

HO CHI MINH NATIONAL ACADEMY OF POLITICS

DUONG NGOC ANH

**ENHANCING CORPORATE SOCIAL RESPONSIBILITY FOR
ENTERPRISES IN VIETNAM - A CASE STUDY OF SMALL AND MEDIUM
ENTERPRISES IN HANOI**

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**Scientific supervisors: 1. Assoc. Prof., Dr. NGUYEN NGOC TOAN
2. Assoc. Prof., Dr. DINH CONG HOANG**



Reviewer 1:
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Reviewer 2:
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Reviewer 3:
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**LIST OF PUBLISHED RESEARCHES
RELATED TO THE THESIS**

Vietnamese

1. Phan Minh Đức, **Dương Ngọc Anh**. (2021). Trách nhiệm xã hội trong chuyển đổi số với doanh nghiệp nhỏ và vừa ở Việt Nam. *Tạp chí Kinh tế và Quản trị kinh doanh*, ISSN: 2525 – 2569, Số 19, 55 – 64.
2. **Dương Ngọc Anh**, Phan Minh Đức, Dương Ngọc Minh. (2020). Trách nhiệm xã hội của doanh nghiệp Việt Nam trong khuôn khổ tăng trưởng xanh. *HTQG (trường Đại học Quy Nhơn, Đại học Thương mại, Đại học Điện lực, Đại học Kinh tế - ĐHQGHN, Viện NC Chiến lược Thương hiệu và Cạnh tranh): Kỷ yếu Hội thảo khoa học quốc gia Tăng trưởng xanh: Quản trị và phát triển doanh nghiệp Green growth: Corporate Governance and Development*. Nxb Công Thương (ISBN: 978-604-9963-46-9), 902 – 917.

English

3. **Anh, D.N.**, & Duc, P.M. (2024). Sustainable Energy Transitions in OECD Economies: Examining the Influence of Eco-Innovation, Alternative Energy Sources, and GDP on Energy Efficiency. *Pakistan Journal of Life and Social Sciences*, 22(1), 3438-3458. <https://doi.org/10.57239/PJLSS-2024-22.1.00251> (Scopus Q4)
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INTRODUCTION

1. Rationale of the research topic

The concept of Corporate Social Responsibility (CSR) and its comprehensive implementation are becoming increasingly important in both developed and developing economies. However, although there have been numerous studies on CSR, there are still many different understandings of the concept and content of CSR (Griffin, 2000; Crane et al., 2008; Wood, 2010), as well as various views on influencing factors, criteria for evaluating CSR implementation, and ways to promote businesses to operate responsibly towards society (Nguyen Dinh Cung and Luu Minh Duc, 2008). Additionally, while scholars have pointed out that CSR implementation is extremely important for businesses, regardless of size and field of operation (Hopkins, 2003), the reality is that most businesses that practice CSR well are large businesses, while small and medium enterprises (SMEs) rarely participate in CSR activities (Lepoutre and Heene, 2006). Although CSR-related activities have traditionally been considered primarily voluntary, according to the European Commission (2006), the role of the State in promoting CSR activities is crucial to ensuring the well-being of all; in fact, according to Zueva and Fairbrass (2021), the government is the key actor capable of convincing businesses to implement CSR. Therefore, further research is needed to see how the State can fully promote its role in enhancing CSR for businesses, especially SMEs.

In Vietnam, the concept of CSR began to be widely known around the year 2000 through various activities of multinational corporations (MNCs). However, it is worth mentioning that CSR, since its inception until now, is still a forced choice for many Vietnamese enterprises. The lack of full awareness of CSR and the limitations in resources of businesses, especially SMEs, have led to fraudulent activities in business, financial reporting, producing poor quality goods, intentionally polluting the environment, or violating legal regulations on wages, insurance, and labor safety.

Hanoi is the country's largest economic center with the second-largest number of active businesses in the country (more than 370,000 businesses), of which the number of SMEs accounts for 98%; contributing about 50% of GDP to Hanoi,

creating jobs for more than 50% of the workforce (Thuy An, 2023). In recent times, along with rapid economic growth, Hanoi is also struggling with many diverse challenges stemming from rapid urbanization and the negative impacts of business activities on the local community and environment. Besides the causes from the business side, there are also causes from the State side when it has not fully promoted its important role in supporting and promoting businesses, especially SMEs, to better fulfill their social responsibilities.

Based on the above theoretical and practical issues, the author has chosen the topic “*Enhancing Corporate Social Responsibility for Enterprises in Vietnam - A Case Study of Small and Medium Enterprises in Hanoi*”.

2. Research purpose and tasks

2.1. Research purpose

Through researching a case study of SMEs in Hanoi, the thesis provides recommendations and solutions, especially from the State management agencies, to promote SMEs in Vietnam, including SMEs in Hanoi, implementing CSR; thereby enhancing the CSR efforts of businesses in Vietnam in general.

2.2. Research tasks

– *Firstly*, overview the research related to the topic; from there, clearly identify the contents that have been researched and can be inherited, the contents that have not been resolved, and point out the research gaps.

– *Secondly*, build a theoretical framework on CSR; at the same time, study some practical lessons on the implementation of policy mechanisms of national governments to support and promote businesses, including SMEs, to implement CSR as well as experiences on efforts to enhance CSR implementation of some businesses themselves, especially SMEs in the world.

– *Thirdly*, build a model of factors affecting CSR implementation and research hypotheses.

– *Fourthly*, analyze and assess the current CSR status of SMEs in Hanoi city, as a basis for providing solutions and recommendations.

– *Fifthly*, based on the research results, provide recommendations and solutions, especially from the State management agencies, to promote SMEs in Hanoi to better implement CSR in the coming time.

3. Research questions

– *First*, how to assess the level of awareness, the level of integration of CSR into business strategy, and the level of CSR practice?

– *Second*, what factors affect CSR of SMEs? What is the direction and level of impact of these factors on CSR of SMEs in Hanoi?

– *Third*, what is the current status of awareness, integration of CSR into business strategy, and CSR practice of SMEs in Hanoi? What difficulties and obstacles prevent SMEs in Hanoi from raising awareness of CSR, integrating CSR into business strategies and implementing CSR practices?

– *Fourth*, what are the recommendations and solutions, especially from the State management agencies, to improve CSR for SMEs more effectively in the future?

4. Research object and scope

4.1. Research object

The research object of the thesis is the problem of CSR of SMEs in Hanoi.

4.2. Research scope

- *Scope of content*: The thesis focuses on researching the current status of CSR of SMEs approached in a general way from the perspective of a process that includes both corporate awareness and action, specifically studying: (1) *Corporate awareness of CSR*, (2) *Corporate integration of CSR into business strategy*, and (3) *Corporate CSR practice reflected in the practice of three aspects of economic, environmental, and social responsibility*.

- *Spatial scope*: The thesis chooses to study the CSR issue of SMEs in the Hanoi city area.

- *Time scope*: The thesis uses secondary data for research. The current situation of SMEs in Hanoi in the period of 2017-2022, and primary data were investigated from March 2024 to June 2024 to study the current situation of factors affecting CSR of SMEs in Hanoi; thereby making recommendations and proposing solutions for the

period up to 2030.

5. Research approach and methods

5.1. Research approach

- *Approach from the perspective of state management*

The topic approaches the CSR issue from the perspective of state management, that is, based on the study of the current status of CSR and factors affecting CSR of SMEs in Hanoi, in order to focus on providing policy implications to promote SMEs in Hanoi to act more responsibly towards society.

- *System approach*

A systematic approach is used to assess internal and external factors affecting CSR of SMEs in Hanoi, thereby forming an overall picture of the relationship between these factors and CSR issues. The systematic approach is also demonstrated by studying CSR issues as a process from awareness to practical action.

- *Case-study approach*

Through researching the case study of SMEs in Hanoi, the thesis raises common issues in promoting SMEs in Vietnam to implement CSR in the coming time, thereby enhancing the CSR efforts of businesses in Vietnam in general.

5.2. Research methods

Qualitative Research Methods: Conducted through desk research and in-depth interviews.

Quantitative Research Methods: Implemented through designing and analyzing survey data (based on SPSS 26 and Smart PLS 4.0 software).

6. New contributions of the thesis

6.1. Theoretical contributions

Firstly, the thesis approaches and explains the concept of CSR based on the Triple Bottom Line (TBL) Theory. The thesis also clarifies the theoretical basis of CSR from the perspective of a process including both awareness and action of enterprises; thereby adding valuable contributions to the system of scientific research related to the topic of CSR.

Secondly, based on Institutional Theory, Stakeholder Theory, Resource-Based View, and the author's qualitative research, the thesis has built a model of the relationship between internal and external factors affecting CSR; and at the same time, building scales for latent variables in the model. Through qualitative research, factors affecting CSR have been adjusted to suit the target audience of SMEs and the context of Vietnam.

Thirdly, the thesis used the SEM linear structural model to test the relationship between factors on CSR awareness and actions of SMEs in Hanoi. The test results are the basis for making recommendations and proposing solutions to improve CSR for SMEs in Hanoi in the coming time.

6.2. Practical contributions

The thesis has contributed to applying the theoretical basis of CSR to clarify the case study on CSR of SMEs in Hanoi. Based on the analysis of the current status of awareness and implementation of CSR in SMEs in Hanoi, along with examining the impact of factors (including factors related to State entities) on CSR, the thesis makes recommendations and proposes feasible solutions to improve CSR for SMEs more effectively in the coming time.

The findings of the thesis show that the factors "Legal regulations and support policies of the State," "Support from social organizations," "Customer pressure," "Financial capacity of enterprises," and "Corporate culture" all have positive impacts on promoting SMEs to integrate CSR into business strategies; in addition, factors such as "Business leadership" and "Corporate culture" are the two factors that have the strongest impact on the awareness and practice of CSR of SMEs. These are important findings for making recommendations and solutions.

7. Structure of the thesis

The main content of the thesis is structured in 5 Chapters and 15 sections.

Chapter 1

OVERVIEW OF RESEARCHES, RELATED TO THE DISSERTATION'S TOPIC

1.1. RESEARCH WORKS, RELATED TO THE DISSERTATION'S TOPIC

1.1.1. Fundamental theories related to corporate social responsibility

The basic theories of CSR all seek to explain the nature of CSR activities of enterprises. Enterprises implementing CSR can be motivated by **voluntary** motives such as profit (Shareholder Value Theory), **compulsory** motives such as compliance with the law (Legality Theory), or **both voluntary and compulsory** motives such as pressures (Institutional Theory), profit and increased competitiveness (Resource-Based Theory, Stakeholder Theory, Shared Value Creation Theory), and profit and sustainable development (Triple Bottom Line Theory).

1.1.2. Models of social responsibility

Although there are differences in the way CSR dimensions are divided in the models (Carroll model: 4 dimensions, L'Etang model: 3 dimensions, Dahlsrud model: 5 dimensions), the similarity is that these dimensions can be grouped into two main groups: mandatory responsibility group and expected responsibility group.

1.1.3. Main research topics related to corporate social responsibility

1.1.3.1. Studies on the content of corporate social responsibility

Although CSR is a term with a long history, there has been no consensus among researchers on its content, as a wide range of issues, from climate change and environmental conservation to human rights and labor practices, are discussed under the CSR umbrella. Therefore, one of the major challenges that businesses face when it comes to CSR is the lack of a clear framework for implementing CSR initiatives.

1.1.3.2. Studies on awareness and practice of corporate social responsibility

Studies show that there seem to be many differences between the level of awareness and the actual implementation of CSR between large enterprises and SMEs, stemming from many differences in the characteristics of these two types of enterprises.

1.1.3.3 Studies on factors affecting the implementation of corporate social responsibility

Studies have provided evidence of factors affecting CSR practices of enterprises in general and SMEs in particular. According to researchers, factors affecting CSR commitments of enterprises can be divided into groups of internal and external factors. However, some studies have reached inconsistent conclusions, which can be explained by differences in research context or specific research subjects.

1.1.3.4. Studies on how to measure corporate social responsibility

Measuring CSR remains a controversial issue with many different opinions and perspectives, as each approach is not without its limitations. This means that businesses often have to develop their own CSR strategies and metrics, which can be time-consuming and costly. Furthermore, measuring the effectiveness of CSR initiatives can be challenging, as their impact is often long-term and difficult to quantify.

1.1.4. Studies on the role of the Government in enhancing corporate social responsibility

While CSR implementation is considered to be an inherent task of each enterprise, where enterprises voluntarily carry out activities beyond social expectations to contribute to the community, more and more studies show that the government, through various tools, can become an important subject in promoting enterprises to implement CSR.

1.2. OVERVIEW OF RESEARCH AND RESEARCH GAP

1.2.1. Results achieved from research projects

It can be said that research works up to now have built an extremely rich theoretical foundation with fundamental theories, models along with different perspectives and approaches related to CSR in general and CSR of SMEs in particular.

Research also has provided an overall picture of CSR practices in enterprises in general as well as in enterprises in specific business sectors in particular, of large enterprises as well as SMEs, showing the achievements as well as the remaining

limitations. Many studies on CSR of SMEs have also shown that there are differences in awareness and commitment, CSR practices between large enterprises and SMEs.

Regarding the issue of improving CSR for businesses in general and SMEs in particular, studies have provided both theoretical and practical bases for solutions to promote CSR practices, from both the business and the State sides. The studies all emphasize the institutional issue to create a tight and synchronous legal framework to support effective CSR-related activities, while emphasizing the important role of the State in promoting responsible business enterprises, thereby making many proposals on initiatives that national governments can apply.

The methods used in CSR research are also quite diverse, including qualitative, quantitative, and mixed methods.

1.2.2. Research gap

– Although the number of research works on the topic of CSR is very rich, due to the many approaches and many different CSR research models, there is still no consensus among scholars on the content and meaning of CSR. Many studies on the same issue give contradictory results. Many theories are used in CSR studies, including studies that do not use any theory in the analysis. In studies in Vietnam, the concept of CSR approached according to the aspects of Carroll's Pyramid Model is quite popular; however, the number of studies approaching the concept of CSR from the Triple Bottom Line (TBL) Theory is still limited.

– Most of the current CSR research focuses on developed countries, while the number of CSR research in developing countries like Vietnam is still modest.

– Most of the CSR research to date has been related to large enterprises, while CSR lessons and approaches cannot be simply transferred from large enterprises to SMEs, which have their own characteristics with many resource constraints (Aharoni, 2024; Sarna 2024).

– Due to the inherent nature of CSR activities, many studies on CSR in Vietnam approach it from the perspective of corporate governance, especially when considering factors affecting CSR practices, studies often refer to internal factors of the business such as: awareness of business owners, financial capacity or factors that

are close stakeholders of the business such as customers, employees. Research on CSR from the perspective of economic management such as studying the impact of external environmental factors such as institutions in Vietnam is still quite rare and studies are giving conflicting results.

– In terms of research methods, most studies on the topic of CSR in Vietnam use quantitative methods. This is understandable because many studies have shown that it is difficult to apply the model and criteria for measuring CSR in developed countries to developing countries like Vietnam, because developing countries do not have a reliable and accepted system for measuring CSR indexes. Therefore, it is meaningful to develop more studies on CSR using mixed methods to increase the richness of data sources as well as overcome the limitations of each method.

Thus, the above “gaps” will be the basis for the thesis to focus on clarifying existing issues in both theory and practice, and ensure that the topic is new and does not overlap with previous studies.

Chapter 2

THEORETICAL AND PRACTICAL BASIS FOR ENHANCING CSR IN ENTERPRISES

2.1. CONCEPT OF SOCIAL RESPONSIBILITY AND ENHANCING SOCIAL RESPONSIBILITY FOR ENTERPRISES

2.1.1. Corporate social responsibility

Based on the inheritance of the CSR perspective of WB (2004), UNIDO (2022) and approaching CSR with TBL theory, the author presents the following perspective on CSR: “*CSR is a commitment of enterprises to integrate social and environmental concerns into business operations and interactions with stakeholders towards sustainable development for the enterprise itself and for the whole society*”.

2.1.2. Enhancing corporate social responsibility

Based on the above concept of corporate social responsibility, it can be understood that enhancing corporate social responsibility is “the comprehensive application of methods and policies to raise awareness, promote and facilitate businesses to achieve a balance between **economic, environmental, and social responsibilities** with all stakeholders towards sustainable development for the business itself and for the whole society.”

In essence, improving CSR is to create changes in businesses’ awareness of CSR and promote businesses to turn awareness into action; specifically, promote businesses to integrate CSR into their business strategies and promote businesses to implement CSR practices.

Improving CSR requires the coordination of key actors, including enterprises, the State, social organizations, and other stakeholders. From the perspective of State management, competent State management agencies need to make decisions and, through various tools, direct, orient, and implement targeted measures to facilitate and promote enterprises to raise awareness, integrate CSR into their business strategies, and implement their CSR activities.

2.2. THE NEED TO IMPROVE CORPORATE SOCIAL RESPONSIBILITY

2.2.1. Improving social responsibility brings benefits to businesses

- Increase employee engagement with the business, attract high-quality human resources; increase financial efficiency; enhance brand value and reputation; meet international standards; create long-term and sustainable development for business.

2.2.2. Enhancing social responsibility benefits the whole society

- Strengthen the relationship between enterprises and the State and contribute to sustainable economic development; contribute to environmental and ecological protection, creating a more sustainable society; build society and rebalance social interests; create a business community that together contributes to a better society, towards sustainable development.

2.3. FACTORS AFFECTING CORPORATE SOCIAL RESPONSIBILITY

2.3.1. External factors

- Institution
- Pressure from stakeholders, including: pressure from social groups, non-governmental organizations, pressure from competitors, pressure from customers, pressure from employees

2.3.2. Internal factors

- Business leaders
- Financial capacity of the enterprise
- Corporate culture

2.4. CRITERIA FOR ASSESSING CORPORATE SOCIAL RESPONSIBILITY

With the current secondary database of enterprises in Vietnam, it is not possible to evaluate the aspects of improving social responsibility. Therefore, based on the inheritance of research by domestic and foreign scholars and the results of qualitative research, the author proposes a set of criteria and a scale for measuring the dependent variable “Corporate Social Responsibility” and evaluates these criteria based on a survey. In order to provide comprehensive solutions, the author will evaluate the current status

of CSR in a general way from the perspective of a process including both awareness and action of enterprises.

2.5. SOME EXPERIENCES IN IMPROVING CORPORATE SOCIAL RESPONSIBILITY IN THE WORLD

2.5.1. Experience of government policies in promoting businesses to fulfill social responsibilities

2.5.1.1. Experience in creating changes in corporate awareness of CSR and promoting corporate integration of CSR into business strategy

Experience of European Union (EU) countries: Netherlands, Denmark.

2.5.1.2. Experience in promoting businesses to practice CSR

Experience of China, India, EU, USA, UK, Singapore, Canada.

2.5.2. Experience of enterprises in improving corporate social responsibility

Experience of ANA, Starbucks, Vibrent Health, Soft Grass.

2.5.3. Some lessons learned

2.5.3.1. For State management agencies

To encourage businesses to act more socially responsible, the State can use the following tools:

- *Information tools*
- *Legal tools*
- *Economic tools*

2.5.3.2. For businesses

By fully understanding CSR and integrating sustainability into business strategies and operations, businesses can contribute to solving global challenges, build trust with stakeholders, and gain a competitive advantage. When businesses maximize and harmonize benefits for all stakeholders, they will also achieve sustainable benefits, which are the foundation for the long-term existence and development of businesses.

Chapter 3

RESEARCH METHODS AND RESEARCH MODEL

3.1. RESEARCH PROCESS

The research process can be divided into two phases: qualitative research and quantitative research.

3.2. QUALITATIVE RESEARCH

3.2.1. Desk research

The author uses the *desk research method* to collect, synthesize, and analyze domestic and foreign research works related to the topic, thereby determining the theoretical basis for the research, pointing out research gaps, and proposing a research model on eight factors affecting CSR.

The desk research method also helps the author point out practical lessons on improving corporate social responsibility..

3.2.2. In-depth interviews

- *Purpose*

With the aim of examining whether the proposed model and scale are suitable in the context of SMEs in Hanoi, the author conducted in-depth interviews to calibrate the model and scale appropriately.

- *Sampling method*

The sampling method here is purposive sampling. Regarding experts, the author selected experts with professional competence and practical experience, who have a deep understanding of issues related to the research topic to ensure the quality of information collected. Regarding enterprises, the author selected SMEs operating in Hanoi and interviewed the Directors or Senior Managers of these enterprises because these are the people who understand the mission and business strategy of the enterprise the most.

- *Implementation method and results*

The author used *semi-structured interviews*. Therefore, to prepare for the interviews, the author had to design a preliminary questionnaire with different contents for the two interview subjects. After qualitative research, the author adjusted the model, research hypotheses, and scales for the variables.

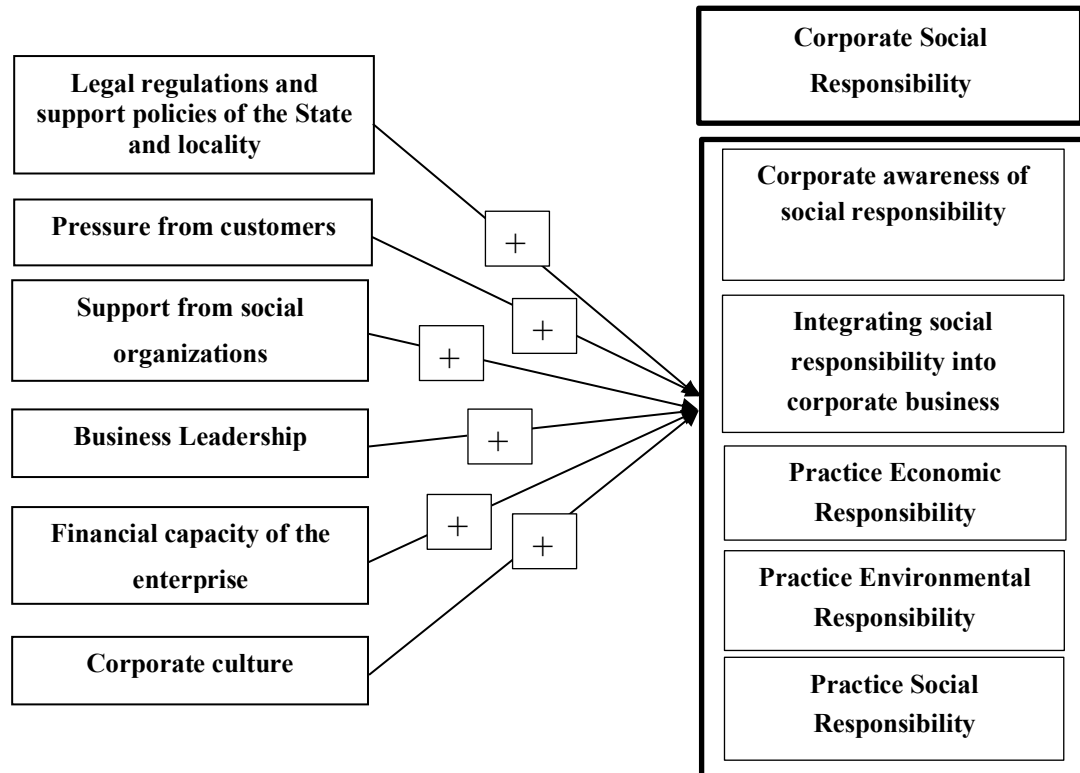


Figure 3.3. Formal researching model

3.3. QUANTITATIVE RESEARCH

- Purpose

To obtain quantitative information and test the research model related to individual factors affecting the social responsibility of SMEs in Hanoi, the author uses a *survey research method* using a questionnaire.

- Sampling method

The author used the *convenience sampling method – non-random*.

The author conducted a survey and collected 265 survey forms.

The cleaning results obtained 227 forms (85.67%) that met the requirements. Descriptive statistics of the research sample are as follows: 169/227 (74.5%) of the survey respondents are senior and middle managers of the enterprise (of which 48.9% are senior managers). The majority of respondents have university and postgraduate degrees (accounting for 94.8%), with working experience of 10 years or more (accounting for 54.6%).

Of the enterprises participating in the survey, nearly 75% are enterprises operating in the field of trade and services, more than 82% are private enterprises,

more than 47% have been established for over 10 years, and more than 73% are enterprises with no export activities

- Implementation method

From the standardized model, the author proceeded to build a preliminary survey questionnaire. The preliminary questionnaire was sent to Directors/Senior Managers of 15 SMEs in Hanoi for a pilot survey to assess feasibility. Based on the feedback from respondents, the author edited the official survey questionnaire consisting of two main parts, using a 5-point Likert scale with 45 observed variables.

After that, the author contacted the leaders or managers at all levels from the grassroots level up of SMEs in Hanoi and surveyed for opinions both directly and online via Google Form. After obtaining the survey results, the data were cleaned, coded, and entered into SPSS 26 and Smart PLS 4 software for processing.

- Data analysis methods

- + Descriptive statistical methods
- + Scale reliability analysis
- + Evaluation of measurement model: Evaluation of reliability, Evaluation of scale convergence (convergent validity), Evaluation of discriminant validity (discriminant validity)
- + Structural model evaluation: Path Coefficient impact weight, Degree of explanation of independent variable for dependent variable (R squared)

Chapter 4

CURRENT STATE OF CORPORATE SOCIAL RESPONSIBILITY AMONG SMALL AND MEDIUM ENTERPRISES IN HANOI

4.1. OVERVIEW OF THE ECONOMIC, ENVIRONMENTAL AND SOCIAL CONTEXT OF HANOI CITY AND THE NEED TO IMPROVE SOCIAL RESPONSIBILITY FOR SMALL AND MEDIUM ENTERPRISES

During the decade 2008 - 2018, Hanoi's economy had an impressive average annual growth rate of 7.41%, far exceeding the national average of 6% (Minh Duyen, 2018). The period from 2020 to 2021 was marked by the negative impacts of the COVID-19 pandemic on the capital's economy. The capital's economic growth was only half that of the period from 2019 and before and both failed to meet the planned targets. In 2022, Hanoi witnessed a remarkable economic recovery, with a gross regional domestic product (GRDP) increased to 8.96%, exceeding the initial target of 7.0 - 7.5%. However, Hanoi's investment and business environment is considered to have not improved much, still has many limitations, high potential risks, and lacks transparency.

Besides, as a centrally-governed city, a large urban area, and the capital of Vietnam, Hanoi is also struggling with many diverse challenges stemming from rapid urbanization and the negative impacts of business activities on the local community and environment.

To address the social and environmental challenges arising from Hanoi's economic development towards sustainable development, improving CSR for businesses in Hanoi, especially SMEs, is of great significance.

4.2. OVERVIEW OF SMALL AND MEDIUM ENTERPRISES IN HANOI AND THE CURRENT STATE OF SOCIAL RESPONSIBILITY OF SMALL AND MEDIUM ENTERPRISES IN HANOI

4.2.1. General overview of small and medium enterprises in Hanoi

Most of the enterprises in Hanoi are SMEs. However, SMEs are only numerous in quantity, while their quality, business efficiency, and competitiveness in the market are still low. SMEs often have small capital and limited human resources,

leading to disadvantages in production and business activities, limitations in the ability to mobilize capital from commercial banks or financial institutions; thereby, they are vulnerable to economic shocks. This is also the reason why many enterprises prioritize dealing with the pressure to survive and exist in a fiercely competitive environment instead of paying attention to aspects that help enterprises develop sustainably.

4.2.2. Current status of social responsibility of small and medium enterprises in Hanoi

4.2.2.1. Current status of CSR awareness of enterprises

The survey results showed that out of 227 respondents, 27 (11.9%) had never heard of the term CSR. The remaining 200 (88.1%) had heard of CSR; of which 124 (54.6%) had heard of it but did not fully understand it, and 76 (33.5%) had heard of it and clearly understood its connotation. In addition, the research results showed that although there were still many people who did not fully understand the connotation of CSR, almost all those who knew about CSR understood the importance of CSR.

Quantitative research results on the average scores of the scales for the variable “Corporate CSR awareness” at a fairly high level (from 3.76 to 3.96) show that although SMEs have many difficulties hindering the implementation of CSR, they are increasingly having correct perceptions about CSR as well as about the importance of CSR.

4.2.2.2. Current status of integrating CSR into business strategies of enterprises

When asked about the level of CSR integration of enterprises, 45/227 enterprises (19.8%) answered that they do not have a specific strategy related to CSR; 68/227 enterprises (30%) do not have a specific strategy related to CSR but are implementing CSR at various levels; 75/227 (33%) enterprises have integrated CSR into their business strategy and are implementing CSR at various levels and 39/227 (17.2%) enterprises have implemented CSR and published CSR Reports.

The average score on the 5-point Likert scale for integrating CSR into the business strategy of the enterprise is at a fair level (from 3.42 to 3.59), showing that

in general, enterprises have begun to be aware of integrating CSR standards into their business strategy. However, this average result is lower than the average score on the 5-point Likert scale for awareness above, implying that there are still many difficulties from awareness to action.

Qualitative interview results show that experts also believe that many SMEs are aware of implementing CSR but do not have a systematic CSR integration strategy.

4. 2. 2.3 Current status of CSR practices of enterprises

When asked about the difficulties that hinder businesses from implementing CSR, only 8.5% answered that “Businesses do not see the benefits of implementing social responsibility.” This is also consistent with the survey results of businesses’ awareness of CSR when the majority of businesses assessed that implementing CSR is necessary and absolutely necessary. However, the results also showed that only 2/227 (0.6%) businesses answered that they did not encounter any difficulties; the remaining 37.2% of businesses said that they encountered difficulties due to lack of resources; 31.7% encountered difficulties due to lack of knowledge and 21.1% said that they lacked support.

Despite many difficulties, the average result on the 5-point Likert scale on corporate CSR practices is quite good.

4.2.3. Factors affecting the social responsibility of small and medium enterprises in Hanoi

4.2.3.1. Results of testing the impact of factors affecting social responsibility of small and medium enterprises in Hanoi

- ***Testing the reliability of the scale***

The reliability assessment of the scales shows that all scales are highly reliable (with Cronbach’s Alpha coefficients ranging from 0.825 to 0.956). The correlation values with the total variable of the observed variables also range from 0.672 to 0.915, demonstrating that the observed variables have a fairly high correlation with the total variable and with each other. Thus, the scales ensure reliability.

- ***Evaluation of measurement model***

- Evaluate the convergence of the scale

The results of OL and AVE evaluation are shown in Appendix 6. Accordingly, OL of observed variables are all > 0.7 , indicating that the observed variables have good significance, and AVE is also all > 0.5 . Thus, each construct shows good convergent value.

- Discriminant value assessment

Based on the Fornell-Larcker table, it can be seen that the value on the diagonal is larger than any correlation coefficient value in the column containing it, which shows that the scales have discriminant validity.

- Check for multicollinearity

Based on the results of the variance inflation factor (VIF) test in Appendix 6, it can be seen that all VIF coefficients are < 5 , so it can be affirmed that multicollinearity does not occur, and there is no high correlation between independent variables. From the above analysis results, it can be concluded that the scales used in the research model have good reliability and validity. In addition, the phenomenon of multicollinearity does not appear. Therefore, these scales will be used for analysis in the structural model.

• Structural model evaluation

The evaluation of the structural model path coefficients of the model was performed using the bootstrapping method. The results of the relationships were integrated with the structural diagram of the model and shown in the following figure:

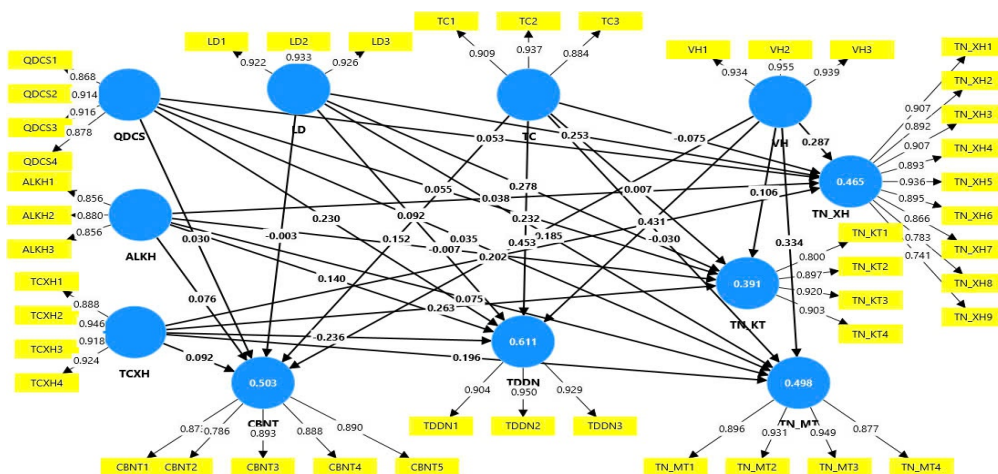


Figure 4.1. PLS-SEM structural model results

Based on the results of direct relationships between constructs, only 11 hypotheses were accepted and the impact of factors on dependent variables was analyzed as follows:

- *For the dependent variable "Corporate CSR awareness" (CBNT)*

The only accepted hypothesis is: *Corporate culture has a positive impact on corporate CSR awareness.*

- *For the dependent variable "Integrating CSR into the business strategy of the enterprise" (TDDN)*

The test results show that the factors: Government regulations and support policies, Customer pressure, Support from social organizations, Financial capacity and Corporate culture all have a positive impact on integrating CSR into the business strategy of the enterprise.

- *For the dependent variable "Practice economic responsibility" (TN_KT)*

The test results show that only one factor, Business Leadership, has a positive impact on the practice of economic responsibility.

- *For the dependent variables "Environmental responsibility practice" (TN_MT) and "Social responsibility practice" (TN_XH)*

The test results show that only two factors, namely Corporate Leadership and Corporate Culture, have a positive impact on the practice of environmental responsibility and both of these factors have a positive impact on the practice of corporate social responsibility.

Thus, the above results can show that the implementation of responsibilities such as economic, environmental, and social is still the business itself. Other factors will have a supporting impact, providing knowledge, reducing challenges such as resource limitations of businesses to promote businesses to implement CSR systematically and long-term by integrating CSR elements into the strategy instead of just implementing a few small activities, lacking direction and lacking a specific strategy.

4.3. GENERAL ASSESSMENT OF THE CURRENT STATUS OF IMPROVING SOCIAL RESPONSIBILITY FOR SMALL AND MEDIUM ENTERPRISES IN HANOI

4.3.1. On the level of awareness of CSR of enterprises

Survey data shows that most SMEs are aware of the term CSR and are aware that implementing CSR is important. However, there is still a need to raise awareness of CSR among SMEs because there are still businesses that do not fully understand the aspects of CSR, thinking that CSR is only related to contributing to the community and wondering whether implementing CSR is an investment or an expense. Many SMEs face difficulties due to not knowing or not having enough knowledge about CSR standards.

4.3.2. On the level of integrating CSR into the business strategy of the enterprise

Most SMEs do not have a specific CSR strategy and have difficulty integrating CSR into their business strategy. In fact, for SMEs, especially micro-enterprises, it is already difficult to build a long-term business strategy, so integrating CSR into the strategy is an even bigger obstacle.

The cause of this problem is primarily due to the characteristics of SMEs. SMEs are often limited in resources such as finance, human resources and knowledge, etc. to be able to implement a systematic CSR strategy.

4.3.3. On the level of CSR practice

The survey results show that SMEs in Hanoi are generally aware of implementing CSR activities. However, environmental responsibility practices have not received due attention, while environmental protection towards green growth is one of the key tasks of economies. Thus, it can be said that to increase awareness and promote SMEs to practice CSR, businesses themselves must play a core and pioneering role in CSR initiatives; business leaders must have a strategic management mindset that balances profits and other social impact and a real effort to build a corporate culture that shares sustainable values . At the same time, there is also a great need for support from the State and other stakeholders.

Chapter 5

DIRECTIONS AND SOLUTIONS TO ENHANCE CSR FOR SMES IN VIETNAM

5.1. THE NEW CONTEXT OF THE WORLD AND GENERAL ORIENTATION ON IMPROVING SOCIAL RESPONSIBILITY FOR ENTERPRISES IN VIETNAM

5.1.1. The new context of the world

In the process of integration into the world economy, Vietnam has promoted cooperation with countries around the world and actively participated in Free Trade Agreements (FTAs), especially new generation FTAs such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Vietnam - European Union Free Trade Agreement (EVFTA). These are two agreements with a wide and comprehensive scope of commitments with the highest level of commitment ever. In the CPTPP and EVFTA, CSR-related contents are mentioned with a higher and more stringent level of requirements in the form of sustainable development goals.

Besides FTAs, countries around the world also introduce many new requirements related to CSR issues. Thus, international economic integration gives businesses great opportunities to develop, but at the same time puts Vietnamese businesses in general and SMEs in particular, especially businesses participating in the supply chain, in the pressure of implementing CSR practices, with stricter standards and greater accountability.

5. 1.2. General orientation on enhancing social responsibility for enterprises in Vietnam

In Vietnam, Deputy Prime Minister Tran Luu Quang signed Decision No. 843/QD-TTg dated July 14, 2023, on promulgating the National Action Program *to improve policies and laws to promote responsible business practices in Vietnam for the period 2023 - 2027*.

5.2. RECOMMENDATIONS AND SOLUTIONS TO IMPROVE SOCIAL RESPONSIBILITY FOR SMALL AND MEDIUM ENTERPRISES IN VIETNAM IN THE COMING TIME

5.2.1. Some policies related to finance

- Policy to support SMEs in accessing credit
- Preferential tax policies for SMEs implementing social responsibility

5.2.2. Some non-financial policies

- *First*, raise awareness of CSR among the community and stakeholders.
- *Second*, disseminate knowledge about corporate culture and support the building of corporate culture associated with CSR values.
 - *Third*, research models of integrating CSR into business strategies specifically for SMEs and disseminate and guide SMEs; at the same time, encourage and reward initiatives to promote SMEs to implement CSR.
 - *Fourth*, research and perfect legal policies related to CSR, and encourage businesses to develop CSR reports.
 - *Fifth*, create policy mechanisms for social organizations (non-governmental organizations, business associations, etc.) to coordinate and participate in CSR-related activities for SMEs.
 - *Sixth*, promote public procurement activities integrating CSR.

CONCLUSION

The thesis approaches the CSR issue of SMEs in a general way from the perspective of a process including both awareness and action of enterprises, specifically studying: (1) *Enterprise awareness of CSR*, (2) *Enterprise integration of CSR into business strategy*, and (3) *Enterprise CSR practice reflected in the practice of three aspects of economic, environmental, and social responsibility*. In addition, based on the theoretical foundation of Institutional Theory, Resource-based Theory, and Stakeholder Theory to explain and study internal and external factors affecting CSR. By combining qualitative and quantitative methods, the author has analyzed and evaluated the current status of CSR awareness and practice of SMEs in Hanoi. Accordingly, in general, SMEs in Hanoi have relatively good awareness of CSR; however, from awareness to action is still a long journey that requires a lot of effort from the enterprises themselves as well as the support of stakeholders. In addition, the thesis has pointed out the factors that have a positive impact on CSR of SMEs in Hanoi; as a basis for making recommendations and proposing solutions to promote SMEs in Vietnam to operate more responsibly in the coming time. Solutions approached from the State include solutions to help raise awareness, promote SMEs to integrate CSR into business strategies, and promote SMEs to practice economic responsibilities, environmental responsibilities, and social responsibilities.

Despite some limitations, the thesis has provided valuable findings and recommendations for policymakers and scholars seeking to promote sustainable development, ethical business behavior, and social impact in the context of Vietnam. By adopting a strategic approach and integrating it into their core operations, SMEs in Hanoi in particular and Vietnamese SMEs in general can pave the way for a more sustainable, inclusive, and responsible business environment that benefits all stakeholders.