

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN GARMENT ENTERPRISES IN PHU THO PROVINCE

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Abstract

In the current integration process, for sustainable development, enterprises must both maintain profits and create more and more good values for society. Therefore, for sustainable development, businesses must pay special attention to the implementation of social responsibility (CSR). The article studies the practice of implementing CSR at garment enterprises in Phu Tho province in the period of 2019 – 2021 in terms of creating jobs; average monthly income; working condition; periodic health checks; social insurance and health insurance, thereby making a number of proposals to promote the implementation of CSR activities more and more effectively.

Keywords: Corporate social responsibility; CSR; Garment Enterprises; Phu Tho.

1. Introduction

Nowadays, businesses consider implementing CSR as one of their strategies to ensure their sustainable development, rather than mandatory regulations or just charity activities. Enterprises implementing social responsibility will affirm their brand in society. Therefore, accompanying the general development of the country is not only a responsibility but also a benefit for enterprises, thereby creating humane values and corporate culture, as well as increasing competitiveness in the context of deep integration into the world.

Phu Tho is located in the Northern midland and mountainous region of Vietnam - a strategic area, especially important in socio-economic, national defense and security, and foreign affairs. In 2020, after 15 years of implementing the socio-economic development strategy and ensuring national defense and security in the Northern midland and mountainous region according to Resolution No. 37-NQ/TW of the IX Politburo, Phu Tho province is ranked 2nd/14th of the Northern midland and mountainous provinces in terms of development level. Phu Tho province has increasingly affirmed its position as the economic, cultural, and social center of the Northern Midland and Mountainous region with remarkable socioeconomic progress. In which, the garment enterprises play an important role and made important contributions to the development of the province. However, the garment enterprises in Phu Tho province face many difficulties: the pressure of working time following the provisions of the law for employees; employees are forced to work overtime to meet orders and improve their income to cover their lives, but the risk of occupational diseases is weighing heavily on them... In addition, in many garment enterprises, there are still many potential risks, not ensuring labor safety; failure to fully comply with regulations on automatic fire alarm and extinguishing systems; The way of preliminary processing and preservation of production materials (such as cloth, carton) is still rudimentary... Besides, the training of laborers has not been a concern. Many businesses are afraid to train employees for fear that after the training is complete, employees will quit, leading to costly expenses... These are the things that affect the employees' job satisfaction in garment enterprises in Phu Tho province.

Faced with the above situation, there have been many studies in Vietnam as well as in the world on this issue, focusing on factors such as trust, welfare regime, nature of work, and the influence of CSR on employees' attitudes, behaviors, intentions, and commitments. Will those factors have an impact on employees' job satisfaction? When garment enterprises implement CSR for employees according to international standards such as SA8000 or ISO 26000, it will have an impact on increasing or decreasing the level of employees' job satisfaction.

2. Research Methods

The methodology deployed by this study is the literature review and content analysis. The literature review technique used is the integrative literature review approach. Literature review as a research methodology has been documented by previous and current scholars (Torraco, 2005, 2016; Snyder, 2019). The integrative literature reviewed in this study includes reports, and statistical yearbooks of the province, books, conference proceedings, online publications, and journals to explore the situation of implementing CSR in garment

enterprises in Phu Tho province. Furthermore, Torraco (2016) refers to integrative literature review as a distinctive form of research that uses existing literature to create new knowledge. Therefore, this study uses integrative literature review methodology as well as content analysis to review studies situation of implementing CSR in garment enterprises with the main objective of exploring the situation of implementing CSR in garment enterprises focusing on CSR for employees in terms of building labor relations and concern to health and safety at work

3. Results and discussion

3.1. General introduction about the garment industry in Phu Tho province

Phu Tho is located in the Northern midland and mountainous region. With the location of the confluence of rivers, the gateway to the northwest of Hanoi capital, Phu Tho is located in the center of the road, rail, and river transport systems. At the same time, it is a bridge for economic, cultural, scientific, and technical exchange between the Northern Delta provinces and the Northwest mountainous province. After 15 years of implementing Resolution No. 37-NQ/TW of the IX Politburo on the direction of socio-economic development and ensuring national defense and security in the Northern midland and mountainous region by 2020, the province Phu Tho strives to be ranked 2nd/14th in the Northern midland and mountainous provinces in terms of development level. The government and people of Phu Tho have actively implemented many solutions for socio-economic development and have achieved encouraging achievements, although as of 2018, Phu Tho still ranks 4th among midland and mountainous provinces (after Thai Nguyen, Lao Cai, and Bac Giang). GRP/person and labor productivity of Phu Tho are only about 76-80% of the national average. One of the main reasons is that business development is revealing many inadequacies and limitations.

Table 1: Population, enterprises, GRDP situation of Phu Tho province

Target	Unit	2019	2020	2021
1. Population	1000 people	1467	1482	1507
2. Laborers working in the national economic sectors	1000 people	850,6	854,2	859,4
3. GRDP, comparable price	Billion VND	40.480	41.956	44.592
4. Current price	Billion VND	69.019	75.278	80.764
5. GRDP/person, current price	Million VND	47,1	50,8	54
6. Total number of enterprises	Enterprise	4754	4530	5232
7. SEMs	Enterprise	4616	4380	5064
8. % of total	%	97,1	96,7	96,8

Source: Phu Tho Statistical Office, Yearbook 2021, [6]

Table 2 showed that the number of SMEs accounts for a major proportion of the total number of enterprises in the province, ranging from 96% to 97%. In 2021, in Phu Tho, there are 5,232 enterprises operating in the fields of agriculture, forestry, fisheries; construction industry; and trade in services.

Table 2: Statistics on the number of garment enterprises in Phu Tho province in 2021

STT	Criteria	2019	2020	2021
1	Micro	2.883	2.736	3.544
2	Small	1.555	1.476	1.401
3	Medium	178	168	119
4	Large	138	150	168
	Total	4754	4.530	5.232

Source: Author's synthesis and analysis, [4,6]

From Table 2, we can see that the number of enterprises established and operating has fluctuated over the years from 2019-2021. In 2020 compared to 2019, the number of enterprises in the province decreased by 224 enterprises, equivalent to a decrease rate of 4.72%. In which, the number of large enterprises increased by 12 enterprises, corresponding to an increase of 8.69%, while other enterprises tended to decrease in 2020. By 2021, the number of enterprises in the province will increase by 702 enterprises, corresponding to an increased rate of 15.5%. In which, micro-enterprises increased the most with 808 enterprises (an increased rate of 29.53%). The number of small and medium enterprises decreased by 124 enterprises. The number of small and medium enterprises accounted for 96.8% of enterprises in the province in 2021.

Table 3: Statistics on the number of garment enterprises in 2021

STT	Criteria	Amount	Rate (%)
1	By type of enterprise		
	Private enterprise	12	30,77

	Limited liability company	11	28,20
	Joint Stock Company	16	41,03
2	By enterprise size		
2.1	By the labor		
	Less than 100 employees	3	7,7
	From 101 to 200 employees	5	12,82
	From 201 to 300 employees	14	35,9
	Over 300 employees	17	43,58
2.2	By capital		
	Under 10 billion VND	19	48,71
	From 10 to 20 billion VND	12	30,77
	From 21 to 50 billion VND	5	12,82
	Over 50 billion VND	3	7,7
3	According to the operating time		
	From 1 to 5 years	6	15,38
	From 6 to 10 years	20	51,28
	From 11 to 15 years	10	25,64
	Over 15 years	3	7,7
4.	By operation location		
	Viet Tri ctuy	20	51,28
	Lam Thao district	3	7,7
	Phu Ninh district	3	7,7
	Thanh Son district	3	7,7
	Phu Thọ town	3	7,7
	Doan Hung district	3	7,7
	Others	4	10,22
	Total	39	100

Source: Author's synthesis and analysis, [2,6,7,8]

Table 3 described and classified the number of garment enterprises in Phu Tho province in 2021 according to the following criteria: by type of enterprise, by enterprise size (by labor and by business capital), by operating time, and by operating location. By type of enterprise: Among 39 garment enterprises in Phu Tho province, joint stock companies account for the largest proportion (41.03%), followed by private enterprises accounting for 30.77% and private companies accounting for 30.77%. limited liability accounts for 28.2%. According to the size of enterprises in terms of labor, the number of garment enterprises with more than 300 employees accounts for the highest proportion (43.58%); followed by the number of enterprises with between 201 and 300 employees, accounting for 35.9%; while with 101 to 200 employees accounted for 12.82% and less than 100 employees accounted for 7.7%. According to the size of enterprises in terms of capital: the number of enterprises with business capital under 10 billion accounted for 48.71%; from 10 to 20 billion VND, accounted for 30.77%; from 21 to 50 billion VND accounted for 12.82%, and over 50 billion dong accounts for 7.7%.

Table 4: Labor statistics of garment enterprises period of 2019 - 2021

Unit: person

Criteria	2019		2020		2021		2020/2019		2021/2020	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)	(+/-)	(%)	(+/-)	(%)
1. Sex										
Male	3514	0.23	3266	0.23	3583	0.25	-247.94	92.95	317	109.69

Female	11766	0.77	10936	0.77	10750	0.75	-830	92.95	-186	98.30
2. Educational qualification										
University degree	550	0.036	469	0.033	559	0.039	-81.08	85.26	90	119.19
College degree	244	0.016	185	0.013	258	0.018	-59.48	75.67	73	139.46
Intermediate degree	672	0.044	582	0.041	616	0.043	-90.32	86.57	34	105.84
Unskilled labor	13813	0.904	12966	0.913	12900	0.9	-847.12	93.87	-66	99.49
3. Nature of work										
Indirect labor	1375	0.09	1278	0.09	1290	0.09	-97	92.95	12	100.94
Direct labor	13905	0.91	12924	0.91	13043	0.91	-981	92.94	119	100.92
Total	15280	100	14202	100	14333	100	-1078	92.95	131	100.92

Source: Author's synthesis and analysis, [5,6,7]

From the table above it can be seen that: The total number of employees in the period of 2019 - 2021 has fluctuations. In 2019, the total number of employees is 15,280 people, of which direct labor is 13,905 accounting for 91% of the total number of employees, and indirect labor is 1375 people, accounting for about 9%. In 2021, the number of employees had a slight increase compared to 2020, an increase of 131 people, equivalent to 0.92%. The reason is that the covid-19 epidemic has been controlled and controlled, the social distance has been eased and gradually normalized, so workers have also started to return to work. However, the number of workers returning to work did not increase significantly due to the fear and prevention of the disease outbreak from both businesses and employees.

In terms of gender, in general, there is a large difference in garment enterprises. The specificity of garment production requires meticulousness, ingenuity, and care in each stage, so the number of female workers always accounts for a large proportion. The percentage of female employees in 2019, 2020, and 2021 respectively is 77%, 77%, and 75%. Male workers always account for a smaller proportion than female workers, at 23%, 23%, and 25% respectively.

In terms of educational qualification, because garment enterprises produce garment products, they only require highly skilled workers, not highly qualified workers, so unskilled labor accounts for a very high proportion, respectively over the years at 90.4%, 91.3%, and 90%. The majority of workers with unskilled workers usually work in factories and workshops. Laborers with college, intermediate, university, and post-graduate degrees are often indirectly involved in production, working in functional departments, and managing production and business activities in enterprises.

3.2. Implementing CSR for employees at garment enterprises in Phu Tho province

3.2.1. CSR for employees in terms of creating jobs for employees

Table 5: Results of job creation for workers

Criteria	Unit	2019	2020	2021	2020/2019	2021/2020
Creating new jobs	employee	858	611	1106	71.21	181.01
The average income of employees	million VND/month	4.5	4.1	4.8	91.11	117.07
Laborers have stable and regular jobs	employee	12.588	11.673	12.372	92.73	105.99

Source: Department of Labor, War Invalids and Social Affairs of Phu Tho province, [7,9]

In 2019, garment enterprises in Phu Tho province created new jobs for 858 workers, and that number has decreased to 611 employees, in 2021 it has increased to 1,106 employees. According to statistics of the Department of Labor, War Invalids and Social Affairs of Phu Tho province, in 2021, garment enterprises in Viet Tri city alone created jobs for nearly 500 workers; enterprises in Phu Ninh district will create jobs for more than 300 workers, while in Phu Tho town, they will also create jobs for nearly 200 employees. In addition to creating jobs for employees, in 2019 garment enterprises in Phu Tho province created stable and regular jobs for 12,588 employees, by 2020, the number of employees with stable and regular jobs will decrease to 11,673 labor (equivalent to a decrease of 7.27%); and by 2021, this number of employees will increase to 12,372 employees (equivalent to 5.99%).

3.2.2. CSR for employees in terms of average monthly income

The average income of workers in garment enterprises increased from 4.5 million VND/month in 2019 and by 2021, the average income of workers will increase to 4.8 million VND/month (equivalent to 6.67%). Particularly in 2020, the average income of workers will decrease slightly to 4.1 million VND/month, due to the

outbreak of the covid-19 epidemic. The salary in garment enterprises is largely based on the size and operation of the enterprise. Very few businesses rely on the state's minimum wage and the agreement of employees.

Table 6. The average income of workers in garment enterprises in 2021

Unit: million VND/person/month

The average income of employees	Joint Stock Company	Limited liability company	Private enterprise	Average income
1. Female employee	4.2	4.8	5	4.6
2. Male employee	3.9	4.4	4.6	4.3
Average income	4.1	4.6	4.8	4.5

Source: Author's synthesis and analysis, [7].

The average monthly income of employees has a difference between male and female workers. This difference is due to the type of work and the nature of the work. Female workers often do jobs that require more meticulousness, ingenuity, and technique than male workers, so their income is higher than that of male workers. In addition, the average income of employees in private enterprises is relatively high (average 5 million VND/month); meanwhile, the average income of employees in JSCs is relatively low.

3.2.3. CSR for employees in terms of working condition

Table 7 showed that garment enterprises in Phu Tho guarantee an average probationary period of 1.8 months; The average time off for employees per year (10 days) and the average maternity leave period for female employees (6 months) are under the law. Employees having to work overtime is a very common situation in garment enterprises in Phu Tho province. The average working time per day is 8.8 hours, of which private enterprises have the most average working time per day (average working time is 9.5 hours). However, in the peak period, employees often have to work more than 8 hours/day and 7 days/week, even some businesses have to work up to 12-16 hours/day, especially private enterprises. Regularly having to work for such a long time is against the provisions of Labour law and does not guarantee the health of employees.

Table 7: Working time of employees

Criteria	Unit	Joint stock company	Limited liability company	Private enterprise	Average
Probationary period	month	2	1.5	1.5	1.67
Average working time per day	hour	8	9	9.5	8.83
Average working time per week	day	6	6.5	6.5	6.33
Average vacation time a year	day	10	10	10	10
Average maternity leave period for female employees	month	6	6	6	6

Source: Author's synthesis and analysis, [7]

In 2021, a total of 48 occupational accidents occurred, of which the most concentrated was in limited liability companies (29 accidents) and joint stock companies (13 accidents). Enterprises with the least number of occupational accidents are private enterprises (6 accidents). The number of people injured due to occupational accidents in the period of 2019 - 2021 also tends to decrease gradually, by 2021 there will be only 38 people. This shows that garment enterprises in Phu Tho province have paid attention but have not been thorough in providing labor protection equipment.

Table 8: Occupational accidents in garment enterprises in 2019 – 2021

Criteria	2019	2020	2021	2020/2019	2021/2020
1. Number of occupational accidents	60	50	48	83.33	96
Joint stock company	10	11	13	110.00	118.18
Limited liability company	41	31	29	75.61	93.55
Private enterprise	9	8	6	88.89	75
2. Number of people injured due to occupational accidents	81	42	38	51.85	90.48

Source: Author's synthesis and analysis, [7,8]

3.2.3. CSR for employees in terms of organizing periodic health checks

Table 9. The enterprises organize periodic health checks for employees in 2021

Criteria	Joint stock company		Limited liability company		Private enterprise		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Number of enterprises organizing periodical health check	13	81.25	3	27.27	3	25	19	48.72
Number of businesses that do not organize periodic health checks	3	18.75	8	72.73	9	75	20	51.28
Total	16	100	11	100	12	100	39	100

Source: Author's synthesis and analysis, [3,4,7]

Table 9, only 48.72% of garment enterprises organize periodical health checks for employees, of which the largest proportion is JSC (81.25%). Although some businesses are concerned about periodic health check-ups for employees. But there are many businesses, especially private enterprises and limited liability companies, that have not yet fulfilled this obligation, or only made a superficial examination, to deal with the provisions of the law. Even after the employees received a health check, the treatment and distribution of medicines for them were not timely and adequate. As a result, workers in garment enterprises often suffer from occupational diseases such as respiratory diseases (32.6%), eye diseases (29.7%), deafness due to noise (11.3%), and cardiovascular disease (18%).

3.2.4. CSR for employees in terms of social insurance and health insurance

Social insurance and health insurance are great concerns for employees. Payment of social insurance and health insurance is the right of the employee and the obligation of the enterprise, so the status of payment of social insurance and health insurance will reflect the implementation of the legal responsibility of the enterprise towards the employee.

Table 10. The situation of payment of social insurance and health insurance of garment enterprises

Criteria	Joint stock company		Limited liability company		Private enterprise		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Total number of garment enterprises	16	100	11	100	12	100	39	100
Number of enterprises paying health insurance and social insurance	16	100	9	81.82	7	58.33	32	82.05
Number of enterprises not paying health insurance and social insurance	0	0	2	18.18	5	41.67	7	17.95
2. Total number of employees in garment enterprises	5160		6908		2265		14333	
Number of employees who are paid social insurance and health insurance by enterprises	3999		3248		340		7587	
Percentage of employees who are paid social insurance and health insurance by enterprises	77.5		47.02		15.01		52.93	

Source: Author's synthesis and analysis, [2,4,7]

Table 10, showed that 32/39 enterprises paid social insurance and health insurance premiums for employees (accounting for 82.05%), of which 100% of joint stock companies fully implement. This showed that these enterprises were interested in and responsible for paying social insurance and health insurance premiums for employees. However, there were 41.67% of private enterprises and 18.2% of limited liability companies were not interested in this obligation. The percentage of employees who are paid social insurance and health insurance premiums in each type of garment enterprise in Phu Tho province is relatively different. The lowest percentage

is in private enterprises (only 15.04%) and limited liability companies (47.02%), while the highest rate is in JSCs (77.5%).

4. Policy suggestions

- Enterprises also need to create equal and career opportunities for employees, narrowing the gap between managers and employees; at the same time, building a corporate culture towards a collective labor agreement, encouraging employees to join trade unions and unions will represent employees when there is a labor dispute. Enterprises need to publicize the labor law in the enterprise, and commit to strictly complying with the labor law; same time creating an equal working environment for employees. An equal working environment means that all employees should be evaluated equally based on their attitudes and work performance without distinction of gender, region, or relationship. Enterprises also need to ensure a positive and united working environment through regularly organizing picnics and entertainment programs on major holidays; invest in emulation movements on innovation and productivity in enterprises.

- Enterprises need to immediately stop the evasion of payment of social insurance and health insurance premiums under the law. Employees in garment enterprises are mainly female, and most of them lack inns, rest time, and cultural and sports activities... Meanwhile, many enterprises do not pay social insurance and health insurance premiums for employees following the law, affecting the rights and interests of employees, adversely affecting the labor relationship between the employer and the employee, as well as violating the provisions of the Labor Code in these contents. Besides, in international trade integration, internationality in labor relations as well as CSR implementation on health insurance and social insurance are important issues that every country and every enterprise must implement. This is one of the solutions to end the situation of strikes and labor disputes, causing damage to both workers and enterprises, causing great pain to the whole society, and adversely affecting the quality of human resources in the future.

- Competitive salary is a sharp weapon to stimulate employees to work harder and more effectively. A competitive salary will help attract and retain high-quality and skilled labor. This is not controversial in the condition that the income of employees is still low. Each profession has different technical complexity, so workers with higher skills working in more complex jobs, under more arduous conditions, must be paid higher wages. Enterprises need to ensure overtime wages on weekdays and holidays under labor laws. Ensuring overtime pay on weekdays and holidays following the Labor Code is one of the necessary solutions to overcome the labor shortage of garment enterprises, especially SMEs. The employees always want a stable job with a high income, so they are willing to quit or change jobs, so income from overtime will help employees ensure their life, and in the immediate future, benefit enterprises themselves. Thus, ensuring overtime pay on weekdays and holidays following the Labor Code will help enterprises improve business efficiency, and at the same time retain enthusiastic employees for long-term service to enterprises. Beside that, the benefits may be paid higher than the regulations such as: medical allowance, education allowance, travel allowance, accommodation allowance, allowance away from home... Because the majority of workers in garment enterprises have low qualifications, mainly female workers, their living conditions are still not very favorable. In enterprises, due to limited financial conditions, enterprises need to balance and calculate to be able to pay allowances and subsidies higher than regulations, ensuring benefits for employees.

- Enterprises need to ensure the working time as committed in the labor contract. Complying with the committed working time at garment enterprises is an inevitable rule for employees to reproduce their labor force, focus on increasing productivity and work quality, stimulate creativity and enthusiasm for work, connect workers with garment enterprises better, as well as well implement CSR to ensure rights in current labor law.

Enterprises need to regularly organize training on occupational safety, fully equipped with labor protection equipment, and periodically conduct fire prevention and fighting training at the workplace. In addition, annual health care needs to be linked with reputable medical facilities to organize health checks for employees, and need to strengthen advanced health care programs, invest more in funding for the provision of medical services to enhance the physical quality of employees.

5. Conclusion

Garment enterprises in Phu Tho province had been aware of the importance of CSR for employees and had tried to implement CSR for employees in terms of building labor relations with employees and concern to health and safety at work for employees. However, policies on remuneration and benefits, social dialogue activities for employees, as well as training and development for employees were still limited and need to be improved. Hopefully, with the proposed solutions will help them improve the efficiency of implementing their social responsibility

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