

# CORPORATE SOCIAL RESPONSIBILITY IN COMMUNITY AND HUMAN DEVELOPMENT: CASE STUDY AT ENTERPRISES IN SONG CONG I INDUSTRIAL PARK, THAI NGUYEN PROVINCE, VIET NAM

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## Abstract

*Corporate social responsibility (CSR) is increasingly attracting the attention of not only social organizations, governments, researchers, but also businesses and workers. There is an increasing number of opinions that companies are responsible for the ethics of their employees and society as a whole. In recent years, the implementation of social responsibility outside Song Cong I Industrial Park in general and in the Industrial Park, in particular, has been concerned by enterprises. The article assesses the actual situation of enterprises' responsibilities in community development and workforce development in Song Cong I Industrial Park - Thai Nguyen. Since then, proposing some recommendations to implement effective social responsibility and sustainable development.*

**Keywords:** *Social responsibility, community development, Song Cong I industrial park, enterprise.*

## INTRODUCTION

Corporate social responsibility (CSR) is becoming a key trend in connecting sustainable development and core values in the business operations of enterprises. Liz Maw indicated that sustainable development is not only important for the community but also the success of businesses.

The concept of Corporate Social Responsibility (CSR) was first mentioned by HRBowen (1953) in 1953: "Corporate social responsibility is the social responsibility of entrepreneurs, charity, managers that do not harm rights and interests of others". Since then, the term is understood in many different ways. Caroll (1979) affirms: "Corporate social responsibility includes social expectations about economics, law, morality, and charity towards organizations at a given time". Maignan and Ferrell (2004) introduced: "An enterprise has a social responsibility when making decisions and its activities to create and balance different interests of related individuals and organizations".

In the current integration context, the problems of corporate responsibility to the community and employees become more and more painful. Ngo Long (2010) indicated that when the enterprises participate in donation activities to local social work organizations through the Farmer's Union and the Women's Union, the citizens will be more actively welcomed. Or the study of the relationship between social responsibility with employees and employee's commitment to the organization showed that when the enterprises perform well social responsibility with employees, they can increase the attractiveness and workers' commitment to firms (Nguyen Ngoc Phu, 2020).

## RESEARCH METHODS

Regarding secondary data: collected from published sources, synthesized in books, newspapers, internet, summary reports of Thai Nguyen province, and other secondary documents.

Regarding primary data: collected through the questionnaire. It was given directly to employees and representatives of business leaders, commune officials in the area next to the Industrial Park.

## RESEARCH FINDINGS

*Developing the community of the enterprises*

*Charity and humanitarian programs*

In Song Cong, I Industrial Park, the charity of enterprises has had many positive changes. Thanks to the contributions to the charity fund of the industrial park management, the trade union of industrial zones in Thai Nguyen province has had the funding to organize the programs "Union shelters" for members who get stuck.

**Table 1. The results of charitable and humanitarian activities of enterprises**

Activities	Units	Viet Nam Enterprises	The Enterprises having foreign investment capital
Donating to charity	Million VND	500	300
Giving gifts to workers having difficult circumstances	Set of gift	20	20
Giving notebook to poor student	Notebook	1000	1000
Giving gifts to children	Set of gift	6	15
Supporting the program: "Union shelters"	Million VND	60	50
Supporting the program: "One heart, one world"	Million VND	100	50
Volunteers participated in scavenging and mowing grass along the collection road of Song Cong I Industrial Park	Person	100	50
Supporting green tree	Tree	5	10

*Source: Survey data of the Industrial Park Management Board, 2019*

#### *Health care operations*

Employees have health insurance cards, but due to the limited time and the places that the initial medical examination and treatment are so far, they cannot afford to exercise their legitimate rights.

Infrastructure, medicine, and medical staff in factories and enterprises in the industrial zone are lacking and have not been paying attention. It leads that the employees buy medicine by themselves and only go to medical facilities or hospitals when their illness is severe.

#### *Educational activities*

The Enterprises in Song Cong I Industrial Park have made a donation to support the children of families having difficult circumstances but they have advanced in learning such as giving money, books, notebooks, bicycles, ... Supporting the construction and facilities of educational institutions in the disadvantaged areas.

They are also interested in training and improving the skills of their employees. The typical for this issue is Korean enterprise.

*Environmental protection activities*

According to the survey in June 2020, 45 enterprises have sources of funding with different cost levels for environmental protection activities. That money is mostly used by enterprises for the operation and maintenance of wastewater treatment systems; planting trees; propoganda; disseminating and making electricity-saving and water-saving signs at work locations. According to the results of the survey, 100% of enterprises participate in electricity-saving campaigns by collective propoganda or using signs posted at work locations. It is indicated in Table 2 as follow:

**Table 2. Environmental protection activities**

Indicator	Units	Viet Nam Enterprises	The Enterprises having foreign investment capital
1. Average cost of environmental protection	Million per year	115	150
2. Number of enterprises having wastewater treatment systems	Enterprises	45	45
3. Planting trees around the factory	Times per year	45	45
4. Number of enterprises reusing waste	Enterprises	3	2
5. Number of enterprises participating in the campaign to save electricity	Enterprises	45	45
6. Number of enterprises that have made environmental assessment reports	Enterprises	45	45

*Source: Survey data of the Industrial Park Management Board, 2019*

**Workforce Development in the enterprise***The recruitment regime*

Employees looking for jobs in Song Cong I Industrial Park can access recruitment information through many different sources such as: directly from the business message board, the local press, website of the company, website of the management board of industrial zones in Thai Nguyen province.

**Table 3. Recruitment Forms in enterprises**

*Units: %*

Nội dung	Viet Nam Enterprises	The Enterprises having foreign investment capital
<b>1. Recruitment Forms</b>		
- Examination	1,00	4,00
- Interview	95,00	92,00

- Checking records	4,00	4,00
<b>2. The recruitment information</b>		
- Directly from the enterprise's message board	80,00	80,00
- Local press	10,00	10,00
- Other	10,00	10,00

Source: The results of the survey, 2020

#### Working conditions and labor safety

100% of enterprises have production equipment, protective equipment, and labor service equipment such as electric fans, drinking water, and labor protection equipment under the law.

#### The training

The results of the survey indicated that technical training, labor law training, occupational safety, and fire protection are all important issues in the company and all enterprises perform those tasks. This is in Table 4 as follow:

**Table 4. The content of the training**

Content	Viet Nam Enterprises		The Enterprises having foreign investment capital	
	Quantity	Proportion	Quantity	Proportion
	(people)	(%)	(people)	(%)
1. Technical training	5	100	15	100
2. Labor law	5	100	15	100
3. Occupational safety	5	100	15	100
4. Fire protection	5	100	15	100

Source: The results of the survey, 2020

#### Working time

Working hours are specified under the Labor Code of Vietnam and legal working hours in Vietnam are no more than eight hours a day or 48 hours a week. But in fact, overtime is very popular in Song Cong I Industrial Park. According to the survey results, the average working time is 9.34 hours/day in which the enterprises of Taiwan and China have the average number of working hours per day is the most (about 10.12 hours/day). Japanese and Korean enterprises have the least number of working hours (about 8.79 hours/day).

#### The Salary

According to the survey data, it can be seen that there is a large disparity between groups of enterprises and between the working positions held in enterprises. The results are in Table 5: **Table 5. The Salary of labor every month**

Indicator	Units	Viet Nam Enterprises	Enterprises with Chinese investment	Enterprises with Korean investment
<b>1. The average basic salary</b>	Million VND	5.876	6.644	8.169
- Managers	Million VND	6.777	9.577	10.577
- Group leader level	Million VND	6.000	6.000	7.500
- Low-skilled labors	Million VND	4.230	4.500	6.100
- Skilled labors	Million VND	6.500	6.500	8.500
<b>2. Probationary Salary</b>	%	85	85	85
<b>3. Overtime Salary</b>				
- Weekdays	%	150	150	150
- Day off	%	200	200	300
- Holidays	%	300	300	450

*Source: The results of the survey, 2020*

As a rule, the minimum wage in 2019 applicable to employees in enterprises in Song Cong I Industrial Park is 3,530,000 VND per month. It can be seen that the enterprises are guaranteed to comply with the provisions of Vietnamese law and most of them pay the starting salary to employees higher than the minimum wage of the state. In which, Korean and Chinese enterprises have an average salary higher than Vietnamese enterprises.

## CONCLUSION

The implementation of corporate social responsibility in Song Cong I Industrial Park has partly achieved good results, specifically:

For the employees, the enterprises often pay attention to the employees' lives in enterprises, such as supporting the poor workers having difficult circumstances, taking care of the sick employee, increasing salary, precious bonus, diligent bonus, organization of entertainment programs, entertainment, vacation, giving gifts every holiday of the year,

For the community, the enterprises have also gradually implemented their social responsibility work well. The programs are implemented such as giving wheelchairs to disabled people, supporting poor students, building village roads, organizing mid-autumn festival programs for children, building kindergartens, ...

Environment protection is also interested in implementing. The enterprises have built wastewater treatment systems, planting trees, cleaning garbage around the factory area ...

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