ | $.304^{**}$ |
|  | Sig. (2-tailed) | .000 |  | .000 | .000 | .000 |
|  | N | 312 | 312 | 312 | 312 | 312 |
| BR | Pearson Correlation | $.647^{**}$ | $.257^{**}$ | 1 | $.354^{**}$ | $.484^{**}$ |
|  | Sig. (2-tailed) | .000 | .000 |  | .000 | .000 |
|  | N | 312 | 312 | 312 | 312 | 312 |
| IE | Pearson Correlation | $.591^{**}$ | $.196^{**}$ | $.354^{**}$ | 1 | $.234^{**}$ |
|  | Sig. (2-tailed) | .000 | .000 | .000 |  | .000 |
|  | N | 312 | 312 | 312 | 312 | 312 |
| PM | Pearson Correlation | $.673^{**}$ | $.304^{**}$ | $.484^{**}$ | $.234^{**}$ | 1 |
|  | Sig. (2-tailed) | .000 | .000 | .000 | .000 |  |
|  | N | 312 | 312 | 312 | 312 | 312 |

*. Correlation is significant at the 0.05 level (2-tailed).

*Source: Synthesis from test results*

#### 4.4.2. Regression analysis

Based on the results of the linear correlation analysis, the authors conducted a regression analysis to examine the impact of factors on the dependent variable.

**Table 5. Regression analysis result**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. error of the Estimate | Durbin-Watson |
|-------|-----|----------|-------------------|----------------------------|---------------|
| 1 | .925[a] | .856 | .854 | .25500 | 1.890 |

**ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|-----------|----------------|-----|-------------|---------|--------|
| | Regression | 118.980 | 4 | 29.745 | 457.437 | .000[b] |
| 1 | Residual | 19.963 | 307 | .065 | | |
| | Total | 138.942 | 311 | | | |

**Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------|-----|-----------|------|--------|------|
| | | B | Std. Error | Beta | | |
| | (Constant) | -.219 | .083 | | -2.655 | .008 |
| | LD | .281 | .016 | .401 | 17.416 | .000 |
| 1 | BR | .187 | .019 | .255 | 9.861 | .000 |
| | IE | .261 | .018 | .340 | 14.585 | .000 |
| | PM | .245 | .018 | .347 | 13.714 | .000 |

a. Dependent Variable: CSR

*Source: Synthesis from test results*

From the multiple regression results, a linear regression equation to evaluate the impacts of factors on CSR implementation can be built as follows:

**CSR = 0.401LD+0.255BR+0.340IE+0.347PM**

In the linear regression equation, all coefficients >0, so hypotheses are accepted. All things remain constant, if *"CSR intention of leaders"* (LD) increases by one unit, CSR implementation increases 0.401 unit; if *"Business resources"* (BR) increases by one unit, CSR implementation increases 0.255 unit; if *"Industrial environment"* increases by one unit, CSR implementation increases 0.34 unit; and if *"Public motivation"* increases by one unit, CSR increases 0.347 unit.

The adjusted coefficient $R^2 = 0.854$ indicates that the independent variables in the model can explain 85.4% of the variation of the dependent variable.

In ANOVA variance analysis, F = 457.437; sig = 0.000 show that the linear regression model is suitable for the data set and can be used.

The statistics of Durbin-Watson = 1,890 show that there is no correlation between the remainder. This means that the regression model does not violate the assumption of the independence of errors. Variance Inflation Factor (VIF) with a value less than 10 indicates that the regression model does not violate multicollinearity (independent variables are strongly correlated).

### 4.5. Differences in personal factors

Regarding the enterprise forms, the authors divide samples into two groups of 100% foreign-invested enterprises and joint-stock enterprises. In the study, this factor has two values, so Independence-Sample T-test can be applied. The results show that Levene's Test sig = 0.248 > 0.05 representing the equality of variance between two forms of enterprises. It is possible to use sig T-Test in Equal variances assumed.

In Equal variances assumed, with Sig = 0.02< 0,05, it can be concluded that there is a significant difference in CSR implementation between the two forms of enterprises.

**Table 6: Result of Independence-Sample T-test**

**Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | F | Sig. | t | df | Sig. 2-tailed | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| CSR | Equal variances assumed | 1.338 | .248 | -2.298 | 310 | .022 | -.20706 | .09009 | -.38433 | -.02979 |
| | Equal variances not assumed | | | -2.637 | 141.616 | .009 | -.20706 | .07853 | -.36231 | -.05182 |

*Source: Result from regression analysis of the authors*

One-Way ANOVA is used to test the differences between enterprises with different times of operation and CSR implementation. The results show that mean of enterprises with over 10 years of operation = 3.373, the highest in the groups. Therefore, it can be concluded that enterprises with over 10 years of operation implement CSR better than others. In the Test of Homogeneity of Variances, with sig Levene's test = 0.00< 0.05, there is a significant difference between groups. According to results of Post Hoc Test in Table of Post Hoc Tests Multiple Comparisons with sig = 0,000 < 0,05, it can be concluded that there is a significant difference in CSR implementation between enterprises with different times of operation.

One-Way ANOVA is used to test the differences between enterprises in different business sectors and CSR implementation. The results show that mean of enterprises in

industry = 3.467, the highest in the groups. Therefore, it can be concluded that enterprises operating in the industry implement CSR better than others. In the Test of Homogeneity of Variances, with sig Levene's test = 0.016< 0.05, there is a significant difference between groups. According to the results of the Post Hoc Test in Table of Post Hoc Tests Multiple Comparisons with sig = 0.000 < 0.05, it can be concluded that there is a significant difference in CSR implementation between enterprises in different business sectors.

## 5. Conclusions and recommendations

### 5.1. Conclusions

From the linear regression equation, it can be seen that in case all things remain constant, if *"CSR intention of leaders"* (LD) increases by one unit, CSR implementation increases 0.401 unit; if *"Business resources"* (BR) increases by one unit, CSR implementation increases 0.255 unit; if *"Industrial environment"* increases by one unit, CSR implementation increases 0.34 unit; and if *"Public motivation"* increases by one unit, CSR increases 0.347 unit.

According to the research findings, at the significance of 95%, corporate social responsibility implementation is at the average of 3.67 on the 5-point scale. Factors affecting the CSR implementation are arranged in the descending order as follows:

(1). "CSR intention of leaders" has a relatively high effect of 40%; CSR implementation is averaged at 3.06, in which 49.4% of surveyed enterprises rated from 1 to under 3; 51.6% rated 3 to 5. It shows that the "CSR intention of leaders" has the largest impact on CSR implementation. Despite the awareness of CSR implementation, many company leaders have not highlighted the CSR implementation.

(2). "Public motivation" has the effect of 34.7%; the average CSR implementation is at 3.28, in which 37.8% of enterprises in the survey rated from 1 to under 3; 62.2% rated 3 to 5. It can be seen that this factor has a relatively strong impact on CSR implementation, but it has not taken the adequate interests of many enterprises.

(3). "Industrial environment" has 34% of effect with the average CSR implementation of 3.96, in which 11.5% of respondents rated from 1 to under 3; 88.5% rated 3 to 5. Accordingly, the industrial environment has a relatively high impact and receives the attention of enterprises in CSR implementation.

(4). "Business resources" has a 25.5% of impact with an average point of 3.54, in which 25% of respondents rated from 1 to under 3; 75% rated from 3 to 5. It shows that despite the limited effect, enterprises are relatively interested in resources as the foundation for CSR implementation. It is difficult for companies to well implement CSR without adequate resources.

In addition, research findings also show the significant differences in CSR implementation between 100% foreign-invested enterprises and foreign-invested enterprises; between enterprises with different time of operation and business sectors.

### 5.2. Recommendations

***- The first, the Government needs to develop and perfect the system of policies and laws on the social responsibility of FDI enterprises.***

The improvement of the legal environment for attracting investment capital and managing activities of FDI enterprises in Vietnam is meant as a necessary condition for FDI enterprises to fully and substantively implement CSR. During the review, approval, and management of FDI capital and FDI enterprises, regulations on prevention and reduction of environmental pollution, and responsibility of enterprises to the community need to be concretized into criteria for approval. The government needs to define minimum standards for enterprise operations, including issues related to CSR, such as applying the sustainability accounting standards of the United States sustainable development accounting standards council.

***- The second, strengthening coordination between functional agencies in propagating, supporting, and supervising FDI enterprises in implementing social responsibility.***

The Government clearly defines the responsibilities of relevant agencies in policymaking, communication, inspection, and handling of violations of FDI enterprises in issues related to CSR. At the same time, the Government reviews and evaluates to improve and amend the coordination mechanism of local departments, agencies, and sectors in licensing and managing FDI projects, and carefully evaluates preferential policies investment according to the scale of investment projects and socio-economic geographical. In order to serve the management, the database system and information on FDI enterprises need to continue to be perfected so that central and local agencies can access and output all relevant information. agencies to serve the general work; thereby helping the evaluation and monitoring work effectively and timely.

***- The third, state management agencies implement policies to support and encourage enterprises in implementing CSR.***

One of the important factors affecting the implementation of CSR of FDI enterprises in Vietnam is resources. Implementing CSR means that businesses incur more costs, use many resources including financial and human resources, technology, and management. Therefore, the support and encouragement from the local government for businesses that implement or commit to CSR, such as paying taxes in full and on time, creating jobs for local workers, complying with the provisions of the law ... will create motivation for

enterprises. Some forms of incentives such as social responsibility awards, "green brand" or "clean technology" certifications

### *The fourth, raising and changing the CSR awareness of leaders of FDI enterprises*

The major motivation of CSR implementation of FDI enterprises is to attract investors and customers rather than the corporate benefits, survival, and sustainable development. In other words, CSR has not been the urgent need for corporate survival and sustainable development. CSR implementation of FDI enterprises partly arises from the pressures of partners, customers, workers, social organizations, State regulations, and the community in general. Besides, small and medium FDI enterprises in Viet Nam (the majority) have limited financial capacity and resources to implement CSR. Therefore, it is difficult for enterprises to implement CSR due to limited finance, substandard technical facilities, reluctance, or inadequate attention to CSR.

Some FDI enterprises have not yet been fully aware of CSR and its roles in improving their corporate competitiveness and sustainable development. Changes should take place in perspectives, perception, issues, plans, and implementation. It is advisable for the government to communicate and improve the awareness of CSR to make corporate leaders understand CSR beyond business ethics and charity activities.

In the current context, enterprises, particularly FDI enterprises should perceive that CSR implementation is an inevitable trend. It provides the opportunity for enterprises to innovate and develop. The perception of business leaders should be communicated to make changes in the awareness of the employees and managers. It is essential for FDI enterprises to provide training courses on CSR for employees and managers and encourage all members of the company to actively participate in environmental protection programs.

### *The fifth, put CSR into business strategies of FDI enterprises*

FDI enterprises usually build their general codes of conduct and business norms to apply in different regions and markets. However, CSR implementation in these companies is still small-scaled and passive despite its strategic importance in the survival and development of the company.

On the basis of CSR perception in FDI enterprises from the perspectives of economic, legal, and ethical responsibilities, CSR plays a significant role in the corporate business strategies towards sustainable development. The diverse CSR-incorporated business strategies include policies related to employees such as recruitment, anti-discrimination, work safety, and product-related policies such as product safety, environmentally friendly materials, etc.

### *The sixth, focusing on community activities*

The research findings show that "Public motivation" has a relatively strong impact on CSR implementation. The community is viewed as the most important stakeholder of CSR implementation of FDI enterprises. CSR activities for the community usually have more influential effects as it is easier to reach and access a lot of people. CSR activities for the community can be conducted under such forms as organizing/ sponsoring sporting, cultural, welfare activities of the local community, arranging volunteering and charity related to the company products and services. FDI enterprises should invest in long-term programs and strategic campaigns, as they are more effective than emergency support and assistance.

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